

# Agenda Report

**DATE:** AUGUST 24, 1998

**TO:** CITY COUNCIL

**FROM:** CYNTHIA KURTZ, ACTING CITY MANAGER

**SUBJECT:** APPROVAL OF THE FAIR HOUSING PLAN AND AMENDMENT TO THE SUB-RECIPIENT AGREEMENT BETWEEN THE CITY AND THE FAIR HOUSING COUNCIL OF SAN GABRIEL VALLEY FOR FAIR HOUSING SERVICES

**RECOMMENDATION:**

It is recommended that the City Council take the following actions:

A. Approve the proposed Fair Housing Plan (Exhibit A) which is aimed at eliminating the impediments that restrict housing choices or the availability of housing choices for persons based on race, color, religion, sex, disability, familial status, and national origin, and includes the following actions:

1. Expanding Fair Housing services to encompass education, outreach, counseling, and enforcement in the areas of fair lending, insurance, subsidized rental programs, home sales, and land use policies;
2. Engaging in a promotional campaign to inform housing providers and consumers about laws against housing discrimination based on familial status;
3. Requesting changes to the Multiple Listing Services in order to eliminate area designations and to substitute with a listing of available homes by price range;
4. Providing more education, training and outreach regarding Fair Housing Laws and issues of cultural sensitivity for local realtors, rental property owners, managers, and agents.
5. Initiating greater dialogues with representatives of the lending institutions serving the City, to determine what can be done to improve lenders performance in awarding credit to African American and Hispanic applicants.
6. Continued implementation of the Affordable Housing Plan and Affordable Housing Initiatives approved by the Pasadena Community Development Commission on December 19, 1994 and October 6, 1997, respectively, and,

B. Approve an amendment to the Sub-recipient Agreement with the Fair Housing Council for an extension of the provision of fair housing services for one (1) year, ending June 30, 1999, for an amount not to exceed fifty thousand dollars (\$50,000).

**EXECUTIVE SUMMARY:**

The U. S. Department of Housing and Urban Development (HUD) requires "actions to affirmatively further fair housing" of all jurisdictions who receive federal funding through its Consolidated Submission process. In a letter dated July 11, 1995, HUD required each jurisdiction to certify that it "will engage in fair housing planning" by:

- (1) conducting at the beginning of each five-year cycle an analysis of impediments to fair housing choice;
- (2) carrying out actions to overcome the effects of identified impediments;
- (3) maintaining records and making available information and reports, including the analysis of impediments, (and) to document actions undertaken to eliminate identified impediments.

As a result, the City of Pasadena has, pursuant to Title 24 Code of Federal Regulations (CFR) Part 570.904(c) to conducted an analysis to determine the impediments to fair housing choice for its housing and community development programs and activities.

More specifically, in June, 1996 the City of Pasadena contracted with the Fair Housing Council of San Gabriel Valley (FHC/SGV) to complete an "Analysis of Impediments to Fair Housing Choice", a comprehensive review of the policies, procedures, and practices within the City of Pasadena that affect the location, availability, and accessibility of housing and the current residential conditions related to fair housing choice. The Housing and Development Department, Housing Division, in compliance with Title 24 Code of Federal Regulations (CFR) Part 570.904(c) commissioned the Fair Housing Council to perform a thorough review of 1) relevant demographic information and data; 2) authoritative studies of housing discrimination, lending, and other fair housing issues; and 3) methods for obtaining diverse citizen participation in the development, implementation, and evaluation of fair housing planning. In addition, the Housing Division requested the FHC/SGV to identify any corrective actions which may provide solutions to those practices that are limiting housing choices noted in their analysis.

On March 24, 1997 the City Council/Pasadena Community Development Commission held a joint meeting with the Community Development Committee to review and discuss with residents, non-profit and for-profit developers, lenders and governmental agencies, etc., housing issues which now require a new and/or revised programmatic approach. A thorough presentation and review of possible affordable housing program initiatives, including related fair housing matters, was undertaken and staff was directed by the Commission to solicit additional input as well as prepare definitive strategies and procedures for implementation. It was clearly noted that the proposed housing initiatives would represent a shift in direction and signal a change from the Commission's traditional approach to the delivery of housing assistance and services. In continuation of that effort, the following information provides a synopsis of FHC/SGV's Analysis of Impediments to Fair Housing Choice for the City of Pasadena and proposes the approval of a Fair Housing Plan, which outlines recommended actions to address these impediments, amendment to the Sub-recipient

Agreement with FHC/SGV for the continued provision of fair housing services and an affirmation of the City's on-going commitment for an equitable distribution of the City's housing resources.

**ADVISORY BODIES:**

At its meeting of August 13, 1998, the Pasadena Community Development Committee reviewed and unanimously approved the aforementioned recommendation.

**BACKGROUND:**

The U.S. Department of Housing and Urban Development (HUD) requires "actions to affirmatively further fair housing" of all jurisdictions who receive funds through the Consolidated Submission. In a letter dated July 11, 1995, HUD required each jurisdiction to certify that it "will engage in fair housing planning" by:

- (1) conducting at the beginning of each five-year cycle an analysis of impediments to fair housing choice;
- (2) carrying out actions to overcome the effects of identified impediments;
- (3) maintaining records and making available information and reports, including the analysis of impediments, (and) to document actions undertaken to eliminate identified impediments.

The HUD defines "impediments" as any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restricts housing choices or the availability of housing choices of these protected classes. The term "fair housing choice" means the ability of persons of similar income levels in the same housing market area to have a like range of choice available to them regardless of race, marital status, color, religion, ancestry, sex, sexual orientation, disability, national origin, or arbitrary characteristics, such as age or sources of income.

In the fall of 1995, HUD defined "affirmatively furthering Fair Housing" for local governments by declaring that:

- a) . . . [racial or ethnic minorities, disabled persons, families with children under 18 years of age and pregnant individuals] receive at least a fair share in proportion to their need of housing resources under the control or allocated by that jurisdiction, and any additional share necessary to remedy any past disproportionate allocation;
- b) neighborhoods with a preponderance of persons from racial or ethnic minorities receive at least a fair share in proportion to their need of resources under the control of or allocated by that jurisdiction used for housing-related services, and any additional share necessary to remedy any past disproportionate allocation;
- c) impediments to integration be eliminated and the jurisdiction take steps to promote mobility and integration;

- d) there be an effective mechanism for enforcement of fair housing laws within the applicant jurisdiction and mechanisms in effect within the governing body of the jurisdiction to ensure that no subdivision or subpart of the governing body is engaging in discrimination against members of a protected class;
- e) barriers to use resources by persons in protected classes be eliminated;
- f) the local jurisdiction complete and fully implement an acceptable Fair Housing Plan.

As a result, the City of Pasadena is required, pursuant to Title 24 Code of Federal Regulations (CFR) Part 570.904(c) to conduct "... [an] analysis to determine the impediments to fair housing choice for its housing and community development programs and activities" (Analysis of Impediments to Fair Housing Choice).

In compliance with the aforementioned requirements the City of Pasadena after a competitive selection process contracted with the Fair Housing Council of San Gabriel Valley to perform an Analysis of Impediments to Fair Housing Choice within the City of Pasadena. Founded in 1968 the Fair Housing Council of San Gabriel Valley (FHC/SGV) was established as a non-profit corporation in 1972 and has over twenty (20) years of delivering Fair Housing services within the City of Pasadena. FHC/SGV's expertise and ultimate selection to undertake the Analysis of Impediments to Fair Housing Choice was based on the vast experience gained through participation in the provision of fair housing services such as: fair housing counseling and referrals, discrimination complaint processing, landlord/tenant dispute resolution, fair housing education, outreach, and technical assistance, rental home-seeking and relocation assistance.

## **METHODOLOGY**

The analysis was performed by FHC/SGV in consultation with the Center for Choice in Housing ("Center"). FHC/SGV and the Center utilized a number of methodologies in performing the analysis, but primary among the methodologies was a legal analysis of the requirements and the efforts undertaken to comply with or enforce fair housing requirements. This type legal emphasis was appropriate for the initial year of the HUD mandated Fair Housing Plan but less emphasis on legal requirements will be necessary in future years. FHC/SGV and the Center also performed an economic analysis of the lending patterns of financial institutions doing business in the Pasadena area, geo-coding of lender branches in the area, and fair housing testing of a number of housing units.

Consequently, the draft report which was completed in August, 1996 represented a comprehensive assemblage and review of the following data sources: 1) City's demographic profile; 2) City's segregation patterns; 3) types, costs and vacancy rates of housing; 4) location of housing for disabled persons and publicly subsidized housing; 5) HUD and California State Department of Fair Employment and Housing ("DFEH") complaints; 6) compliance reviews conducted on the City; 7) discrimination lawsuits undertaken in the City; 8) housing discrimination complaints and inquiries handled by the Fair Housing Council; 9) fair housing trends; 10) the Housing Discrimination study conducted by HUD of racial and national origin discrimination; 11) audit results of familial status discrimination; 12) occupancy standards

survey; 13) hate crime statistics; 14) printed housing advertisements; 15) fair housing publications; 16) the summaries of realtor and community organization focus groups; 17) Home Mortgage Disclosure Act ("HMDA") data; 18) land use policies and analysis of whether fair housing protected persons receive their fair shares of housing resources.

The final report as presented in June, 1997, in accordance with HUD requirements, is an abbreviated summary assessment and analysis of the policies, procedures and practices within the City of Pasadena that affect the location, availability and accessibility of housing and current residential conditions related to fair housing choice. More specifically, all jurisdictions were encouraged by HUD to thoroughly review 1) sources of relevant demographic information and data; 2) sources of authoritative studies of housing discrimination, lending and other fair housing issues; 3) methods for obtaining diverse citizen participation in the development, implementation, and evaluation of fair housing planning; and 4) corrective actions and solutions. Accordingly, the final report relies primarily on a summary analysis of the following sources of local housing related information: City of Pasadena Housing Discrimination Complaints; City of Pasadena Consolidated Plan 1995-2000; City of Pasadena General Plan - Housing Element; City of Pasadena Zoning Code (Title 17); Focus Group Sessions with Community-based Organizations and Housing Brokerage Services; Home Mortgage Disclosure Act (HMDA) Data; HUD Housing Discrimination Study (HDS); and the 1993 Racial Discrimination Audit of Rental Units.

## **FINDINGS AND RECOMMENDATIONS**

Based on the analysis and the continuing need for affirmatively furthering Fair Housing Choice, selected findings and recommendations were identified by the Analysis of Impediments to Fair Housing Choice ("Analysis") to assist the City of Pasadena and the Pasadena Community Development Commission continue their collective efforts to comply with federal and state fair housing laws. Upon subsequent review and discussions between the FHC/SGV and the Housing and Development Department, Housing Division, the results of the Analysis were used to formulate the attached Fair Housing Plan (*Exhibit A*) for the City of Pasadena. Additionally, the "Analysis Findings Compared to the Proposed Fair Housing Plan" (*Exhibit B*) depicts the findings and recommendations of the Analysis against the proposed actions identified in the Fair Housing Plan to address the related issues.

### **FAIR HOUSING PLAN:**

HUD requires each jurisdiction to certify that it "will engage in fair housing planning" by:

- (1) conducting at the beginning of each five-year cycle an analysis of impediments to fair housing choice;
- (2) carrying out actions to overcome the effects of identified impediments;
- (3) maintaining records and making available information and reports, including the analysis of impediments, (and) to document actions undertaken to eliminate identified impediments.

As a condition for receiving HUD grant funds under the Consolidated Plan Submission regulations, grant applicants and recipients are required to take the actions identified above. While the Analysis of Impediments to Fair Housing Choice addresses requirement#1, the proposed Fair Housing Plan (*Exhibit A*) represents the City's response to requirements #2 and #3. The findings and recommendations contained in the Analysis along with a review of the City/Commission actions in accordance with the Affordable Housing Plan 1995-2000 and the Affordable Housing Program Initiative have been used to formulate the attached Fair Housing Plan for the City of Pasadena.

**FAIR HOUSING COUNCIL OF SAN GABRIEL VALLEY:**

Founded in 1968 the Fair Housing Council of San Gabriel Valley (FHC/SGV) was established as non-profit corporation in 1972. FHC/SGV has worked with the City of Pasadena for twenty years to provide fair housing counseling and referrals, discrimination complaint processing, landlord/tenant dispute resolution, education, outreach, training and technical assistance, advocacy and rental home-seeking and relocation assistance. FHC/SGV also provides on-going bilingual services upon request, home visits and printed information about fair housing services in Spanish and English in a variety of public venues.

FHC/SGV is dedicated to ensuring that everyone, regardless of race, religion, national origin, sex, age marital status, familial status or disability, has opportunities to acquire housing they desire and can afford. The central goals of the FHC/SGV are to eliminate discriminatory housing practices, and actively promote and support fair housing opportunity, positive housing relationships and peaceable problem-solving between property owners and residents.

It is therefore recommended that the Sub-recipient Agreement with FHC/SGV for the aforementioned fair housing services (as more thoroughly defined in Section A of the Fair Housing Plan) be extended for one (1) additional year at a cost not to exceed fifty thousand (\$50,000) to address the immediate client needs and federal requirements for the provision of fair housing services to existing and perspective Pasadena residents.

**HOUSING IMPACT**

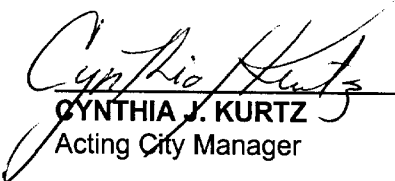
Approval of the subject Fair Housing Plan shall result in the City of Pasadena's compliance with Title 24 Code of Federal Regulations (CFR) Part 570.904(c), to conduct an analysis to determine the impediments to fair housing choice for its housing and community development programs and activities. The subject Fair Housing Plan is consistent with the goals and objectives of the Commission's Affordable Housing Program Initiatives, Affordable Housing Plan 1995-2000, 1995-1999 Implementation Plan, the Community Development Committee's Fiscal Year 1998-99 Priority Work Program, the Consolidated Plan, the General Plan Housing Element, and the Housing Element of the Northwest Pasadena Community Plan.

**FISCAL IMPACT:**

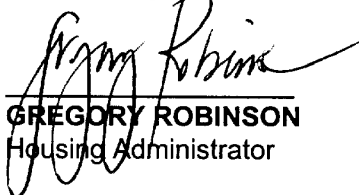
Approval of the subject recommendation will require the City to amend its Sub-recipient Agreement with the Fair Housing Council of San Gabriel Valley for the continued provision of

expanded fair housing services. Community Development Block Grant funds in the amount of \$50,000 were allocated in the Fiscal Year 1998-99 Pasadena Community Development Commission-Community Development Block Grant Program Budget Account for these activities. There is no impact on the General Fund.

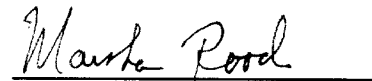
Respectfully submitted,

  
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