

Stanislaus County

Fiscal Year 2020-2025 Regional Analysis of Impediments to Fair Housing Choice

For HUD Entitlement Grantees:

Stanislaus Urban County, City of Modesto, City of Turlock

&

HUD Public Housing Authority: Stanislaus Regional Housing Authority

This is the final version of the “Fiscal Year 2020-2025 Regional Analysis of Impediments to Fair Housing Choice”. New wording is indicated in bold font and deleted wording is reflected in strikethrough font. *

*Note: Bold and strikethrough text was not used for administrative cleanup.

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EXECUTIVE SUMMARY

The Federal Fair Housing Act of 1968 banned discrimination against groups who historically faced unequal treatment in all types of housing. These groups are called “protected classes” under the law. It is important to acknowledge historical discrimination and segregation as well as current ongoing discrimination and barriers to housing choice. Housing barriers are influenced by policies and ordinances developed at all levels of government as well as commercial decisions such as mortgage lending criteria and housing development.

The Department of Housing and Urban Development (HUD) enforces the Federal Fair Housing Act, and as such requires communities receiving HUD funds to “affirmatively further fair housing” or make meaningful actions to remove barriers to housing choice.

The Analysis of Impediments to Fair Housing Choice (AI) is developed to identify the potential barriers (“impediments to fair housing choice”) that residents of Stanislaus County may face by exploring housing, demographic, fair housing data, and neighborhood opportunity for outward signs of housing discrimination and indicators of patterns of discrimination that may not be obvious.

The impediments identified in this document will work to inform policy and programs throughout the County. The Stanislaus County Regional AI has been created as a collaborative document between the Stanislaus Regional Housing Authority, Stanislaus Urban County (including the cities of Ceres, Hughson, Newman, Oakdale, Patterson, Riverbank, and Waterford), the City of Modesto, and the City of Turlock.

Summary of Key Findings

1. There is currently a low supply of affordable housing and limits on new housing development, with long waitlists for existing affordable housing units. There is a particular shortage in housing for farmworkers and students.
2. Homeowner housing (both single-family homes and condos) values have increased steadily in all Stanislaus County municipalities since 2012. The highest values are in Oakdale, with a typical housing unit worth \$368,000 in 2019. The lowest value for a typical house in 2019 is in Waterford, about \$270,000.
3. California’s Assembly Bill 686 (AB-686) sets forth many housing regulations including the requirement that all public agencies working within housing and community development must “affirmatively further fair housing”.
4. Stanislaus County is projected to grow by 800,000 residents, a 37 percent increase, in the next 40 years. The County has grown more diverse in terms of race and ethnicity over the past 30 years, reflected in current geographic residence patterns and primary language spoken at home.
5. Housing affordability is affected by low wages, experienced on average at a higher rate by seniors on fixed incomes, those with at least one disability, and certain racial and ethnic groups.
6. 44 percent of Stanislaus County households earning \$20,000 or less annually do not have Internet access, while only 6 percent of households making at least \$75,000 do not have access.
7. Disability remains the highest reported category for fair housing discrimination in the County.

Analysis of Impediments Overview

The Analysis of Impediments to Fair Housing Choice (AI) is a requirement imposed on recipients of certain federal grants from the U.S. Department of Housing and Urban Development (HUD). The development of the AI is part of each HUD grant recipient's obligation to 'affirmatively further fair housing' (AFFH). Section 808 of the Fair Housing Act defines AFFH as a legal requirement that federal grantees conduct HUD funded programs in a manner that furthers fair housing within the jurisdiction.

To accept funding from HUD, entitlement grantees must certify to affirmatively further fair housing by taking actions to further the goals identified in this AI and to not take actions that are inconsistent with their obligation to affirmatively further fair housing. (24 CFR §91.225(a)(1))

The Community Development Block Grant (CDBG) program also requires jurisdictions to certify compliance with anti-discrimination laws found in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations. 24 CFR §91.225(b)(6)

This document is the Stanislaus Urban County, City of Modesto, City of Turlock, and the Stanislaus Regional Housing Authority's first regional AI. Previously, Stanislaus Urban County and the City of Turlock conducted a regional AI together for the 2020-2025 AI, the City of Modesto and the Housing Authority have joined the efforts.

Although the AI is not required as part of the annual submission to HUD, HUD recommends that each jurisdiction regularly update its AI. HUD has suggested that the AI be conducted at least as often as the Consolidated Plan, which is required every five years. The Stanislaus Urban County, the City of Modesto, and the City of Turlock's current Consolidated Plans are valid through June 2020. The Stanislaus Regional Housing Authority is required to submit a plan every 5 years and is currently working within the *5-Year Plan for Fiscal Years 2019-2023*.

An AI is conducted so that communities are provided an opportunity to examine their progress toward their goals of eliminating illegal housing discrimination and providing current and future residents access to equal housing opportunities. As part of the AI process, communities identify specific barriers ("impediments") to fair housing choice and create action steps to remove or reduce these barriers.

This AI document assesses the extent of fair housing issues among specific groups by analyzing data for all Stanislaus County cities and the general region in relation to housing, demographics, and neighborhood opportunity. This AI also analyzes conditions in the private market and public sector that may limit the range of housing choices or impede access to housing.

Geography

This Stanislaus County Regional AI is a collaborative document between the Stanislaus Regional Housing Authority the three entitlement grantees within the County:

- Stanislaus Urban County
- City of Modesto
- City of Turlock

Stanislaus Urban County includes all unincorporated areas of the County and the following cities:

- Ceres
- Hughson
- Newman

- Oakdale
- Patterson
- Riverbank
- Waterford

Throughout this document, the following geographic terms may be used. To be clear, below is an explanation of each geographic term.

- **Stanislaus County (countywide):** Includes all cities within Stanislaus County as well as the unincorporated areas.
- **Stanislaus Urban County:** Includes the cities of Ceres, Hughson, Newman, Oakdale, Patterson, Riverbank, and Waterford. The Urban County also includes the unincorporated areas.
- **Unincorporated areas/County:** Areas of Stanislaus County that are not part of any municipality.
- **Entitlement Grantee:** The Community Development Block Grant (CDBG) entitlement grantees are Stanislaus Urban County, Modesto, and Turlock.
- **HOME Consortium:** The members of the HOME Consortium are the Stanislaus Urban County and the City of Turlock. The City of Turlock is the lead entity of the HOME Consortium.

BACKGROUND

Fair Housing Laws

Federal Law(s)

All municipalities in the United States are subject to the Fair Housing Act, administered and enforced by HUD.

In 1968, the Civil Rights Act was signed into law by President Lyndon Johnson to prohibit housing discrimination on the basis of race, religion, color, sex, and national origin. Title VIII of the act is also known as the Fair Housing Act. The law was passed after years of advocacy within the United States against overt race-, gender-, and religious-based discrimination and segregation in the sale and rental of housing. Additional protections were added for family status (women who are pregnant or the presence of children under 18) and disability in an amendment to the Fair Housing Act signed in 1988.

The Fair Housing Act applies to almost any person or group involved with housing in the United States, including landlords, realtors, homeowners associations (HOAs), mortgage lenders, and homeowners insurance companies. These people or groups cannot discriminate on the basis of race, religion, color, sex, national origin, familial status, or disability, which are also known as “protected classes.” It is illegal to take any of the following actions on the basis of protected class:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Otherwise make housing unavailable
- Set different terms, conditions, or privileges for sale or rental of a dwelling
- Provide a person different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- Make, print, or publish any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination

- Impose different sales prices or rental charges for the sale or rental of a dwelling
- Use different qualification criteria or applications, or sale or rental standards or procedures, such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures, or other requirements
- Evict a tenant or a tenant’s guest
- Harass a person
- Fail or delay performance of maintenance or repairs
- Limit privileges, services, or facilities of a dwelling
- Discourage the purchase or rental of a dwelling
- Assign a person to a particular building, neighborhood, or section of a building or neighborhood
- For profit, persuade or try to persuade homeowners to sell their homes by suggesting that people of a particular protected characteristic are about to move into the neighborhood (blockbusting)
- Refuse to provide or discriminate in the terms or conditions of homeowners insurance because of the race, color, religion, sex, disability, familial status, or national origin of the owner and/or occupants of a dwelling
- Deny access to or membership in any multiple listing service or real estate brokers’ organization
- Refuse to make a mortgage loan or provide other financial assistance for a dwelling
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising a dwelling
- Condition the availability of a loan on a person’s response to harassment
- Refuse to purchase a loan

It is also illegal to threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right or assisting others who exercise the right, or retaliate against a person who has filed a fair housing complaint or assisted in a fair housing investigation.

Exempted from the federal law are owner-occupied buildings with no more than four units, single-family houses sold or rented by the owner without an agent, and housing operated by religious organizations or private clubs that is limited to members. The State of California or local laws can add additional protections but cannot take away Fair Housing Act protections.

Table I: Protected Classes in Stanislaus County by Enforcement

Jurisdiction

Federal	State
<ul style="list-style-type: none"> • Race • Color • National Origin • Religion • Sex • Familial Status • Disability 	<ul style="list-style-type: none"> • Source of Income • Marital Status • Sexual Orientation • Gender Identity • Domestic Partnership

Examples of illegal housing actions under the Fair Housing Act are:

- An apartment manager only offering apartment units to families with children within one half of an apartment building.

- A landlord giving a \$10 application fee discount to housing applicants who attended the local high school.
- A realtor falsely declaring a house already has a purchase offer when showing a house to a couple who recently immigrated to the United States.
- An apartment manager running a credit check only on applicants under 30 years old.
-

Housing for Seniors

The Housing for Older Persons Act of 1995 (HOPA) creates an exception to Title VIII of the Fair Housing Act to allow for senior housing developments.

HOPA exempts specific types of housing for seniors (“older persons” in the law) from family status discrimination liability. To qualify for the "housing for older persons" exemption, the housing must fit certain criteria and comply with all the requirements of the exemption. These types of housing may be:

1. Provided under a state or federal program that the Secretary of HUD has determined to be specifically designed and operated to assist elderly persons (as defined in the state or federal program); or
2. Intended for, and solely occupied by persons 62 years of age or older; or
3. Intended and operated for occupancy by persons 55 years of age or older. (At least 80 percent of the units must have at least one occupant who is verified to be 55 years of age or older.) (Pub.L. 104–76, 109 Stat. 787, enacted December 28, 1995)

All other Fair Housing Act protects apply to housing for seniors including the prohibition from discrimination on the basis of race, color, religion, sex, disability, or national origin. (The Fair Housing Act: Housing for Older Persons, HUD Office of Fair Housing and Equal Opportunity)

Additional Protections for Persons with Disabilities

:

Housing providers are required to make reasonable accommodations and allow reasonable modifications that allow persons with disabilities to enjoy their housing. Under the Fair Housing Act, a person with a disability includes: Individuals with a physical or mental impairment that substantially limits one or more major life activities; individuals who are regarded as having such an impairment; and individuals with a record of such an impairment. Major life activities include walking, seeing, hearing, speaking, breathing, and working.

An accommodation is a change in any rule, policy, procedure, or service needed in order for a person with a disability to have equal access to and enjoyment of their home. For example, allowing a service animal despite a “no pets” policy or allowing a tenant to mail in a rent check when others must physically deliver checks to a drop box.

A modification is a structural change made to the existing premises occupied or to be occupied by a person with a disability in order to afford such person full enjoyment of the premises. A ramp installed into the front entrance of a house where there are only stairs, changing doorknobs to levers for someone with a mobility disability, or allowing a tenant with a sight impairment to install visual doorbells are all examples of reasonable modifications.

Advertising:

All types of housing advertising are governed by the Fair Housing Act, including paper flyers, newspaper ads, advertising on websites, and lawn signs. Advertisements cannot show a preference, a limitation, or discrimination based on protected class. Examples of illegal advertisements are:

- A lawn sign outside an apartment building that includes “sorry, no kids.”
- A realtor’s flyer for an open house only distributed in local churches.
- Website ads that claim an apartment is “perfect for young professionals.”

The National Fair Housing Alliance recommends that instead of focusing on who an ideal tenant would be or what type of person would likely not like a housing unit, an advertisement for housing should focus on the property characteristics and the amenities. Advertisements should be available to a broad number of people.

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Section 504

Section 504 of the Rehabilitation Act of 1973 (“Section 504”) states that “no qualified individual with a disability in the United States shall be excluded from, denied the benefits of, or be subjected to discrimination under” any program or activity that receives Federal financial assistance.

The law applies to housing with 5 or more units funded with Federal funds by requiring accessibility features in some dwelling units (a unit that is located on an accessible route and can be approached, entered, and used by individuals with physical disabilities) and all public areas in all new construction or substantial rehabilitation. At least 5 percent of new construction units in a federally funded development, or at least one unit, must meet accessibility standards to people with physical disabilities, and at least 2 percent, or at least one unit, must meet accessibility standards for hearing or visual disabilities. The standards for these units are found in the Uniform Federal Accessibility Standards (UFAS).

Section 504 regulations also apply to public buildings operated by agencies funded by federal assistance like housing authorities and schools.

Other Federal Laws

Other federal laws governing housing rights are:

- Title VI of the Civil Rights Act of 1964
- Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act of 1990
- Violence Against Women Act of 1994
- Equal Credit Opportunity of 1974

In addition, all HUD-funded housing programs are prohibited from discriminating based on sexual orientation, gender identity, or marital status under the 2016 Equal Access Rule.

While not law, the National Association of Realtors Code of Ethics prohibits licensed Realtors from discriminating based on sexual orientation. This code of ethics applies to all members of the California Association of Realtors.

California Law

The state of California expands Fair Housing Act protections under the Fair Employment and Housing Act (FEHA) enforced by the Department of Fair Employment and Housing within the Business, Consumer Services, and Housing Agency. All jurisdictions within California, including all in Stanislaus County, are governed by the FEHA, which prohibits discrimination in housing on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information.

Additional Protected Groups

The Unruh Civil Rights Act adds the additional protected classes: immigration status, primary language, citizenship, and arbitrary characteristics (age, occupation, etc.)

Until 2019, the definition of “source of income” in the FEHA did not include Section 8 Housing Choice Vouchers or other types of rental assistance. SB 329, passed in 2019, expands the definition of source of income to all “federal, state, or local public assistance and federal, state, or local housing subsidies,” including Section 8 Housing Choice Vouchers. This law will go into effect January 1, 2020.

Another bill that went into effect January 1, 2020 (SB 222) adds Veterans and Military Status to the persons protected under the FEHA.

California Civil Code 1946.7 gives housing protections to victims of domestic violence, sexual assault, stalking, abuse of an elder or dependent adult, or human trafficking. Under this law, a landlord may not terminate a tenancy or fail to renew a tenancy based upon a tenant or a tenant’s household member being a victim of one of these crimes.

Additional Protected Housing

The California FEHA covers additional types of housing not covered under the Federal Fair Housing Act. The California FEHA covers *any building, structure, or portion thereof that is occupied as, or intended for occupancy as, a residence by one or more families and any vacant land that is offered for sale or lease for the construction thereon of any building, structure, or portion thereof intended to be so occupied.*

An exception to this law is rent or lease of a portion of an owner-occupied single-family house to a person as a roomer or boarder living within the household. Though these types of houses are exempt from most FEHA requirements, in this type of housing, discriminatory advertisements are not allowed; the only exception is housing advertised as available only to persons of one sex where living spaces will be shared, e.g., “looking for female roommate.”

AB 1497, which went into effect January 1, 2020, extends the types of housing covered by the FEHA to include housing posted to online hosting platforms like AirBnB or VRBO.

California’s FEHA also applies to government actions for property, such as restrictive covenants, zoning laws, approval or denial of use permits, and other actions authorized under California’s Planning and Zoning Law that make housing opportunities unavailable.

Housing for Seniors

In California, there is an exemption for seniors to the Unruh Civil Rights Act which prohibits discrimination based on sex, race, color, religion, ancestry, national origin, age, disability, medical condition, genetic information, marital status, or sexual orientation.

To restrict sale or rental of a property to seniors in California and be exempt from age discrimination under Unruh, the resident must:

1. Be 62 years of age or older; or
2. Be 55 years of age or older in a “senior citizen housing development”.

A “Senior citizen housing development” is “a residential development developed, substantially rehabilitated, or substantially renovated for, senior citizens that has at least 35 dwelling units.” Furthermore, the Unruh Civil Rights Act states:

Any senior citizen housing development which is required to obtain a public report under Section 11010 of the Business and Professions Code and which submits its application for a public report after July 1, 2001, shall be required to have been issued a public report as a senior citizen housing development under Section 11010.05 of the Business and Professions Code. No housing development constructed prior to January 1, 1985, shall fail to qualify as a senior citizen housing development because it was not originally developed or put to use for occupancy by senior citizens. (51.3(b)(4))

Under California law, all the units in a dwelling must be designated for seniors rather than 80 percent of units under the FHA/HOPA. State law also allows a senior to live with someone 45 years of age or older that is their spouse, domestic partner, or person providing primary physical or economic support to the senior. The senior may also live with a disabled child or grandchild or disabled spouse/partner who must permanently reside in the household due to a disability. (Fair Housing Law Exemptions for Senior Housing, Community Housing Law, Sustainable Economies Law Center)

AB-686 Housing Discrimination: Affirmatively Furthering Fair Housing

The Fair Housing Act includes a requirement that the federal government work to dismantle segregation and to create equal housing opportunities or “affirmatively further fair housing.” (AFFH) This law applies to all state and local governments that receive federal funding from HUD.

There is currently debate at the national level about the interpretation of affirmatively furthering fair housing within the Fair Housing Act. To establish control over how this law is interpreted and enforced

at the state level, California's Assembly Bill 686 (AB-686) was signed into law in 2018 and codifies California's commitment to "affirmatively further fair housing." The law defines the term "affirmatively furthering fair housing" as taking meaningful actions that "overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity," and requires all public agencies working within housing and community development to affirmatively further fair housing.

Existing law requires the housing element to include an inventory of land suitable and available for development, and requires that inventory be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels.

The new law requires the state, cities, counties, and public housing authorities to administer their programs and activities related to housing and community development in a way that affirmatively furthers fair housing. The law prohibits these authorities from taking actions inconsistent with their AFFH obligation and requires that the AFFH obligation be interpreted consistent with HUD's 2015 regulation, regardless of federal action regarding the regulation. To ensure AFFH obligations are incorporated into local housing decisions, AFFH analysis must be added to the housing element for plans that are due beginning in 2021. This includes an examination of issues such as segregation and resident displacement and identification of fair housing goals.

Other California Laws

Other state laws governing housing discrimination within California are:

Unruh Civil Rights Act: Provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation.

Ralph Civil Rights Act (California Civil Code Section 51.7): Forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute. "Violence" under this law can take the form of verbal or written threats, physical assault or attempted assault, graffiti, vandalism, or property damage.

Bane Civil Rights Act (California Civil Code Section 52.1): Protects 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 crime, though convictions under the act are not allowed for speech alone unless that speech itself threatened violence. The rights protected under the Bane Act include the rights of association, assembly, due process, education, employment, equal protection, expression, holding of public office, housing, privacy, speech, travel, use of public facilities, voting, worship, and protection from bodily harm.

California Civil Code Section 1940.3: Prohibits landlords from questioning potential residents about their immigration or citizenship status. In most states, landlords are free to inquire about a potential tenant's immigration status and to reject applicants who are in the United States illegally. In addition, this law forbids local jurisdictions from passing laws that direct landlords to make inquiries about a person's citizenship or immigration status.

Government Code Sections 11135, 65008, and 65580-65589.8: Prohibit discrimination in programs funded by the State and in any land-use decisions.

Sections 65580-65589.8 require local jurisdictions to address the provision of housing options for special needs groups, including:

- Housing for persons with disabilities (SB 520)
- Housing for homeless persons, including emergency shelters, transitional housing, and supportive housing (SB 2)
- Housing for extremely low-income households, including single-room occupancy (SRO) units (AB 2634)
- Housing for persons with developmental disabilities (SB 812)

Local Law(s)

No local laws within Stanislaus Urban County, Turlock, or Modesto expand either protected classes or housing covered under the FEHA.

The Stanislaus County Housing Authority does not expand the definition of protected classes or housing covered under the FEHA but is required to follow additional housing regulations as directed by HUD.

AI Development Process

The development of the AI includes an analysis of laws, regulations, housing conditions, public policies, banking and mortgage data, as well as demographic and community characteristics. Paired with this analysis is feedback from the public through survey responses, public meetings, and phone consultations. Because the AI is developed in conjunction with Consolidated Plans, citizen participation requirements for the Consolidated Plans were often combined with feedback on fair housing issues.

Community Meetings

Community meetings were held in Modesto, Turlock, Stanislaus Urban County, and the Stanislaus County Housing Authority. The meetings were an opportunity for the public to learn about fair housing laws and share their issues and concerns regarding fair housing in the community. Meetings included the following:

Stanislaus Urban County: Meetings were held at Municipal Advisory Councils (MACs), advisory bodies of residents that exist to represent the local community to the Board of Supervisors. Meetings were also held with the Stanislaus Community System of Care and Stanislaus Homeless Alliance to talk about issues facing homeless individuals throughout the County.

Modesto: Meetings were ninety (90) minutes and covered both Consolidated Plan and AI topics. Modesto's community meetings were held in different aldermanic districts to ensure the variety of housing conditions and community opinions were captured.

Stanislaus County Housing Authority: Discussed fair housing and housing access issues at the Board of Commissioners Meeting.

Turlock: Held a meeting with the Turlock Community Collaborative, a network of public service agencies, businesses, and individuals in Turlock interested in improving the quality of life. The collaborative meets regularly to address needs in the community.

Meetings were held on the following dates and locations:

Modesto

- District 1 – October 29, 2019 @ Fire House #6
- District 2 – November 1, 2019 @ West Modesto King Kennedy Center
- District 2 – November 7, 2019 @ The Center Church
- District 3 – October 29, 2019 @ Trinity United Presbyterian Church
- District 4 – November 6, 2019 @ Airport Neighborhood Center
- District 5 – October 30, 2019 @ Veteran’s Resource Center
- District 6 – November 12, 2019 @ St. Joseph’s Catholic Church
- Public Hearing – April 16, 2020 @ Tenth Street Place
- Public Hearing – May 12, 2020 @ Modesto City Council

Stanislaus Urban County

- Salida MAC Meeting- October 22, 2019
- Empire MAC Meeting- October 23, 2019
- Knights Ferry MAC Meeting- October 24, 2019
- Denair MAC Meeting- November 5, 2019
- South Modesto MAC Meeting- November 14, 2019
- Stanislaus Community System of Care (CSOC) Meeting- January 16, 2020
- Stanislaus Homeless Alliance (SHA) Meeting- February 12, 2020
- City of Ceres City Council- Public Hearing- April 13, 2020
- City of Hughson City Council- Public Hearing- April 27, 2020
- City of Newman City Council- Public Hearing- April 28, 2020
- City of Oakdale City Council- Public Hearing- May 4, 2020
- City of Patterson City Council- Public Hearing- May 5, 2020
- City of Riverbank City Council- Public Hearing- April 28, 2020
- City of Waterford City Council- Public Hearing- May 7, 2020

Stanislaus County Housing Authority

- Board of Commissioners Meeting- TBD
- Stanislaus County Board of Supervisors- Public Hearing – May 12, 2020

Turlock

- Meeting-Turlock Community Collaborative February 18, 2020
- City of Turlock City Council Public Hearing- May 12, 2020

DEMOGRAPHIC AND HOUSING MARKET ANALYSIS

Population Trends

Stanislaus County is currently home to about 531,000 residents, 39 percent of whom live in the City of Modesto, 21 percent in unincorporated areas, and 13 percent in the City of Turlock. The rest live in smaller cities and unincorporated communities throughout the County. Most of Stanislaus County is sparsely populated, with less than 200 people per Census Block. By comparison, some areas of Modesto and Turlock have over 1,000 people per Block. (See Map X)

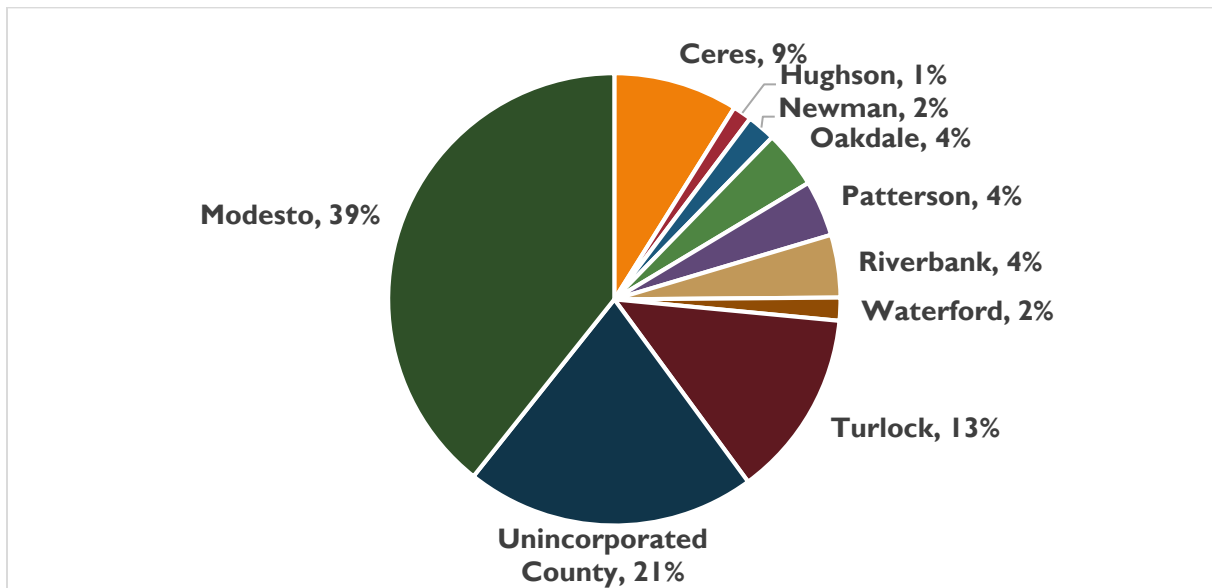
The County’s population was born primarily in the United States, with 79 percent born in the County and 66 percent born in the State of California. Twenty percent of County residents were born in a foreign country.

Table 1. Stanislaus County Population by Municipality

Ceres	Hughson	Newman	Oakdale	Patterson	Riverbank	Waterford	Turlock	Stanislaus Urban County	Unincorporated County	Modesto
47,231	7,160	10,808	21,796	21,205	23,761	8,708	71,166	250,883	110,214	208,512

Source: 2012-2016 ACS

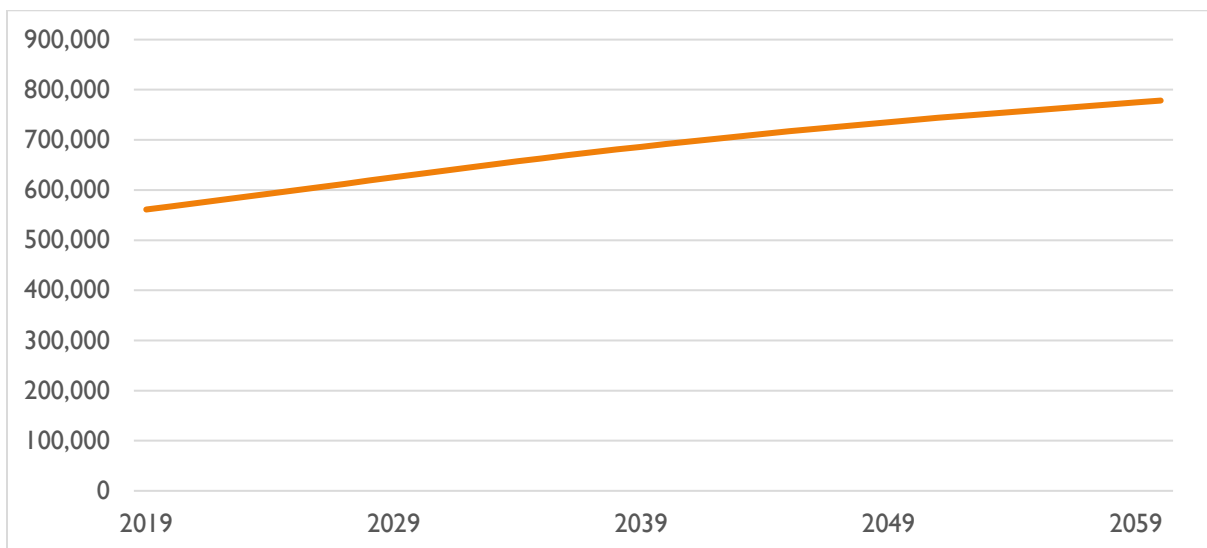
Chart I. Population Share by Municipality in Stanislaus County



Source: 2012-2016 ACS

In the next 40 years, the Stanislaus County population is projected to grow to about 800,000 residents, a 37 percent increase. Most incorporated areas in the County are expected to grow by about 1 percent annually. The City of Patterson is anticipated to grow the most of all the incorporated areas. According to projections, Patterson will increase from containing 4 percent of the County’s population to 6 percent of the population by 2060. (California Department of Finance)

Chart 2. Population Projections 2020-2060 in Stanislaus County



Source: Total Estimated and Projected Population for California and Counties, Demographic Research Unit, California Department of Finance, May 2019

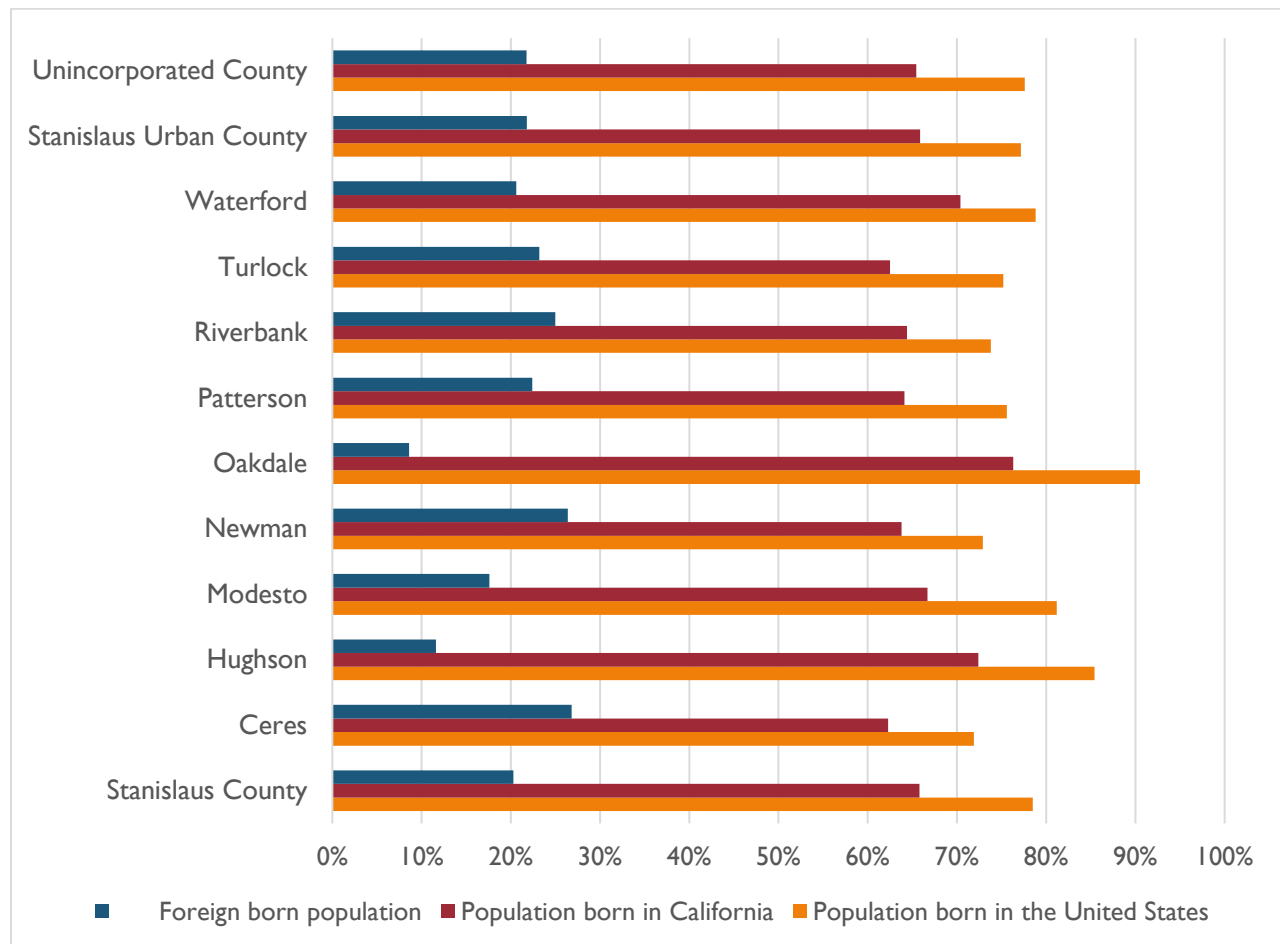
Race/ Ethnicity

Since 1980, the racial and ethnic makeup of the County has changed significantly and the County has become more diverse. For example, the County was 80 percent non-Hispanic White and 15 percent Hispanic or Latino (of any race) in the 1980 U.S. Decennial Census and by 2010, these figures were 47 percent and 42 percent, respectively. In addition, Asian residents grew from 1.4 to 6.7 percent of the population during the same timeframe, and non-Hispanic Black/ African American residents grew from 1.1 to 3.2 percent of the population.

The County’s Hispanic or Latino population generally lives outside of Modesto and Turlock, a reflection of the population’s connection to the local agricultural industry. (Map X)

In the next 40 years, Asian and Hispanic or Latino populations are expected to increase by the highest percentages compared to current population numbers. During this time period, the Asian population in Stanislaus County is expected to increase more than 150 percent, adding about 40,000 residents, and the Hispanic population by 100 percent, adding 214,000 residents. (Stanislaus County Forecast Summary, Eberhardt School of Business and Policy Research, 2016)

Chart 3. Place of Birth by Municipality



Source: 2012-2016 ACS

The Cities of Ceres, Riverbank, and Newman have the highest percentage of residents who were born in another country, while Hughson, Oakdale, and Waterford have the highest percentage of current residents who were born in California.

Chart 4. Population Race and Ethnicity in Stanislaus County, 1980

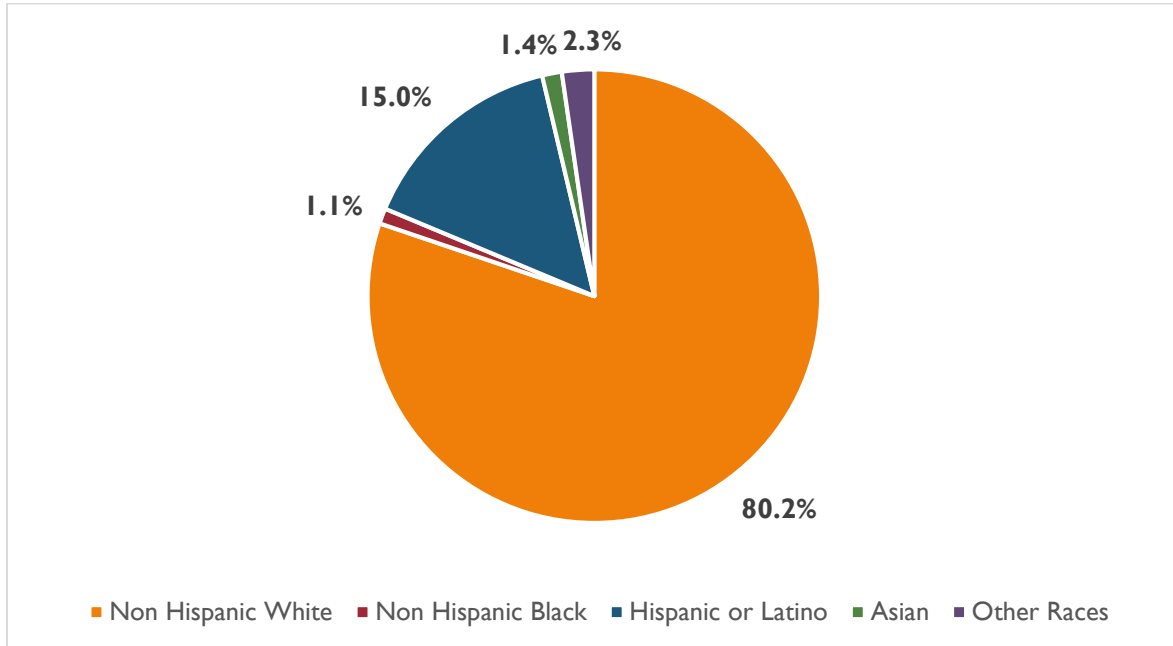
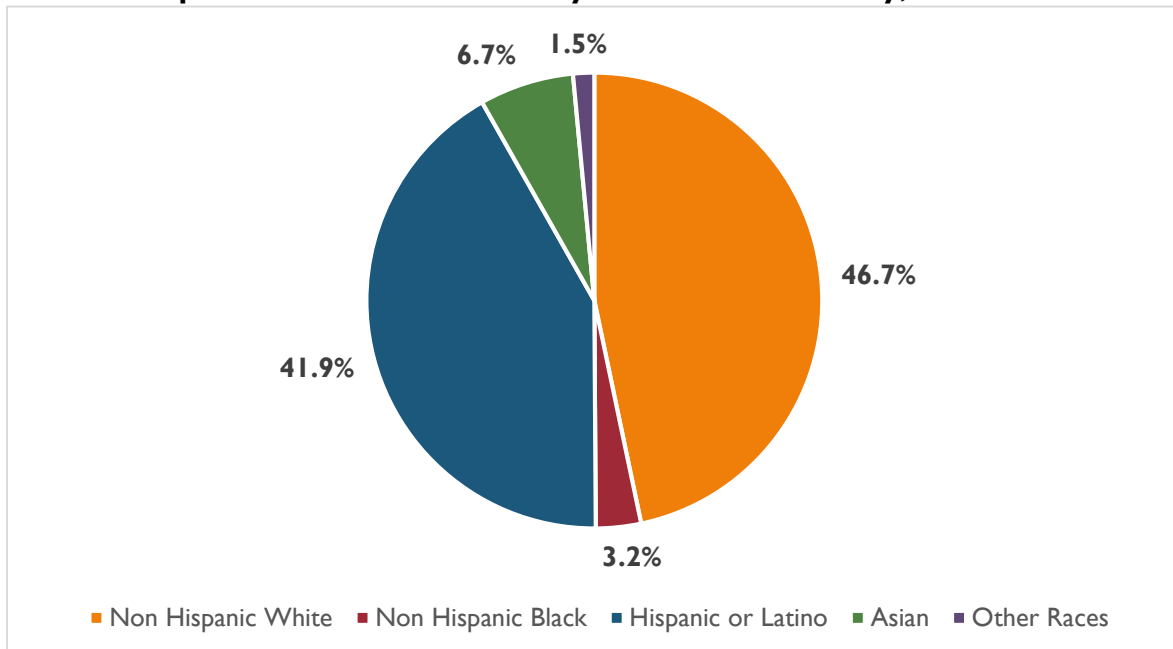


Chart 5. Population Race and Ethnicity in Stanislaus County, 2010



Source: 1980, 2010 Decennial U.S. Census

Language

The primary language spoken at home by residents over five years old varies by jurisdiction. Figure 6 indicates that English is the most prevalent language among residents of Hughson, Modesto, Oakdale, Patterson, Turlock, Waterford, and the Unincorporated County. In other communities such as Ceres, Newman, and Riverbank, the majority of residents prefer to speak a language other than English within their household.

Though many people who speak a language other than English at home are bilingual, there are also residents who report speaking English “less than very well”. More than 20 percent of residents in Waterford, Newman, Ceres, and the Unincorporated County report speaking English less than “very well”. While Spanish is the predominant language of these residents, Ceres, Turlock, and the Unincorporated County also have at least 5 percent of residents who speak another language and speak English less than “very well”.

Communication with residents in these areas needs to be particularly aware of the language needs of some residents. Figure 7 presents the share of the population who speak English “less than very well” by language and jurisdiction. English language education services may also be needed to help non-English-speaking residents enter the workforce or increase opportunities for higher earnings.

Chart 6. Language Spoken at Home by Jurisdiction

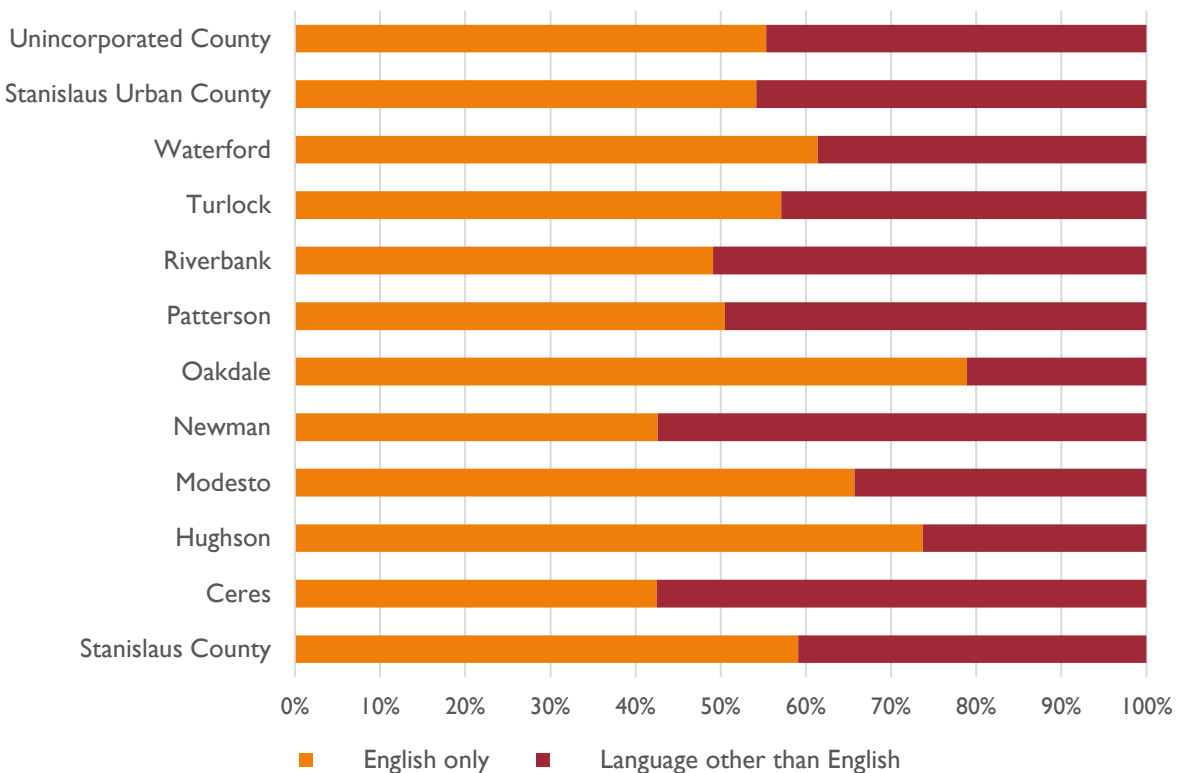
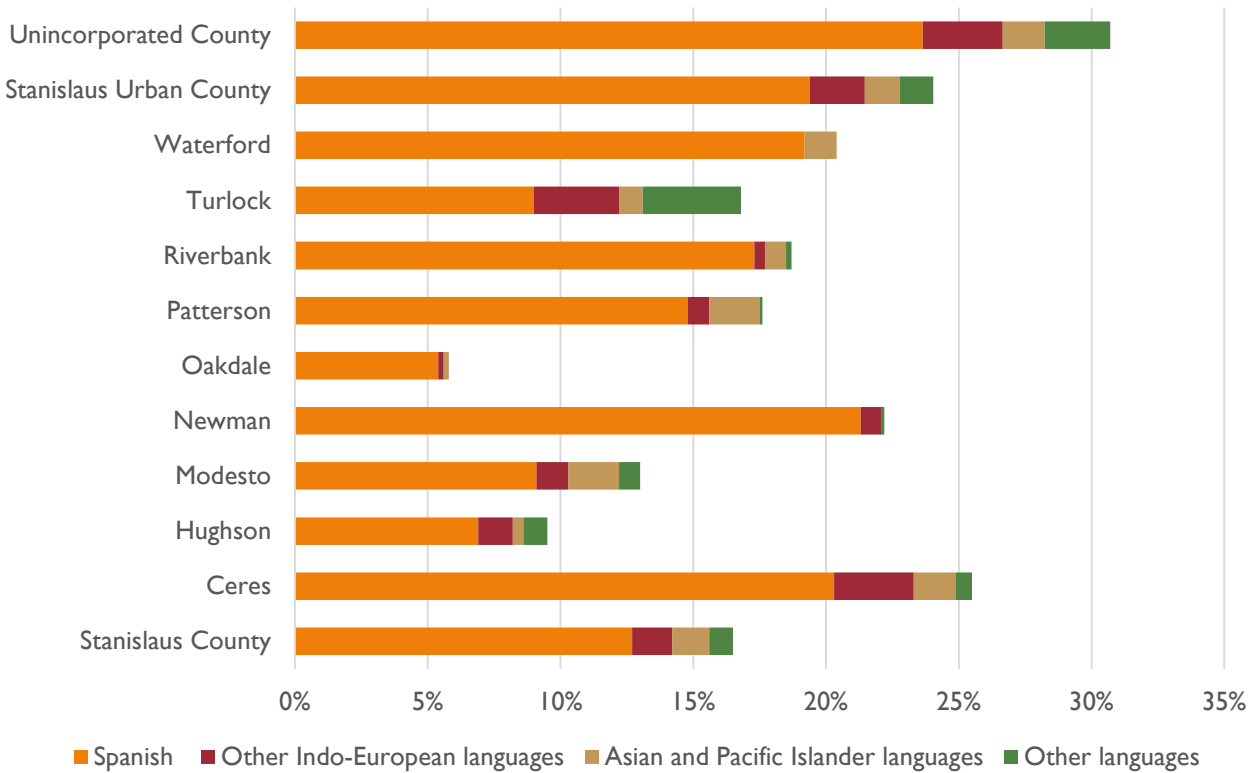


Chart 7. Population That Speaks English Less Than “Very Well” by Language and Jurisdiction.



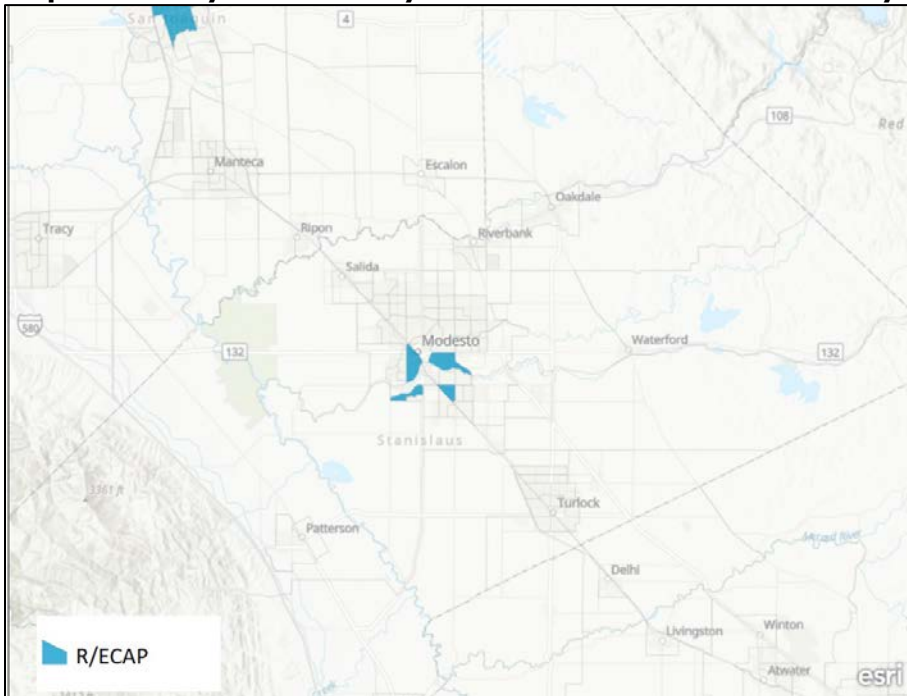
Source: 2012-2016 ACS

Racial/Ethnic Concentrations

Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) is a designation by HUD to measure areas where both race or ethnicity and poverty overlap. Such areas could be a sign of unequal housing opportunity on a population scale. A census tract can be designated as a R/ECAP when more than half the population is non-White and either 40 percent or more of the population is in poverty, or, the tract’s poverty rate is greater than three times the average poverty rate in the area.

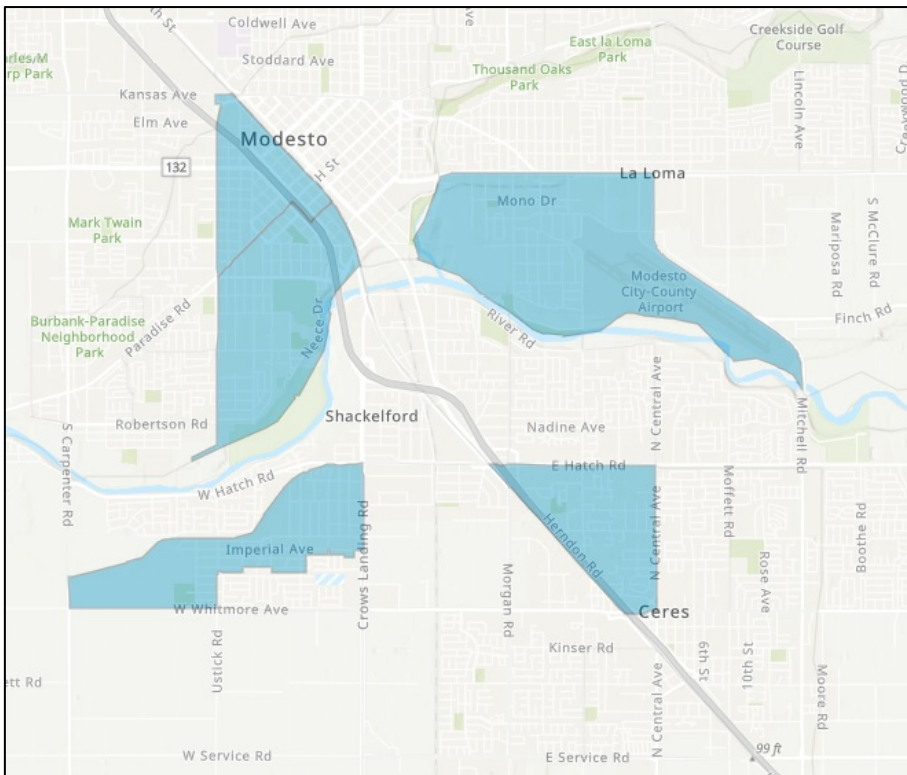
Within Stanislaus County, there are five census tracts considered R/ECAPs all within the area of the Cities of Modesto and Ceres. Figure 8 presents two maps depicting these areas.

Map 1. Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)



Source: Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) HUD-eGIS Open Data <http://hudgis-hud.opendata.arcgis.com/> ACS 2009-2013

Map 2. Racially or Ethnically Concentrated Areas of Poverty (Zoomed)



Source: Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) HUD-eGIS Open Data <http://hudgis-hud.opendata.arcgis.com/> ACS 2009-2013

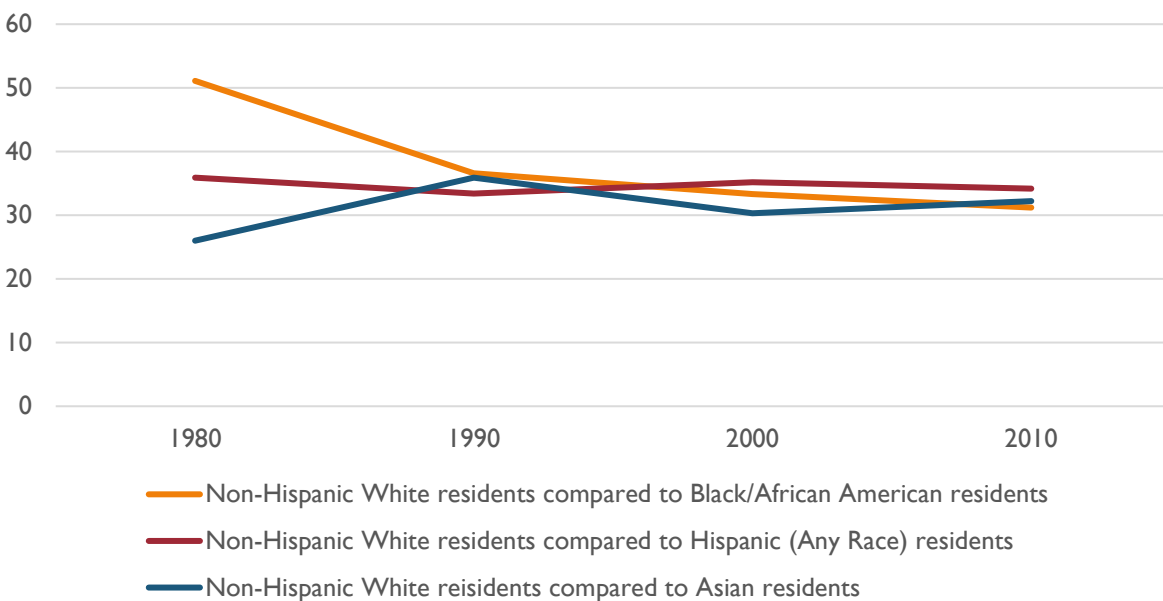
Dissimilarity Index

The “Dissimilarity Index” is a measure of whether members of one group are located evenly across census tracts. The value of this index ranges between 0 and 100, with low values indicating a low amount of segregation and high values indicating a high amount of segregation. The exact value represents the percentage of people who would need to move census tracts for the groups to be evenly distributed within the County. For example, if the County’s dissimilarity index for White residents compared to Black/African American residents was 40, this would mean that 40 percent of Black/African American residents would need to move into other census tracts to make the White and Black/African American populations evenly distributed within the County. Note that when looking at race or ethnic Dissimilarity Index values, the values only account for the location of residents rather than those of incomes, housing, or neighborhood quality.

The Dissimilarity Index for Stanislaus County for non-Hispanic White residents compared to Black/African American residents shows that these residents have become more integrated within Stanislaus County between 1980 and 2010.

The Dissimilarity Index between Non-Hispanic White and Hispanic or Latino residents stayed constant within Stanislaus County between 1980 and 2010, indicating the increase in the Hispanic or Latino population has been proportional across the County. In other words, compared to the 1980 distribution by ethnicity, integration between non-Hispanic White residents and Hispanic or Latino residents in the County has not changed over time.

Chart 8. Dissimilarity Index: Stanislaus County



Source: Diversity and Disparities, American Communities Project, Brown University, Modesto MSA

Entropy Index

A related calculation of diversity is an “entropy index”, which measures the spatial distribution of race in a given area. The more clustered together a single racial group is, the less diverse that area is under this metric. If the group is distributed evenly throughout the County, then the area is considered more diverse. Between 1990 and 2016, Stanislaus county became more diverse under this measure, supporting the interpretation of the Dissimilarity Index.

Map 3. Entropy Index, 1990



Map 4. Entropy Index, 2016



Source: Washington Post: How integrated is your city? Diversity mapping tool. Published May 2, 2018.

Age and Disability

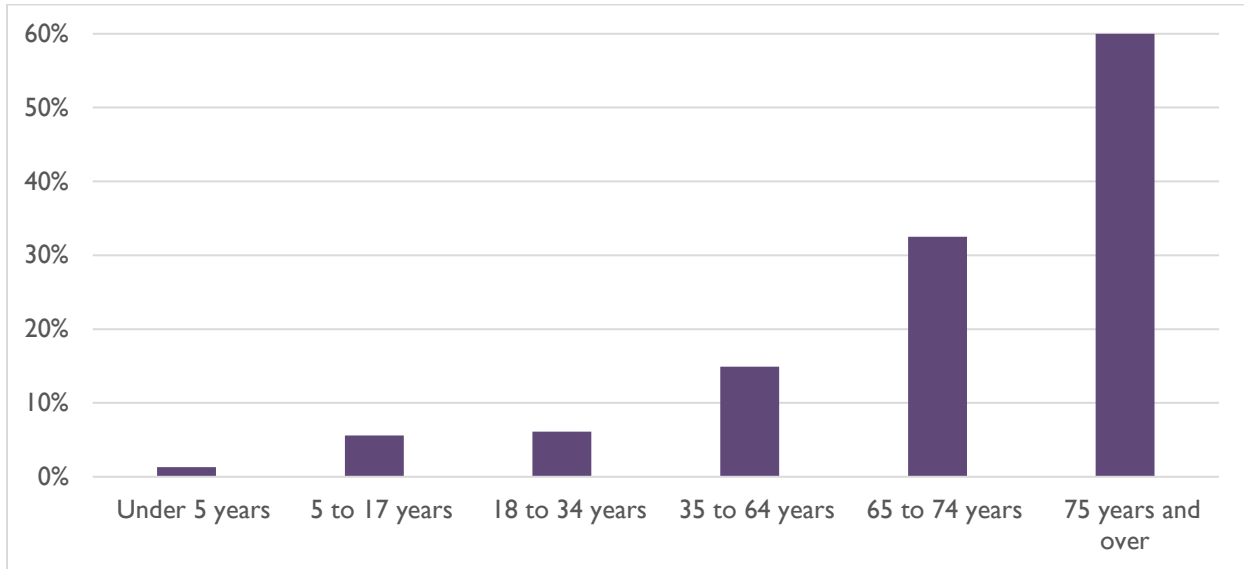
In Stanislaus County, about 44 percent of residents over age 65 report having some sort of disability. For individuals age 75 and over, this figure increases to 60 percent. Figure 12 depicts the share of the County population with a disability by age bracket. In comparison, Figure 13 presents the projected population growth by age in Stanislaus County. Between 2020 and 2040, the State of California Department of Finance anticipates the largest population growth in Stanislaus County for residents in two age brackets: those ages 30-48 and those over the age of 70.

In areas with a high number of seniors, there may be need for specific services and disability accommodations (changing a rule or policy for a person based on disability) and modifications (changing a physical structure for a person based on disability).

Disability accommodations and modifications may be needed in any number of venues like rental and homeowner housing, government service counters, community centers, and walkways. Services in demand for with disabilities include meal programs, home care and medical services, transportation, and other social services. Subsidies to provide these services to low- and moderate-income residents are

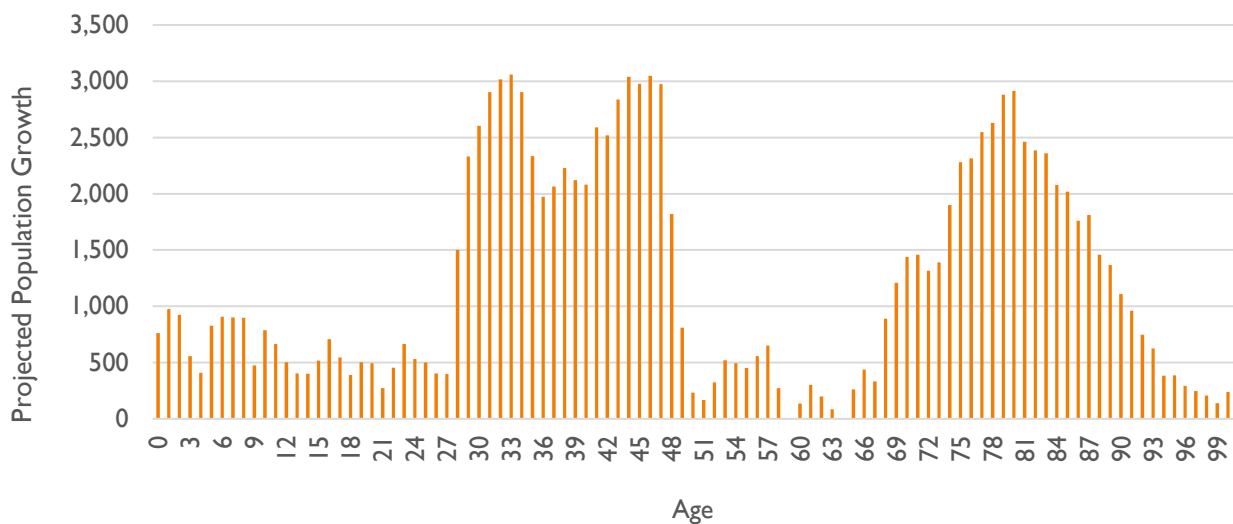
particularly needed in these areas. Between 2020 and 2040, the State of California Department of Finance anticipates population growth in Stanislaus County among two age categories: those 30 to 48 and those over the age of 70. (Chart 9)

Chart 9. Population with a Disability by Age in Stanislaus County



Source: 2012-2016 ACS 5-Year Average

Chart 10. Projected Population Change by Age 2020-2040



Source: State of California Department of Finance County Population Projections (2010-2060); County Population by Age (1-year increments) Baseline 2016

Income Trends

Disability and Income

About 9 percent of the County’s population reports having a disability. Figure 14 presents the distribution of annual earnings for residents in Stanislaus County by disability status. The median annual earnings for a person with a disability is \$24,404 in Stanislaus County. Without a disability, median annual earnings are \$29,816, a difference of more than five thousand dollars annually. Likewise, of the population with a disability in the County, 21.4 percent are under the federal poverty level compared to just 14.1 percent of people without a disability.

The income discrepancy is most likely due to the fact that the majority of the Stanislaus County population with a disability and over age 16 are not in the labor force (Table 2).

Table 2. Total Population and Population with a Disability in Labor Force in Stanislaus County

	Total Population	Population with a Disability
Employed	54.6%	19.7%
Not in Labor Force	38.2%	75.4%

Source: 2013-2017 ACS

Chart 11. Disability Status by Annual Income Brackets in Stanislaus County

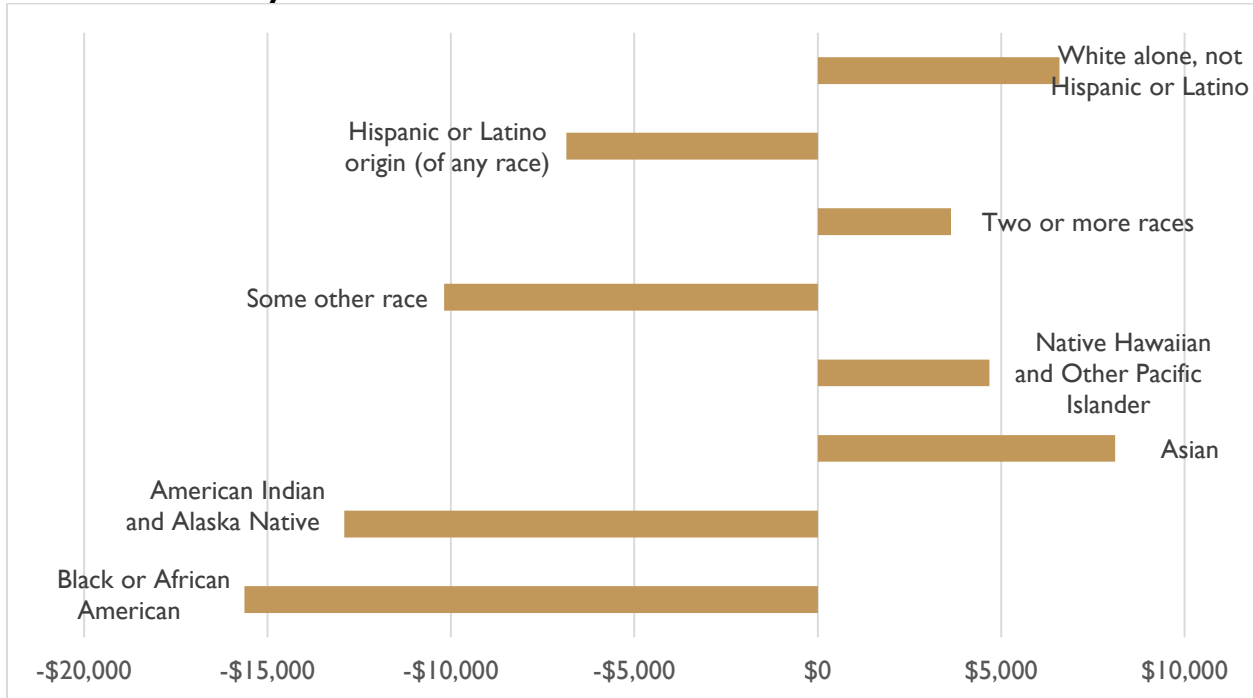


Source: 2013-2017 ACS

Race/Ethnicity and Income

The median household income in Stanislaus County is \$54,260, which varies by over \$15,000 per year depending on household race and ethnicity. Non-Hispanic White and Asian households earn more than \$5,000 per year above the County median income, while Hispanic or Latino, American Indian and Alaska Native, Black/ African American, and people of another race make \$5,000 to \$15,000 less annually per household.

Chart 12. Difference in Annual Median Income from County Median Income by Race and Ethnicity



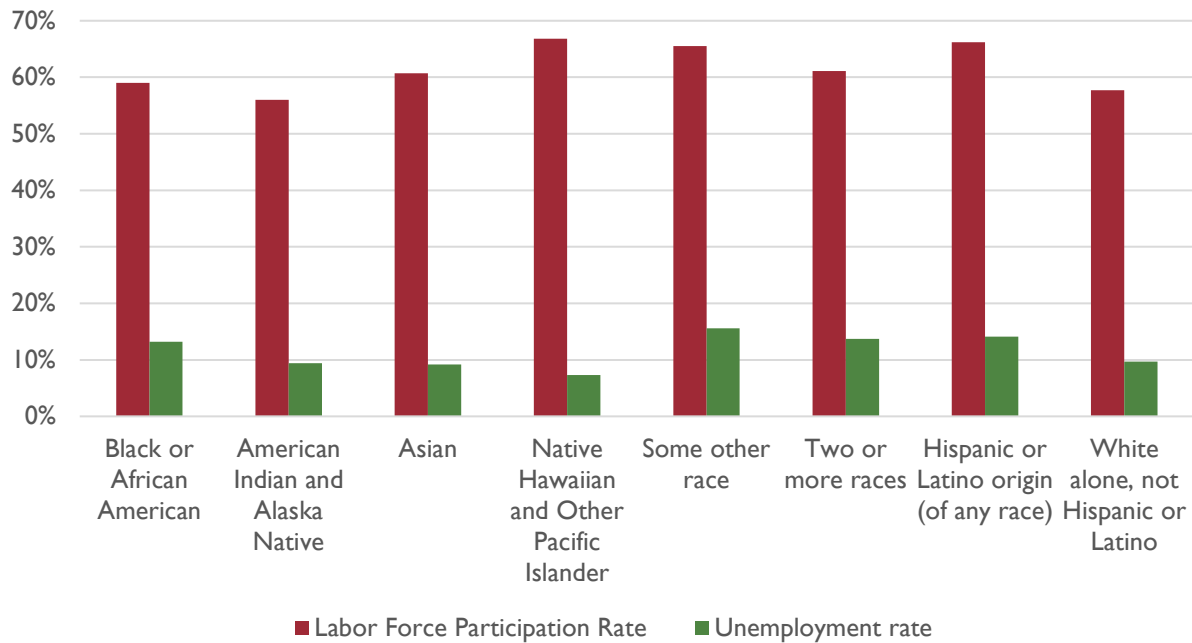
Source: 2013-2017 ACS

Employment Trends

Employment by Race/Ethnicity

Participation in the labor force as well as unemployment vary by race and ethnicity. There could be several reasons for this including historic differences in access to education, participation in industries which have undergone significant change, and different sized populations of retired individuals in each racial or ethnic group. Chart 13 depicts the share of individuals participating in the labor force and are unemployed by race and/or ethnicity.

Chart 13. Labor Force Participation and Unemployment by Race and Ethnicity

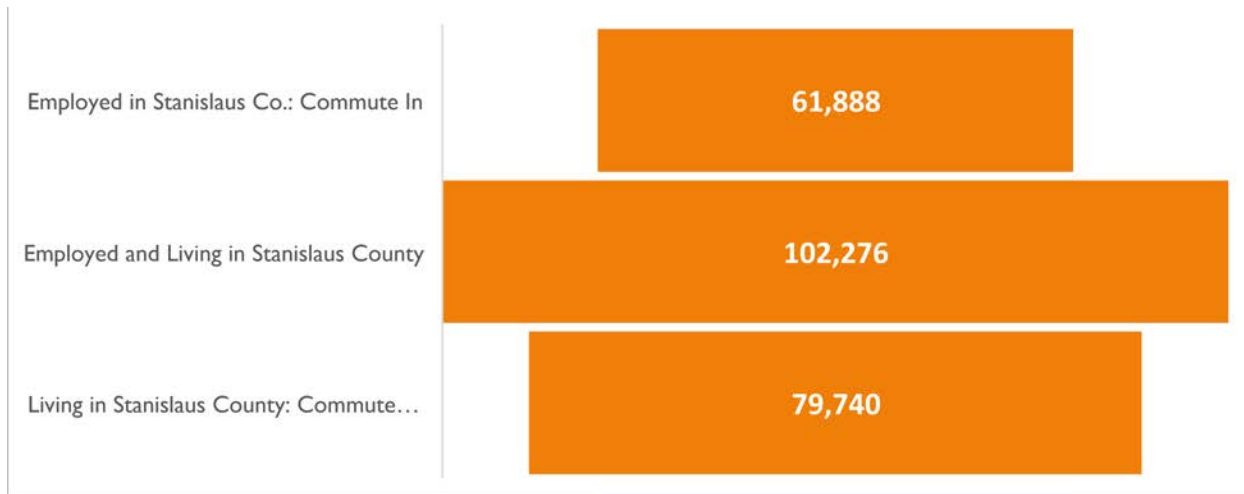


Source: 2013-2017 ACS

Commuting Time/Type

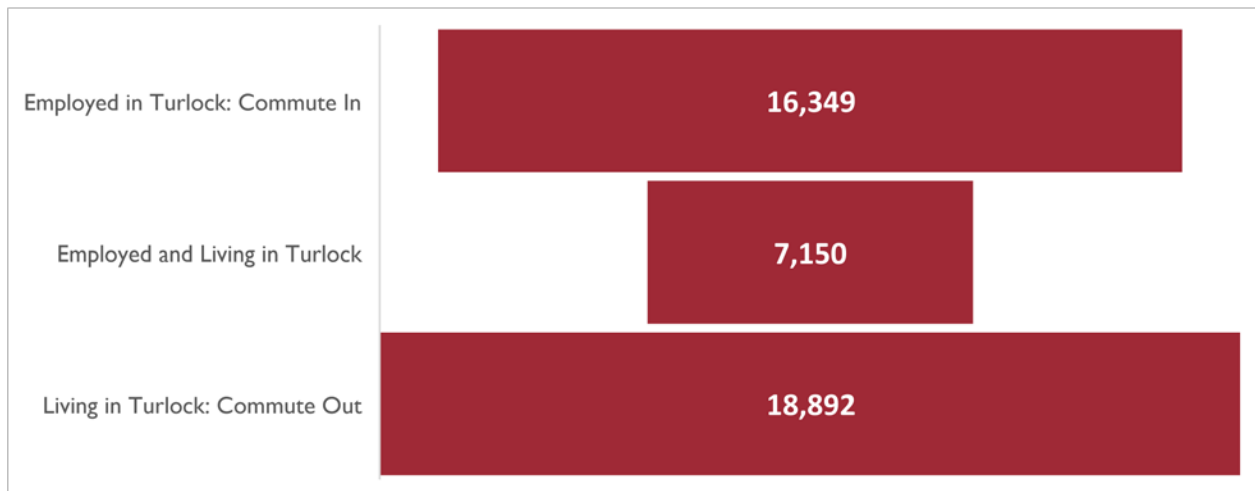
Countywide, more people both work and live in Stanislaus County (42 percent) than commute outside the County for work (33 percent). In comparison, a significant number of residents in both Turlock and Modesto commute outside the City for work. Access to and methods of transportation for employment can therefore be a determinant in an individual’s ability to access and maintain various jobs. Charts 14, 15, and 16 depict the number of residents in Stanislaus County, Modesto, and Turlock who commute within or outside of the County for work.

Chart 14. Primary Job Inflow/Outflow: Stanislaus County



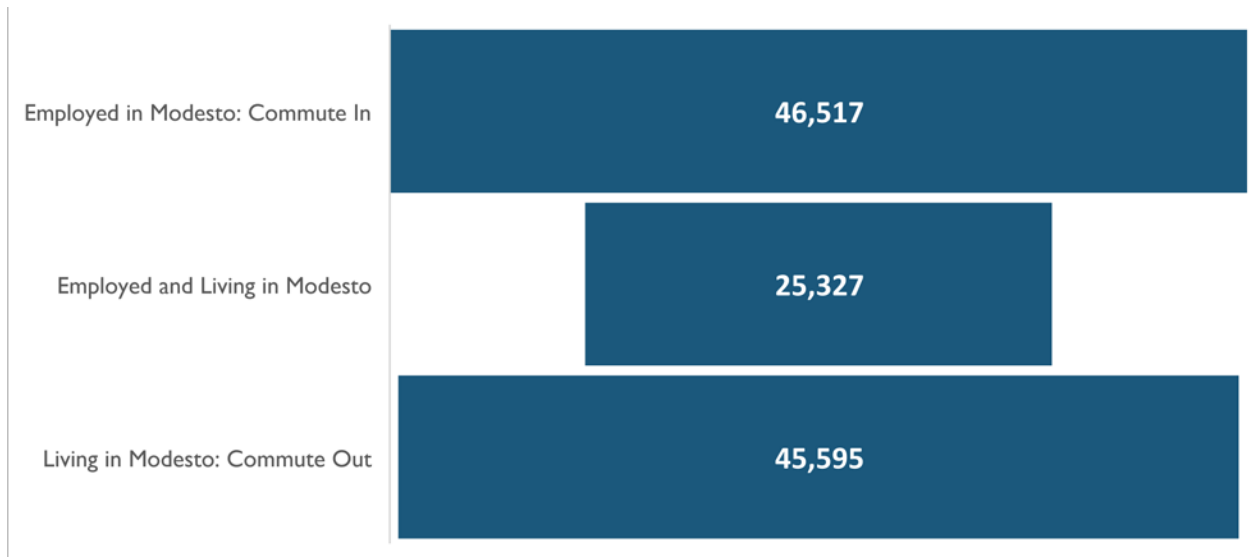
Source: U.S. Census OnTheMap

Chart 15. Primary Job Inflow/Outflow: City of Turlock



Source: U.S. Census OnTheMap

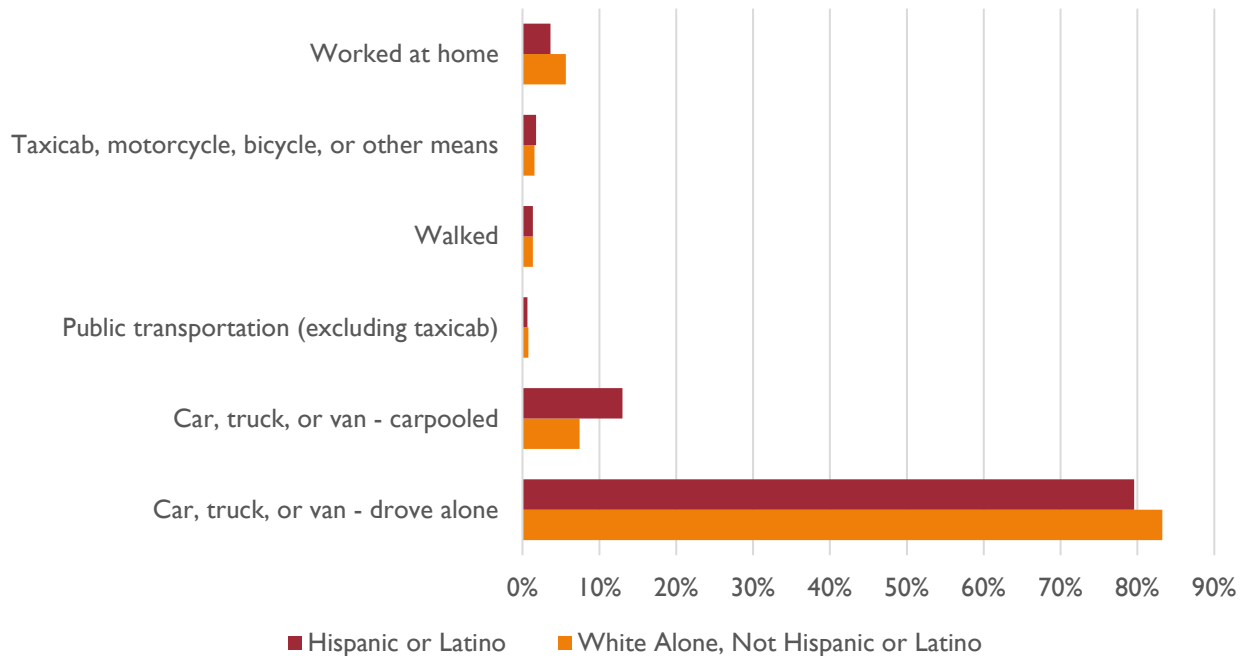
Chart 16. Primary Job Inflow/Outflow: City of Modesto



Source: U.S. Census OnTheMap

Chart 17 presents the different forms of transportation residents use to get to work for White Non-Hispanic and Hispanic/Latino residents. The chart indicates that there are slight differences in the commuting method between White, non-Hispanic residents and Hispanic or Latino residents in Stanislaus County. More Hispanic or Latino residents commute to work by shared car, truck, or van (carpooled) than White non-Hispanic residents, while more White non-Hispanic residents either drove alone or worked at home.

Chart 17. Means of Transportation to Work by Race and Ethnicity



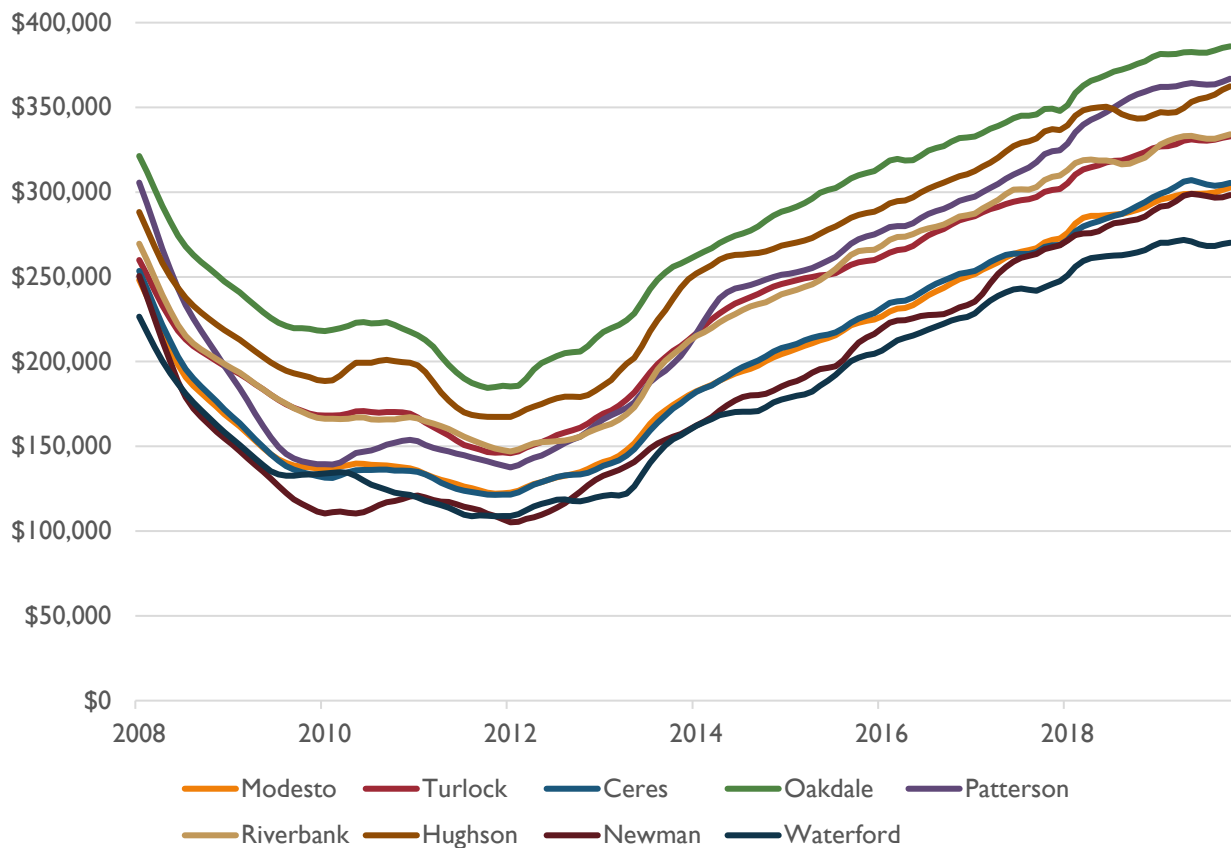
Source: 2013-2017 ACS 5-Year Estimates

Housing Trends

Homeowner housing (both single-family homes and condos) values have increased steadily across Stanislaus County since 2012. The highest values are in Oakdale, with a typical housing unit worth \$368,000 in 2019. The lowest value for a typical house in 2019 is in Waterford, about \$270,000.

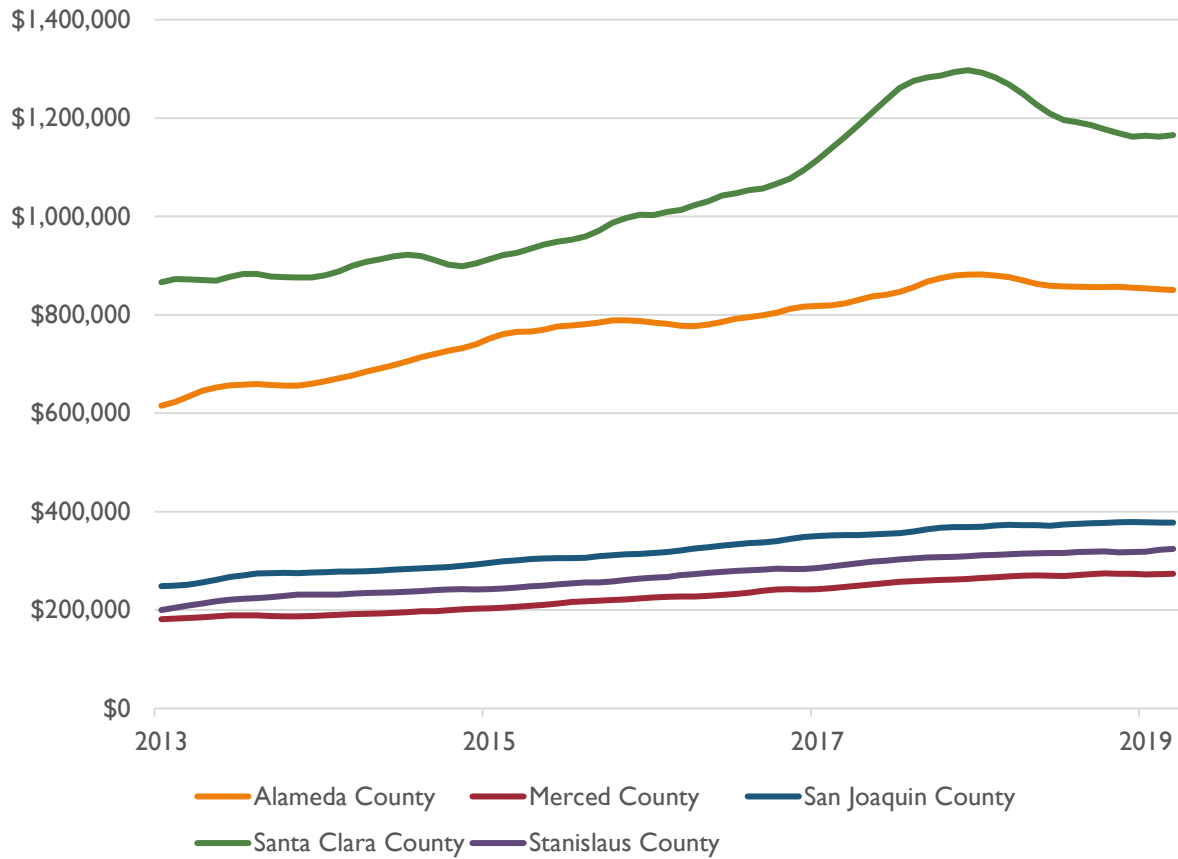
Regionally, homeowner housing values in counties surrounding Stanislaus County are divided between the Bay Area (Alameda, Santa Clara Counties) and those inland (Merced, Stanislaus, and San Joaquin Counties). Chart 18 presents typical home values for jurisdictions within Stanislaus County. In comparison, Chart 19 depicts the typical housing value in Stanislaus County and surrounding counties.

Chart 18. Typical Home Value (Zillow Home Value Index)



ZHVI All Homes (Single-Family Rental, Condo/Coop) Time Series

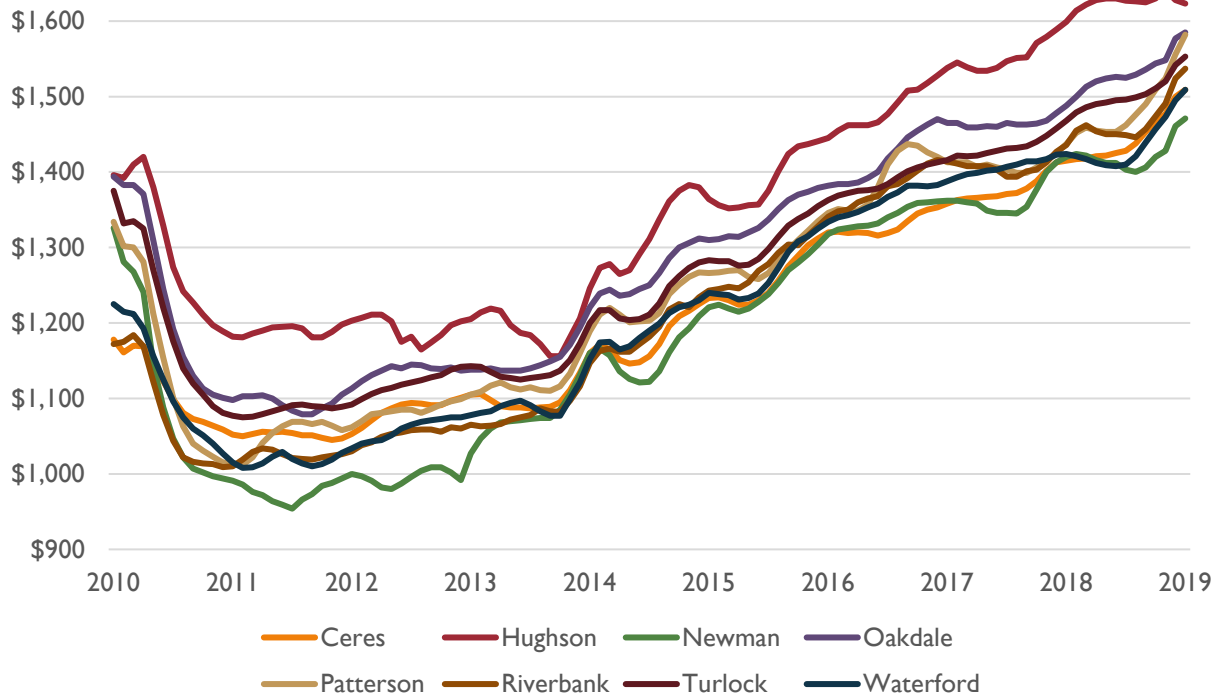
Chart 19. Typical Home Value in Regional Counties (Zillow Home Value Index)



Source: Zillow data: ZHVI All Homes (Single-Family Rental, Condo/Coop) Time Series

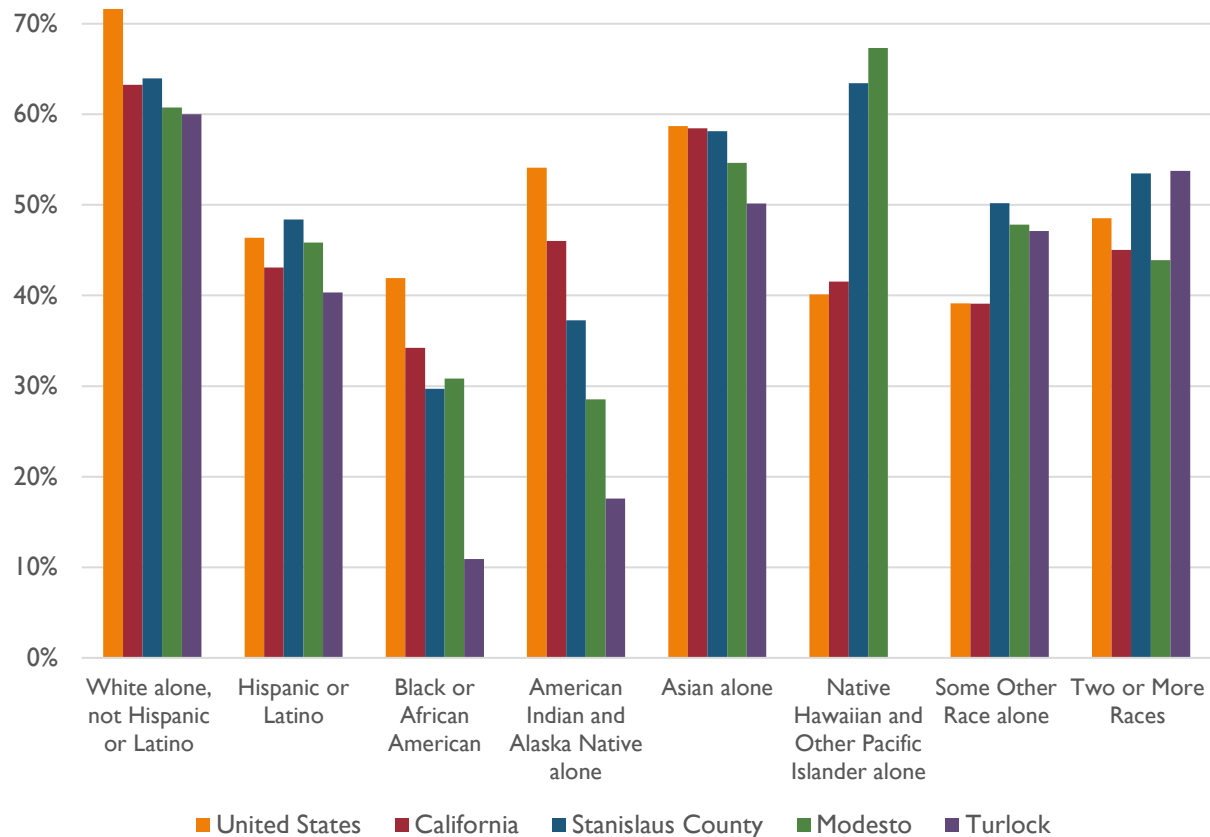
Chart 20 depicts the change in typical rental housing prices by jurisdiction in Stanislaus County. The figure indicates that rental housing prices have increased in all Stanislaus County municipalities, with the highest typical rental price in Hughson (\$1,623) and the lowest in Newman (\$1,471) as of 2019.

Chart 20. Typical Housing Rental Price (Zillow Rent Index)



Source: Zillow Data: ZRI Time Series

Chart 21. Homeownership Rate by Race and Ethnicity



Source: 2013-2017 ACS 5-Year Estimate

Chart 21 presents homeownership rates by race and ethnicity for residents of Stanislaus County, Turlock, and Modesto as well as California and the United States. For most race and/or ethnicities depicted, homeownership rates for the County and Entitlement Communities more closely resemble those for California than the United States. In addition, for some race/ethnic groups, homeownership rates for Stanislaus County, Modesto, and Turlock are well above or below average. For instance, the homeownership rate for Black/African American residents in Turlock is 10.9 percent whereas the rate for Modesto is 30.8 percent, 29.7 percent for Stanislaus County, 34.2 percent for California, and 41.9 percent for the United States. This may be because of a small sample size or population of Black/African American residents in Turlock.

Access to Opportunity

Transportation

Transportation is a component in equal access to neighborhoods, employment, healthcare, and other services for those who cannot or choose not to drive a car due to factors like disability, financial constraints, or legal barriers. Most transportation in Stanislaus County is through personal vehicles, though public transportation exists as a regional bus system, city bus systems, ADA paratransit services (Dial-a-Ride), and interstate train system.

Stanislaus County has numerous public transportation and alternative transportation methods, particularly for seniors or those with mobility disabilities. Less than 10 percent of all workers commute using a shared vehicle or public transportation, however, partly due to the lack of transit options during non-traditional business hours.

Bus Systems

Stanislaus Regional Transit (StaRT) serves Stanislaus County with eight bus routes that travel throughout the County. All bus stops are shown on Map X

Ceres Area Transit (CAT) serves Ceres and the surrounding unincorporated area.

Modesto Area Express (MAX) offers bus service throughout the Modesto urban area with 21 routes.

Turlock Transit provides transit service with six routes within the City of Turlock.

Ride Services

Ceres Dial-A-Ride (CDAR) is a curb-to-curb demand service for use only by people with disabilities that prevents them from riding the CAT Scheduled Fix Route Bus System. CDAR is presently operated by Storer Transit Systems, Inc., under contract with the City of Ceres.

Modesto Area Dial-A-Ride (MADAR) is provided by the City of Modesto as a transportation service for persons with disabilities, and people 65 and older.

Stanislaus Regional Transit (StaRT) Dial-A-Ride is a pre-scheduled cur-to-curb service within the County. Dial-A-Ride is available in the following communities:

Newman Dial-A-Ride Newman, Crows Landing, Gustine

Oakdale Dial-A-Ride Oakdale

Patterson Dial-A-Ride Patterson, Westley, Grayson

Riverbank Dial-A-Ride Riverbank, Eastside

Stanislaus Regional Transit (StaRT) Shuttles is a curb-to-curb transportation service open to the general public between cities in the County. The following shuttles operate within the County:

Waterford/Modesto Shuttle: Modesto, Empire, Oakdale, Waterford, Hickman, Hughson, Ceres

Eastside Shuttle: Modesto, Oakdale, Riverbank

Turlock/Modesto Shuttle: Modesto, Keyes, Turlock, Denair

Stanislaus Regional Transit (StaRT) ADA Paratransit service is available to individuals with disabilities which prevent them from using fixed-route buses. The service is provided within a 3/4-mile radius of a StaRT Fixed Route bus and is a direct origin-to-destination shared-ride transit service.

Stanislaus Regional Transit (StaRT) Medivan takes pre-scheduled passengers from Modesto to non-emergency appointments at Bay Area Medical Centers Monday through Thursday.

BRIDGES Volunteer Driver Program provides reimbursement to individuals with a disability or senior citizens who are unable to drive or use public transit. Eligible participants select a volunteer driver

who is able to drive them to destinations. Participants receive \$0.50 per mile to reimburse the volunteer driver.

Veterans Van Volunteer Driver Program (VetsVan) is a service through a partnership between the Stanislaus County Area Agency on Aging and the Veterans Service Office (VSO) that helps veterans get to medical appointments. VetsVan serves homebound veterans and occasionally those who are not able to take other forms of transportation due to a medical condition. Rides are provided by volunteer drivers and can take veterans to regional Veterans Affairs (VA) locations.

Turlock Transit Dial-a-Ride provides paratransit service to eligible individuals. Within a specified zone in Turlock, the service is available only to persons who have received ADA paratransit eligibility, those 65 years of age and over, Medicare card holders, or elementary school students. In other Turlock-area zones, the service is open to everyone.

Regional Rail

Amtrak stations on the San Joaquins regional line are located near Modesto and Turlock. The San Joaquins line runs to Bakersfield southbound and Oakland or Sacramento northbound. The San Joaquin Joint Powers Authority, of which StanCOG is a member, operates the line.

The Modesto Amtrak station was built in 1999 and has ADA Accessible bathrooms, waiting room, water fountain, ticket office, and platform. Denair Station near Turlock is an unstaffed Amtrak station. The train platform is ADA Accessible.

Altamont Commuter Express (ACE) is a commuter train used by residents of Stanislaus County. It runs between Stockton and San Jose and stops in the Bay Area.

Connecting Services

Modesto Area Express (MAX) offers commuter services to ACE, Amtrak, and Bay Area Rapid Transit (BART).

StaRT Commuter is a bus that transports commuters from Turlock and Patterson to the Dublin/Pleasanton BART station.

California Vanpool Authority (CalVans) CalVans operates as a Public Transit Agency that operates two programs: the Farmworker Vanpool Program and the General Public Vanpool program. CalVans supplies volunteer drivers with vans to drive themselves and others to work or school and pays for the gas, maintenance, repairs, and insurance.

Transportation Planning

StanCOG The Stanislaus Council of Governments (StanCOG) is the Metropolitan Planning Organization (MPO) for the Stanislaus Region tasked with, among other things, creation of the Regional Transportation Plan (RTP). The RTP is a 25-year plan that describes future needs and goals for all local transportation systems including roadways, transit, bicycle/pedestrian improvements and aviation. The last RTP published was the *2018 Regional Transportation Plan/Sustainable Communities Strategy (RTP/ SCS)*.

Non-Motorized Transportation Plan The *2013 Non-Motorized Transportation Master Plan*, details bicycle and pedestrian transportation in the County and is being updated in 2020. One stated goal of the

plan update is to “develop a non-motorized transportation network that focuses on equity and inclusivity to address the region’s unique needs.”

MOVE The California Social Services Transportation Improvement Act was passed in 1979 and allowed and suggested that each California county create a Consolidated Transportation Services Agency to coordinate the transportation needs of seniors, people with disabilities, and others with lowered mobility or special transportation needs. In 2010, StanCOG established the Consolidated Transportation Services Agency (CTSA) of the Stanislaus Region, now called “MOVE”. MOVE works to reduce gaps in the region’s public transit systems, assists other human services agencies with transportation technical assistance, and provides mobility training (“travel training”).

Measure L In 2016, a one-half cent sales tax was approved by Stanislaus County voters (“Measure L”), to fund transportation in the County. Over the measure’s lifetime of 25 years, 65 percent of the revenue will be used for local projects, \$48 million for bicycle and pedestrian network improvements, and \$20 million for need-based transportation services for seniors, veterans, and disabled residents. In all, Measure L is expected to collect \$960 million dollars.

General Plan The “Circulation Element” of the Stanislaus County General Plan addresses transportation issues from a land-use perspective. It encourages land use that supports public transit and other transportation modes.

Transit Discrimination and Housing Choice Issues

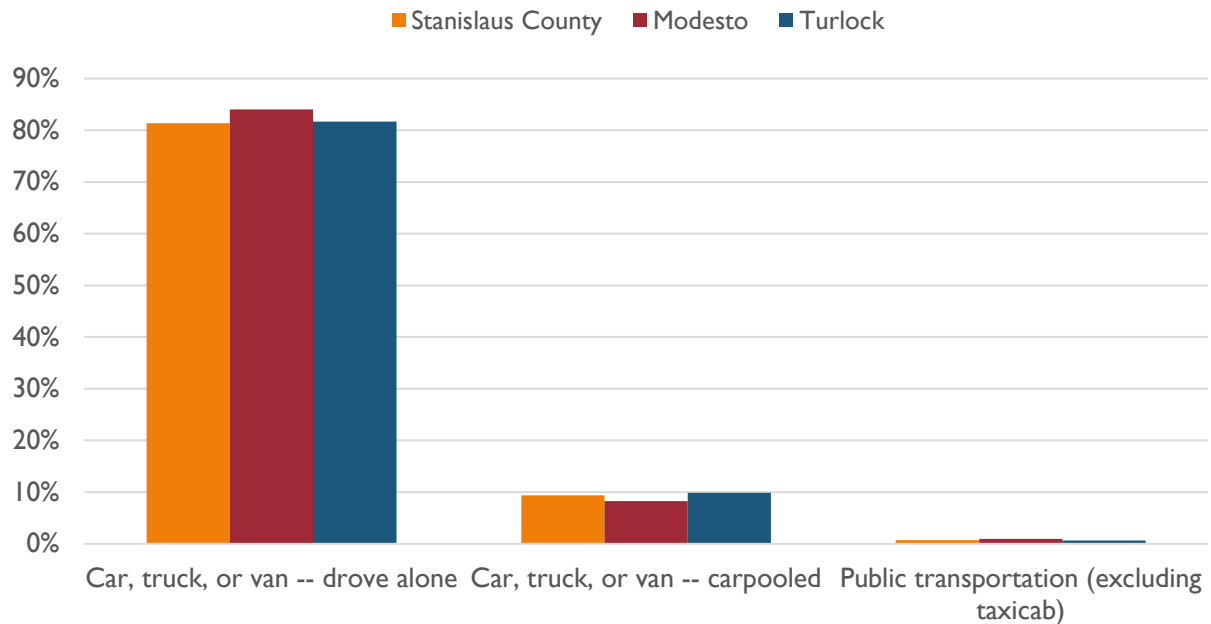
Title VI of the Civil Rights Act of 1964 protects the right to not be excluded from participation in, or denied the benefits of, public transportation services on the basis of race, color, or national origin. People who believe that they have experienced discrimination or have been denied rights may file a complaint with California’s Department of Fair Employment and Housing (DFEH) or with the Federal Transit Administration.

Public Transit Use

Chart 22 depicts the share of commuters in Stanislaus County by the method of transportation to work. The figure indicates that a very small percentage of workers in Stanislaus County take public transportation to commute to work. Only 0.7 percent, or 7 out of every 1,000 workers, take public transportation countywide. In Modesto, the largest city in the County, 0.9 percent take public transportation to work. Using a personal vehicle (whether alone or part of a rideshare/carpool) to travel to work takes far less time than taking public transportation in Stanislaus County. People driving alone to work take an average of 22 minutes, and people who share rides take an average of 26 minutes. Those who take public transportation take 47 minutes, more than double the time driving a vehicle alone. (Chart 23)

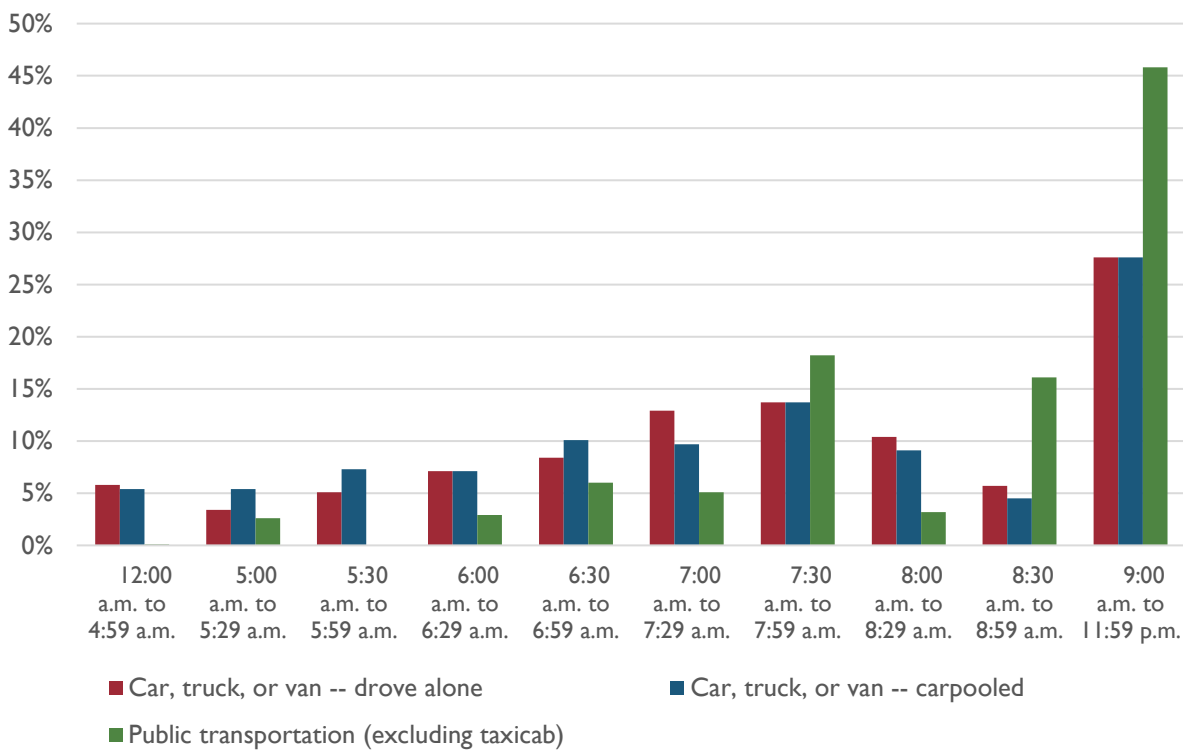
For those who do take public transportation, Chart 23 indicates that the majority begin work during traditional first-shift or “office” hours after 8:30 am. Almost no workers who begin work between midnight and 6:00 am use public transportation but rely on their own vehicle or a rideshare/carpool. A higher percentage of people who drive to work start working between midnight and 8:30 am.

Chart 22. Commuting Method of Workers Over 16 in Stanislaus County



Source: 2013-2017 ACS 5-Year Estimates; Table S0804

Chart 23. Arrival Time to Work in Stanislaus County



Source: 2013-2017 ACS 5-Year Estimates; Table S0804

Schools

Education outcomes are correlated with housing and neighborhood choice because success in education drives an individual's ability to participate in the labor force, occupation, and wage prospects. The collective educational success in an area is a factor in the local economy, average wages and overall housing and neighborhood quality. If educational outcomes are not equal among members of specific groups, the local economy and housing and neighborhood quality will be impacted.

Likewise, housing discrimination segregates some children into distressed neighborhoods and high-poverty, low-quality schools. Specific housing and neighborhood policies can help students' education outcomes by investing in current struggling neighborhoods where children already are and by enabling families to live in communities with higher-quality schools. While increasing educational outcomes is complex and both individual education intervention for students and work stabilizing neighborhood safety and quality are needed, HUD has found the effects of increased neighborhood stability (and home environment) to be a larger factor in increasing educational outcomes. (Breaking Down Barriers: Housing, Neighborhoods, and Schools of Opportunity, HUD Office of Policy Development and Research)

Within Stanislaus County, there are 25 individual school districts and about 115,000 students between kindergarten and 12th grade. Around 110,000 are enrolled in public schools and 5,000 in private schools. Among public school students in the County, 60 percent are Hispanic or Latino, 26 percent are non-Hispanic White, 4 percent are Asian, and the remaining are Black/ African American or Two or More Races. Twenty four percent of all students are learning English, slightly higher than 19 percent in California. Sixty-nine percent of students qualify for free and reduced-price meals based on household income. (Stanislaus County Office of Education Annual Report to the Community 2019)

Chart 24 presents the share of students by race and ethnicity in Stanislaus County. Over 60 percent of students in Stanislaus County schools are Hispanic or Latino, about 26 percent are non-Hispanic White, and the rest are another race, though the demographics of students varies widely geographically. In Ceres, Newman-Crows Landing, and Riverbank School Districts, more than 75 percent of students are Hispanic or Latino. More than 50 percent of students are non-Hispanic White at Valley Home Joint Elementary, Gratton Elementary, Oakdale Joint Unified, Knights Ferry Elementary, Hickman Community Charter School, and Gratton Elementary. Only Stanislaus Union Elementary has more than 25 percent of students who are not Hispanic or Latino, or non-Hispanic White ("Other").

Graduation rates vary by student race, though not by large margins. Black/ African American students have the lowest graduation rate in the County at 74.4 percent and are also the most likely to be suspended. Filipino students have the highest graduation rate at 89.4 percent. (California Department of Education 2018-2019) These rates are both less than ten percentage points away from the countywide graduation rate of 83.9 percent. (Chart 27)

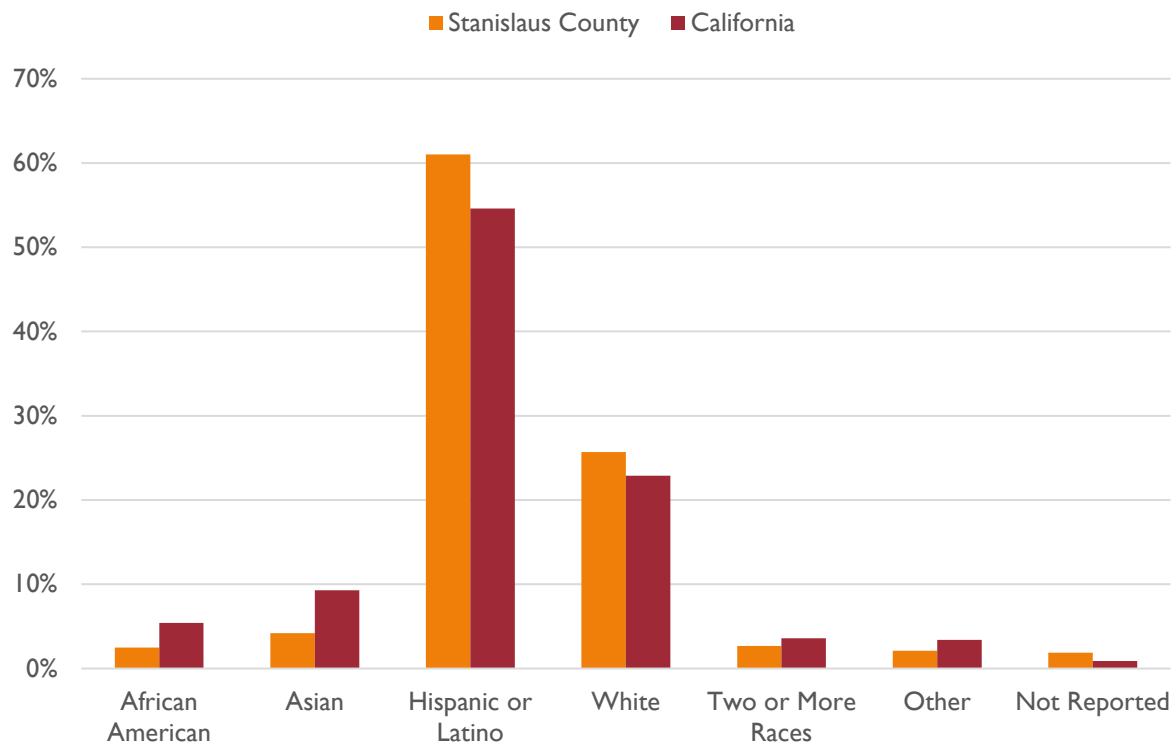
Students' ability to read, write, and speak English varies geographically as well. California students' English language ability is measured using the Initial English Language Proficiency Assessments of California (ELPAC). "English Only" (EO) students are native speakers of English with no additional language support needed. Initial Fluent English Proficient (IFEP) students need minimal language support, and "Reclassified Fluent English Proficient" (RFEP) are those students who, through learning English, are now at the IFEP level. "English Learners" need language education support to learn English for both social and academic use. (California Department of Education)

A number of schools and school districts have a large number of students who are English Learners, or not yet proficient at English for their grade level. Chart 26 indicates that Shiloh Elementary, Riverbank

Unified, Patterson Joint Unified, Paradise Elementary, Modesto City Elementary, Keyes Union, and Chatom Union all have more than a third of students who are considered English Learners.

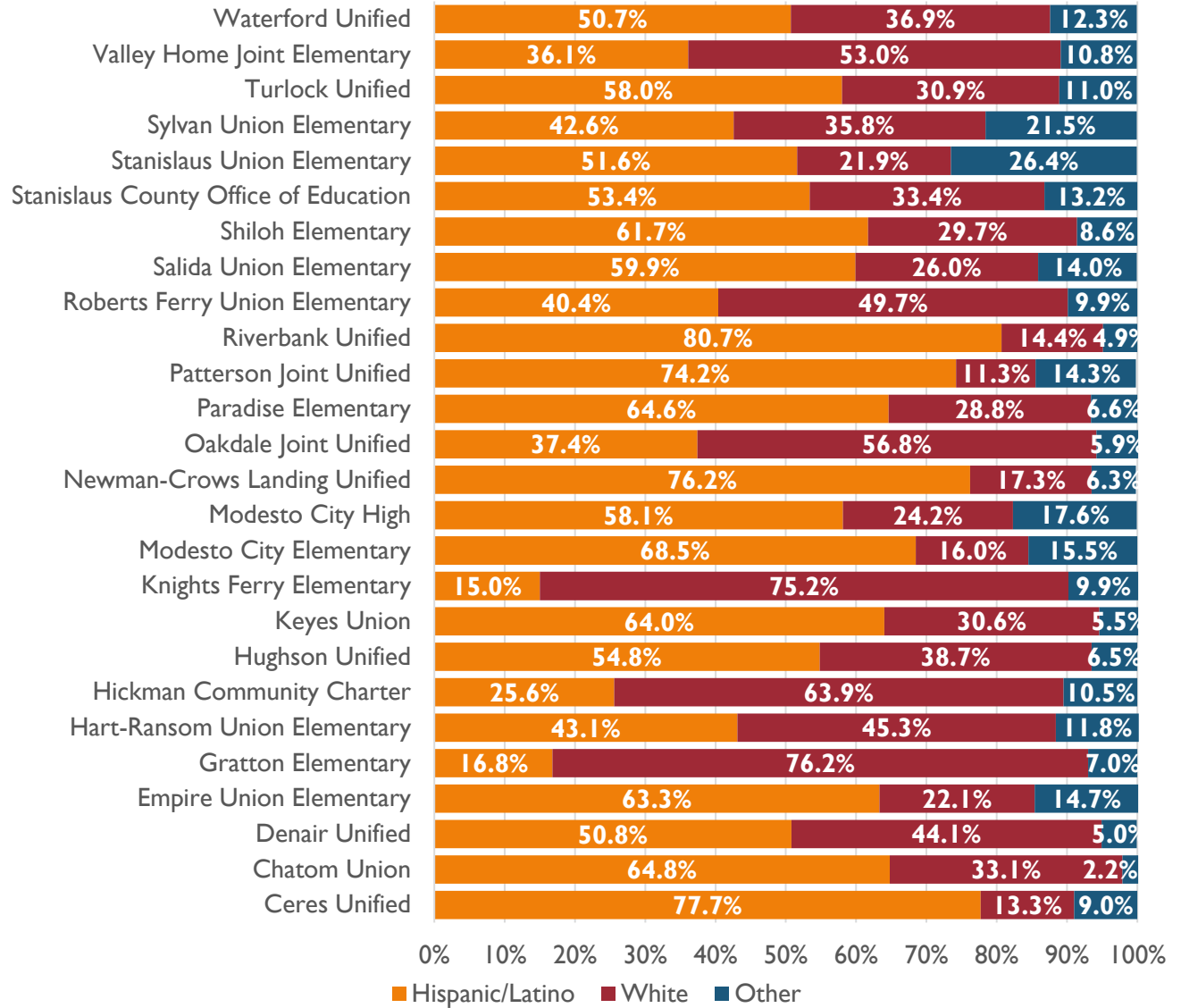
Students still in the process of becoming proficient in English have the significant hurdle of language in the way when competing academically with their peers, though many English Learners achieve the level of RFEF in time, particularly at Modesto City High where more than 31 percent of students achieved the level of RFEF after starting out as English Learners. Turlock Unified, Riverbank Unified, Patterson Joint Unified, Newman-Crows Landing Unified, Hughson Unified, and Ceres United School Districts all have at least 15 percent of students who have achieved the level of RFEF.

Chart 24. Share of Students by Race in Stanislaus County and California



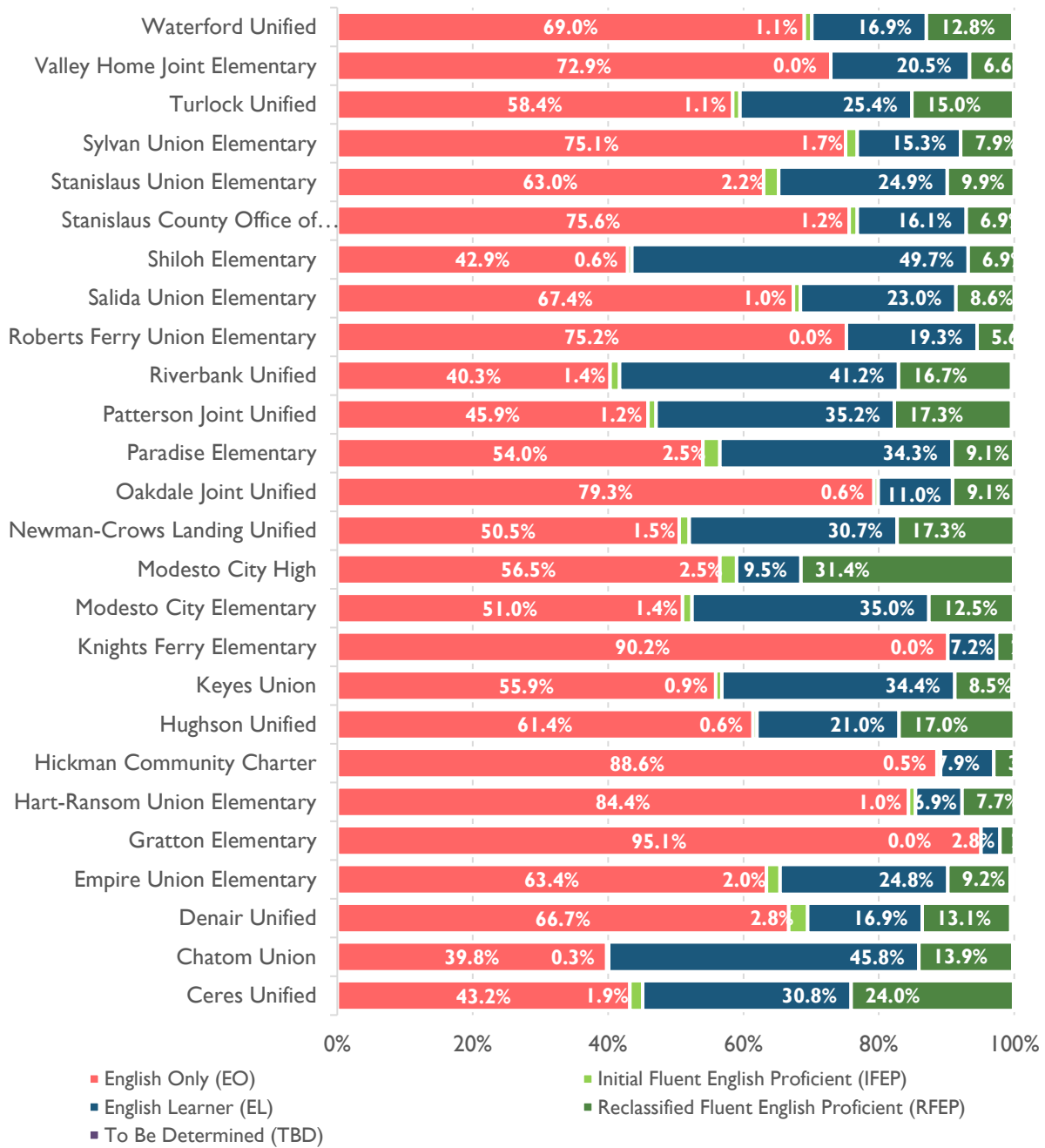
Source: California Department of Education 2018-2019

Chart 25. Share of Students by Race/Ethnicity and School District in Stanislaus County



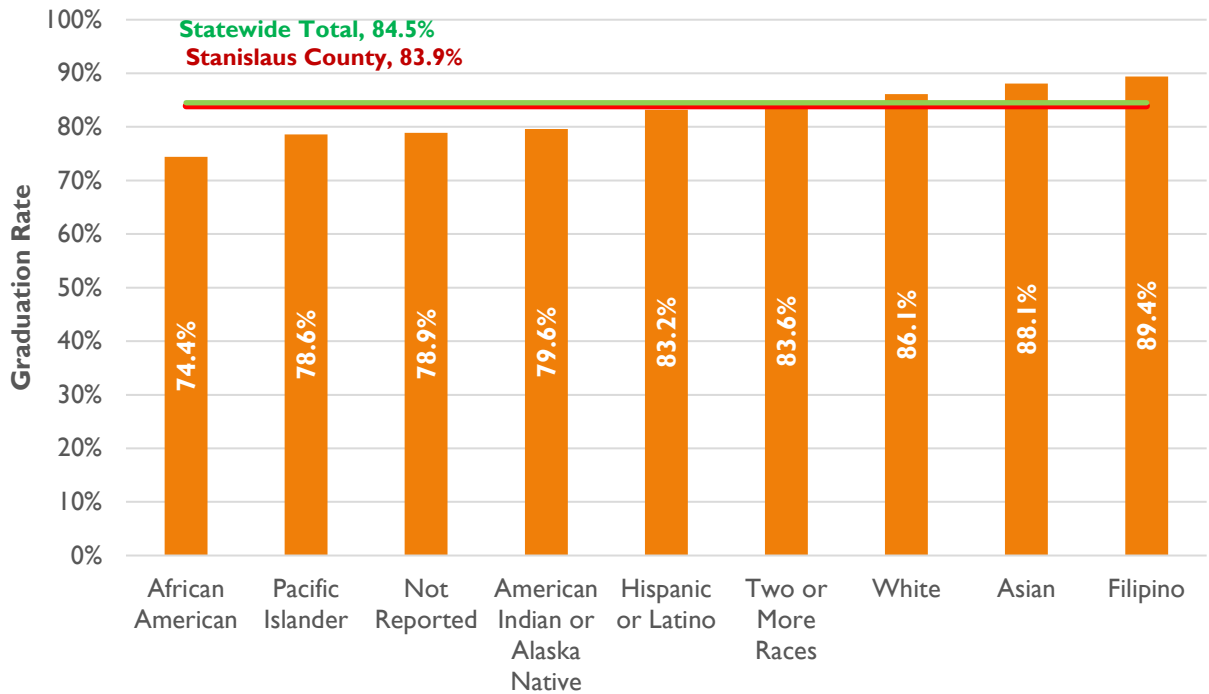
Source: California Department of Education 2018-2019

Chart 26. English Proficiency of Students by School or School District



Source: California Department of Education 2018-2019

Chart 27. Cohort Graduation Rates by Race in Stanislaus County

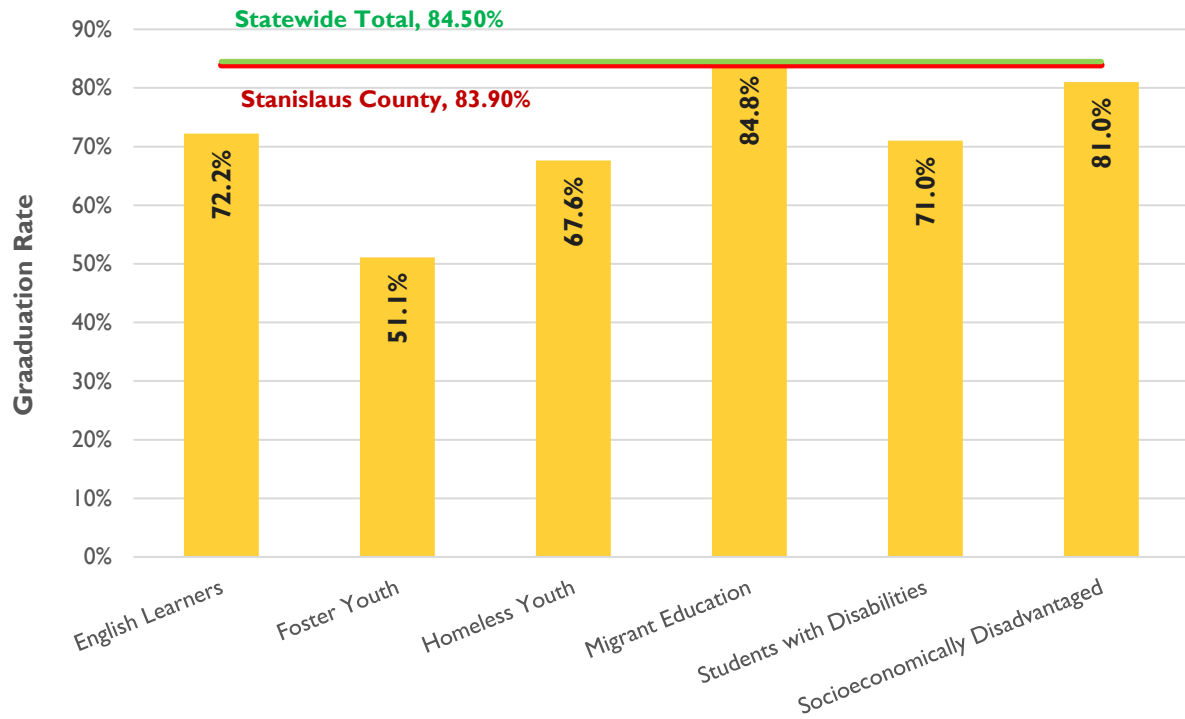


Source: California Department of Education 2018-2019 Four-Year Adjusted Cohort Graduation Rates

Other groups of students may also face academic challenges due to physical or social circumstances. In addition to English Learners, California also calculates the number of students who are “socioeconomically disadvantaged” (students eligible for free or reduced priced meals and/or have parents/guardians who did not receive a high school diploma), migrant, homeless, foster youth, and those with a disability. These students typically need additional resources to succeed and the number of students in these categories helps determine funding from the State. Data on graduation rates and suspensions can also help a school or school district gauge success in meeting these students’ needs.

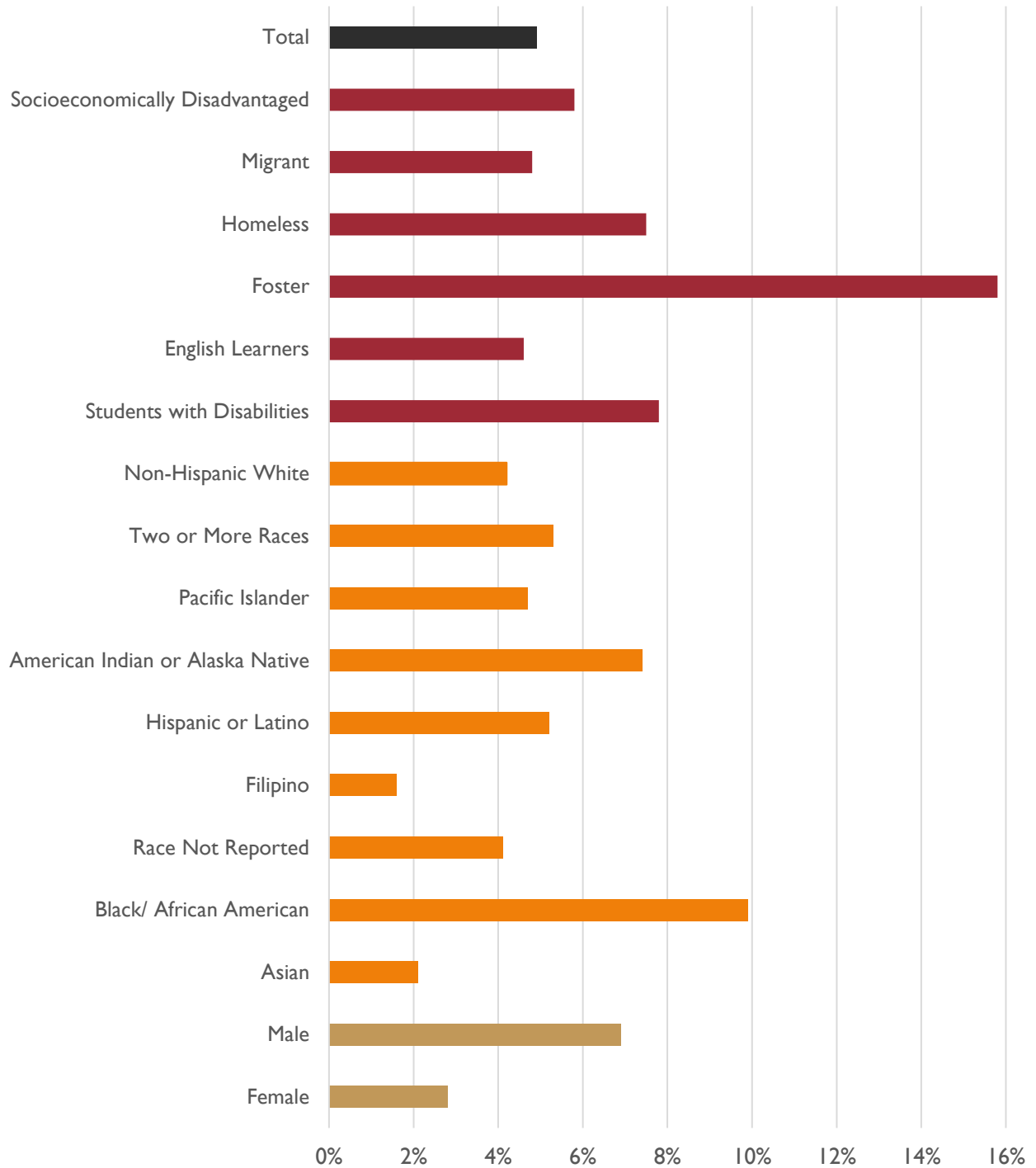
Charts 28, 29, and 30 indicate that in Stanislaus County, foster and homeless youth have the lowest graduation rates and highest school dropout rates. Roughly half of all foster youth in the County graduate. Foster students also have the highest suspension rate of all student groups, with high rates for homeless and disabled students as well. (California Department of Education 2018-2019) In addition, almost 85 percent of migrant students graduate and during the 2018-2019 school year had a graduation rate higher than the County average.

Chart 28. Cohort Graduation Rate Stanislaus County



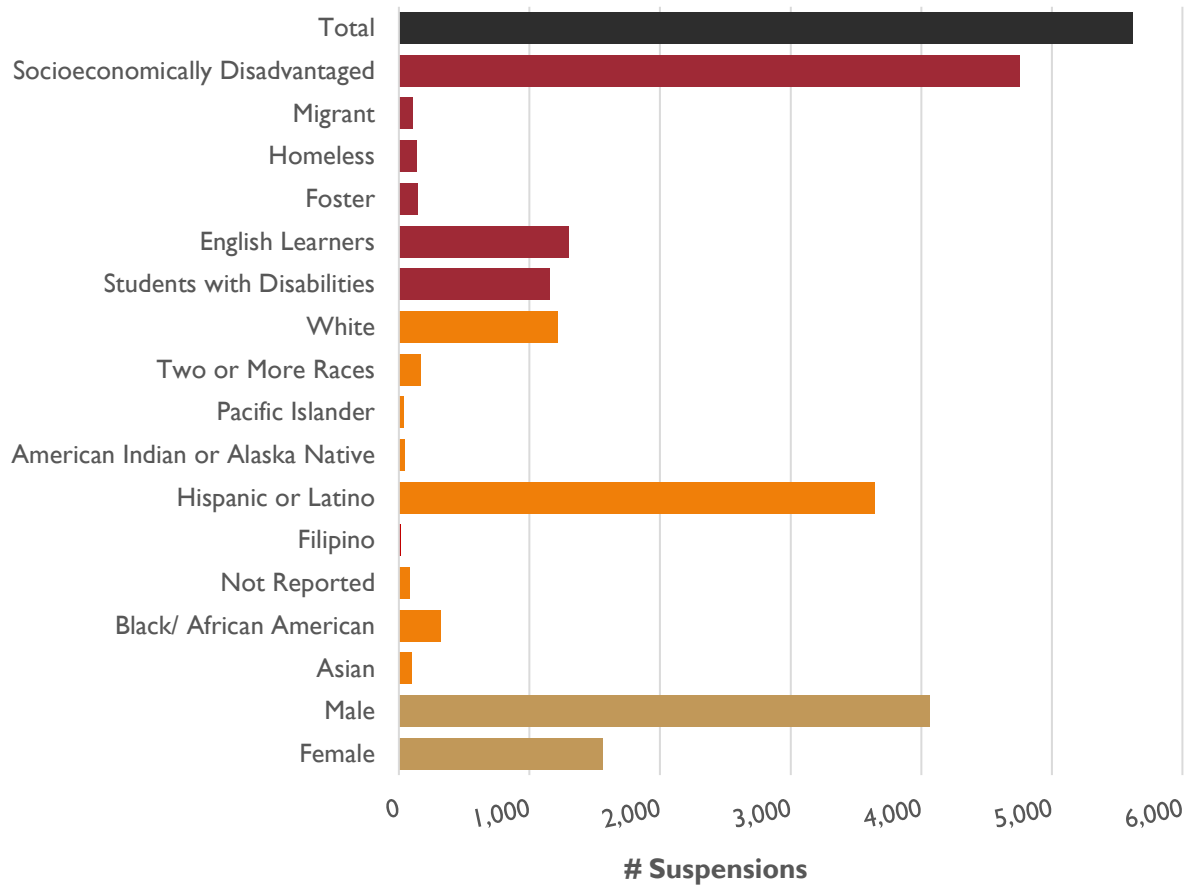
Source: California Department of Education 2018-2019 Four-Year Adjusted Cohort Outcome

Chart 29. Suspension Rate by Student Group, Stanislaus County



Source: California Department of Education 2018-2019 Note: Students may belong to multiple groups.

Chart 30. Number of Unduplicated Students Suspended by Group in Stanislaus County



Source: California Department of Education 2018-2019 Note: Students may belong to multiple groups.

Parks

Park access is a community amenity that may not be accessible proportionately to all resident demographics. The California Department of Parks and Recreation measures park access for all California communities as part of the Statewide Comprehensive Outdoor Recreation Program (SCORP), measuring the population density of areas physically farther than a half mile from a park and the density of parks in each census tract per 1,000 residents. The measurements help identify areas that are not within walking distance of a park and any populated areas with few parks per person. Figure 34 depicts areas across the County without park access within a half mile.

The Department of Parks and Recreation estimates that 24 percent of Stanislaus County residents live further than a half mile from a park, a proportion equal with the State of California. Stanislaus County residents also have a slightly higher number of people with adequate parkland density available per person than the California average. Fifty-eight percent of Stanislaus County residents live in areas with less than 3 acres of parks/open space per thousand residents (a benchmark for adequate park density) versus 62 percent of all Californians.

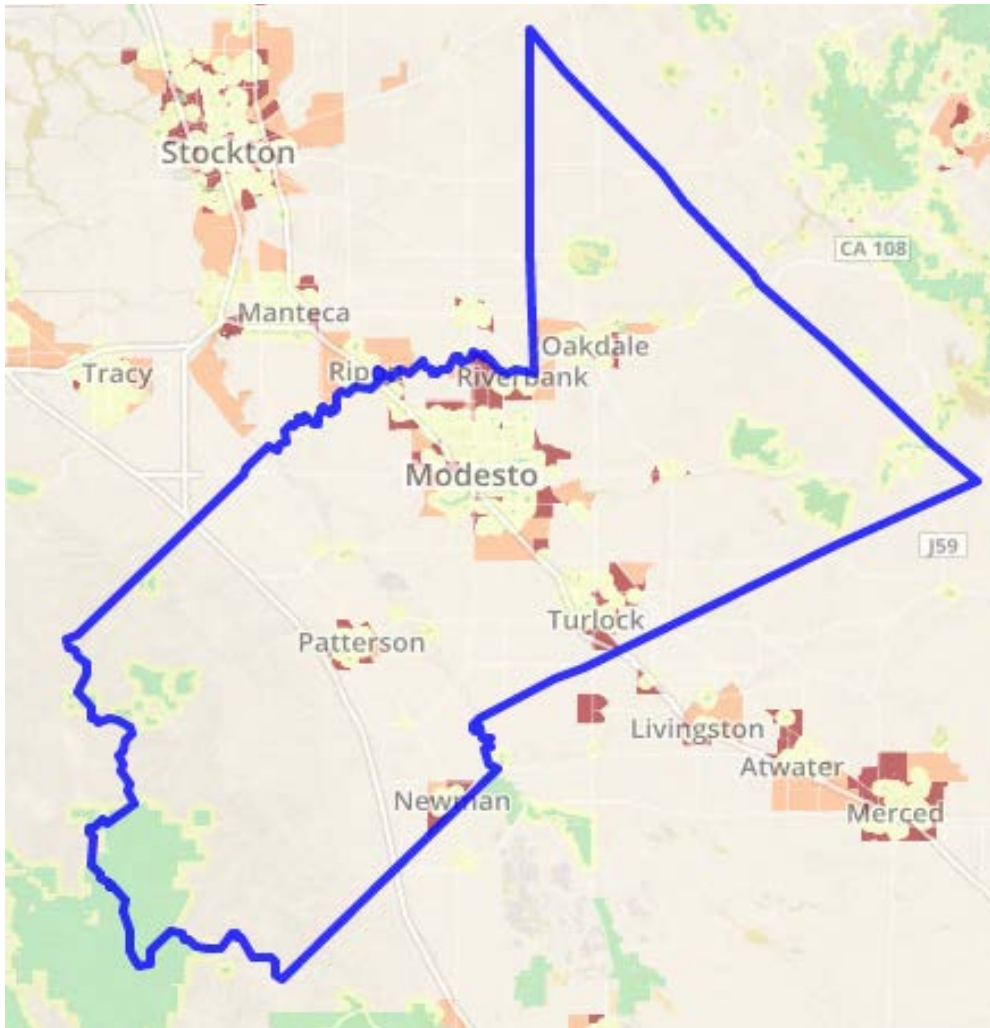
The Cities of Modesto and Turlock both have park access within a half mile for nearly all residents within city boundaries. The developed areas around the city boundaries, however, have gaps in park access. To a lesser extent, this pattern also exists for Patterson, Oakdale, Riverbank, Ceres, and Newman.

It is important that park access by members of protected classes be a part of the planning process and reflect the demographics in the community. The 2018 Stanislaus County Parks & Recreation Master Plan notes change in ethnicity in the County as there has been an overall increase in the County's Hispanic or Latino population. It states, "Stanislaus County's Hispanic/Latino population has increased from 31.7 percent of the total County population in 2000 to 43.6 percent by 2015. This statistic must be acknowledged as a driver for future County parks and recreation planning and programming efforts." (2018 Stanislaus County Parks & Recreation Master Plan)

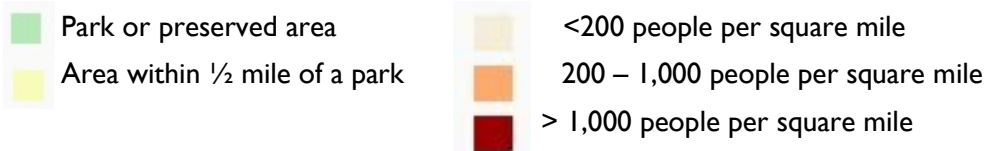
Language is also a consideration in park planning within Stanislaus County's Parks & Recreation Master Plan. The report states that, "the provision of Spanish language materials is perhaps the greatest take-away for increasing presence specifically within the Hispanic/ Latino community. Provisions must be made in the form of bilingual parks signage, handouts, and other exhibits promoting Stanislaus County Parks and Recreation offerings and initiatives." (2018 Stanislaus County Parks & Recreation Master Plan) Acknowledgement of changing ethnicity and primary language of residents in the County will help ensure active participation and access to parks.

Although overall population demographics should be considered in park planning, geographic population demographics should also be used by all jurisdictions within the County to assess equal access to parks, especially small neighborhood parks where walking distance factors into park usage and demographics may shift.

Map 5. Populated Areas with No Park Access Within ½ Mile



Population Density (No park access within ½ mile)



Source: California Department of Parks and Recreation, SCORP Park Access Tool

Internet Access

Internet access is vital for households to participate fully in modern society. Those without this technology are at a disadvantage, such as students completing schoolwork, teens and adults applying for a job, or individuals taking online classes to expand workforce skills to gain or change employment. Internet access can help households take fewer vehicle trips, access medical information, and manage finances. (Broadband Survey: Digital Divide Persists in California but Schools Are Helping to Improve Access for Students, California Emerging Technology Fund, March 12, 2019)

In 2017, 90 percent of California households had access to the Internet and 74 percent had broadband Internet at home, an 8 percent increase in overall access and 4 percent increase in home broadband access since 2013. (California's Digital Divide, Public Policy Institute, March 2019) "Computer" use has expanded to include smartphones, tablets, laptops, and other similar devices. Figure 35 indicates that about as many households now access the Internet through a smartphone as a laptop or desktop computer.

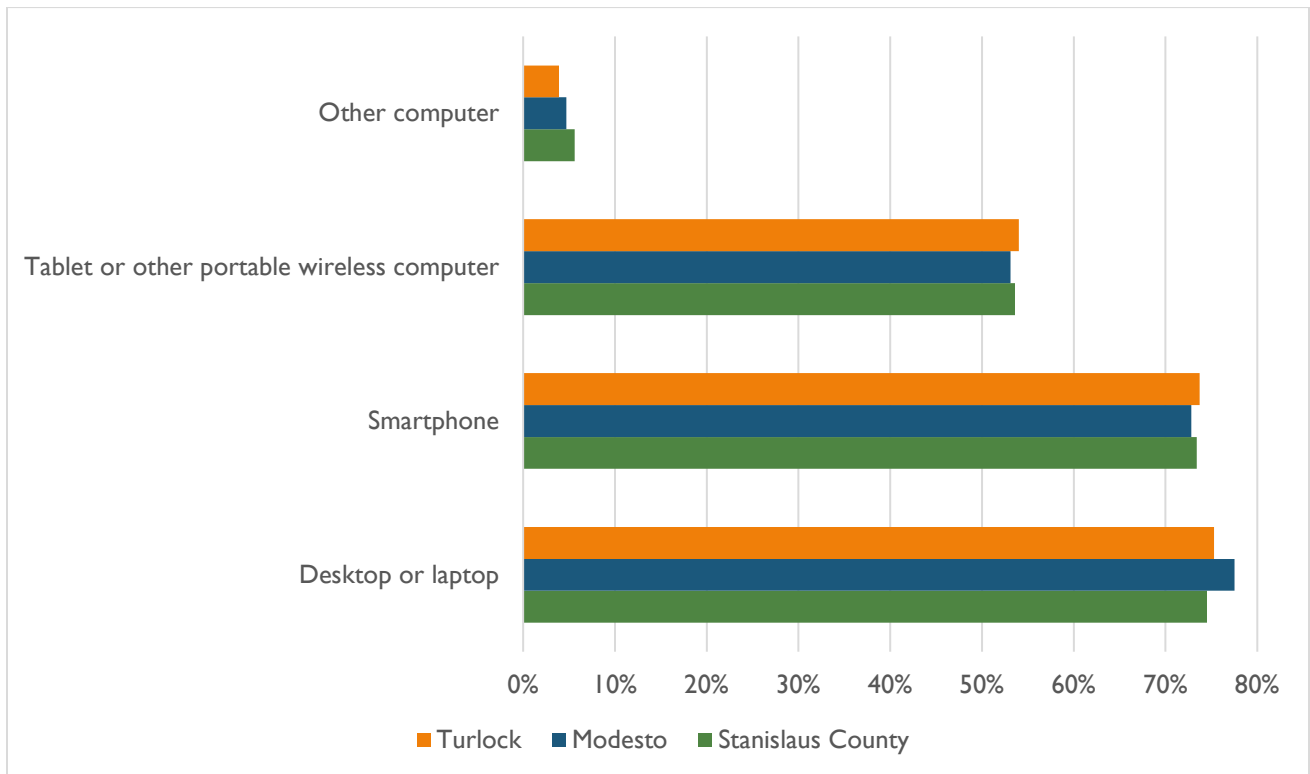
Throughout California, several demographic groups have broadband Internet access rates below the State average. This includes households earning \$20,000 per year or less, seniors (adults 65 years or older), Hispanic or Latinos with limited English proficiency, those with a disability, and adults who did not graduate high school. (Internet Connectivity and the "Digital Divide" in California Households: 2016 California Emerging Technology Fund/ The Field Poll)

Household income and age have the largest gaps in Internet access. In Stanislaus County, 44 percent of households earning \$20,000 or less annually do not have Internet access, while only 6 percent of households making at least \$75,000 do not have access. Across the state, about half of households without Internet access cite the cost of broadband service or a computer/device for their lack of access. Three in four of these households do not know they may qualify for discounted, income-based Internet service in California. (Broadband Survey: Digital Divide Persists in California but Schools Are Helping to Improve Access for Students, California Emerging Technology Fund, March 12, 2019)

About one third of Stanislaus County residents age 65 or older do not have Internet access. This percentage is only 28 percent in Modesto but 38 percent in Turlock. By comparison, 13 percent of those under 18 years of age do not have Internet access. This figure is assisted by the fact many schools assign a mobile computing device to students.

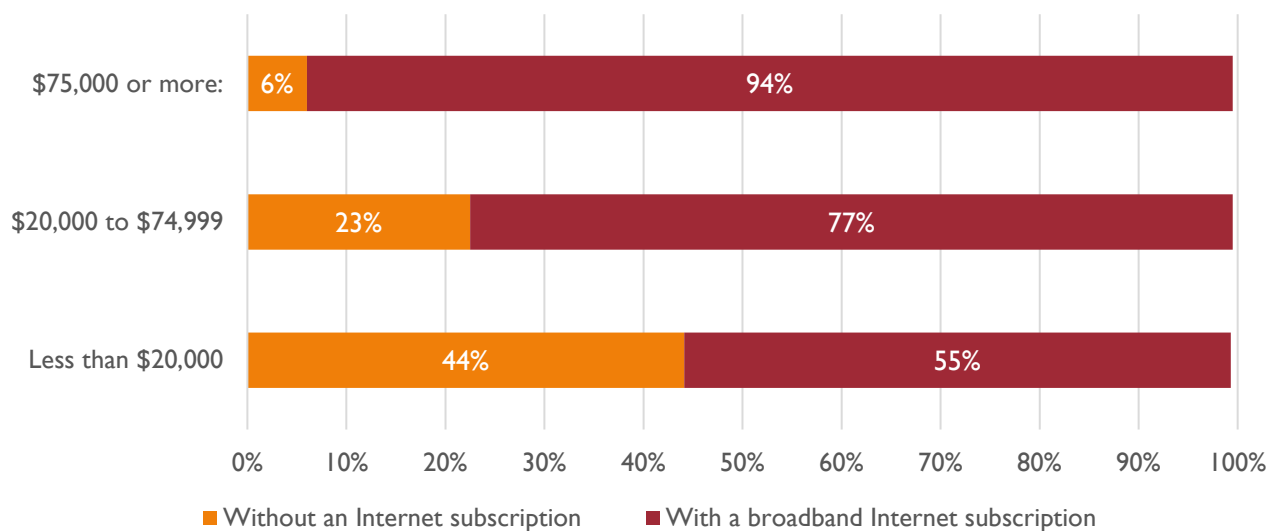
There are some differences in Internet access between different racial and ethnic groups. About 18.6 percent of Hispanic or Latino residents in Stanislaus County do not have Internet access compared to 14.3 of non-Hispanic Whites. (Access for both groups is improved within Modesto and Turlock.) It is worth noting that Hispanic or Latino Californians are more likely to use smart phones alone for Internet access, and among Spanish-speaking Hispanic or Latinos in California, almost half of all Internet access is only through use of a smart phone. (Internet Connectivity and the "Digital Divide" in California Households: 2016 California Emerging Technology Fund/ The Field Poll)

Chart 31. Type of Computer Used in Households in Stanislaus County



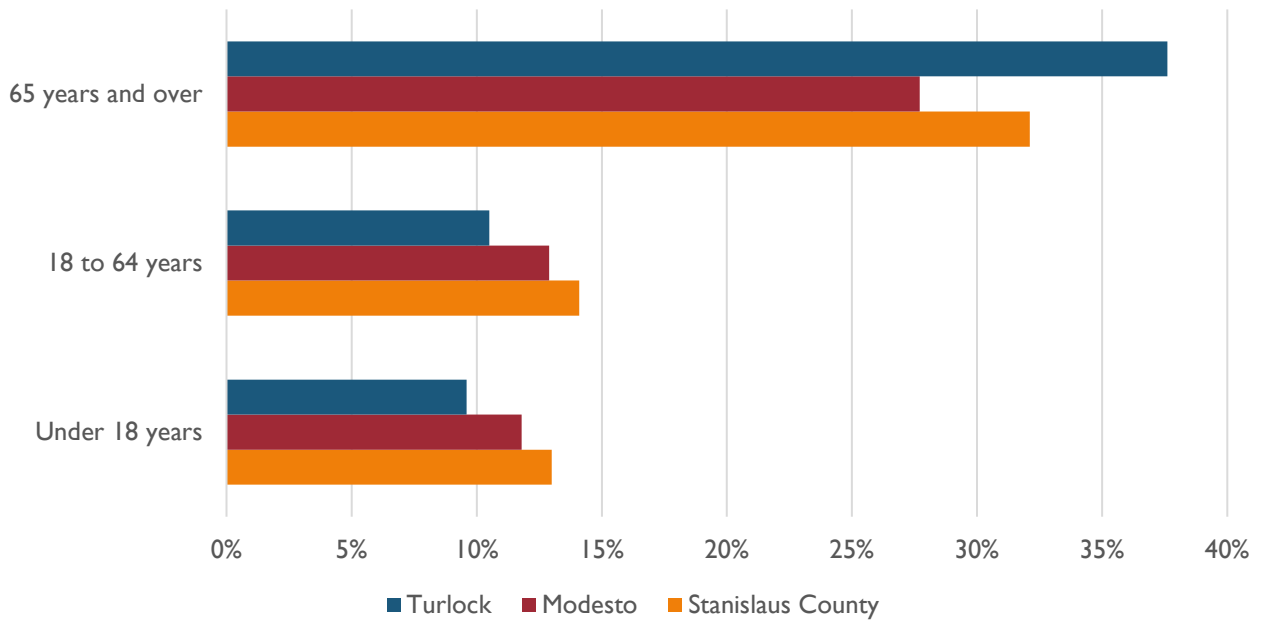
Source: 2013-2017 ACS 5-Year Average, Table S2801

Chart 32. Broadband Internet Access by Household Income in Stanislaus County



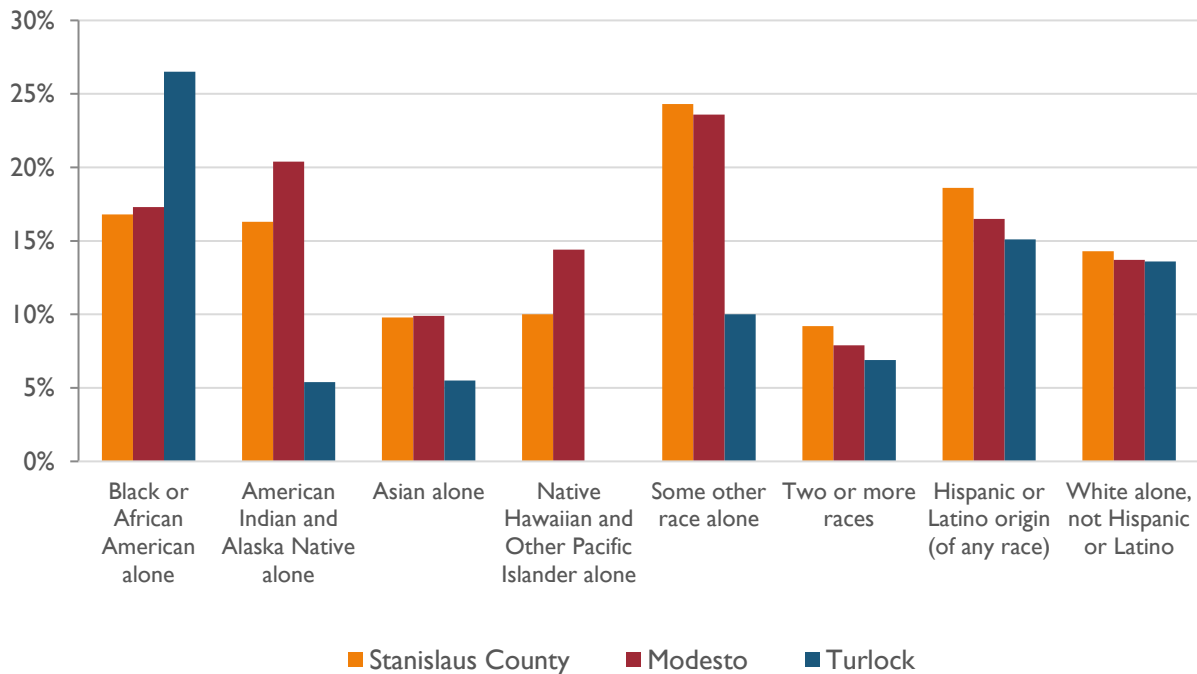
Source: 2013-2017 ACS 5-Year Average Table, S2801

Chart 33. Population with Lack of Internet (With Computer) or No Computer by Age



Source: 2013-2017 ACS 5-Year Average Table, S2802

Chart 34. Lack of Internet (With Computer) or No Computer in Household by Race and Ethnicity and Jurisdiction



Source: 2013-2017 ACS 5-Year Average Table, S2802

PUBLIC SECTOR POLICY REVIEW

Introduction

National, state, and local public policies affect fair housing choice and neighborhood availability by influencing the amount, cost, and location of available housing. Public policies also affect what amenities are available in a given neighborhood such as grocery stores, parks, and health clinics, and affect transportation options that connect the neighborhood to schools, jobs, and other regional opportunities. Policies that disproportionately limit housing and neighborhood opportunities for specific groups of people are considered impediments to fair housing or actions that do not actively affirmatively further fair housing.

Public policies designed and adopted with good intentions can result in unintended consequences when implemented if the effect is a restriction on fair housing choice for people who belong to a protected class. For this reason, it is worth reviewing both the intent of public policies and their consequences.

An assessment of government regulations, policies, and practices enacted by jurisdictions across Stanislaus County can help determine potential policy-created impediments to fair housing choice.

Federal Laws and Local Housing Choice

Fair Housing Amendment Act (FHAA) 1988

A significant update to the Fair Housing Act was enacted into law in 1988 that gave specific housing protections to people with disabilities in addition to any rights codified in earlier laws. Called the Fair Housing Amendment Act (FHAA), the update includes several protections that may influence public policies and laws at different levels of government. The law states that it is illegal to:

Refuse to permit reasonable modifications, at the expense of the handicapped renter, except that a landlord may condition interior modifications where reasonable; to refuse to make reasonable accommodations in rules, policies, or services to afford handicapped individuals equal use and enjoyment of a dwelling; and to fail to design and construct multifamily dwellings with specified adaptive accessibility and usability designs.

The FHAA applies to local governments as well as private housing providers. Under the FHAA, local governments are required to “reasonably accommodate” housing for persons with disabilities in their land-use planning and policies. Jurisdictions must grant variances and zoning changes, if necessary, to make new construction or rehabilitation of housing for persons with disabilities feasible but are not required to fundamentally alter their zoning ordinance. The failure to allow for reasonable accommodations in policies to allow persons with disabilities to live in the community will violate the Fair Housing Act regardless of whether there is discriminatory intent.

Regarding multifamily dwelling design and construction, the law requires that state and local governments incorporate specific accessibility and usability standards into their new construction and design requirements as well as building codes.

Although most local governments are aware of state and federal requirements for landlords to provide reasonable accommodations, if specific reasonable accommodation policies or procedures are not present at the jurisdictional level, residents with disabilities may be unintentionally displaced or discriminated against. All jurisdictions within the County include reasonable accommodation policies to meet the needs of their communities. (29 U.S.C. § 794)

Americans with Disabilities Act (ADA) 1990

The Americans with Disabilities Act (ADA) gives broad protections to people with disabilities in the workplace, schools, transportation, and places (public or private) open to the general public. Title II of the ADA specifically applies to all state and local governments and protects individuals with disabilities from discrimination in programs, activities, and services funded by public entities.

When constructing or renovating new public buildings, State and local governments are required to follow specific architectural standards to make them accessible to people with physical disabilities. They must also relocate or provide access to programs in older buildings inaccessible to people with disabilities and have methods to communicate with people who have hearing, vision, or speech impairments.

Included within the category of State and local services are activities related to local planning and zoning. It can also include government activities like constructing sidewalks, creating snow removal policies, and managing public park reservations.

Title III of the ADA applies to public accommodations within non-government establishments such as retail stores, restaurants, movie theaters, and day care centers. Private transportation services are covered by Title III, as are nonprofit organizations, and any other venue open to the general public. This section of the ADA requires that public accommodations prohibit exclusion, segregation, and unequal treatment of people with disabilities. Public accommodations also must comply with architectural standards for new and renovated buildings; accommodate reasonable modifications to policies, practices, and procedures; and be able to communicate with people with hearing, vision, or speech disabilities. Additionally, public accommodations must remove barriers in existing buildings where it is possible without much difficulty or expense. Religious buildings without public funding are exempt. (42 U.S.C. §§ 12101 et seq., 28 CFR Parts 35-36) (*What is the Americans with Disabilities Act (ADA)?* ADA National Network, <https://adata.org/learn-about-ada>, Web. February 5, 2020.)

State Laws and Local Housing Choice

California has many housing laws related to housing, zoning and land-use, permitting, planning, and housing financing policies. These include:

Housing Permitting

- Cities and counties must allow for housing for persons with disabilities, homeless persons (including emergency shelters, transitional housing, and supportive housing), and extremely low-income households including single-room occupancy (SRO).
- Replacement housing when allowing conversion or demolition of housing occupied by low- and moderate-income households. (§ 65008 and § 65580-65589.8)

Growth Limits

- Public growth initiative ordinances are allowed under state law.
- Zoning regulations and ordinances that limit housing must state the rationale behind the regulations in terms of the city's police powers: the public health, safety, and welfare of the community. (§ 65863.6)

Inclusionary Zoning

- Inclusionary zoning is allowed under state law to increase the number of deed-restricted lower-income housing units in exchange for housing permitting. (§65589.8)

Density Bonuses

- Local governments are authorized to allow density incentives for private housing development in exchange for the inclusion of deed restricted lower-income housing units. (§§ 65915-65917)

Accessory Dwelling Units (ADUs)

- Accessory Dwelling Units (ADUs) or “Granny unit” regulations allow for specific types of secondary residential dwelling units through California law, with special consideration for units intended for adults over the age of 62. (§ 65852.1.)

Local Laws and Housing Choice

Occupancy Standards

Just as regulations on the definition of “family” can result in a disparate impact, restrictions on the allowable number of individuals within a housing unit can violate fair housing laws on the basis of family status.

Historically, strict occupancy standards have been used either by local jurisdictions or individual landlords to keep families from renting housing in an area. Families with children and large households often face discrimination in the housing market, particularly in rental housing, which can take the form of occupancy standards under the guise of health or safety regulations. As a result of being denied housing due to occupancy standards, families (particularly larger families with children) may not be able to live within their desired household makeup or may be forced to find poor quality housing that breaks local ordinances. Occupancy standards may therefore be an impediment to fair housing choice and may be found in zoning, health, land-use, building or other codes.

No State or federal fair housing laws create exact numeric values for occupancy standards. Both government and landlords can set an occupancy standard, but fair housing violations are decided on a case-by-case basis by the courts. The FHA states that, “nothing in this title shall limit the applicability of any reasonable local, state, or federal restrictions on the maximum number of occupants permitted to occupy a dwelling unit”. The word ‘reasonable’ is the key word and is a matter of court interpretation.

The HUD standard for occupancy is two persons per bedroom, however this figure has not been codified into federal law. The California Department of Fair Employment and Housing (DFEH) has used the “two-plus-one” rule (two persons per bedroom plus an additional person) when considering a reasonable maximum standard in fair housing cases, though there have been key exceptions. The amount and distribution of “habitable space” in a housing unit, and the number and size of bedrooms, are also factors.

Under either federal or State occupancy guidelines a landlord cannot, for example, restrict occupancy to more than three persons in a three-bedroom unit, or increase the rent for a one-bedroom unit if a baby is added to the household by a couple. A city could not impose a one-person-per-bedroom provision in their zoning ordinance.

Other issues related to occupancy, such as lack of parking or gender of the children occupying one bedroom, should not be factors considered by the landlord when renting to a household.

A jurisdiction can use the Uniform Housing Code (Section 503(b)) to set maximum occupancy for residential units, a federal standard that has been adopted by California. Under this building code, a dwelling unit must have at least one room which is more than 120 square feet in area. Other habitable rooms, except kitchens, are required to have a floor area of at least 70 square feet. So, for the smallest housing unit legally permitted to be constructed, there may be two occupants. For every additional occupant there must be an additional 50 square feet. California Fire Code also determines residential occupancy standards, but the number of people per unit or per square foot generally imposes fewer limitations than the building code.

No Stanislaus County jurisdictions have additional occupancy limits beyond adopted building and fire code.

Rental Registration

Rental registration ordinances can help a municipality ensure housing conditions are safe and sanitary for renters who may not have the knowledge or ability to advocate for themselves and contact the proper authorities for housing issues. Correcting housing issues may require overcoming specific language, education, or other barriers (such as knowledge of health regulations and building code) and can be an impediment to housing choice when the burden of notification and inspection is placed on tenants and not the landlord. Provided the ordinances do not add conditions such as occupancy limits that restrict fair housing choice, these ordinances can be considered a best practice in affirmatively furthering fair housing. If a rental registration ordinance is not present, clear points of contact for code enforcement issues can help tenants navigate correcting housing issues.

Modesto's Rental Housing Safety Program (effective October 2019) applies to all rental residential housing units over 10 years old in the City or those inspected as part of a government program (e.g. the Housing Authority). The program, run by the Neighborhood Preservation Unit, requires rental properties to be registered with the City by the property owner and comply with all local health, building, and safety codes. Modesto does not have a rental registration ordinance that requires additional requirements of rental buildings beyond existing city code.

Rent Control

California's Costa-Hawkins Rental Housing Act, passed in 1995, prohibits local governments from using rent control on housing first occupied after February 1, 1995, and other specific types of housing such as condos, townhouses, and single-family homes. No cities in Stanislaus County, including Modesto, have rent-control ordinances.

Development Fees

Housing development imposes short- and long-term costs upon local government, such as the cost of providing site reviews, permitting and inspection, and maintaining General Plan and zoning regulations addressing housing development. Jurisdictions also charge impact fees to offset the cost of providing the infrastructure and public facilities that are required to serve new housing development. To help recoup costs and ensure that essential services and infrastructure are available when needed, Stanislaus County jurisdictions charge various types of development fees. The fee amounts vary based on the needs of each jurisdiction and the services provided.

The fees can be a significant factor in housing development throughout California by raising housing costs and disincentivizing new residential development, factors that contribute to statewide high housing costs. Among California jurisdictions, fees account for between six and eighteen percent of the price of housing. (Turner Center for Housing Innovation- UC Berkeley, It All Adds Up: The Cost of Housing Development Fees in Seven California Cities, March 2018)

As a best practice, the public and developers should be able to access a jurisdiction's current fee schedules to estimate fees as a part of total development project costs in advance.

Until 1978, property taxes were the primary revenue source for financing the construction of infrastructure and improvements for residential development in California. Proposition 13, passed in 1978, limited a local jurisdiction's ability to raise property taxes and increasing reliance on other funding sources to provide infrastructure, public improvements, and public services. An alternative funding source widely used among local governments in California is the development impact fee, which is charged to the project developers/owners, for publicly provided infrastructure that supports the development, including water and sewer facilities, parks, and transportation.

For jurisdictions to charge an impact fee, the California Mitigation Fee Act requires that the jurisdiction demonstrate the "nexus" between the type of development in question and the impact being mitigated by the proposed fee, and that fee amount be proportional to the impact caused by the development. Fees not covered by the California Mitigation Fee Act include inclusionary housing ordinance in-lieu fees, permit processing fees, utility connection fees, and fees included within specific development agreements between a jurisdiction and a developer.

Despite state law limiting direct impact fees, the fees can be a large part of a jurisdiction's total fee requirements for housing development. Because developers tend to pass these fees onto the final housing owner, the effects of reducing these fees on housing affordability depend on the amount of the fee reduction and current home prices. Because the eventual owner bears the brunt of fees, high fees limit development of lower-cost housing more than higher-cost housing. (Turner Center for Housing Innovation- UC Berkeley, Current Practices and Policy Considerations to Improve Implementation of Fees Governed by the Mitigation Fee Act, August 2019)

A reduction in development fees for low-income housing may help these projects become financially feasible. A jurisdiction deferring development fees until a certain time after project completion can also help add flexibility the project's upfront costs and assist in the development of low-income housing.

The General Plan and Zoning Ordinance

General Plan

The General Plan is a planning document that serves as a framework for cities and counties to establish long-term goals and policies to guide land use and development in the community. The State of California requires that all localities completing a General Plan include seven elements in their Plan: land use, circulation, housing, conservation, open space, noise, and safety. Some communities also must address environmental justice and/or air quality in their Plans and any community can add any additional elements in their General Plan that they desire. (§ 65302) Two of the required elements, the housing and land-use elements, can directly impact local housing markets because they define key parameters for housing development such as permitted density, required fees, and allowable zoning uses.

California law requires that local governments adequately plan to meet the existing and projected housing needs of all members of the community. The law acknowledges that for the private market to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory systems that provide opportunities for, and do not constrain, housing development. The state outlines requirements for each community's Housing Element of the General Plan, which are then subject to review by the California Department of Housing and Community Development (HCD) for compliance with State law before they can be adopted by the local government. The Housing Element of the General Plan details a local government's strategy to address their jurisdiction's housing needs and regulates existing and future housing development opportunities. A Housing Element must:

- Identify sites which will be made available through appropriate zoning and development standards that have adequate services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels in order to meet the community's housing goals;
- Assist in the development of adequate housing to meet the needs of low- and moderate-income households;
- Address, and if appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
- Conserve and improve the condition of the community's existing affordable housing stock; and
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, sexual orientation, gender identification, or any other arbitrary factor.

Within a Housing Element, a jurisdiction specifically details how a set number of housing units can be produced that meet the housing needs of different income groups, a housing goal called the Regional Housing Needs Assessment (RHNA). The RHNA projects how many and what types of housing units will be needed within the jurisdiction. In their General Plan Housing Element, jurisdictions show how the given allocations could be met through zoning, available sites, funding, local regulations, etc. and how the jurisdiction is addressing impediments to housing development.

Though these goals are not a mandate for housing production, actions taken by a jurisdiction to make these units possible should result in additional housing units being developed because of high housing demand. For lower-income housing unit goals, each jurisdiction needs to identify sites that meet specific criteria which should accommodate projects that could support lower income housing.

The RHNA housing goals are calculated based on a jurisdiction's projected population demographics during the future RHNA cycle, particularly the number of people within "low-" (50 to 80 percent of AMI), "very low-" (30 to 50 percent of AMI), and "extremely low-" (0 to 30 percent of AMI) household income categories. A region's Council of Governments (COG) allocates the actual housing numbers per jurisdiction. In Stanislaus County, this body is the Stanislaus Council of Governments (StanCOG).

The Land-Use Element of the General Plan also influences housing choice by defining uses for specific geographic areas including allowable development densities and the general description of what the community would like to see the land used for such as residential, commercial, industrial, open space, and agricultural purposes. As it applies to housing, the Land-Use Element establishes a range of residential land-use categories, specifies densities (typically expressed as dwelling units per acre [du/ac]), and suggests the types of housing appropriate in a community. While the Land-Use Element establishes different parameters for residential development, it is a jurisdiction's zoning ordinance which details the specific development standards for the community. In other words, the Land-Use Element serves as a guiding

framework for a community's land-use policy, while the zoning ordinance is the explicit code that lays out permitted uses within each zone.

Land-Use Elements may also describe other community components related to housing choice like transportation plans including bicycle and pedestrian routes, flood zones and information on known hazards, and social equity analysis.

Zoning Ordinance

A jurisdiction's zoning ordinance is the section of its municipal code that details and sets requirements for the specified land-use designations laid out in the General Plan. A zoning ordinance establishes zoning districts that correspond with the locality's land-use element and contains two key components: a set of legal descriptions for each zone and an official zoning map. Each zone description sets development standards and permitted uses for each zoning district to govern the density, type, and design of different land uses for the purpose of protecting the health, safety, and welfare of the community. (§ 65800-65863).

As the zoning ordinance relates to fair housing, several of its components can restrict housing development and access (and through them, housing choice) by constricting the local supply of housing units or discriminating against protected groups outlined in state and federal law. While the Fair Housing Act does not pre-empt local zoning laws, it does apply to municipalities and other local government entities and prohibits them from enacting or implementing land-use policies that exclude or otherwise discriminate against protected persons. Local policies that are "facially neutral" (that is, they apply to all persons, not just those included in a protected group) could be violations of the Fair Housing Act if they have a disparate impact or discriminatory effect on protected persons, whether intentionally or not. For instance, land-use policies such as density or design requirements that make residential development prohibitively expensive, limitations on multi-family housing, or a household occupancy standard may be considered discriminatory if it can be proven that these policies have a disproportionate impact on minorities, families with children, or people with disabilities.

As part of the Housing Element, jurisdictions are required to evaluate their land-use policies, zoning provisions, and development regulations, and make efforts to mitigate any constraints identified within the Plan as restrictions to housing choice. One type of zoning law that courts have ruled as having a disparate impact on people with disabilities is definitions of the term "family" that allow any number of related persons to live together but limit the number of unrelated persons who may live together. Although applicable to groups of unrelated and non-disabled persons (e.g., college students, nuns, etc.), these laws may be deemed to have a disparate impact on persons with disabilities who often need to live in group settings for both programmatic and financial reasons. Although a seemingly neutral policy, such ordinances can disproportionately harm specific groups.

The Fair Housing Act addresses this type of limited housing choice by prohibiting state and local land use and zoning laws, policies, and practices to discriminate based on a characteristic protected under the Fair Housing Act. Both intentional and unintentional discrimination that is a result of public policy is in violation of the Fair Housing Act. The U.S. Supreme Court affirmed that unintentional discrimination caused by land use and zoning laws and without a legitimate purpose is illegal in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, stating that "unlawful practices include zoning laws and other housing restrictions that function unfairly to exclude minorities from certain neighborhoods without any sufficient justification." (135 S. Ct. 2507 2015) These laws have a discriminatory effect ("disparate impact") on persons in a particular group, whether intentional or not.

In 2016, HUD and the U.S. Department of Justice (DOJ) released a Joint Statement updating guidance about how the federal Fair Housing Act applies to state and local public policies like land use (including as found within a General Plan) and zoning laws. Examples of discrimination given in the statement include:

- Placing a moratorium on the development of multifamily housing because of concerns that the residents will include members of a particular protected class.
- Citing individuals who are members of a particular protected class for violating code requirements for property upkeep while not citing other residents for similar violations.
- Requiring a proposed development provide additional security measures based on a belief that persons of a particular protected class are more likely to engage in criminal activity.
- Requiring an occupancy permit for persons with disabilities to live in a single-family home while not requiring a permit for other residents of single-family homes.

Reasonable Accommodation in Zoning

Land use and zoning discrimination based on protected characteristics related to disability is also prohibited under Title II of the Americans with Disabilities Act (“ADA”), Section 504 of the Rehabilitation Act of 1973 (“Section 504”), and Title VI of the Civil Rights Act of 1964. Residents who are disabled have a right under these laws to request a reasonable accommodation or modification to zoning ordinance requirements that restrict their use or enjoyment of their residence, usually in the form of a zoning variance.

Not all reasonable accommodation requests are required to be granted but those that are reasonable and necessary for the applicant should be granted if they do not conflict with the needs of the community. For this reason, an official reasonable accommodation policy for local planning and zoning committees may help guide accommodation decisions and treat applicants as uniformly as possible based on findings of fact. (A Primer on Disability for Land Use and Zoning Law, Journal of Law, Property, and Society Vol. 4 March 2018)

In Stanislaus County, all jurisdictions have a reasonable accommodation policy within their zoning ordinance except for Modesto who references a reasonable accommodation policy in their General Plan. Table 3 outlines the source of each jurisdiction’s policy.

Table 3. Reasonable Accommodation Policies by Jurisdiction

Jurisdiction	Reasonable Accommodation Policy
Ceres	Policy outlined in Ch 18.110 of Zoning Ordinance
Hughson	Policy outlined in Ch 17.03.062 of Zoning Ordinance
Modesto	Housing Element references a reasonable accommodation policy but no mention in the Municipal Code
Newman	Zoning Ordinance cites the city's reasonable accommodation policy (Ch 1.19)
Oakdale	Zoning Ordinance cites the city's reasonable accommodation policy (36-18.32)
Patterson	Zoning Ordinance outlines the City's reasonable accommodation policy (Ch 18.89)
Riverbank	Zoning Ordinance cites the city's reasonable accommodation policy (Ch 153.221)
Turlock	Part of the city's past Housing Element stated working towards complying with federal reasonable accommodation provisions
Waterford	Zoning Ordinance outlines the city's reasonable accommodation policy (Ch 17.03.010)
Stanislaus County	Zoning Ordinance outlines the County's reasonable accommodation policy (Ch 21.86)

Source: Zoning Ordinance for each jurisdiction

Zoning Definitions

A community's zoning ordinance could restrict access to housing for individuals or groups of people based on the official definitions of specific terms. The terms "family", "disability" or "disabled person", "elderly", "homeless shelter" or "emergency shelter", "group home", "rooming house", and any number of other terms could be impediments to housing choice if they are interpreted to conflict with the Fair Housing Act (FHA) or California's Fair Employment and Housing Act (FHEA).

Federal Fair Housing Act Definitions

Disabled person: An individual with mental or physical impairments (including hearing, mobility, and visual impairments, cancer, chronic mental illness, HIV/AIDS, or mental retardation) that substantially limits one or more major life activities.

Note: the FHA uses the term "handicap" instead of "disability".

Familial Status: Includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

Family

A key definition that can restrict housing choice within a zoning code is "family" if a jurisdiction's zoning ordinance defines the term in a way that conflicts (in theory or in practice) with the FHA or FHEA. For instance, a landlord may refuse to rent to a pair of college students living together, unmarried couples, or a family with foster children due to the fact these households do not fit within the jurisdiction's definition of a "family". A landlord may also use the definition of a family as an excuse for refusing to rent to a

household based on other hidden reasons, such as household size, race, or gender identity. Even if the code provides a broad definition, deciding what constitutes a “family” should be avoided to prevent confusion or give the impression of bias or housing restriction, especially definitions that restrict how many household members may live together (other health or building codes may still apply) or how members of a family may be related (i.e., by blood, marriage or adoption, etc.)

All Stanislaus County jurisdictions’ definitions of “family” appear to comply with state and federal fair housing law by avoiding describing the nature of the relationship between members of the household or the number of people that can belong to the household (except in alignment with building code).

Disability

Just as limitations on the definition of “family” can impact protected groups by restricting access to and availability of housing options, the terms “disabled individuals,” “disability,” and other similar references to people with a disability can be impediments to housing choice when narrowly defined in a jurisdiction’s zoning code or defined in a way that conflicts with fair housing law.

No jurisdictions in Stanislaus County define “disability” in their zoning ordinance in a way that conflicts with fair housing laws. Hughson, Turlock, and Waterford define “disability” in documents other than their zoning ordinance that still appear to apply to housing decisions. Should there be any discrepancies between the Cities’ definitions and fair housing act laws that result in housing restriction for people with disabilities, the Cities’ definition could be found to be in violation of fair housing laws. These definitions should be examined in the context of a jurisdiction’s entire legal code.

As a note, the Federal Fair Housing Act and California Fair Employment and Housing Act do not define “disability” as including psychoactive substance use disorders resulting from the current unlawful use of illegal substances or current users of illegal substances. The inclusion of this provision by Ceres and Modesto does not conflict with either fair housing law.

Other Zoning Definitions

Additional definitions of housing types or allowable residents of certain housing can also be impediments to fair housing choice. (For all zoning definitions reviewed, see Appendix I)

Turlock’s zoning ordinance definition of “housing for the elderly” has the possibility of violating federal or California law regarding housing for seniors as the definition restricts this type of housing to “persons sixty (60) years of age or older or couples where either the husband or wife is sixty (60) years of age or older.)

The Turlock zoning code states that “Housing for the elderly” shall mean “a building or group of buildings containing dwellings where the occupancy of the dwellings is restricted to persons sixty (60) years of age or older or couples where either the husband or wife is sixty (60) years of age or older.” This does not include a development that contains convalescent or nursing facilities. § 9-1-202

The federal HOPA modifying the FHA definition of senior housing includes housing intended and operated for occupancy by persons 55 years of age or older and at least 80 percent of the units with an occupant who is verified to be 55 years of age or older. California law considers housing for seniors to be for those 62 years of age or older or 55 years of age or older in a (designated) “senior citizen housing development”.

The Turlock and California laws do not match precisely as there is a discrepancy in the definition of “senior housing” between Turlock (60 years of age or older) and California’s senior housing definition (62 years of age or older or 55 years of age or older in a designated “senior citizen housing development”). (Section 43-53.7 of the Civil Code)

There is also a difference in the allowable household relationships of senior housing residents with a non-spouse domestic partner, primary physical/economic support person, and/or disabled child, grandchild, or partner under the age of 60.

Turlock’s definition of allowable residents in senior housing also includes the terms “husband” and “wife” while California law allows residents of senior housing to live with someone 45 years of age or older that is their spouse, domestic partner, or person providing primary physical or economic support to the senior. California law also includes the provision that the senior may live with a disabled child or grandchild or disabled spouse/partner who must permanently reside in the household due to a disability. (Section 43-53.7 of the Civil Code)

All other zoning definitions appear to have no conflict with fair housing laws or restrict housing choice.

Density Bonuses

A density bonus is a local incentive to increase the number of deed-restricted housing units for lower-income households by private housing developers in exchange for an increase in building height, housing density (units/acre) or building footprint (also measured as a “floor area ratio”) above what allowed by right within the zoning ordinance.

While local governments create their own density bonus policies, jurisdictions in California are subject to the State’s Density Bonus Law (§ 65915-65918) which incentivizes affordable and senior housing with up to a 35 percent increase in unit density. There is also a component of the law which allows density bonuses for commercial developments that incorporate affordable housing as well.

The law requires jurisdictions to provide a specified minimum density bonus for creating affordable housing units. The number and type of affordable units determine the minimum density bonus percentage to which the development is entitled by right. Eligible projects have at least:

- 5 percent of the units affordable to “very-low income” households (under 50 percent of AMI)
- 10 percent of the units affordable to “low-income” households (under 80 percent of AMI)
- 10 percent of the units affordable to “moderate-income” households (under 120 percent of AMI) if the project units are condominiums.
- 10 percent of the units are for transitional foster youth, disabled veterans, or homeless persons and charge “very-low income” rents.

The state density bonus law also applies to senior housing projects and projects that include a childcare facility. These projects, with at least 35 units, follow California’s Unruh definition of “senior housing” and receive a density bonus up to 35 percent based on the amount of housing developed. (§65915 – 65918) As of January 2020, all jurisdictions within Stanislaus County have zoning ordinances that include density bonuses that comply with state law.

Parking Requirements

The number of parking spaces required for housing developments can reduce the project's density and increase per unit development costs, lowering the number of affordable housing units produced and ultimately constricting the availability of housing types in a community. Though not as severe an impediment to housing development as in larger cities such as San Francisco or Los Angeles, multifamily, affordable, and/or senior housing projects in Stanislaus County cities can be impacted by parking requirement policies. Exceptions to parking requirements for affordable and/or senior housing developments helps solve this development constraint, sometimes offered along with density bonuses.

Under California laws for accessory dwelling units (ADUs) effective January 1, 2020, cities cannot require parking within one half mile of public transit or when a garage is converted to an ADU. All Stanislaus County parking requirements for ADUs need to reflect this new statewide requirement. Jurisdictions are in the process of updating their ordinances to comply with the States new ADU requirements and, in the meantime, must apply all applicable State standards regardless of local ordinance requirements.

For multifamily developments, several communities do not differentiate between smaller and larger units. For one-bedroom units in multifamily buildings, parking requirements over one unit can be an impediment to building housing, particularly housing for seniors and persons with disabilities if parking requirements are not modified for these types of housing developments.

Some jurisdictions in California will also waive or reduce parking requirements when certain scenarios apply, such as a development's proximity to public transit or a car-share vehicle. While not current policy within Stanislaus County jurisdictions, parking requirements could be established that incentivize local goals such as mass transit from smaller cities into Modesto, or regionally from Stanislaus County to the Bay Area or Sacramento.

Land Use Densities and Designations

The allowable density range of land designated for residential land use is a particularly important government policy that, in combination with local economic conditions, strongly influences a jurisdiction's overall housing unit production. Areas with higher housing unit densities allow developers to take advantage of economies of scale in development which reduces the per-unit cost of land and improvements. This ultimately can reduce overall development costs of housing construction. Lowering the cost of housing through density also increases the feasibility of producing affordable housing.

If allowable residential density is lowered by a jurisdiction, California law requires the local government justify that any density reduction, rezoning, or downzoning that occurs and show that the density reduction is consistent with its General Plan and meeting the RHNA.

California Department of Housing and Community Development assumes housing units built with densities above 20 du/ac are affordable to extremely low-, very low-, and low-income households and encourages zones with this density permitted.

All jurisdictions in Stanislaus County allow higher single-family residential density (6 to 14 du/ac) in some zones as described in their General Plan.

Despite the economic and regulatory incentives for higher density development, all the jurisdictions in Stanislaus County allow for lower density, single-family housing units within areas zoned for higher-density use. Called "pyramid zoning" or "cumulative zoning", this public policy could restrict fair housing choice

by limiting access to and availability of affordable multi-family housing units that otherwise would have been required in this location.

Table 4. Housing Element Status Compliance

Jurisdiction	Document Status	Compliance Status	Date Reviewed
Stanislaus County	Adopted	IN	4/27/2016
Ceres	Adopted	IN	3/15/2016
Modesto	Adopted	IN	4/18/2017
Hughson	Adopted	IN	1/6/2016
Newman	Adopted	IN	8/4/2016
Oakdale	Adopted	IN	7/24/2016
Patterson	Adopted	IN	2/25/2016
Riverbank	Conditional	IN	5/21/2018
Turlock	Adopted	IN	4/25/2016
Waterford	Adopted	IN	12/17/2018

All Stanislaus County jurisdictions (including the Unincorporated County) have Housing Elements that HCD considers in compliance. One housing element (Riverbank) was submitted in May 2018 and is currently under review.

Review of Housing Opportunity

When a jurisdiction’s zoning ordinance allows for a diverse range of housing types, a community can actively ensure access to fair housing choice. While this aspect of a zoning ordinance is related to housing density, diversity of housing types helps ensure a mixture of different housing unit sizes, styles, and ownership structures.

Single- and Multi-Family Uses

Single- and multi-family units, which include detached and attached single-family homes, duplexes, townhomes, condominiums, and rental apartments, are generally allowed across residential zones in Stanislaus County. Each jurisdiction’s zoning ordinance specifies the zones in which each of these housing types is permitted by right. For areas that require special permits and review, additional costs and processing time can limit housing project developments, especially multifamily developments intended for lower-income households.

Accessory Dwelling Units (ADUs)

Accessory dwelling units (ADUs), also called “secondary dwelling units” or “granny flats” are attached or detached housing units that typically reside on the same property as another unit, such as a single-family home. These units offer independent living facilities for one or more inhabitants, including permanent provisions for living, sleeping, cooking, and sanitation. ADUs can increase dwelling unit density in a neighborhood and increase the abilities of extended families to live together, such as adult children and/or seniors who wish to live near each other yet still desire separate living facilities. In many high-cost

communities, this type of housing also offers a more affordable option for low-income households because they often rent for less than apartments of comparable size. They can also create more affordable homeowner housing by adding to the homeowner's income.

In the State of California, local jurisdictions are required to amend their zoning ordinances to accommodate accessory dwelling units in the community, though a separate ADU ordinance is not required. ADUs units cannot be prohibited in residential zones unless a local jurisdiction justifies the choice in that such action may limit housing opportunities in the region and that the jurisdiction finds that ADUs would adversely affect the public health, safety, and welfare in residential zones. Cities and counties that adopt an ADU ordinance must submit the ordinance to HCD within 60 days for an ordinance review.

The State's ADU law also requires use of a ministerial, rather than discretionary, process for reviewing and approving second dwelling units. A "ministerial process" is a process that can follow set standards like the zoning and building code without needing approval by a commission or board, e.g. a permit to replace a roof approved by a building department. In addition to avoiding a lengthy committee-approval process, a ministerial process is not required to be reviewed under the California Environmental Quality Act (CEQA) which can also add time delays and administrative burden to the building process.

All Stanislaus County jurisdictions allow ADUs within some zones and comply with State law while others are still in the ordinance revision process. Each jurisdiction individually specifies which zones and under what conditions ADUs are permitted within the zoning ordinance. The review process and scope of additional requirements for ADUs, such as parking standards, vary by jurisdiction as well.

Mobile Home Parks & Manufactured Housing

Mobile homes and manufactured housing represent a type of housing that is usually affordable in areas with high housing prices. A "mobile home" is a manufactured home built prior to 1976 when HUD instituted new standards for this type of housing, while "manufactured housing" is similar housing created after this time.

In California, the Manufactured Housing Act of 1980 regulates manufactured housing. (California Health and Safety Code Division 13, Part 2 Section 18000). Mobile or Manufactured Housing residents and owners in California also follow the California Mobile Home Residency Law. (§ 798) Federal laws governing manufactured housing are within Title 42, U.S. Code, Chapter 70, Section 5401.

Most jurisdictions in Stanislaus County permit mobile home parks in at least one residential zone except for Modesto. The communities that allow mobile home parks usually require either a Conditional Use Permit or allow the housing by right in zones designated specifically for mobile home development.

Individual manufactured houses on permanent foundations are allowed in all jurisdictions in at least some residential zones. State law requires local governments to permit manufactured or mobile homes on a permanent foundation that meet federal safety and construction standards in all single-family residential zoning districts (§65852.3).

Table 5. Mobile & Manufactured Home Ordinance Requirements

Jurisdiction	Mobile Home Parks		Manufactured Homes	
	Permitted? (Yes/No)	Review Process	Permitted? (Yes/No)	Review Process
Ceres	Yes	Allowed with a Conditional Use Permit in some residential zones	Yes	Permitted across most residential zones
Hughson	Yes	Allowed with a Conditional Use permit in all residential zones	Yes	Conditional Use permit/Permitted
Modesto	No	Allowed only in Planned Development zones	Yes	Permitted in all residential zones
Newman	Yes	Permitted in Mobile Home Park District	Yes	Permitted in the Mobile Home Park District
Oakdale	Yes	Allowed in multiple residential zones and the review process depends on number of proposed units.	Yes	Permitted in most residential zones
Patterson	Yes	Allowed with a Conditional Use permit in higher density zones (MR and HR)	Yes	Permitted in all residential zones
Riverbank	Yes	Allowed with a Use Permit in all residential zones	Yes	Permitted in all residential zones
Turlock	Yes	Allowed with a Conditional Use Permit in residential zones	Yes	Permitted in lower density residential zones and with a minor discretionary permit in higher density zones
Waterford	Yes	Permitted in Mobile Home Park District	Yes	Permitted in the Mobile Home Park District
Stanislaus County	Yes	Allowed with a Use Permit in all residential zones	Yes	Permitted in all residential zones

Source: Zoning Ordinance for each jurisdiction

Residential Care Facilities

The Lanterman Developmental Disabilities Services Act, passed in California in 1969, is a State law that says that mentally and physically disabled persons and their families are entitled to live in residential surroundings like people without disabilities. It also establishes a process to determine what services are needed for disabled individuals and their families and how those services will be provided. (California Welfare and Institutions Code §4500 – §5121)

The law requires that local zoning allow residential properties used for the care of six or fewer persons with mental health disorders or other disabilities. A state-authorized, certified or licensed family care home, foster home, or group home serving six or fewer persons with disabilities, or dependent and neglected children, on a 24-hour-a-day basis is considered a “residential use” that must be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes than are required of the other permitted residential uses in the same zone.

According to the California Department of Social Services Community Care Licensing Division, the following definitions of adult and/or senior residential care facilities apply:

- **Adult Residential Facilities (ARF):** Facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59 who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.
- **Continuing Care Retirement Community (CCRC):** Long-term continuing care for adults over 60 years old that provides housing, residential services, and nursing care, usually in one location.
- **Residential Care Facilities for the Elderly (RCFE):** Facilities that provide care, supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans.

According to public data provided by the California Department of Social Services Community Care Licensing Division, there are 147 state-licensed residential care facilities for adult and senior populations in Stanislaus County, including 86 residential care facilities for the elderly and 61 adult residential facilities. These facilities provide a total of 3,388 beds. Tables 6 and 7 present the number of facilities and beds (facility capacity) by jurisdiction and reveals that, while residential care facilities are located within most areas of Stanislaus County, the majority of beds are located in Modesto and, to a lesser degree, Turlock. Additional beds are concentrated in Hughson, Patterson, and Riverbank.

All jurisdictions allow Residential Care Facilities (with 6 or fewer persons) in at least some residential zones by right. For facilities serving more than six people, all communities accommodate these units in some form in their zoning ordinance. Specifically, all localities allow for larger facilities subject to either a conditional use or development permit in residential and/or commercial zones.

Table 6. Number of Licensed Community Care Residential Facilities by Jurisdiction

	Adult Residential (ARF)	Continuing Care Retirement Community (CCRF)	Residential Care Elderly (RCFE)	Total Facilities
Ceres	2	0	1	3
Empire	2	0	2	4
Hughson	0	0	1	1
Modesto	42	0	56	98
Newman	0	0	1	1
Oakdale	0	0	7	7
Patterson	2	0	1	3
Riverbank	7	0	4	11
Salida	2	0	3	5
Turlock	3	1	9	15
Total	60	1	85	146

Source: California Department of Social Services Community Care Licensing Division

Table 7. Licensed Community Care Facility Capacity (Beds) by Jurisdiction

	Adult Residential Facility (ARF)	Continuing Care Retirement Community (CCRC)	Residential Care Elderly (RCFE)	Total Number of Beds
Ceres	21	0	8	29
Empire	45	0	47	92
Hughson	0	0	277	277
Modesto	502	0	1,299	1,801
Newman	0	0	6	6
Oakdale	0	0	90	90
Patterson	12	0	6	18
Riverbank	98	0	22	120
Salida	10	0	92	102
Turlock	17	377	453	847
Total Capacity	705	377	2,300	3,382

Source: California Department of Social Services Community Care Licensing Division

Table 8. Housing Types Permitted within Residential Zones by Jurisdiction

Housing Type	Ceres	Modesto	Hughson	Newman	Oakdale	Patterson	Riverbank	Turlock	Waterford	Stanislaus County
Single-Family	P	P	P	P	P	P/C	P	P	P	P
Multi-family	P	P	P	P/C	P/C	P/C	P/C	P	P	P
Residential Care Facilities (6 or fewer persons)	P	P	P/C	P	P	P/C	P	P	P	P
Residential Care Facilities (more than 6 persons)	P	C	C		C	C	C	C	C	C

Source: Zoning Ordinance for each jurisdiction

Key:
P = Permitted
C = Conditional/Special Use Permit
X = Prohibited
(blank) = No mention in Zoning Ordinance

Note that the Lanterman Act only applies to state-licensed residential care facilities. Other facilities, such as transitional and supportive housing, are not covered. California law does require local jurisdictions to include information about these types of non-licensed facilities in their Housing Element in the context of discussing housing for low-income individuals and those with disabilities.

Emergency Shelters

HUD defines an emergency shelter as a facility whose primary purpose is to provide temporary shelter – usually up to six months – and accommodations for individuals experiencing homelessness. These facilities can be operated by government or private nonprofit entities and may serve general homeless populations or specialize assisting a targeted group such as individuals leaving a domestic violence situation, homeless youth, or families with children. In addition to shelter and meals, emergency shelters may offer additional services such as case management, counseling, employment assistance, job training, or transportation.

Under California’s Housing Element laws, jurisdictions must identify and accommodate at least one year-round emergency shelter by right in their zoning ordinance as well as allow shelters in additional zones with a conditional use permit. Furthermore, jurisdictions can only subject emergency shelters to the same development and management standards applicable to residential or commercial developments in the same zone.

In Stanislaus County, all jurisdictions permit emergency shelters in at least one zone. In most cases, cities allow emergency shelters by right in commercial or industrial zones. Most do not permit shelters in residential zones, but those that do often allow emergency shelters in areas zoned for higher density or mixed use. Table 9 depicts permitted types of housing in residential, commercial, and industrial zones by jurisdiction.

Table 9. Specialized Housing and Emergency Shelter Permitted within Residential, Commercial, and Industrial Zones by Jurisdiction.

RESIDENTIAL ZONES: Includes Single-Family Zones, Multi-Family Zones, Mobile Home Park Development Zones, residential zones of different densities										
Housing Type	Ceres	Modesto	Hughson	Newman	Oakdale	Patterson	Riverbank	Turlock	Waterford	Stanislaus County
Emergency Shelters		X	P		X		P	C	P	
Transitional Housing	P	P	P		P	C	P		P	
Supportive Housing	P	P/C	P		P		P		P	
Single-Room Occupancy	P	P/C	C	C	C		P	P/C	C	
Farmworker Housing	P				P	C	P		P	

COMMERCIAL ZONES: Includes Commercial Planned Development Zones, Recreation Commercial Zones, Mixed-Use Zones, Commercial-Neighborhood Zones

Housing Type	Ceres	Modesto	Hughson	Newman	Oakdale	Patterson	Riverbank	Turlock	Waterford	Stanislaus County
Emergency Shelters	X	C	X		P		C	C		P
Transitional Housing		X	X		X		C			
Supportive Housing		X			X		C			
Single-Room Occupancy	C		C		X			P/C		
Farmworker Housing					X					

INDUSTRIAL ZONES: Includes Manufacturing Zones of different levels										
Housing Type	Ceres	Modesto	Hughson	Newman	Oakdale	Patterson	Riverbank	Turlock	Waterford	Stanislaus County
Emergency Shelters	P	C	C	P	P	P				P
Transitional Housing	X	X	X							
Supportive Housing	X	X	X							
Single-Room Occupancy	X		X							
Farmworker Housing	X		X							

Source: Zoning Ordinance for each jurisdiction. Does not include Agricultural/Open Space or Public Space/Institutional Zones

Key:
P = Permitted
C = Conditional/Special Use Permit
X = Prohibited
(blank) = No mention in Zoning Ordinance

Transitional and Supportive Housing

Transitional housing programs are another form of housing assistance for individuals experiencing homelessness. Oftentimes, transitional housing couples housing accommodations with supportive services such as case management, employment assistance, and health services to help individuals live independently. Program duration varies, although entities that receive funding from HUD typically assist individuals for no more than 24 months. In California, the Housing Element law states that transitional housing includes “buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another

eligible recipient at a predetermined future point in time that shall be no less than six months from the start of assistance.”¹

Another form of assisted housing, supportive housing, are facilities that offer accommodations and supportive services usually for a specific low-income population such as those with chronic health conditions, mental or physical disabilities, or substance use disorder. Supportive services can be provided either at the same location as the housing unit (on-site) or at a different location (off-site). In general, supportive services aim to assist residents in living independently in their community and can include programs to help achieve better health outcomes, complete daily living activities, and connect to other resources in the area. Supportive housing typically does not impose limits on the duration of assistance, and in California, the state’s Housing Element law defines supportive housing as having no such limitation on a resident’s length of stay.²

The State of California extends legal protection to specific groups protected under the Lanterman Developmental Disabilities Act. These include emancipated minors, families with children, seniors, young adults aging out of the foster care system, individuals exiting an institutional setting, veterans, and the homeless.³ Furthermore, state law considers both transitional and supportive housing as ‘residential uses’ which means that a local jurisdiction cannot subject this type of housing to additional requirements that would not be applicable to other similar residential uses in the same zone. For example, a local government cannot impose supplemental permitting requirements on transitional or supportive housing units when it does not require the same of other, similar housing types in the same zone. Across Stanislaus County, all jurisdictions comply with state law.

Single-Room Occupancy (SRO)

Single-room occupancy (SRO) units, sometimes called lodging, rooming, or boarding units, are one-room units meant for one individual. Unlike an efficiency unit or a studio apartment, SROs are not required to have an independent kitchen or bathroom, however many do. California’s Housing Element law requires that jurisdictions accommodate housing for extremely low-income households, including single-room occupancy units. Across Stanislaus County, most jurisdictions comply with the law by allowing SROs with a conditional use permit in higher-density residential zones.

Farmworker Housing

Farmworker housing refers to housing accommodations provided for farmworkers, day laborers, and other agricultural employees covered by state law. Under California’s Employee Housing Act, jurisdictions must consider housing for six or fewer employees as a residential use and allow this type of housing anywhere single-family units are permitted. (California Health and Safety Code Division 13, Part 1, Section 17000)

For farmworker housing as a specific subset of employee housing, the Act considers housing with 36 beds or 12 units as an agricultural use and to be permitted in zones where other agricultural uses are permitted. Across Stanislaus County, most jurisdictions comply with state law by allowing farmworker housing in areas zoned for agricultural use. Two jurisdictions, Hughson and Modesto, do not explicitly reference farmworker housing in their zoning ordinances but each accommodates this type of housing. Modesto elaborates on its policy in the City’s 2015-2023 Housing Element which explains that farmworker housing

¹ California Code, https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65582

² Housing Element law, section (g): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65582

³ Ibid

“may be developed in any zone where residential uses are permitted.”⁴ Likewise, in its 2019-2023 Housing Element, Hughson explains that farmworker housing can be developed by right in areas zoned for multifamily use and that the City’s zoning ordinance currently needs to be updated to fully comply with state law by permitting farmworker housing in all areas where single-family units are allowed. The City also points out, however, that agricultural uses are not permitted anywhere within city limits, and therefore, the zoning ordinance does not need to permit housing with 36 beds or 12 units as an agricultural use because this state regulation does not apply.⁵

Ceres, Waterford, and Riverbank all additionally permit farmworker housing by right, and Patterson with a conditional use permit, in at least some residential zones.

Affordable Housing Development Policies and Programs

Minority and special needs households are disproportionately affected by a lack of adequate and affordable housing in the region. While affordability issues are not directly fair housing issues, expanding access to housing choice for these groups cannot ignore that affordability is a significant issue for many households. When rent-restricted or non-restricted low-cost housing is concentrated in certain geographic locations, access to housing by lower-income and minority groups in other areas can be limited and therefore an indirect impediment to fair housing choice. Furthermore, various permit processing and development impact fees charged by local government can result in increased housing costs and therefore be a barrier to the development of affordable housing. Other policies and programs, such as inclusionary housing and growth management programs, can either facilitate or inhibit the production of affordable housing.

Because land-use policies influence the development and spectrum of available housing in a community, the intensity and scope of different policies can be a useful indicator for impediments to fair housing choice.

⁴ Page 3-11, <https://www.modestogov.com/DocumentCenter/View/7025/Chapter-3-Constraints-PDF>.

⁵ Page 56, http://hughson.org/wp-content/uploads/2019/03/HughHE_Adopted_2015-12-21.pdf

Table 10. Growth Management and Inclusionary Zoning Policies

Jurisdiction	Growth Management Plan	Inclusionary Zoning Policy
Ceres	Ceres has policies that guide growth but it doesn't have any policies that impose limits on development each year	Does not appear to have an inclusionary program
Hughson	General Plan mentions wanting direct and focus growth towards development of the Primary SOI to "ensure an appropriate rate of growth" and "preserve Hughson's existing small-town character"; part of this plan involves focuses on infill development	2015-2023 Housing Element states that Hughson is continuing to "evaluate developing an inclusionary zoning program"
Modesto	Modesto has a Community Growth Strategy that outlines different policies for specific geographic areas	Modesto has considered implementing inclusionary programs in the past and has deemed such program infeasible
Newman	City states that it promotes development of housing at a balanced mix of housing types while "protecting the single-family character of neighborhoods" Newman also has maximum allowable densities for the number of units per acre	City does not appear to have an inclusionary program
Oakdale	City identifies growth and revitalization areas to direct development and protects rural areas from growth; explicitly links job growth to housing growth; follows the "San Joaquin Valley Blueprint Smart Growth Principles"	City does not appear to have an inclusionary program
Patterson		Inclusionary Housing Program: Chapter 18.86 of City Code
Riverbank	City has an 'unrestricted growth policy'	Does not appear to have an inclusionary program
Turlock	City has a "New Growth Areas and Infrastructure Element that guides its growth management strategy; part of the strategy involves creating master plans for designated areas	Does not appear to have an inclusionary program
Waterford	City does not appear to have growth policies that limit development	Does not appear to have an inclusionary program
Stanislaus County	Voters approved Measure E in 2008 which requires majority approval to rezone/re-designate land; County is committed to preserving agricultural lands	County doesn't appear to have an inclusionary program

Sources: Zoning Ordinance for each jurisdiction

Growth Management Policies

Growth management policies aim to control the progression and speed of development, balancing the needs of a community's existing residents while preparing for the community's future. Growth management policies can become impediments to housing choice, however, when the policy hinders the jurisdiction meeting local affordable housing needs. Growth management policies are not usually condensed within a single policy or program but exist within a collection of codes, plans, or ordinances that direct the rate and intensity of new development.

Urban growth boundaries (the outermost extent of anticipated urban development), limits on the total number of dwelling units that may be permitted, or special conditions on new development can all be considered growth management policies. State housing law mandates a jurisdiction facilitate the development of a variety of housing to meet the jurisdiction's fair share of regional housing needs. Any growth management measure that compromise a jurisdiction's ability to meet its regional housing needs may have an exclusionary effect of limiting housing choices.

Local jurisdictions within Stanislaus County have various local policies and voter initiatives that may impact housing development directly and indirectly including those that aim to support the conservation of agricultural land. Agriculture is the area's number one industry for economic output and employment, creating a multiplier effect for job creation. The conservation of agricultural land is important to the overall economic health of the community but must be balanced with the needs for housing to support the local workforce in all economic sectors of the community. Over time, as available land not impacted by growth measures begins to decline, there may be a direct impact on the development of affordable housing. However, changes in state laws regarding vehicle miles traveled and greenhouse gas reduction requirements, and the increasing costs of extending infrastructure outward, have led to many jurisdictions looking for increased infill development opportunities. Grant funding available for infrastructure, such as sewer and water line extensions and improvements, allows jurisdictions to increase their density within existing urbanized areas.

Inclusionary Housing Programs

Inclusionary housing or inclusionary housing policies increase the supply of affordable housing by requiring developers to set aside a certain number of new housing units for low- and moderate-income households. These policies ensure that at least a share of new housing in a community is affordable for lower-income populations. The policy tends to be most effective in areas experiencing rapid and a strong demand for housing.

A typical inclusionary housing program will require developers to set aside anywhere from 10 to 30 percent of new housing units for low- and moderate-income households. These policies and programs can be either voluntary or mandatory. Voluntary programs often require developers to negotiate with public officials, but do not specifically mandate the provision of affordable units. Mandatory programs are usually codified in the zoning ordinance and require a contract with the jurisdiction for the creation of the housing units prior to obtaining a building permit.

In 2017, Assembly Bill 1505 was passed by the state legislature to allow cities and counties to adopt inclusionary housing ordinances after a period of legal uncertainty since 2009. The bill was signed into law January 1, 2018. (§ 65850.01) Patterson is the first city in Stanislaus County have an inclusionary housing ordinance. (Chapter 18.86 City Code) Hughson notes in their 2015-2013 that the City is continuing to "evaluate developing an inclusionary zoning program". In the 2009-2014 City of Modesto Housing Element, an inclusionary housing element was deemed infeasible.

The rental housing market conditions may create the incentive for these types of policies in the future if housing costs continue to increase.

Affordable Housing Development

HUD Funding and Tax Credits

Housing with HUD funding to create income-restricted units are found throughout Stanislaus County. About half of these units are in Modesto with many units in both Ceres and Turlock. Modesto's HUD-funded affordable housing stock makes up more than 70 percent of the affordable housing in the County.

While HUD subsidized units are one source of funding for affordable housing units, affordable housing units developed without HUD funding also help the jurisdiction meet lower income housing requirements of the Housing Element. Low-Income Housing Tax Credits (LIHTC), general funds, and state housing funds are also used to develop affordable units. Stanislaus County's recent housing production using LIHTC, however, is low compared to the rest of the state. In 2016-2018, only 55 low-income housing units were created in the County compared to 18,803 in the rest of the State. Table 11 presents the number of affordable housing units with HUD funding by jurisdiction. In this table, 'affordable housing' includes all HUD-subsidized units including public housing and various types of tenant-based and project-based rental assistance. Table 12 includes affordable housing units subsidized by LIHTC.

Table 11. Affordable Housing Units with HUD Funding by Jurisdiction

Jurisdiction	Affordable Units (2018)	Total Occupied Rental Housing Units (2018)	Total Housing Units (2018)	Percent of Housing Stock Affordable	Percent of All Affordable Units in County
Ceres	748	589	13,636	5.5%	11.9%
Hughson	47	45	2,461	1.9%	0.7%
Modesto	4,470	3,712	75,155	5.9%	70.9%
Newman	126	113	3,289	3.8%	2.0%
Oakdale	151	148	8,249	1.8%	2.4%
Patterson	79	75	6,100	1.3%	1.3%
Riverbank	154	146	7,449	2.1%	2.4%
Turlock	1,202	1,146	25,974	4.6%	19.1%
Waterford	63	62	2,579	2.4%	1.0%
Stanislaus County Total	6,302	6,050	180,755	3.5%	100.0%

Sources: 2018 HUD Picture of Subsidized Housing data; DP04, Selected Housing Characteristics, ACS 5-year estimates (2013-2017)

*Affordable units in this table include all HUD-subsidized units including public housing, Housing Choice Vouchers, Mod Rehab, project-based Section 8 units, Rent Sup/RAP, and Section 202, 236, and 211 properties.

Table 12. Affordable Housing Units with Low-Income Housing Tax Credit (LIHTC) Funding by Jurisdiction 2002-2017

	Total Number of LIHTC Units:	Total Low-Income LIHTC Units:
Ceres	235	231
Modesto	76	75
Newman	120	118
Oakdale	174	171
Patterson	40	39
Riverbank	152	148
Turlock	228	204
Waterford	950	50
Total	1,075	1,036

Source: HUD Low-Income Housing Tax Credit Database 2002-2017

Regional Housing Needs

As part of California’s housing element law, the Stanislaus Council of Governments (StanCOG) creates a Regional Housing Needs Assessment (RHNA) to determine future housing needs for the area for residents in different income categories (very low, low, moderate, and above moderate). This assessment quantifies the housing needs for each jurisdiction in the County which guides local government land-use planning and resource prioritization during the General Plan Housing Element update every eight years. ~~Modesto additionally completes an update four years into the planning cycle.~~

Overall, the California Department of Housing and Community Development (HCD) determined a final RHNA of 21,330 housing units needed in Stanislaus County for the planning period of January 1, 2014 to September 30, 2023 (the 5th RHNA Cycle). StanCOG, with consultation from the Valley Vision Stanislaus Steering Committee, then created the RHNA allocation per jurisdiction for each income group. Table 13 includes the RHNA allocation by income category for jurisdictions in Stanislaus County and Table 14 presents the progress of each jurisdiction in meeting their respective allocation. Table 15 summarizes the RHNA allocation by jurisdiction and income level.

Table 13. RHNA Allocation of Affordable Housing Units

Jurisdiction	Income Category				
	Very Low	Low	Mod	Above Mod	TOTAL
Ceres	622	399	446	1104	2,571
Hughson	53	34	38	93	218
Modesto	1,462*	1,461	1,100	2,724	6,747
Newman	186	119	136	337	778
Oakdale	315	202	210	520	1,247
Patterson	636	408	416	1031	2,491
Riverbank	321	206	217	536	1,280
Turlock	877	562	627	1552	3,618
Waterford	131	84	89	221	525
Unincorporated County	538	345	391	967	2,241
Total County	5,141	3,820	3,670	9,085	21,716

* Per Housing Element (includes Extremely Low & Very Low)
 Source: California Housing and Community Development (HCD)

Table 14. RHNA Progress Report 2014-2017

JURISDICTION	Fees for Very Low-Income Housing	Total Number of Very Low-Income Housing Units Permitted	Percentage of Very Low Income RHNA complete.	RHNA for Low Income Housing	Total Number of Low Income Housing Units Permitted	Percentage of Low Income RHNA complete.
	VLI RHNA	VLI PERMITS	VLI % COMPLETE	LI RHNA	LI PERMITS	LI % COMPLETE
Ceres	622	0	0.0%	399	0	0.0%
Hughson	53	0	0.0%	34	0	0.0%
Modesto	1,546	0	0.0%	991	56	5.7%
Newman	186	0	0.0%	119	0	0.0%
Oakdale	315	0	0.0%	202	1	0.5%
Patterson	636	0	0.0%	408	0	0.0%
Riverbank	321	33	10.3%	206	38	18.4%
Turlock	877	2	0.2%	562	123	21.9%
Unincorporated County	538	0	0.0%	345	16	4.6%
Waterford	131	0	0.0%	84	0	0.0%

Jurisdiction	RHNA for Moderate Income Housing	Total Number of Moderate-Income Housing Units Permitted	Percentage of Moderate Income RHNA complete.	RHNA for Above Moderate-Income Housing	Total Number of Above Moderate-Income Housing Units Permitted	Percentage of Above Moderate Income RHNA complete.
	MOD RHNA	MOD PERMITS	MOD % COMPLETE	ABOVE MOD RHNA	ABOVE MOD PERMITS	ABOVE MOD % COMPLETE
Ceres	446	5	1.1%	1,104	0	0.0%
Hughson	38	0	0.0%	93	71	76.3%
Modesto	1,100	146	13.3%	2,724	425	15.6%
Newman	136	0	0.0%	337	0	0.0%
Oakdale	210	84	40.0%	520	254	48.8%
Patterson	416	0	0.0%	1,031	0	0.0%
Riverbank	217	0	0.0%	536	103	19.2%
Turlock	627	591	94.3%	1,552	46	3.0%
Unincorporated County	391	44	11.3%	967	425	44.0%
Waterford	89	0	0.0%	221	8	3.6%

Source: California Housing and Community Development (HCD)

Table 14 suggests that progress in meeting these housing goals has been slow, particularly for very low-income housing units. For the first three years of the eight-year 5th plan, only Riverbank has issued building permits for more than one percent of their housing goal. For low-income units, Modesto, Riverbank, Turlock, and the Unincorporated County made progress creating units.

Turlock made significant progress in meeting its moderate-income housing goals. In three years, the City has permitted 94.3 percent of its eight-year housing goal of 627 units in this income category. Oakdale is also on track to meet its housing goal, permitting 84 of 210 units (40 percent) in three years. Ceres, Modesto, and the Unincorporated County also saw progress toward meeting their moderate-income housing goals. In total 870 moderate-income housing units were permitted countywide in the first three years of the 5th RHNA Cycle.

Most housing units created have been in the above moderate-income category, with 1,332 permits issued for housing in this income category. Hughson permitted 71 above moderate-income housing units, more than three-quarters of its housing goal. Oakdale and the Unincorporated County were also making significant progress in this category at 48.8 and 44.0 percent, respectively. Modesto only permitted 15.6 percent of its above moderate-income housing unit goals, but this amounts to 425 units. Riverbank, Turlock, and Waterford all permitted housing in this income category as well.

Table 15. RHNA Totals

JURISDICTION	Combined total RHNA for all income categories	Total permits from all income categories.	Sum of total remaining from each income category.
	RHNA TOTAL	TOTAL PERMITS	TOTAL RHNA REMAIN
Ceres	2,571	5	2566
Hughson	218	71	147
Modesto	6,361	627	5734
Newman	778	0	778
Oakdale	1,247	339	908
Patterson	2,491	0	2491
Riverbank	1,280	174	1106
Turlock	3,618	762	2856
Unincorporated County	2,241	485	1756
Waterford	525	8	517
Total	21,330	2,471	18,859

Source: California Housing and Community Development (HDC) Housing Element Implementation Tracker, Updated 06/25/2019

Other Policies and Programs Impacting Housing Choice

Building Codes

Building codes, such as the California Building Standards Code and the Uniform Housing Code, protect the health, safety, and welfare of the public. Additional building restrictions within local building codes may not be warranted, however, and deter housing construction or neighborhood improvement.

The California Building Standards Code is published every three years by order of the California legislature and applies to all jurisdictions in the State of California unless otherwise annotated. Adoption of the compilation of codes by local government is both a legal mandate and a best practice because it ensures a high level of safety for citizens regarding construction and maintenance of structures. The most recent edition of the California Building Standards Code was updated in 2019 and became effective January 1, 2020.

Other codes commonly adopted across California include the California Mechanical Code, California Plumbing Code, California or National Electric Code, Uniform Housing Code, and California Fire Code.

California Environmental Quality Act (CEQA)

While not directly intended to impact housing choice, the California Environmental Quality Act (CEQA), signed into law in 1970, is a statewide law that applies to all discretionary projects proposed to be conducted or approved by a public agency. The primary purpose of CEQA is to disclose significant environmental effects of a proposed project to the public and to limit these impacts when possible. CEQA also requires that public agencies publicly disclose the decision-making process behind project approval for the purpose of public participation in the environmental review process.

CEQA has been updated several times between 2011 and 2019 to streamline infill development and update exemptions to transit-oriented and mixed-use development, among other updates. Affordable Housing in urban areas is also exempt under certain circumstances. (14 CCR § 15194)

Public Housing Authorities

In Stanislaus County, public housing needs, housing choice vouchers, and other specific HUD funds and services are addressed by two housing authorities:

- The Stanislaus Regional Housing Authority, serving Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Stanislaus, and Tuolumne Counties. (SRHA)
- The Riverbank Housing Authority administered by SRHA.

Public housing sites can range from large apartment buildings to single-family houses. Housing Choice Vouchers (HCV, also often called the “Section 8” program) are a portable rent subsidy that can be used to pay for a portion of rent in private rental housing units. Project-Based Section 8 vouchers are private rental units in which the current occupant receives subsidized rent through the housing authority.

Housing Authorities are subject to the same state and federal fair housing laws as other housing providers and cannot discriminate on the basis of state or federally protected classes. Housing Authorities must also follow any local fair housing ordinances and may have additional tenant protections added by HUD.

Public Housing Authority Planning

Collectively, the housing authorities in Stanislaus County provide access to 6,335 subsidized housing units including 736 public housing units, 1,060 project-based Section 8 units, and 4,460 housing choice vouchers, though these totals vary at any given time. Though there are technically two housing authorities, the SRHA administers the programs of both the SRHA and Riverbank housing authorities.

The SRHA has been designated as a “high performing” public housing authority by HUD since 2008. This designation is given to public housing authorities (PHAs) that score above a 90 out of 100 points. PHA projects are assessed based on a physical inspection (40 points), financial condition (25 points), management system (25 points), and timely use of capital funds (10 points). The total PHA score is then created out of the average score for all projects weighted by the number of units.

Like many public housing authorities across the country, the housing authorities in Stanislaus County lack an adequate supply of funding for units and/or vouchers to meet the affordable housing needs within their service areas. This is reflected by long or closed waiting lists for potential units. In Stanislaus County, the average waiting time for a public housing unit is 10 years. Waiting lists for housing choice vouchers are only open occasionally and, even then, sometimes only for select applicants.

PHAs complete both an annual plan and a 5-year plan to help prioritize projects, development, funding, and programs. For 2019-2023, the SRHA listed the following goals and objectives (among others) that help affirmatively further fair housing and increase housing choice:

- I. Depending on the availability of federal and state funding, increase the inventory of affordable rental housing within the jurisdiction of the Stanislaus Regional Housing Authority for extremely low to moderate income households

Objectives:

- Housing Choice Voucher Program – Continue to expand upon existing marketing and outreach efforts to attract new landlord participants to the Housing Choice Voucher Program.

- Development – Leverage private or other public funds to create additional housing opportunities.
- Development – Subject to the availability of funding, develop or acquire 500 affordable housing units over the next five years.

2. Conserve and upgrade the Affordable Housing Inventory in Stanislaus County.

Objectives:

- Public Housing – Implement Asset-Based Community Development (ABCD) initiatives to engage and unite residents, associations, and institutions from within each community for more sustainable communities and economic development.
- Administration – Partner with County and/or City in efforts to improve housing stock and create stable, viable neighborhoods.

3. Increase assisted housing choices.

Objectives:

- Housing Choice Voucher Program – Provide voucher mobility counseling at initial family briefings and during annual reexaminations.
- Housing Choice Voucher Program – Continue to maintain the 2-tiered Benefit Payment Standard (BPS) to ensure families have the ability to locate affordable housing in less poverty concentrated neighborhoods.
- Housing Choice Voucher Program - Continue to seek funding for the Individual Development & Empowerment Accounts (IDEA) and Workforce Initiative Subsidy for Homeownership (WISH) programs for graduating Family Self-Sufficiency (FSS) Program Participants.

(Housing Authority of the County of Stanislaus, DBA Stanislaus Regional Housing Authority Streamlined Annual PHA Plan Fiscal Years 2019-2020)

Public Housing Authority Resident Demographics

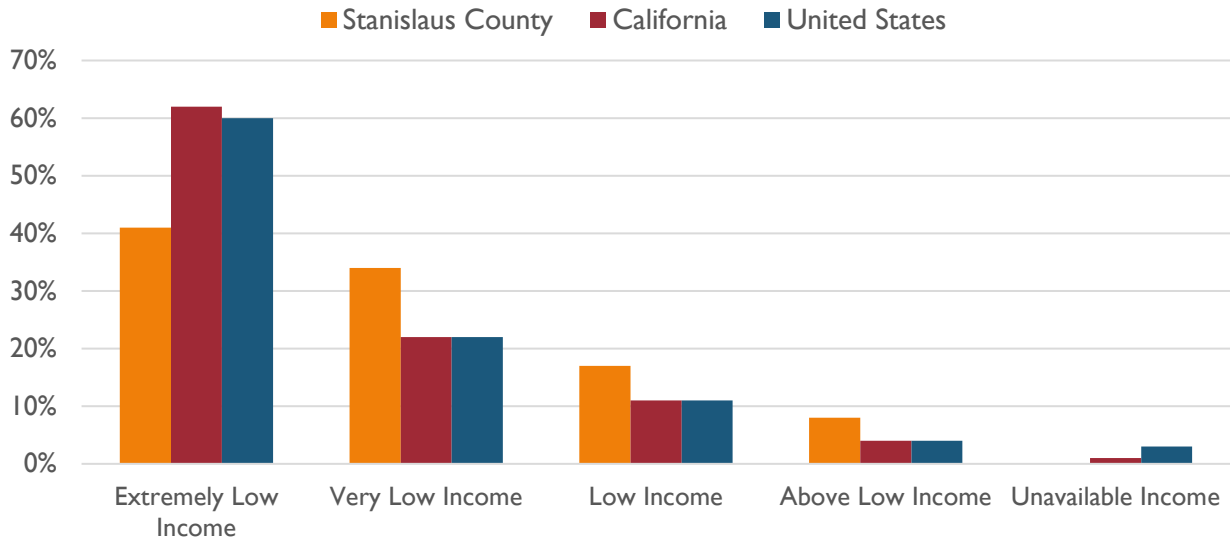
Between October 1st, 2018 and January 31st, 2020, 702 households in Stanislaus County were assisted through public housing, representing 3.9 percent of all public housing households in California.

Chart 35 depicts the share of public housing households by income level in Stanislaus County, California, and the United States. About 40 percent of all public housing residents assisted by the PHAs are considered “extremely low-income”, with a County annual household income average of \$23,825. Chart 36 indicates that Stanislaus County public housing residents have a slightly higher average income than the rest of the state. In California, 62 percent are extremely low income and the annual household average income is \$20,664. The higher income within Stanislaus County is at least partially offset by higher tenant rent contributions than the California average. Chart 37 depicts the average monthly tenant payment for public housing residents in Stanislaus County, California, and the United States. More public housing households pay more than \$501 per month than any other payment category. The average monthly tenant contribution toward rent in Stanislaus County is \$573, versus \$495 in California.

Chart 38 presents the share of public housing household types in Stanislaus County, California, and the United States. The most common household type within public housing is female-headed households with children, with even more households within this category in both California and Stanislaus County than the rest of the United States. Stanislaus County also has a slightly higher percentage of disabled elderly

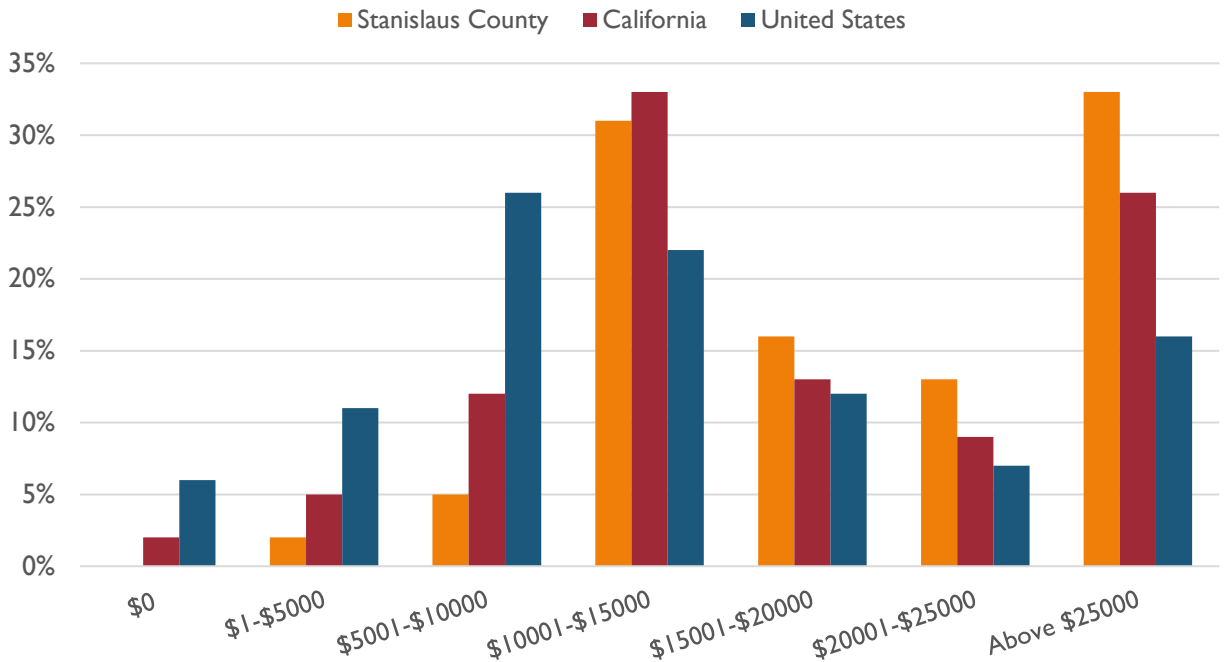
residents (with or without children) than the rest of the state and country. Households in Stanislaus County public housing tend to be larger than those in the rest of California and the United States.

Chart 35. Public Housing Households by Income Level



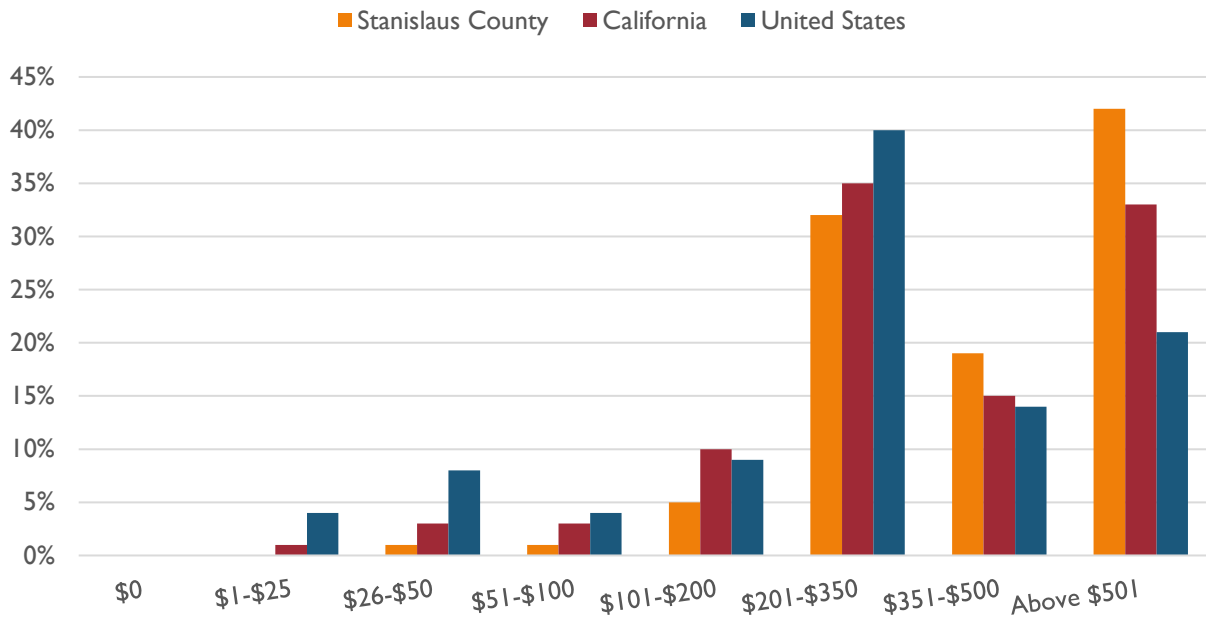
Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 36. Distribution Annual Household Income



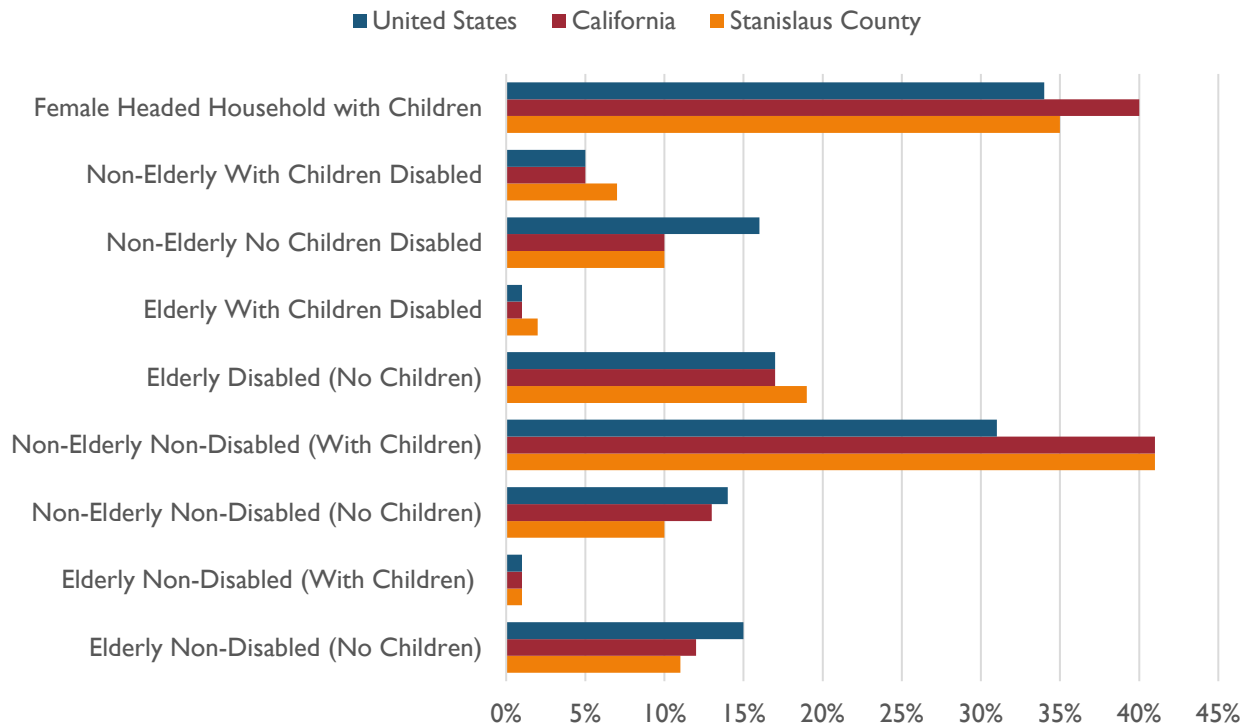
Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 37. Distribution of Monthly Total Tenant Payment



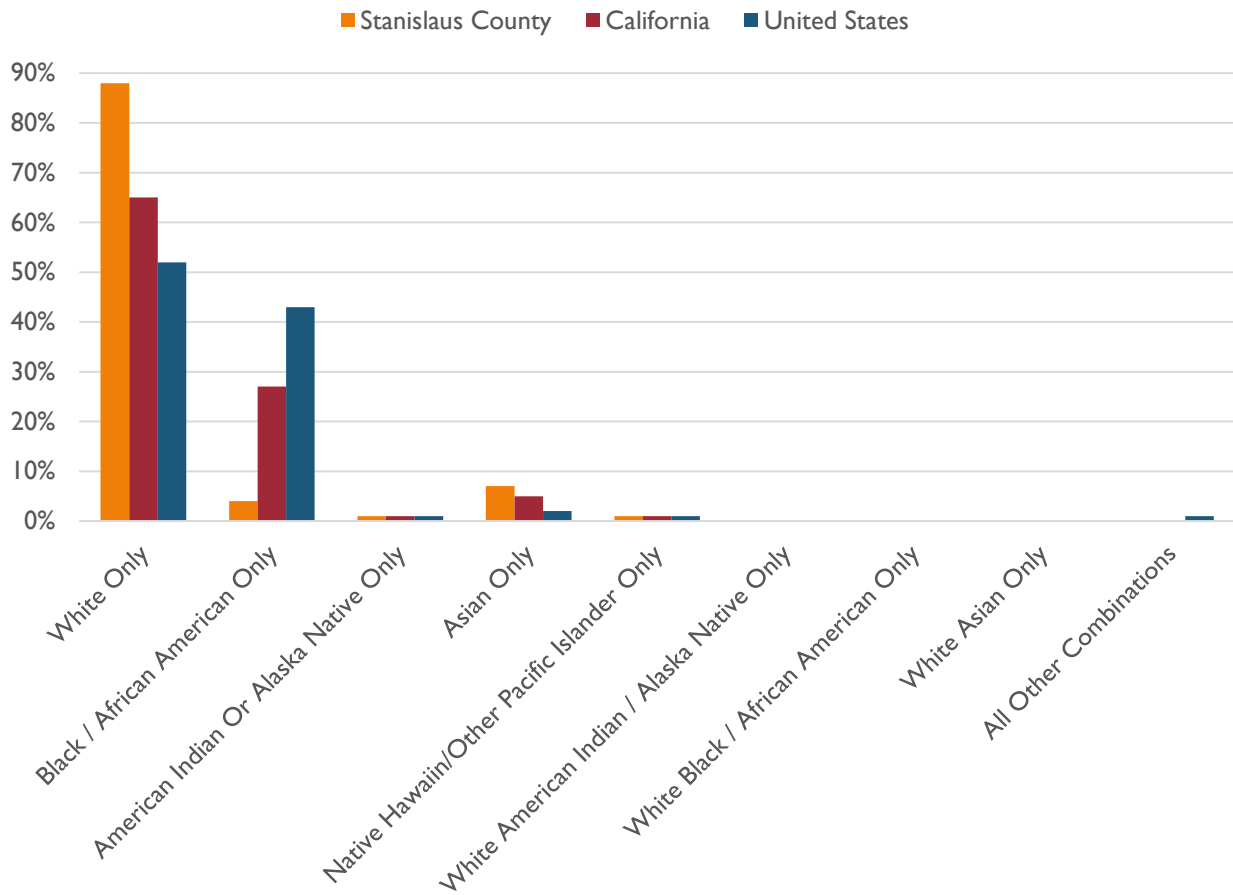
Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 38. Distribution of Public Housing Household Type in Unit



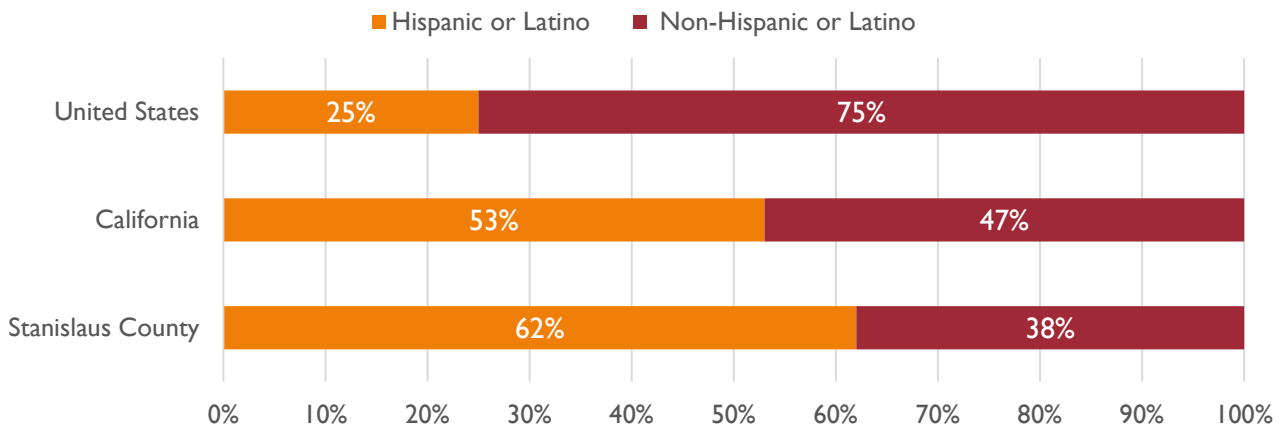
Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 39. Distribution of Race of Head of Household – Public Housing



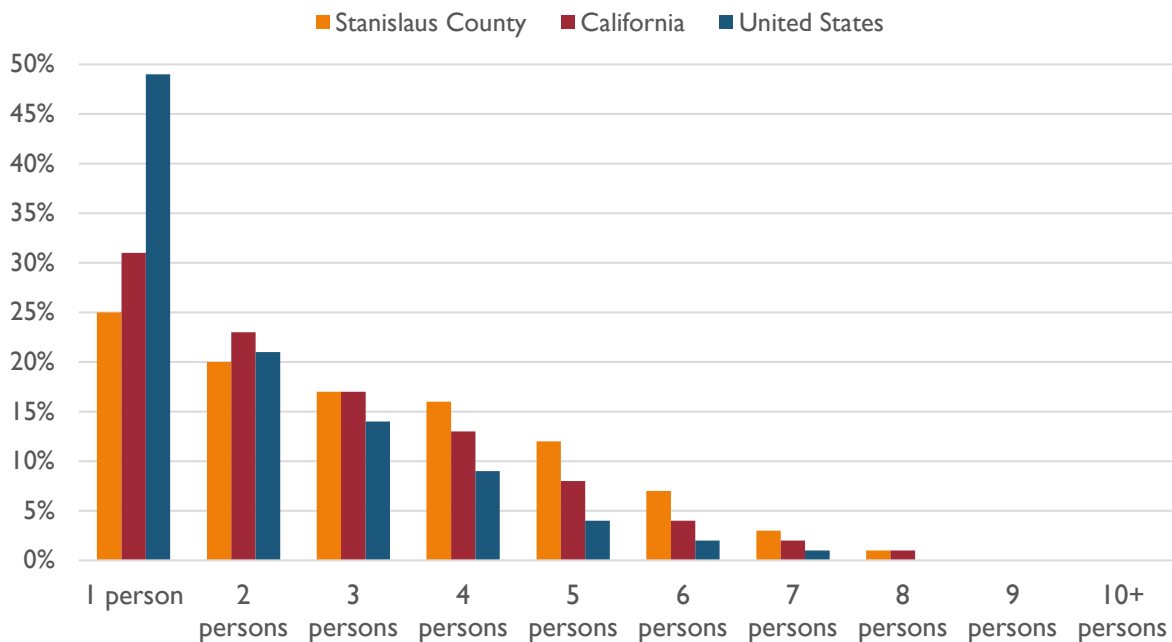
Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 40. Distribution of Ethnicity of Head of Household – Public Housing



Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Chart 41. Distribution by Household Size in Public Housing



Source: HUD Public and Indian Housing, Resident Characteristics Report as of January 31, 2020

Appointed Boards/ Commissions

Department of Fair Employment and Housing

California's Department of Fair Employment and Housing (DFEH) enforces California's civil rights laws including fair housing laws found in the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act. The DFEH is tasked with the following:

- Engage in public outreach and provide training and technical assistance to employers, business establishments, and housing providers regarding their responsibilities under the law.
- Investigate discrimination complaints and cases of systemic discrimination.
- Facilitate mediation and resolution of disputes involving civil rights.
- Enforce the laws by prosecuting violations in civil court.

Within DFEH, the Fair Employment and Housing Council (FEHC) implements California's employment and housing anti-discrimination regulations, conducts inquiries, and holds hearings on civil rights issues. Council members on the FEHC are appointed by the governor.

Local Boards/Committees

Modesto, Turlock, and Stanislaus County all have committees, commissions, or local boards that discuss issues related to Fair Housing and Affirmatively Furthering Fair Housing. Table 16 outlines which jurisdictions in the County have committees that directly address low-income housing, issues of concern for specific racial or ethnic groups, or disability. Hughson, Newman, Patterson, Riverbank, and Waterford do not appear to have any such committees or commissions.

Table 16. Stanislaus County Local & County Boards and Committees

Jurisdiction	Committees/ Commissions	Duration/Frequency	Committee Purpose
Ceres	Housing Loan Committee	Meets as needed	Makes recommendations on down payment assistance loans.
Modesto	Equal Opportunity/Disability Commission - Human Relations Commission (meet jointly)	Meets as needed	Tasked with advising and assisting the City Manager in matters related to equal opportunity and individuals with disabilities; primary responsibility is making recommendations for furthering human relations in the community and make referrals concerning fair housing.
Modesto	Disability Access Appeals Board	Meets as needed	The Disabled Access Appeals Board hears and rules on appeals of Chief Building Official orders based on disabled access laws; and interprets and advises staff on disabled access laws.
Modesto	Citizens Housing & Community Development Committee	Second Thursday of every month	Review City's HUD funds and makes recommendations to City Council on CDBG, HOME, and ESG grants.
Modesto	Housing Rehabilitation Loan Committee	First Thursday of every month	Make recommendations to the Citizens Housing & Community Development Committee on how procedures and policies for housing rehabilitation loan funds and down payment assistance.
Oakdale	Housing Loan Committee	Meets as needed	Make recommendations to the Committee on down payment assistance and housing rehabilitation loan funds
Turlock	Joint Taskforce on Diversity and Inclusion (CTSS-JTDI) (City of Turlock and California State University - Stanislaus)	One a month on a Wednesday	Goal of building relationships between the City, Stanislaus State University, and the community to coordinate, encourage, and implement initiatives to promote an inclusive community.
Turlock	Housing Loan Committee	As needed	Make recommendations to the Committee on procedures and policies for housing rehabilitation loan funds and down payment assistance.
Stanislaus County	Stanislaus County Equal Rights Commission	Every other month on the third Wednesday	Primarily work on promoting equal rights in employment opportunities.

Stanislaus County	Cultural Competency, Equity, and Social Justice Committee (CCESJC) of the Stanislaus County Department of Behavioral Health and Recovery Services	Second Monday of each month	Aim to provide culturally competent services to clients' works with several partners and offer mental health training to public.
County-wide	Stanislaus Community System of Care (CSOC aka CoC)	Third Thursday of each month	Works to address potential issues and gaps in the service delivery system and create a transparent and collaborative service delivery system for the entire County related to housing and homelessness.
County-wide	Stanislaus Homeless Alliance	Second Wednesday of each month	A collaborative entity formed to align homelessness services, planning, and funding among stakeholders in Stanislaus County.

Language Accommodations

National origin discrimination does not directly include the use of language from a foreign country, but, because of the connection between language and foreign geographic areas, HUD has issued guidance clarifying that discrimination against people who do not speak, read, or write English proficiently (with “Limited English Proficiency” or “LEP”) is prohibited under the Fair Housing Act.

HUD notes that in the United States, 34 percent of people who are Asian and 32 percent of people who are Hispanic or Latino are LEP compared to only 2 percent of non-Hispanic Whites. For those born outside the United States, 61 percent born in Latin America and 46 percent born in Asia are LEP. Because language and national origin correlate so closely, a housing applicant or resident’s lack of English proficiency is often used as justification for housing discrimination as a stand-in for discrimination based on race, ethnicity, and/or national origin. (Office of General Counsel Guidance on Fair Housing Act Protections for Persons with Limited English Proficiency, September 15, 2016)

This connection between LEP and national origin was made by the U.S. Supreme Court in 1974 in *Lau v. Nichols* who determined that language was an aspect of national origin and therefore protected by Title VI of the Civil Rights Act which prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance. (414 U.S. 563 1974) In addition, LEP Executive Order (Executive Order 13166) signed into law in 2000 gives LEP residents access to federally conducted and federally funded programs and activities. The LEP Executive Order applies to both federal agencies, including HUD, and those who receive federal funds such as local governments and nonprofits. If an organization or their activities are at least partially funded by federal dollars, all the funding recipient's operations are covered by the law, even if only one part of the recipient’s programs or activities and funded by federal assistance. (Limited English Proficiency Federal Interagency Website, LEP.gov)

California law additionally protect those with LEP statewide through protections based on “ethnic group identification” which includes the definition of this protected class as including “linguistic characteristics”. This law applies to any program that is “conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.” (§ 11135) The Dymally-Alatorre Bilingual Services Act also protects LEP residents of California by requiring that state and local government agencies serving an area with a “substantial number of non-English-speaking people” be able to effectively communicate with those LEP persons through bilingual staff and translated materials. For local and state government agencies, this applies to agencies where the population served is at least 5 percent LEP. The communication covered under the Act includes forms, applications, questionnaires, advertisements, and official notices. (§§7290-7299.8)

A “LEP household” is defined by the U.S. Census Bureau's American Community Survey as those in which no one 14 and over either 1) speaks English at home or 2) speaks a language other than English at home and speaks English 'very well'. In Stanislaus County, 8.9 percent of all households are LEP, and 6.4 percent in Modesto.

Where Dymally-Alatorre applies in Stanislaus County based on LEP demographic percentages, jurisdictions should be able to effectively communicate with the public in English and Spanish in all housing, fair housing, and all other community services and programs to ensure equal access for LEP persons.

EVIDENCE OF HOUSING DISCRIMINATION

Fair Housing Complaints

In California, the Department of Fair Employment and Housing (DFEH) is responsible for enforcing fair housing laws along with the HUD Office of Fair Housing and Equal Opportunity (HUD FHEO). Residents of Stanislaus County who feel they have been a victim of housing discrimination can submit their complaint to either agency. If a complaint is filed with the national FHEO, it will automatically be filed with DFEH at the state level for investigation. If a complaint is filed with DFEH and may also violate the federal Fair Housing Act, DFEH will automatically file the complaint with HUD FHEO as well, although DFEH will be the agency that investigates the allegation.

HUD FHEO and DFEH also partner with state and local agencies in HUD's Fair Housing Assistance Program to report fair housing complaints on behalf of individuals. Member agencies assist individuals in filing fair housing violation complaints with state and national agencies. Fair Housing Assistance Program agencies also conduct housing enforcement activities including compliant investigation, conciliation between parties, and fair housing education and outreach. In Stanislaus County, Project Sentinel is the primary organization that performs these roles in the community in addition to also working with broad tenant and landlord issues.

Project Sentinel investigates complaints on behalf of residents who feel they may be victims of housing discrimination, provides outreach and education to housing providers, and assists residents file complaints with state and federal enforcement agencies such as DFEH and HUD FHEO.

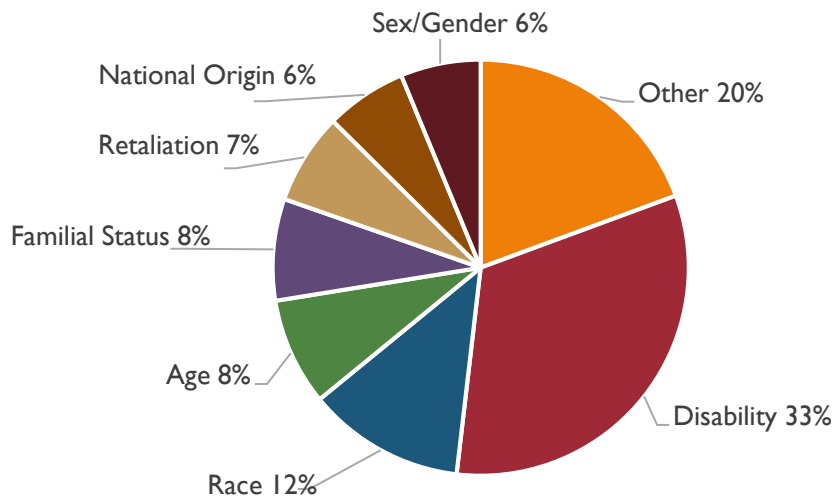
Housing Discrimination Complaints

Information about housing discrimination complaints to DFEH and HUD is tracked annually by each agency. The agency tracks where the alleged fair housing violation occurred geographically, on what protected-class basis, and the date of the complaint.

The true number of fair housing violations that occur within an area is difficult to determine, especially for those who fear retaliation and/or the loss of immediate housing if the violation is reported. This is often, unfortunately, the same group most likely to experience fair housing violations: low-income residents, those with families, racial and ethnic minorities, and those without housing references or good credit. The National Fair Housing Alliance estimates that, on a national level, less than 1 percent of all fair housing violations are reported.

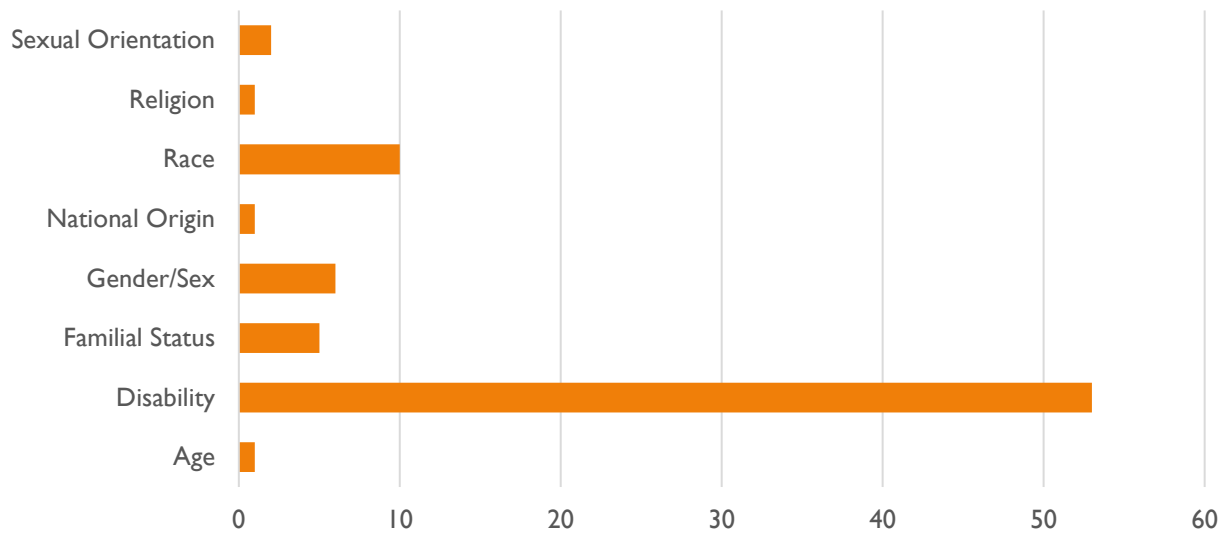
Chart 42 depicts the share of housing discrimination complaints by basis of the complaint. In California, disability was the most common basis for housing discrimination complaints to DFEH in 2018, accounting for 33 percent of all complaints. Race, age, and familial status were the next most frequent bases for housing discrimination complaints to DFEH. Retaliation, national origin, and sex/gender were also common. Complaints can be made on more than one basis.

Chart 42. Bases for Housing Complaints to DFEH 2018



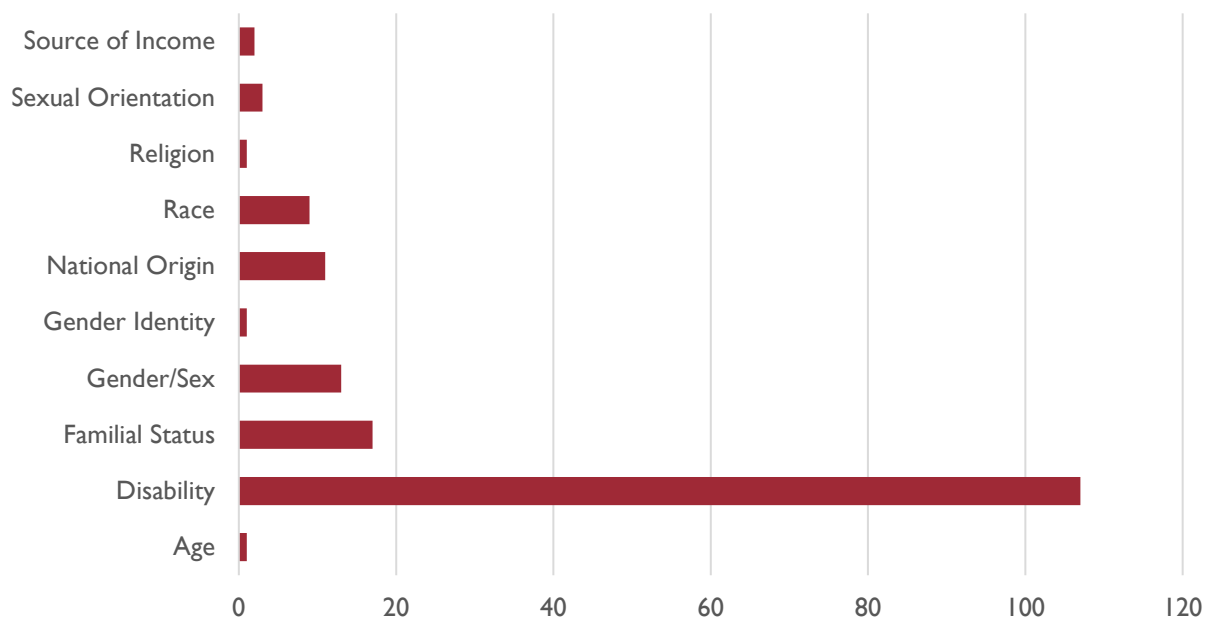
Source: 2018 Annual Report, California Department of Fair Employment and Housing

Chart 43. Stanislaus County Fair Housing Complaints, 2014-2019



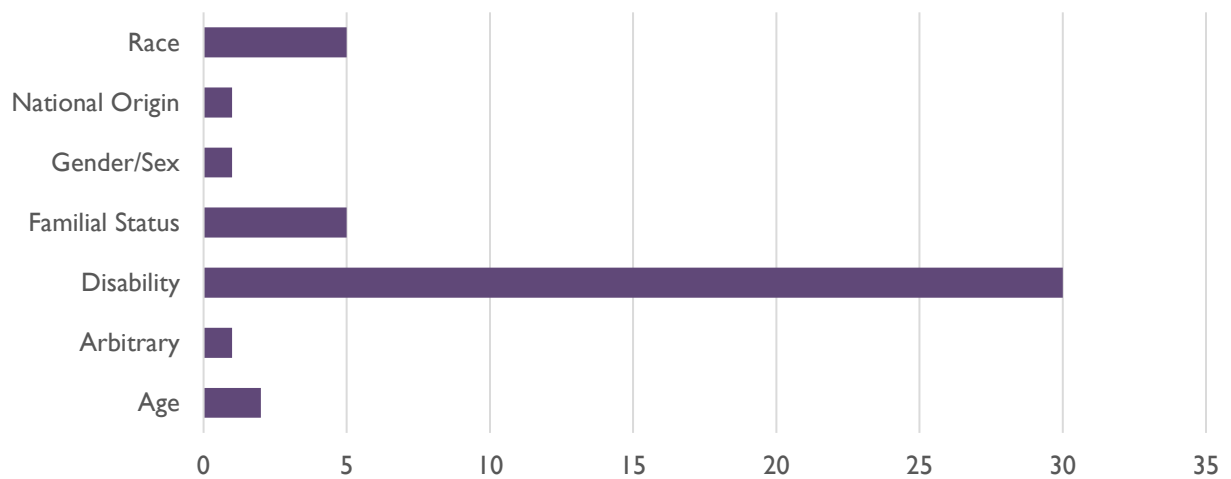
Source: 2019 Annual Report, California Department of Fair Employment and Housing

Chart 44. Modesto Fair Housing Complaints, 2014-2019



Source: 2019 Annual Report, California Department of Fair Employment and Housing

Chart 45. Turlock Fair Housing Complaints, 2014-2019



Source: 2019 Annual Report, California Department of Fair Employment and Housing

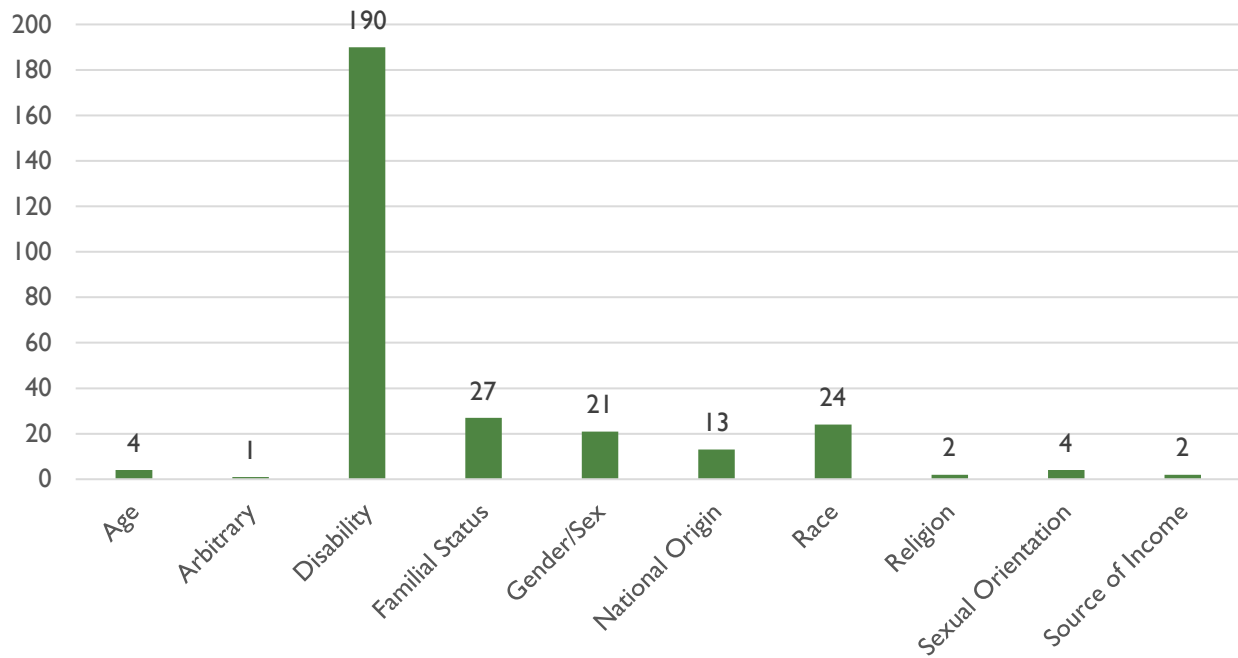
Charts 43, 44, and 45 present the count of housing discrimination complaints by basis in Stanislaus County, Modesto, and Turlock. These figures mirror statewide patterns with disability as the most cited basis for housing discrimination in complaints made between 2014 and 2019 for each jurisdiction. Familial status and gender status were the next most common at the County level and in Modesto while familial status and race were the next most common in Turlock. Table 17 indicates that Modesto had a significant number of complaints (165) compared to other jurisdictions in the County. This may be because Project Sentinel has a physical office in Modesto but could also be due to the amount of outreach or advertising to the public in Modesto, partnerships with other organizations, or the number of fair housing violations occurring. The larger number may therefore reflect successful community outreach as opposed to a greater prevalence of housing discrimination.

Table 17: Fair Housing Complaints by City/Community 2014-2019

Location	Complaints
Ceres	30
Empire	8
Hickman	1
Hughson	3
Modesto	165
Newman	7
Oakdale	21
Patterson	6
Riverbank	1
Waterford	6
Valley Home	1

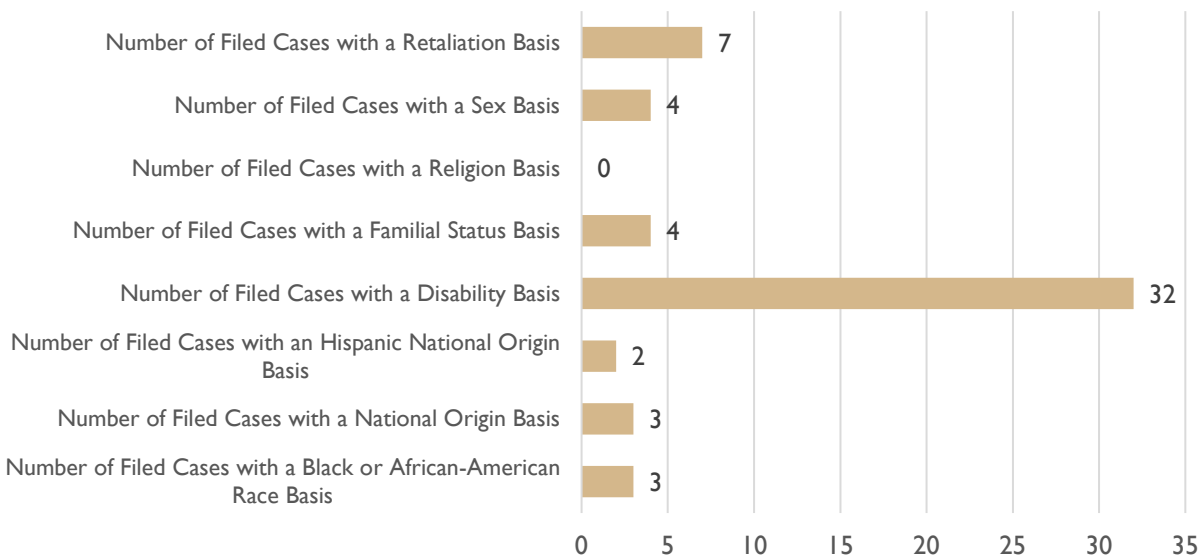
Source: Project Sentinel

Chart 46. All Stanislaus County Fair Housing Complaints, 2014-2019



Source: 2019 Annual Report, California Department of Fair Employment and Housing

Chart 47. HUD FHEO Filed Cases, 2014-2016



Source: HUD FHEO

PRIVATE SECTOR POLICY REVIEW

Mortgage Lending

This analysis primarily relies on lending data made publicly available through the Home Mortgage Disclosure Act (HMDA). The act requires that financial institutions, including banks, savings associations, credit unions, and other lenders, annually disclose mortgage data to the public. This data serves a variety of purposes including determining whether lenders are meeting community housing needs, supporting public officials in investments to encourage development, and identifying potential patterns of discriminatory lending.⁶ It is important to note that HMDA data by itself is insufficient to conclusively identify instances of discrimination in lending. Rather, analysis of HMDA data is useful for exploring discrepancies in lending outcomes and identifying areas of concern.

The most recent HMDA data available to the public is for 2018. Appendix X of this report includes detailed tables with data on the disposition of loan applications, types, and outcomes for Stanislaus County (all jurisdictions), Modesto, Turlock, and the Unincorporated County, which in 2018, included data for the following areas: Denair, Empire, Grayson, Hickman, Keyes, Knight Ferry, La Grange, Monterey Park, Riverdale Park, Salida, Valley Home, Vernalis, and Westley. Several tables compare data for these jurisdictions in 2018 to figures from 2008 and 2013 to analyze changes over time. Other tables explore differences in lending outcomes by applicant characteristics, including income level and race/ethnicity. Some tables are only applicable to Stanislaus County due to insufficient sample sizes for the other three jurisdictions.

General Overview

Data from 2018 indicates that about 16,000 loans originated in Stanislaus County, with 8,034 (50.2 percent) originating in Modesto, 2,327 (14.5 percent) in Turlock, and 1,739 (10.9 percent) in the Unincorporated County. Compared to previous years, the number of loan originations at the County-level has decreased, however, loan applications for individual jurisdictions have fluctuated over time. For example, in 2008, Stanislaus County had 26,824 originations and by 2013, this figure decreased to 24,588 applications. In comparison, in 2008, Modesto had 12,151 applications while Turlock had 2,162 and the Unincorporated County had 2,442. Five years later, these figures were 12,090 in Modesto, 3,984 in Turlock, and 2,893 in the Unincorporated County.

Regarding loan outcomes, a little over half of all applications (9,056 loans or 56.6 percent) were approved and almost a fifth (2,839 loans or 17.7 percent) were denied. The remaining applications were either marked incomplete (3.9 percent), withdrawn by the applicant (12.3 percent), or marked as having another outcome (9.5 percent). Of the jurisdictions analyzed, loans originating in Turlock experienced the highest approval rate of 59.5 percent while applications in the Unincorporated County cumulatively witnessed the lowest approval rate of 54.4 percent. When it came to loan denial rates, loan applications in Modesto had the lowest rate at 16.9 percent while loans in the Unincorporated County had the highest rate at 20.0 percent. Notably, approval rates across Modesto, Turlock, Stanislaus County, and the Unincorporated County are slightly higher than the national approval rate of about 53.4 percent.

⁶ “Background and Purpose,” Home Mortgage Disclosure Act, FFIEC, accessed 11/19/2019, <https://www.ffiec.gov/hmda/history.htm>.

Characteristics of Loan Applicants.

Most individuals who initiated loan applications in Stanislaus County were White with 63.7 percent of applicants identifying as such in 2018. Hispanic individuals (of any race) comprised the second largest share that year, representing 26.8 percent of applicants. Black/ African American applicants made up 2.1 percent of applicants while Asian applicants comprised 5.6 percent. Over time, the demographic composition of loan applicants fluctuated little. In 2008, White applicants represented 68.2 percent of individuals applying for a loan while 26.9 percent of applicants were Hispanic, 1.6 percent were Black/ African American, and 4.5 percent were Asian. Five years later, these figures barely changed. More recently in 2018, the shares of White and Asian applicants have decreased slightly while the percentages of Black/ African American and Hispanic applicants have increased.

In comparison to the demographics of the total population for Stanislaus County, the data suggests that people of color are underrepresented among individuals applying for mortgage loans. Notably, Black/ African American applicants across all three years appear to be disproportionately less likely to apply for a loan relative to the number of Black/ African American individuals in the community. Unequal representation of applicants by race and ethnicity could suggest inequitable access to lending opportunities.

Loan Outcomes by Type and Purpose

HMDA data classifies loans by type and purpose. Loan types include conventional purchase loans and government-backed loans that are guaranteed by the federal government including the Federal Housing Administration (FHA), Veterans Affairs (VA), and USDA Rural Housing Service or Farm Service Agency (RHS/FSA). Loan purposes include classifications such as home purchase, home improvement, and refinancing. It is important to note that following changes to data reporting requirements in 2018, HMDA data now reflects different classifications for loan purpose. Whereas in the past, financial institutions were required to report the purpose of a loan as either home purchase, home improvement, or refinancing, these are no longer the only options. For refinancing loans, lenders now must disaggregate this data as either home refinancing or cash-out refinancing. In addition, loan purpose data now captures loans that fall outside any of these classifications (i.e., loans that are neither for home improvement, home purchase, home refinancing, nor cash-out refinancing). This has implications for the comparison of 2018 data to that from prior years. Specifically, some loan purpose data which was previously captured is no longer reportable, while other data is now captured. It is important to keep this in mind when comparing older data to data released in 2018 and beyond.

In Stanislaus County, almost three-quarters of all loan applications were conventional purchase loans (72.6 percent) while the remaining (27.4 percent) were government-backed loans. The distribution of loan type is generally consistent across jurisdiction and the three years analyzed. When considering loan purpose, most loans in Stanislaus County were home purchase loans in 2018. A review of the distribution of loan purpose in 2008, 2013, and 2018 reveals that each jurisdiction witnessed significant decreases in the share of home purchase loans from 2008 to 2013 and then a rebound from 2013 to 2018. For instance, in 2008, 53.6 percent of loans in Stanislaus County were home purchase loans, 5.9 percent were for home improvement, and 40.6 percent were for refinancing. Five years later, the share of home purchase loans dropped to 32.4 percent, home improvement loans decreased to 2.5 percent, and refinancing loans jumped to 65.1 percent. By 2018, home purchase loans comprised 43.0 percent of loans in Stanislaus County, home improvement loans represented 7.8 percent, 14.7 percent were for home refinancing, and 27.1 percent for cash-out refinancing. This trend was apparent in Modesto, Turlock, the Unincorporated County, and Stanislaus County and most likely reflects conditions in the housing market following the financial crisis in 2008.

Loan Outcomes by Race and Ethnicity

Applicant Race and Ethnicity

One method to explore whether barriers to lending opportunities exist in a community is to analyze discrepancies in outcomes by an applicant’s demographic characteristics. Disaggregating lending outcomes by applicant race and ethnicity is one way to search for such differences. Table 28 depicts lending outcomes by applicant race and ethnicity for Modesto, Turlock, Stanislaus County, and the Unincorporated County. The table indicates that although the overall approval rate in Stanislaus County in 2018 was 56.6 percent, this figure varied considerably based on an applicant’s race or ethnicity. White applicants experienced the highest approval rate at 63.8 percent, whereas Asian applicants witnessed the lowest approval rate at 55.4 percent. Furthermore, Hispanic applicants had an approval rate of 59.7 percent and Black/ African American applicants had an approval rate of 57.1 percent. A similar pattern is apparent in Modesto, Turlock, and the Unincorporated County. For most years, approval rates for White applicants were the highest within each jurisdiction. There are a few exceptions, though. For example, in 2013, Asian applicants experienced the highest approval rate of 65.4 percent in Modesto while Hispanic applicants had the highest rate at 59.5 percent across the Unincorporated County.

When considering changes in approval rates over time, Table 28 suggests that County-level rates have increased. For instance, in 2008, Stanislaus County had an approval rate of 43.7 percent. Five years later, this figure was 56.4 percent, and by 2018, it was 56.6 percent. While Modesto and the Unincorporated County experienced peak approval rates in 2013, the differences between the rates for 2013 and 2018 are minimal at 0.4 and 0.5 percent, respectively.

It is also notable that approval rates for all groups have grown significantly since 2008. For example, from 2008 to 2018, Black/ African American applicants in Modesto witnessed a 24.9 percentage point increase in their approval rate. Similarly, Hispanic applicants in Turlock witnessed an increase in approval rates of 21.7 percentage points over the same period. Other large increases include a 23.8 percentage point increase for Black/ African American applicants in the Unincorporated County, however, the sample size of Black/ African American applicants was quite small at 27 in 2008 and 31 in 2018.

Table 28. Loan Outcomes by Applicant Race & Ethnicity

Jurisdiction	% of Total Applicants			% Approved			% Denied		
	2008	2013	2018	2008	2013	2018	2008	2013	2018
Modesto									
White	66.3%	66.4%	61.9%	50.6%	64.8%	64.3%	22.4%	13.8%	16.2%
Black	1.9%	1.8%	2.2%	33.5%	59.6%	58.4%	36.9%	17.4%	17.9%
Hispanic	22.9%	19.9%	25.8%	45.0%	60.3%	59.6%	28.4%	16.5%	20.9%
Asian	5.2%	6.8%	5.8%	49.2%	65.4%	56.8%	22.5%	15.3%	20.9%
Average				43.6%	57.1%	56.7%	22.0%	13.5%	16.9%
Turlock									
White	74.3%	68.5%	68.7%	48.8%	67.6%	65.5%	26.6%	13.7%	17.1%
Black	0.3%	0.6%	0.9%	42.9%	41.7%	55.0%	14.3%	33.3%	35.0%
Hispanic	22.8%	16.2%	21.1%	36.9%	64.9%	58.7%	37.7%	13.9%	22.4%
Asian	3.0%	5.8%	5.5%	37.5%	58.4%	53.1%	39.1%	19.5%	22.7%
Average				42.6%	59.1%	59.5%	25.7%	13.4%	17.2%
Unincorporated Areas									

White	71.5%	99.6%	65.2%	47.7%	54.9%	61.5%	26.2%	16.6%	18.9%
Black	1.1%	0.0%	1.8%	40.7%	0.0%	64.5%	25.9%	100.0%	25.8%
Hispanic	23.6%	18.5%	25.5%	40.7%	59.5%	57.6%	31.2%	17.5%	24.2%
Asian	3.2%	0.1%	4.3%	48.1%	50.0%	49.3%	23.4%	50.0%	29.3%
Average				43.8%	54.9%	54.4%	24.5%	16.7%	20.0%
Stanislaus County									
White	68.2%	67.1%	63.7%	50.0%	64.2%	63.8%	23.7%	14.5%	17.3%
Black	1.6%	1.6%	2.1%	35.6%	54.2%	57.1%	33.3%	20.3%	19.8%
Hispanic	26.9%	21.7%	26.8%	45.0%	60.2%	59.7%	28.7%	16.4%	21.6%
Asian	4.5%	6.1%	5.6%	47.5%	62.7%	55.4%	25.1%	17.6%	23.6%
Average				43.7%	56.4%	56.6%	22.9%	14.2%	17.7%
Jurisdiction	% Incomplete			% Other			% Withdrawn		
	2008	2013	2018	2008	2013	2018	2008	2013	2018
Modesto									
White	3.7%	3.4%	3.6%	13.4%	9.9%	2.8%	9.8%	8.1%	13.1%
Black	5.9%	3.8%	6.4%	13.1%	15.5%	2.3%	10.6%	3.8%	15.0%
Hispanic	5.0%	4.0%	3.6%	11.5%	9.9%	3.1%	10.0%	9.2%	12.9%
Asian	3.4%	3.9%	4.9%	13.3%	6.0%	1.9%	11.7%	9.4%	15.4%
Total	3.7%	3.8%	3.8%	20.9%	17.8%	9.7%	9.9%	7.9%	12.9%
Turlock									
White	3.2%	3.0%	3.5%	10.5%	7.7%	1.8%	11.0%	8.0%	12.1%
Black	0.0%	12.5%	5.0%	28.6%	4.2%	0.0%	14.3%	8.3%	5.0%
Hispanic	3.2%	4.6%	3.9%	10.1%	9.0%	1.8%	12.0%	7.6%	13.2%
Asian	4.7%	3.9%	5.5%	9.4%	4.8%	2.3%	9.4%	13.4%	16.4%
Total	3.5%	3.5%	3.5%	17.5%	16.1%	7.9%	10.6%	8.0%	11.9%
Unincorporated Areas									
White	4.1%	3.6%	3.9%	11.2%	16.5%	2.7%	10.8%	8.4%	13.0%
Black	3.7%	0.0%	0.0%	18.5%	0.0%	0.0%	11.1%	0.0%	9.7%
Hispanic	5.2%	3.4%	3.8%	9.9%	9.9%	2.5%	13.0%	9.7%	12.0%
Asian	3.9%	0.0%	6.7%	16.9%	0.0%	5.3%	7.8%	0.0%	9.3%
Total	4.0%	3.7%	4.0%	17.6%	16.4%	8.7%	10.0%	8.4%	12.8%
Stanislaus County									
White	3.5%	3.3%	3.7%	12.8%	9.5%	2.6%	10.0%	8.6%	12.6%
Black	5.7%	4.4%	6.2%	14.9%	14.4%	2.1%	10.6%	6.7%	14.8%
Hispanic	4.5%	4.2%	3.8%	11.5%	9.7%	2.5%	10.3%	9.4%	12.3%
Asian	4.0%	4.3%	5.5%	12.5%	5.5%	2.2%	10.9%	9.9%	13.2%
TOTAL	3.6%	3.8%	3.9%	20.1%	17.2%	9.5%	9.8%	8.4%	12.3%
Source: 2008, 2013, 2018 HMDA data									

Census Tract Minority Share

In addition to exploring lending outcomes by applicant race and ethnicity, this analysis considered how outcomes differed by the percentage of minority residents located in the same census tract. Due to historical patterns of discrimination such as redlining, an analysis that considers the influence of an area's demographic composition can see if such locational characteristics correlate with disparities in loan outcomes. One way to do this is to disaggregate the data by census tract minority share, or in other words, the percentage of minority residents in a census tract. For this analysis, "minority" refers to individuals who identify as Hispanic (of any race) or belonging to a race other than white. Table 19 presents loan outcomes for Stanislaus County by the proportion of minority residents in each tract. Since HMDA data for each application includes demographic and income data derived from the American Community Survey on a loan's corresponding census tract, the analysis used this data to classify each tract into a minority share bracket. Each of the five minority share brackets represents a range of 20 percentage points in order of increasing concentration.

Table 19. Outcomes by Census Tract Minority Share in Stanislaus County

Tract Minority Share	Total Applicants		Approved		Declined		Other	
	#	%	#	%	#	%	#	%
2008								
0-19% Minority	1,776	6.6%	815	45.9%	387	21.8%	574	32.3%
20-39% Minority	12,842	47.9%	5,772	44.9%	2,766	21.5%	4,304	33.5%
40-59% Minority	8,361	31.2%	3,613	43.2%	1,969	23.5%	2,779	33.2%
60-79% Minority	3,595	13.4%	1,420	39.5%	941	26.2%	1,234	34.3%
80-100% Minority	250	0.9%	101	40.4%	68	27.2%	81	32.4%
Total	26,824	100.0%	11,721	43.7%	6,131	22.9%	8,972	33.4%
2013								
0-19% Minority	0	0.0%	0	-	0	-	0	-
20-39% Minority	7,101	28.9%	4,109	57.9%	940	13.2%	2,052	28.9%
40-59% Minority	10,430	42.4%	5,992	57.4%	1,413	13.5%	3,025	29.0%
60-79% Minority	5,981	24.3%	3,221	53.9%	939	15.7%	1,821	30.4%
80-100% Minority	1,076	4.4%	552	51.3%	196	18.2%	328	30.5%
Total	24,588	100.0%	13,874	56.4%	3,488	14.2%	7,226	29.4%
2018								
0-19% Minority	16	0.1%	0	0.0%	10	62.5%	6	37.5%
20-39% Minority	3,691	23.1%	2,214	60.0%	579	15.7%	898	24.3%
40-59% Minority	6,278	39.2%	3,638	57.9%	1,054	16.8%	1,586	25.3%
60-79% Minority	4,798	30.0%	2,575	53.7%	945	19.7%	1,278	26.6%
80-100% Minority	1,217	7.6%	629	51.7%	251	20.6%	337	27.7%
Total	16,000	100.0%	9,056	56.6%	2,839	17.7%	4,105	25.7%
<i>Source: 2008, 2013, 2018 HMDA data</i>								

Notably, Table 19 indicates that the number of applications originating from census tracts in the lowest bracket, 0-19 percent, reached zero by 2013 and represented only 0.1 percent of total applications in 2018. There could be a few reasons for this. For one, individuals from tracts with low proportions of minority residents could have stopped applying for loans after 2008. Another possibility is that census tracts which were previously classified in the 0-19 percent minority share bracket have since diversified

and now fall within a different bracket. It is also possible that the large number of applications with redacted information (labeled as “NA” in the table) has distorted the distribution, creating the impression that virtually no applications originated in low minority share tracts after 2008. The explanation could even be a combination of all three possibilities. This uncertainty is important to keep in mind when analyzing the data.

When considering approval rates by minority share bracket, it appears that rates gradually decreased as the proportion of minority residents in a census tract increased. Table 19 indicates that tracts in the 60-79 percent and 80-100 percent minority share brackets witnessed lower approval rates than tracts with lower proportions of minority residents. The only exception is in 2018, where there were 16 applications from tracts classified in the lowest bracket and none were approved. Although inconclusive, this information suggests that the demographic composition of an application’s corresponding census tract could influence the likelihood of a loan being approved.

Loan Outcomes by Income Level

Applicant Income Level

Another method to search for discrepancies in lending outcomes is to explore differences by applicant income. This analysis assigned applicants in Stanislaus County to a corresponding income level relative to the county’s area median income (AMI) for family households.⁷ The parameters to define the lower and upper bounds for each level follow the same thresholds used in HMDA data. Table 20 presents the AMI for Stanislaus County for 2008, 2013, and 2018 and defines the following income levels:

Table 20. Area Median Income for Family Households in Stanislaus County

Area Median Income (in thousands)	2008		2013		2018	
	\$58		\$57		\$61	
	Lower	Upper	Lower	Upper	Lower	Upper
Low (0-49% AMI)	\$0	\$29	\$0	\$28	\$0	\$30
Moderate (50-79% AMI)	\$29	\$46	\$28	\$45	\$30	\$48
Middle (80-119% AMI)	\$47	\$69	\$45	\$67	\$49	\$72
Upper (>= 120% AMI)	\$70	∞	\$68	∞	\$73	∞

*Area median income for family households, rounded to the nearest thousandth.
Source: ACS 5-year estimates (2005-2009, 2009-2013, 2013-2017)*

Using these income levels, Table 21 presents the loan outcomes for applicants in Stanislaus County for 2008, 2013, and 2018. For each of the three years analyzed, most individuals applying for a loan fell into the upper income bracket. For example, upper income individuals represented 45.3 percent of applicants in 2008, 43.6 percent of applicants in 2013, and 49.2 percent of applicants in 2018. Furthermore, the shares for applicants among the remaining income levels decreased as the income bracket decreased. In other words, there were fewer applicants in the lower income brackets.

Regarding approval rates, upper-income applicants generally experienced the highest rates. For instance, in 2018, upper income individuals had an approval rate of 64.7 percent whereas low income applicants had an approval rate of 38.8 percent. The only exception occurred in 2008, where moderate income

⁷ The area median income for family households is typically greater than area median income for all households in a jurisdiction. This analysis uses family household AMI to better reflect the earnings of prospective homeowners.

applicants, or individuals earning between 50-79 percent AMI, experienced the highest approval rate at 49.3 percent while upper income applicants had an approval rate of 48.3 percent.

In addition, Table 4 suggests that while overall approval rates increased over time, the gap between the highest and lowest income brackets lessened in 2013 and has since increased. For example, in 2008, the approval rate for low-income applicants was 37.0 percent. By 2013, this figure was 53.7 percent, and by 2018, it was 38.8 percent. Conversely, in 2008, 48.3 percent of loan applications for upper-income applicants were approved, while in 2013, this figure was 62.9 percent. By 2018, the approval rate for upper-income applicants was 64.1 percent. In other words, there was an 11.3 percentage point gap in approval rates between the highest and lowest income bracket applicants in 2008. In 2013, this gap represented 9.2 percentage points, and in 2018, it was 25.9 percentage points.

Table 21. Loan Outcomes by Applicant Income Level in Stanislaus County

Applicant Income Level	Total Applicants		Approved		Declined		Other	
	#	%	#	%	#	%	#	%
2008								
Low (0-49% AMI)	1,228	4.6%	454	37.0%	463	37.7%	311	25.3%
Moderate (50-79% AMI)	4,287	16.0%	2,113	49.3%	1,041	24.3%	1,133	26.4%
Middle (80-119% AMI)	6,529	24.3%	3,110	47.6%	1,558	23.9%	1,861	28.5%
Upper (>= 120% AMI)	12,154	45.3%	5,867	48.3%	2,991	24.6%	3,296	27.1%
NA	2,626	9.8%	177	6.7%	78	3.0%	2,371	90.3%
Total	26,824	100.0%	11,721	43.7%	6,131	22.9%	8,972	33.4%
2013								
Low (0-49% AMI)	1,452	5.9%	780	53.7%	362	24.9%	310	21.3%
Moderate (50-79% AMI)	3,591	14.6%	2,006	55.9%	596	16.6%	989	27.5%
Middle (80-119% AMI)	5,155	21.0%	3,071	59.6%	760	14.7%	1,324	25.7%
Upper (>= 120% AMI)	10,727	43.6%	6,751	62.9%	1,460	13.6%	2,516	23.5%
NA	3,663	14.9%	1,266	34.6%	310	8.5%	2,087	57.0%
Total	24,588	100.0%	13,874	56.4%	3,488	14.2%	7,226	29.4%
2018								
Low (0-49% AMI)	889	5.6%	345	38.8%	305	34.3%	239	26.9%
Moderate (50-79% AMI)	2,006	12.5%	1,054	52.5%	529	26.4%	423	21.1%
Middle (80-119% AMI)	3,834	24.0%	2,380	62.1%	708	18.5%	746	19.5%
Upper (>= 120% AMI)	7,873	49.2%	5,094	64.7%	1,240	15.8%	1,539	19.5%
NA	1,398	8.7%	183	13.1%	57	4.1%	1,158	82.8%
Total	16,000	100.0%	9,056	56.6%	2,839	17.7%	4,105	25.7%

Source: 2008, 2013, 2018 HMDA data

Census Tract Income Level

Similarly to exploring the influence of a community’s demographic composition on loan outcomes, this analysis also considered the effect of census tract income. Using the same income brackets described in Table 20, this analysis ranked each applicant’s corresponding census tract into an income bracket based on the tract’s median income relative to area median income for Stanislaus County. Table 22 depicts lending outcomes for applicants based on the income level of their respective census tract.

Table 22 indicates that not only has the share of low-income census tracts been quite small for each of the three years analyzed, but it has been decreasing over time. This could signify that fewer applicants from low income tracts are applying for loans, fewer tracts are classified as low income, or a combination of both factors. Moreover, Table 22 indicates that approval rates tended to increase as income levels increased. For example, in 2008, loans from low income census tracts were approved 37.9 percent of the time while this figure was 40.5 percent for moderate income tracts, 43.5 percent for middle income tracts, and 45.9 percent for upper income tracts. This pattern repeated in 2013. In 2018, loan applicants from moderate income tracts had the lowest approval rate at 51.8 percent, followed by middle income tracts at 56.3 percent, low income tracts at 56.4 percent, and upper income tracts at 56.6 percent.

Table 22. Census Tract Income Level in Stanislaus County

Census Tract Income Level	Total Applicants		Approved		Denied		Other	
	#	%	#	%	#	%	#	%
2008								
Low (0-49% AMI)	512	1.9%	194	37.9%	139	27.1%	179	35.0%
Moderate (50-79% AMI)	4,997	18.6%	2,025	40.5%	1,271	25.4%	1,701	34.0%
Middle (80-119% AMI)	12,049	44.9%	5,246	43.5%	2,824	23.4%	3,979	33.0%
Upper (>= 120% AMI)	9,236	34.4%	4,239	45.9%	1,892	20.5%	3,105	33.6%
TOTAL	26,824	100.0%	11,721	43.7%	6,131	22.9%	8,972	33.4%
2013								
Low (0-49% AMI)	227	0.9%	112	49.3%	40	17.6%	75	33.0%
Moderate (50-79% AMI)	4,308	17.5%	2,336	54.2%	668	15.5%	1,304	30.3%
Middle (80-119% AMI)	10,814	44.0%	6,013	55.6%	1,577	14.6%	3,224	29.8%
Upper (>= 120% AMI)	9,239	37.6%	5,413	58.6%	1,203	13.0%	2,623	28.4%
TOTAL	24,588	100.0%	13,874	56.4%	3,488	14.2%	7,226	29.4%
2018								
Low (0-49% AMI)	101	0.6%	57	56.4%	21	20.8%	23	22.8%
Moderate (50-79% AMI)	2,891	18.1%	1,497	51.8%	570	19.7%	823	28.5%
Middle (80-119% AMI)	7,256	45.4%	4,084	56.3%	1,297	17.9%	1,873	25.8%
Upper (>= 120% AMI)	5,736	35.9%	3,418	59.6%	941	16.4%	1,376	24.0%
TOTAL	16,000	100.0%	9,056	56.6%	2,839	17.7%	4,105	25.7%
<i>Source: 2008, 2013, 2018 HMDA data</i>								

Loan Outcomes by Race/Ethnicity and Income Level

Tables 23 and 24 consider the combined effects of applicant race/ethnicity and income level. Table 23 depicts loan outcomes by applicant income level and race/ethnicity while Table 24 explores lending outcomes by applicant race/ethnicity and census tract income. Although disaggregating outcomes by tract minority share and median income would be a useful method to uncover discrepancies by locational characteristics, the HMDA data for Stanislaus County do not contain a sufficient sample of census tracts across each of the minority share brackets to allow for this type of analysis. Instead, Table 24 explores the intersection of applicant race and ethnicity by census tract income level. In addition, this analysis did not disaggregate lending outcomes by race/ethnicity and income level for each jurisdiction due to an insufficient sample size.

A comparison of Table 23 and 24 suggests that when considering the combined effects of race and income, there appears to be a clearer pattern based on applicant income as opposed to census tract income. For example, in Table 23, within each race or ethnicity, approval rates seem to increase as applicant income increases. In Table 24, however, the combined effects of applicant race/ethnicity and census tract income do not appear to produce any distinct patterns regarding approval rates. This could suggest that census tract income does not influence discrepancies in lending outcomes as much as other factors. It could also be explained by limitations in the data, which for some races and ethnicities, provided a small sample size. For instance, black applicants applying for loans in low-income census tracts had an approval rate of 100.0 percent in 2013 because there were two such applicants, both of whom had their loans approved. Although further information and analysis is required to determine the degree of correlation between race, ethnicity, and income on lending outcomes, Tables 23 and 24 indicate that discrepancies exist in Stanislaus County.

Table 23: Loan Outcomes by Applicant Income Level and Race/Ethnicity in Stanislaus County

Applicant Income by Race	Approved			Denied			Withdrawn/Other		
	2008	2013	2018	2008	2013	2018	2008	2013	2018
WHITE									
Low (0-49% AMI)	40.2%	59.6%	43.2%	36.8%	24.8%	32.4%	23.0%	15.6%	24.4%
Moderate (50-79% AMI)	52.5%	60.4%	57.1%	24.2%	16.2%	24.2%	23.3%	23.4%	18.8%
Middle (80-119% AMI)	51.4%	63.0%	65.3%	23.1%	13.8%	16.5%	25.5%	23.3%	18.3%
Upper (>= 120% AMI)	52.4%	67.0%	67.6%	24.1%	13.3%	14.2%	23.5%	19.7%	18.1%
BLACK									
Low (0-49% AMI)	23.8%	35.7%	52.4%	47.6%	50.0%	19.0%	28.6%	14.3%	28.6%
Moderate (50-79% AMI)	26.1%	52.1%	60.0%	37.0%	16.7%	25.7%	37.0%	31.3%	14.3%
Middle (80-119% AMI)	36.3%	57.6%	52.0%	29.8%	25.0%	19.4%	33.9%	17.4%	28.6%
Upper (>= 120% AMI)	42.2%	63.5%	67.6%	35.5%	16.7%	18.0%	22.3%	19.9%	20.3%
HISPANIC									
Low (0-49% AMI)	39.1%	56.1%	41.1%	36.3%	25.4%	36.8%	24.6%	18.6%	22.1%

Moderate (50-79% AMI)	49.3%	57.8%	56.1%	29.1%	17.4%	27.2%	21.6%	24.9%	16.8%
Middle (80-119% AMI)	46.9%	60.7%	61.9%	27.3%	15.5%	21.2%	25.9%	23.8%	16.8%
Upper (>= 120% AMI)	45.8%	63.0%	62.6%	30.9%	14.3%	17.4%	23.3%	22.7%	20.0%
ASIAN									
Low (0-49% AMI)	17.9%	53.8%	26.2%	57.1%	30.8%	50.0%	25.0%	15.4%	23.8%
Moderate (50-79% AMI)	51.8%	53.5%	39.8%	29.8%	18.9%	38.8%	18.5%	27.6%	21.4%
Middle (80-119% AMI)	54.3%	62.1%	62.4%	22.4%	18.0%	20.7%	23.3%	19.9%	16.9%
Upper (>= 120% AMI)	49.7%	66.3%	57.9%	25.6%	15.8%	19.8%	24.7%	17.8%	22.3%
Source: 2008, 2013, 2018 HMDA data									

Table 24. Loan Outcomes by Census Tract Income and Applicant Race/Ethnicity

Tract Income by Race	Approved			Denied			Withdrawn/Other		
	2008	2013	2018	2008	2013	2018	2008	2013	2018
WHITE									
Low (0-49% AMI)	45.7%	55.3%	69.7%	28.3%	19.5%	18.2%	26.0%	25.2%	12.1%
Moderate (50-79% AMI)	46.9%	62.6%	60.3%	26.7%	15.9%	20.2%	26.4%	21.5%	19.5%
Middle (80-119% AMI)	49.3%	63.1%	63.6%	24.5%	14.9%	17.3%	26.2%	22.0%	19.1%
Upper (>= 120% AMI)	52.8%	66.4%	65.9%	20.7%	13.3%	15.9%	26.5%	20.3%	18.2%
BLACK									
Low (0-49% AMI)	33.3%	100%	50.0%	26.7%	0.0%	50.0%	40.0%	0.0%	0.0%
Moderate (50-79% AMI)	21.3%	50.0%	56.1%	48.3%	27.1%	16.7%	30.3%	22.9%	27.3%
Middle (80-119% AMI)	35.0%	52.4%	58.9%	32.8%	19.9%	23.3%	32.1%	27.7%	17.8%
Upper (>= 120% AMI)	43.2%	57.9%	65.9%	26.8%	18.8%	17.1%	30.1%	23.3%	26.4%
HISPANIC									
Low (0-49% AMI)	46.6%	58.9%	69.8%	27.9%	15.9%	20.6%	25.5%	25.2%	9.5%
Moderate (50-79% AMI)	44.4%	60.2%	57.8%	29.7%	17.1%	24.7%	25.9%	22.7%	17.5%
Middle (80-119% AMI)	44.1%	58.8%	59.6%	29.5%	17.1%	21.2%	26.4%	24.2%	19.3%
Upper (>= 120% AMI)	47.3%	63.2%	61.5%	26.1%	14.3%	19.1%	26.6%	22.5%	19.3%
ASIAN									
Low (0-49% AMI)	41.2%	46.2%	66.7%	35.3%	38.5%	33.3%	23.5%	15.4%	0.0%

Moderate (50-79% AMI)	46.4%	58.1%	52.8%	26.5%	17.2%	21.6%	27.0%	24.6%	25.6%
Middle (80-119% AMI)	50.5%	62.9%	52.1%	24.1%	18.9%	26.1%	25.4%	18.2%	21.8%
Upper (>= 120% AMI)	46.3%	64.1%	59.4%	24.9%	16.2%	21.7%	28.8%	19.7%	18.9%
<i>Source: 2008, 2013, 2018 HMDA data</i>									

Loan Outcomes by Financial Institution

Lastly, this analysis considered how lending outcomes differed in Stanislaus County depending on which financial institution processed the loan application. Tables 25 and 26 present the top ten lenders for Stanislaus County in 2018 in order of market share. Table 26 indicates that Quicken Loans captured 15.0 percent of the market in 2018, followed by Bank of America at 11.8 percent, and JP Morgan Chase Bank at 11.5 percent. Table 25 distinguishes which of the county's top lenders were also among the top ten lenders for Modesto, Turlock, and the unincorporated areas. The table indicates that the most popular financial institutions at the county-level were also among the most popular in the other three jurisdictions.

Table 25. Top Ten Lenders in Stanislaus County by Jurisdiction

Top Lenders Stanislaus County	Modesto	Turlock	Unincorp. Areas	Stanislaus County
Quicken Loans, Inc.	X	X	X	X
Bank of America	X	X	X	X
JP Morgan Chase Bank	X	X	X	X
Stearns Lending, LLC.	X	X	X	X
Scenic Oaks Funding, Inc.	X	X	X	X
American Pacific Mortgage Corporation	X	X	X	X
Loandepot.com, LLC.	X	X	X	X
U.S. Bank	X	X	X	X
Flagstar Bank	X	X	X	X
United Shore Financial Services, LLC.	X		X	X
<i>An "X" indicates that the lender is one of the top ten lenders for the jurisdiction</i>				
<i>Source: 2018 HMDA data</i>				

Table 26. Lending Outcomes of Stanislaus County's Top Ten Lenders

Top Lenders Stanislaus County (2018)	Overall County Market Share			Approved		
	2008	2013	2018	2008	2013	2018
Quicken Loans, Inc.	2.2%	14.4%	15.0%	50.0%	85.1%	71.4%
Bank of America	28.1%	23.2%	11.8%	62.3%	65.9%	42.3%
JP Morgan Chase Bank	43.6%	19.5%	11.5%	15.9%	52.8%	44.6%
Stearns Lending, LLC.	11.5%	8.4%	10.5%	80.0%	78.3%	74.9%
Scenic Oaks Funding, Inc.	0.0%	8.5%	10.4%	-	76.6%	80.0%
American Pacific Mortgage Corporation	0.3%	4.7%	10.3%	0.0%	88.1%	85.4%

Loandepot.com, LLC.	0.0%	6.1%	8.5%	-	35.0%	61.2%
U.S. Bank	5.3%	6.4%	8.5%	35.5%	45.9%	33.1%
Flagstar Bank	9.0%	7.3%	7.0%	71.8%	48.3%	54.3%
United Shore Financial Services, LLC.	0.0%	1.4%	6.4%	-	60.6%	78.6%
Top Lender Total	18.3%	28.5%	46.7%	18.0%	32.6%	51.8%
Top Lenders Stanislaus County (2018)	Denied			Withdrawn/Closed		
	2008	2013	2018	2008	2013	2018
Quicken Loans, Inc.	50.0%	14.9%	20.8%	0.0%	0.0%	7.7%
Bank of America	27.8%	13.4%	42.8%	9.9%	20.7%	14.9%
JP Morgan Chase Bank	13.8%	16.2%	28.3%	70.3%	30.9%	27.1%
Stearns Lending, LLC.	14.3%	5.8%	15.6%	5.7%	16.0%	9.5%
Scenic Oaks Funding, Inc.	-	5.4%	2.0%	-	18.1%	17.9%
American Pacific Mortgage Corporation	38.5%	5.2%	5.4%	61.5%	6.7%	9.2%
Loandepot.com, LLC.	-	40.8%	17.4%	-	24.2%	21.4%
U.S. Bank	9.5%	26.8%	35.2%	55.0%	27.3%	31.7%
Flagstar Bank	21.4%	7.2%	9.1%	6.8%	44.4%	36.6%
United Shore Financial Services, LLC.	-	21.2%	7.9%	-	18.2%	13.5%
Top Lender Total	15.3%	29.4%	51.3%	20.7%	20.1%	32.4%
<i>Source: 2008, 2013, 2018 HMDA data</i>						

Table 26 presents the loan outcomes for Stanislaus County applicants in 2008, 2013, and 2018. Firstly, it is interesting to note the change over time for each institution's market share in the county. For example, in 2008, Quicken Loans had a small presence in Stanislaus County with a market share of 2.2 percent whereas Bank of America captured 28.1 percent of the market. Ten years later, Quicken Loans had the largest market share of any financial institution in the county at 15.0 percent while Bank of America's share had fallen by over sixteen percentage points. These shifts most likely reflect the significant changes in the mortgage industry following the 2008 financial crisis.

When considering differences in approval rates by institution, there is clearly a wide gap between the lowest and highest rates. Specifically, U.S. Bank had the lowest approval rate in 2018 at 33.1 percent whereas American Pacific Mortgage Corporation had the highest at 85.4 percent. Combined, the county's top ten lenders represented 51.8 percent of all approved loans and 51.3 percent of all denied loans across Stanislaus County in 2018. Table 9 also indicates that approval rates fluctuated within the same institution over time. For instance, in 2008, Flagstar had an approval rate of 71.8 percent in Stanislaus County, yet five years later this figure was 48.3 percent, and by 2018 it was 54.3 percent. It is unclear why these rates changed so dramatically within individual institutions.

An analysis of the rates for withdrawn and closed applications for the county's top 10 lenders shows great variation by financial institution and year. In mortgage lending, fallout refers to a loan application that is withdrawn by the borrower before the loan is finalized. Typically, for-profit lenders should have little fallout, and none that varies by race or ethnicity. A significant disparity in fallout could suggest screening, differential processing, HMDA action misclassification, and/or the potential of discouragement of minority applications. Closed applications refer to applications that are closed by the lender due to incompleteness. A high rate of incomplete loans can indicate a lack of financial literacy on the part of the borrower. Insufficient lender assistance during the application process can also lead to high levels of incomplete

applications. The lack of lender assistance may be discriminatory in motive or outcome; however, HMDA data cannot be used to prove motive.

In Stanislaus County, there was a wide range for rates of withdrawn and closed applications. For example, in 2018, rates ranged from a low of 9.2 percent at American Pacific Mortgage Corporation to a high of 36.6 percent for Flagstar. Some individual institutions also experienced considerable fluctuation in their rates for withdrawn and closed applications. Bank of America, for instance, reported 9.9 percent of loan applications as withdrawn or closed in 2008. In 2013, this figure was 20.7 percent, and in 2018 it was 14.9 percent.

REAL ESTATE ASSOCIATION POLICIES

There are two predominant real estate groups active in Stanislaus County. The first group is associated with the National Association of Realtors (NAR) and includes a state and local chapter. The second group is associated with the National Association of Real Estate Brokers (NAREB) and also includes a state and local chapter. The term “realtor” is a registered collective membership mark of the NAR with its use signifying an individual’s affiliation with the organization.⁸ As such, the NAREB uses the term “realist” to distinguish its affiliates from the NAR.

Both organizations outline specific professional standards and codes of ethics for their members to follow. The following section provides a broad overview of each organization’s standards as they apply to fair housing.

National Association of Realtors

As one of nation’s predominant trade association for real estate professionals, the NAR aims to shape policies impacting the industry. On its website, the organization includes a statement on its commitment to diversity and inclusion which reads:

NAR fully embraces perspectives from all walks of life—regardless of race, ethnicity, gender, religion, age, sexual orientation, gender identity, disability, national origin, socioeconomic status, political affiliation or any other qualities by which we may define ourselves.⁹

Furthermore, the NAR publishes a code of ethics for members which details standards for real estate professionals. As with the organization’s diversity and inclusion statement, in some cases the code surpasses requirements outlined by federal law. For example, Article 10 of the code states that realtors shall not deny equal services on the basis of sexual orientation and gender identity in addition to other groups protected by federal law. Each year, NAR publishes its Professionalism in Real Estate Practice handbook, which provides guidance for professionals in applying the Code of Ethics.

State and Local Branches of NAR

The NAR has state and local branches across the country, and in California, these include the California Association of Realtors (CAR) and the Central Valley Association of Realtors (CVAR). In addition to adopting the ethics standards set by the NAR, the state branch promotes its own diversity and inclusion programs, such as the Latino Initiative Voices in Action program, which provides educational materials for members on homeownership opportunities and fraud prevention.

⁸ National Association of Realtors, “About NAR,” accessed 2/25/2020, <https://www.nar.realtor/about-nar>.

⁹ Ibid.

National Association of Real Estate Brokers

The National Association of Real Estate Brokers (NAREB) was established in 1947 as national trade association for African American real estate professionals with the goal of promoting economic improvement, equal opportunity, and civil rights for minority communities. Although historically the NAREB was founded by and for African American real estate professionals, today the organization promotes “democracy in housing,” or fair housing opportunities for all; however, the organization continues to advocate predominantly for African American homeownership.¹⁰

Similar to the NAR, the NAREB follows a strict code of ethics stating that “any Realtist shall not discriminate against any person because of race, color, religion, sex, national origin, disability, familial status, or sexual orientation in the sale or rental of real property, in advertising the sale or rental of real property, in the financing of real property, or in the provision of professional services.”¹¹ The NAREB Code of Ethics furthermore states that “a Realtist shall not be instrumental in establishing, reinforcing, or extending any agreement or provision that restricts or limits the use or occupancy of real property to any person or group of persons on the basis of race, color, religion, sex, national origin, disability, familial status, or sexual orientation.”¹²

State and Local Branches of NAREB

As with the NAR, NAREB has state and local affiliates across the country including the California Association of Real Estate Brokers (CAREB) and the Central Valley Realists Association. Both branches uphold the national organization’s code of ethics.

IMPEDIMENTS TO FAIR HOUSING CHOICE

Communities identify specific barriers (“impediments”) to fair housing choice and create action steps to remove or reduce these barriers.

Modesto

The *City of Modesto Analysis of Impediments to Fair Housing Choice for Fiscal Years 2015-2020* did not directly identify any fair housing impediments for the City of Modesto. The 2018-2019 CAPER for Modesto identifies the following fair housing concerns:

1. *Access to information about housing availability and choices among recent immigrants who are disproportionately lower income.*
2. *Lack of access to adequate housing due to poor credit history, insufficient funds for moving expenses, and other factors among financially vulnerable groups, such as female-headed households with children and the homeless.*
3. *Barriers faced by large, low-income and moderate-income families due to occupancy restrictions imposed by rental property owners.*
4. *The need to assist homeowners who have experienced foreclosure, who are disproportionately minority households, to find alternative living arrangements.*

¹⁰ National Association of Real Estate Brokers, “NAREB History,” accessed 2/25/2020, <http://www.nareb.com/our-history/>.

¹¹ California Department of Real Estate, “3. Trade and Professional Organizations,” in *A Real Estate Guide*, accessed 2/25/2020, pages 39-40, <https://dre.ca.gov/files/pdf/refbook/ref03.pdf>.

¹² *Ibid*, 40.

Within the last Analysis of Impediments document, the City listed following goals to improve housing access:

- *Supporting organizations that provide fair housing education, homebuyer education, and landlord tenant mediation;*
- *Offering housing rehabilitation and homebuyer assistance;*
- *Working with nonprofit organizations to reduce barriers to housing and to increase the supply of affordable housing;*
- *Promoting economic development to increase job opportunities; and*
- *Participating in partnerships with public and private organizations to improve job skills among Modesto’s lower-income households.*

Stanislaus Urban County and Turlock

Stanislaus Urban County and City of Turlock Regional Analysis of Impediments to Fair Housing Choice Fiscal Years 2015–2020 identified the following impediments and corresponding actions:

Affordable Housing

1. Impediment: Insufficient supply of affordable housing.

1.1 Action: Continue to provide assistance to preserve existing affordable housing and to create new affordable housing.

1.2 Action: Continue to offer regulatory relief and incentives for the development of affordable housing.

1.3 Action: Continue to ensure the availability of adequate sites for the development of affordable housing.

2. Impediment: Shortage of subsidies and strategies to promote affordable, accessible housing for low-, very low-, and extremely low-income households, including protected classes.

2.1. Action: Continue to pursue available and appropriate State and Federal funding sources to support efforts to construct housing meeting the needs of lower-income households.

2.2. Action: Continue to support the Stanislaus Housing Authority Section 8 Housing Choice Voucher (HCV) Rental Assistance Program, including distribution of program information at the public counters for the Stanislaus County Department of Planning and Community Development, City of Turlock Housing Services, and all Stanislaus Urban County member jurisdictions. Stanislaus County and the City of Turlock will hold periodic meetings with representatives of the Housing Authority of the County of Stanislaus to discuss actions Stanislaus County, the City of Turlock, and Stanislaus Urban County member jurisdictions can take to coordinate housing program implementation.

2.3 Action: Follow through on the Housing Element policies and programs.

Private Practices and Mortgage Lending

3. Impediment: Differential origination rates based on race, ethnicity, and location.

3.1. Action: When selecting lending institutions for contracts and participation in local programs, Stanislaus County, the City of Turlock, and Stanislaus Urban County member jurisdictions may prefer those with a Community Reinvestment Act (CRA) rating of “Outstanding” and may exclude those with a rating of “Needs to Improve” or “Substantial Noncompliance” according to the most recent examination

period published by the Federal Financial Institutions Examination Council (FFIEC). In addition, the Stanislaus Urban County and the City of Turlock may review an individual institution's most recent HMDA reporting as most recently published by the FFIEC.

3.2 Action: Strengthen partnerships with lenders to discuss lenders' community reinvestment goals, including home mortgages, home improvement loans, and community development investments to be made in low- and moderate-income neighborhoods in the Stanislaus Urban County and in the City of Turlock.

4. Impediment: Limited coordination with real estate industry.

4.1 Action: Work cooperatively with the real estate industry to develop ways for local agents to become more familiar with Stanislaus Urban County and City of Turlock housing and rental assistance programs. 4.2 Action: Encourage Realtors to seek fair housing training.

Fair Housing Education and Enforcement

5. Impediment: Limited knowledge of fair housing rights.

5.1 Action: Conduct more outreach to educate tenants, and owners and agents of rental properties, regarding their fair housing rights and responsibilities.

5.2 Action: Provide educational literature in English, Spanish, and other appropriate languages

6. Impediment: Discrimination in rental housing.

6.1 Action: Support efforts to enforce fair housing rights and provide redress to persons who have been discriminated against.

6.2 Action: Support efforts to increase the awareness of discrimination against all Federal and State protected classes.

Government Barriers

7. Impediment: Local development standards and their implementation, e.g., zoning, building, or design standards, may constrain development of housing opportunities for minority and low-income households.

7.1 Action: Review zoning and related regulations to determine the degree of adequate opportunity in the community for affordable housing to exist and to develop new affordable housing options.

8. Impediment: Inadequate access to employment opportunities, transportation, and public and social services, and infrastructure to support increased housing opportunities for lower-income households.

8.1 Action: Examine possible gaps in public infrastructure and services, especially for the needs of persons with disabilities, seniors, and low-income residents via a Disadvantaged Unincorporated Communities assessment. If significant gaps are found, explore methods to address the gaps and incorporate public improvements and services into local infrastructure and service plans.

Impediment Actions Taken 2015-2019

Over the past five years, Modesto and Stanislaus Urban County & Turlock have taken actions towards removing or reducing impediments to fair housing choice identified in the 2015-2019 AI documents and as best practices to Affirmatively Further Fair Housing.

Affordable Housing Actions

Modesto established its Relocation Assistance Program in June 2009 to reimburse tenants for relocation expenses when forced to move from a property found to have severe code violations threatening the life, health, and safety of residents.

Stanislaus County continues to send out an annual Notice of Funding Availability (NOFA) to inform nonprofits of CDBG and ESG funding resources. The County also provides Grant Technical Workshops to explain grant requirements and provide educational materials to organizations.

The County continues to operate its Focus on Prevention Initiative to encourage new partnerships between private and nonprofit organizations for affordable housing development and homelessness services.

The Housing Authority of the County of Stanislaus (HACS) operates seasonal migrant housing units and continues to work with local government agencies and family resource centers to promote migrant housing opportunities. Staff meet with migrant service providers to educate staff about affordable housing resources.

In 2018, Stanislaus County and the Cities of Modesto, Turlock, Oakdale, Newman and Patterson declared a shelter crisis allowing the governments to adopt local procedures for the development of homeless shelters. During this period, ordinary zoning provisions for homeless facilities are suspended. Modesto has used the declaration to help the local Salvation Army shelter add an additional 182 beds.

In 2016, the County Community Development staff met with organizations such as World Relief Modesto to determine whether local affordable housing alignment efforts could be considered a part of the Focus on Prevention effort to help address the influx of refugees into Stanislaus County from countries such as Syria.

Modesto partnered with local affordable housing providers to increase the supply of affordable housing units by adding 157 affordable housing units and rehabilitating 155 rental housing units. Modesto also provided owner-occupied housing rehabilitation assistance to 73 households and first-time homebuyer assistance to three low/moderate income households.

In 2019, the City of Modesto approved a Rental Housing Safety Inspection program. The program is intended to maintain the supply of safe, decent, and sound affordable housing through the conservation and rehabilitation of the City's existing housing stock. Up to ten percent of all rental units in the Self-Certification program shall be selected (based on statistical information) for inspections. This program has been approved but awaiting implementation.

Stanislaus County extended sewer services to the Parklawn and Airport Neighborhoods allowing for expanded infill development housing opportunities and is underway with the planning for sewer extension in the West Modesto area.

In partnership with the City of Oakdale, Stanislaus County has partnered with the Housing Authority on the development of a 56-unit affordable housing development in the City of Oakdale on property acquired by the Stanislaus Urban County utilizing Neighborhood Stabilization Program funding and has contributed approximately \$3 Million to construction of the development.

In partnership with the Housing Authority, Stanislaus County has partners to develop six affordable housing units on NSP acquired properties, utilizing both NSP funding and funding from the Successor Housing Agency to the former Stanislaus County Redevelopment Agency.

Stanislaus County has hosted convenings of both for profit and non-profit housing developers to identify opportunities and constraints in the development of affordable housing throughout the community.

Stanislaus County has waived and deferred its Public Facilities Fees to aid in the development of numerous affordable housing development projects within the incorporated areas.

Stanislaus County has partnered with the Housing Authority to utilize the Empire Migrant Housing for a cold-weather family shelter.

Private Practices and Mortgage Lending Actions Taken 2015-2020

Stanislaus Urban County previously identified the need to support homeowners who had experienced foreclosure with finding alternative living arrangements. Though the mortgage crisis has subsided, staff continue to monitor local foreclosure rates for developments in foreclosure trends that could have a harmful effect on the community.

In 2016, the City of Modesto partnered with affordable housing programs to assist first time buyers purchase a home and provides referrals for alternative living arrangements for homeowners who experienced a foreclosure.

Fair Housing Education and Enforcement Actions

The County and Turlock continue to partner with Project Sentinel to provide fair housing services and conduct fair housing testing. In program year 2015-2016, the organization conducted four fair housing tests in Newman, Ceres, Oakdale, and Valley Home in response to allegations or claims of practices that may have violated fair housing law. In Newman, the fair housing test found partial compliance with the law regarding reasonable accommodation for service/assistance animals for an individual with a disability. In Ceres, the fair housing test did not find evidence of discrimination regarding familial status. In Oakdale, the fair housing test found evidence of a violation of fair housing law regarding reasonable accommodation for service/assistance animals for an individual with a disability. In Valley Home, the fair housing test did not find evidence of discrimination on the basis of national origin. When applicable, Project Sentinel sent property owners educational letters to elaborate on applicable sections of fair housing law. The organization also continues to monitor and follow up with properties that were required to take corrective action.

Modesto continues to work with Project Sentinel to provide fair housing services. During the past five years, Project Sentinel opened a total of 122 fair housing discrimination cases for investigation and provided fair housing education and tenant/landlord mediation to over 5,500 individuals.

Other Actions

Over the last five years, Modesto has provided economic development assistance to two microenterprise businesses in Modesto.

Modesto promoted economic development by financially supporting Opportunity Stanislaus to provide job training opportunities to low- and moderate-income persons in the industrial maintenance mechanics field via the VOLT Institute.

Stanislaus County has approved Crows Landing Industrial Business Park, a 1,528 acre site that will bring jobs to the County, development opportunities, and preserve agricultural land by reusing the former Crows Landing airfield. The development has the potential to provide for approximately 15,000 new locally based jobs for an existing workforce that currently commutes outside of the County to obtain jobs with sustainable wages.

Impediments to Fair Housing Choice 2020-2025

Summary of impediments and corresponding action items

1. Turlock's zoning definitions do not match as there is an age discrepancy (between 55-60) in the definition of "senior housing" and difference in the allowable household relationships of senior housing residents with a non-spouse domestic partner, primary physical/economic support person, and/or disabled child, grandchild, or partner under the age of 60.

Action: Consider revision of zoning ordinance definition of "senior housing" in Turlock to align with Section 43-53.7 of the Civil Code of the State of California.

2. In Stanislaus County, 44 percent of households earning \$20,000 or less annually do not have Internet access, while only 6 percent of households making at least \$75,000 do not have access. In the state, about half of households without Internet access cite the cost of broadband service or a computer/device for their lack of access. A statewide survey indicates three in four of these households do not know they may qualify for discounted, income-based Internet service in California.

Action: Pursue conducting, funding, and/or facilitating Internet service financial assistance education and outreach activities that target low-income residents of Stanislaus County.

3. There is a limited knowledge of fair housing rights among the general population.

Action: Support outreach activities that educate tenants, the owners and agents of rental properties, and all others who interact with housing transactions regarding their fair housing rights and responsibilities.

Action: Provide educational literature in English, Spanish, and other appropriate languages.

Action: Provide education and fair housing referral information to organizations who interact with and serve low-income or protected class populations in order to identify potential fair housing violations.

4. Discrimination in rental housing often occurs without legal complaint and opportunity for redress/ resolution to fair housing violations.

Action: Support enforcement of fair housing rights through advocacy and legal support for those persons who allege incidents of fair housing discrimination.

5. There is support and assistance need for homeowners who have experienced foreclosure, homeowners and renters who are members of a protected class, and others who must find affordable living arrangements.

Action: Finance, facilitate, and otherwise support affordable housing programs within all Stanislaus County jurisdictions, including those that support the creation or preservation of affordable housing, rehabilitation of substandard housing, and/or assistance to homeowners and renters in need of disability modifications.

Action: Continue to support the Stanislaus Housing Authority Housing Choice Voucher (HCV) Rental Assistance Program, including distribution of program information at government buildings.

Action: Promote economic development and job training activities to increase job opportunities and wages of low-income residents in order to increase overall household income and reduce housing cost burden.