

CITY OF HANFORD

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

FOR SUBMISSION TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



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ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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INTRODUCTION

As a recipient of funds from the U.S. Department of Housing and Urban Development (HUD), the City of Hanford is required to conduct an Analysis of Impediments to Fair Housing Choice (AI) and to periodically review that analysis and update it as necessary. This AI is the first produced by the City and provides a detailed look into the fair housing environment in the City of Hanford. More specifically, this document includes an analysis of local factors that may impact fair housing choice, the identification of specific impediments to fair housing choice, and a plan to address those impediments. As part of its ongoing responsibilities as a recipient of HUD funds, the City of Hanford must also continuously assure equal access to services and programs it provides or assists in the community.

With approximately 52,000 residents and as the second fastest growing incorporated city in Kings County, the importance of accessible fair housing education, services, policies, and other resources is increasing in the community. As a city that contains a diverse population among many socioeconomic and demographic levels, the City of Hanford is dedicated to meeting the needs of its residents and fostering fair and equal treatment to all persons within the realm of housing.

WHAT IS AN IMPEDIMENT TO FAIR HOUSING CHOICE?

As defined by the U.S. Department of Housing and Urban Development (HUD) Fair Housing Planning Guide (1996), impediments to fair housing choice are:

- Any actions, omissions, or decisions taken because of race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, or any other arbitrary factor which restrict housing choices or the availability of housing choices; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, or any other arbitrary factor.

To affirmatively further fair housing, a community must work to remove impediments to fair housing choice.

HANFORD OVERVIEW

Hanford was incorporated in 1881 and is the county seat for Kings County, California. Hanford is located in the heart of the San Joaquin Valley and lies equidistant from Los Angeles and San Francisco. The city's strong sense of community pride, beautifully landscaped streetscapes, and preserved historic buildings are just a few reasons why Hanford is an attractive place to live and is experiencing a strong rate of growth. Furthermore, Hanford is a pro-business community that promotes responsive and properly planned growth. It is a safe, family-oriented community where residents enjoy working and living.

As a result of these attractive attributes, Hanford's population has grown more than 70 percent since 1990. Today, Hanford has approximately 52,000 residents and is one of the fastest growing incorporated cities in Kings County. The growing population in Hanford is diverse throughout multiple socioeconomic and demographic levels. As a result, the need to support and foster fair housing policies and practices is critical.

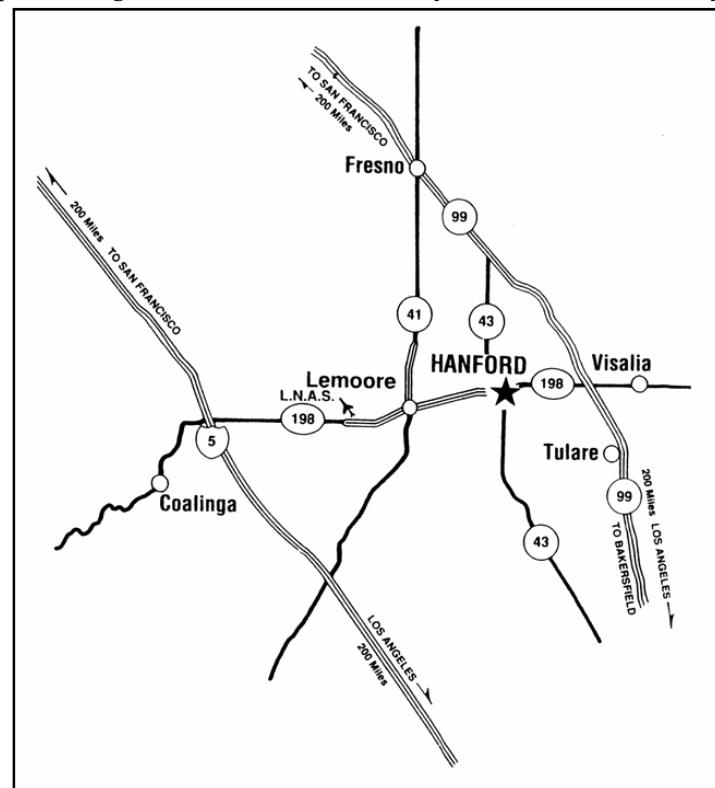
WHAT IS FAIR HOUSING?

Equal access to housing is fundamental to each person being able to meet essential needs and to pursuing personal, educational, employment, or other goals. In recognition of equal housing access as a fundamental right, the governments of the United States and the State of California have both established fair housing as a right protected by law.

Federal fair housing laws prohibit discrimination in the sale, rental, lease, or negotiation for real property based on race, color, religion, sex, national origin, familial status, and disability. The California fair housing laws are built upon the federal laws and add marital status, ancestry, source of income, sexual orientation, and "any arbitrary factor" as protected categories under the laws.

Many factors in the public and private domains impede equal access to housing or fair housing choice. Impediments to fair housing choice are:

- Any actions, omissions, or decisions taken because of race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, source of income, sexual



orientation, or any other arbitrary factor which restrict housing choices or the availability of housing choices; or

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

To affirmatively promote equal housing opportunity, a community must work to remove or mitigate impediments to fair housing choice. The City of Hanford is dedicated to providing fair housing opportunities to all residents and to ensure that all applicable laws are complied with throughout the city.

WHAT IS AN ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE (AI)?

The AI is an assessment of how laws, governmental policies, real estate practices, and local conditions affect the location, availability, and accessibility of housing. The analysis of their impact on housing choice can highlight areas where corrective actions might broaden the housing options of persons protected by fair housing laws. The analysis includes examining impediments and barriers to fair housing choice:

- An impediment to fair housing choice is any action, omission, or decision which is intended to or has the effect of restricting a person's choice of housing on the basis of race, color, religion, sex, disability, familial status, or national origin. Such a limitation to fair housing choice constitutes housing discrimination.
- This AI defines barriers to housing choice as factors, such as income level and housing supply, that limit a person's choice of housing.

This AI adheres to the recommended scope of analysis and format in the Fair Housing Planning Guide developed by the U.S. Department of Housing and Urban Development (HUD).

PURPOSE OF THE ANALYSIS OF IMPEDIMENTS

The purpose of an AI is to review conditions in the jurisdiction that may impact the ability of households to freely choose housing and to be treated without regard to race, ethnicity, religion, gender, national origin, source of income, age, disability, or other protected status. The AI reviews the general state of fair housing, the enforcement of fair housing law, efforts to promote fair housing, access to credit for the purpose of housing, and general constraints to the availability of a full range of housing types.

An AI examines the affordability of housing in the jurisdiction with an emphasis on housing affordable to households with annual incomes classified as low income and less. (Low income is defined as equal to or less than 80 percent of the adjusted area median family income as most recently published by the U.S. Department of Housing and Urban Development.)

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The document has three major goals:

- To provide an overview of the City of Hanford and current conditions as they impact fair housing choice.
- To review the policies and practices of the City as they impact fair housing choice and the provision of housing, specifically affordable housing and housing for special needs households.
- To identify impediments to fair housing choice and actions the City will take to remove those impediments or to mitigate the impact those impediments have on fair housing choice.

Fulfilling these goals includes the following:

- A review of the laws, regulations, and administrative policies, procedures, and practices of the City of Hanford.
- An assessment of how those laws affect the location, availability, and accessibility of housing.
- An assessment of conditions, both public and private, affecting fair housing choice.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

COMMUNITY PROFILE

Various characteristics may affect the ability of households with similar income levels, in the same housing market, to have a like range of housing choice. This chapter of the AI analyzes the demographic profile, income distribution, housing stock characteristics, and access to public transportation in Hanford. By assessing this information, the housing patterns in Hanford can be determined in relation to race/ethnicity, income, and other characteristics.

DEMOGRAPHIC PROFILE

Population

Hanford is the largest city in Kings County and serves as the county's retail, government, and medical and employment center. As shown in **Table 1**, Hanford's 2000 household population was 40,839.¹ According to the California Department of Finance (DOF), as of January 2009, the City of Hanford had a population of 52,687, a 73 percent increase in population from 1990 to 2009. Of the four incorporated cities in the county, Hanford experienced the second fastest rate of growth.

According to the DOF, Kings County as a whole is projected to reach a population of nearly 206,000 by the year 2020 and just over 250,000 by the year 2030. This projection reflects a gain of more than 60 percent from 2009 to 2030.

TABLE 1
POPULATION

Jurisdiction	Population				
	1990	2000	2009	Total Growth (1990–2009) ³	Percentage
Avenal	5,505	7,973	9,108	3,603	65%
Corcoran	8,309	9,539	13,067	4,753	57%
Hanford	29,927	40,839	51,839	21,912	73%
Lemoore	13,606	19,710	24,816	11,210	82%
Unincorporated County	32,122	31,271	33,354	1,232	4%
Kings County	89,469	109,332	132,184	42,715	48%

Source: 1990 and 2000 Census; Department of Finance 2009

Notes:

1. Group Quarters include Avenal State Prison, Corcoran State Prison, and Lemoore Naval Air Station.

2. Includes Group Quarters.

3. Total growth excludes group quarter population.

¹ Excluding population in group quarters.

Age Distribution

The age characteristics of a community are important factors to evaluate housing needs. Different age groups have distinct family types and sizes and income levels, all of which correspond to different housing needs. Younger adults tend to seek apartments, condominiums, and single-family units that are proportionate to their typically smaller household sizes and more constrained finances. Adults with children may seek larger single-family homes. However, as grown children begin to leave home, older adults and seniors often seek to trade their larger homes for smaller single-family homes and condominiums that are typically easier to maintain and afford.

According to the 2006–2008 American Community Survey (ACS), and as shown in **Table 2**, children (age 14 and under) accounted for almost a quarter (24.7 percent) of the total population in Hanford, while the 15 to 19 age group represented 8.5 percent of the total population. The largest age group for the City of Hanford was the 25 to 34 age group, which represented 18.1 percent of the total city population. This segment of the population also had the largest percentage increase (50.1 percent) from 2000 to 2008.

TABLE 2
AGE CHARACTERISTICS, 2000–2008

Age Group	2000		2008		% Change 2000–2008
	Number	Percentage	Number	Percentage	
0–4 years	3,636	8.7%	4,138	8.1%	13.8%
5–9 years	3,826	9.2%	4,181	8.2%	9.3%
10–14 years	3,597	8.6%	4,305	8.4%	19.7%
15–19 years	3,365	8.1%	4,332	8.5%	28.7%
20–24 years	2,861	6.9%	3,385	6.6%	18.3%
25–34 years	6,113	14.7%	9,184	18.0%	50.2%
35–44 years	6,228	14.9%	7,788	15.2%	25.0%
45–54 years	4,818	11.6%	5,183	10.1%	7.6%
55–59 years	1,614	3.9%	2,115	4.1%	31.0%
60–64 years	1,327	3.2%	1,631	3.2%	22.9%
65–74 years	2,169	5.2%	2,433	4.8%	12.2%
75–84 years	1,525	3.7%	1,679	3.3%	10.1%
85+ years	607	1.5%	790	1.5%	30.1%
Totals	41,686	100.0%	51,144	100.0%	22.7%

Source: 2000 Census; American Community Survey 3-year estimates, 2006–2008

Race and Ethnicity

According to the 2006–2008 ACS, and as shown in **Table 3**, Hispanic and White populations were the two largest race/ethnic groups in the City of Hanford, representing 45.5 percent and 41.2 percent of the population, respectively. These percentages are similar to that of Kings County as a whole, where the Hispanic and White populations represent 37.9 percent and 48.5 percent of the county's population, respectively.

TABLE 3
RACE AND ETHNICITY

Race and Ethnicity	Hanford		Kings County	
	Number	Percentage	Number	Percentage
White alone	21,094	41.2%	56,092	37.9%
Black or African American alone	3,741	7.3%	10,894	7.4%
American Indian and Alaska Native alone	411	0.8%	1,521	1.0%
Asian alone	2,135	4.2%	4,802	3.2%
Native Hawaiian/Other Pacific Islander alone	0	0.0%	197	0.1%
Some other race alone	0	0.0%	173	0.1%
Two or more races alone	484	0.9%	2,512	1.7%
Hispanic or Latino	23,279	45.5%	71,633	48.5%
Total Population	51,144	100.0%	147,824	100.0%

Source: American Community Survey 3-year estimates, 2006–2008

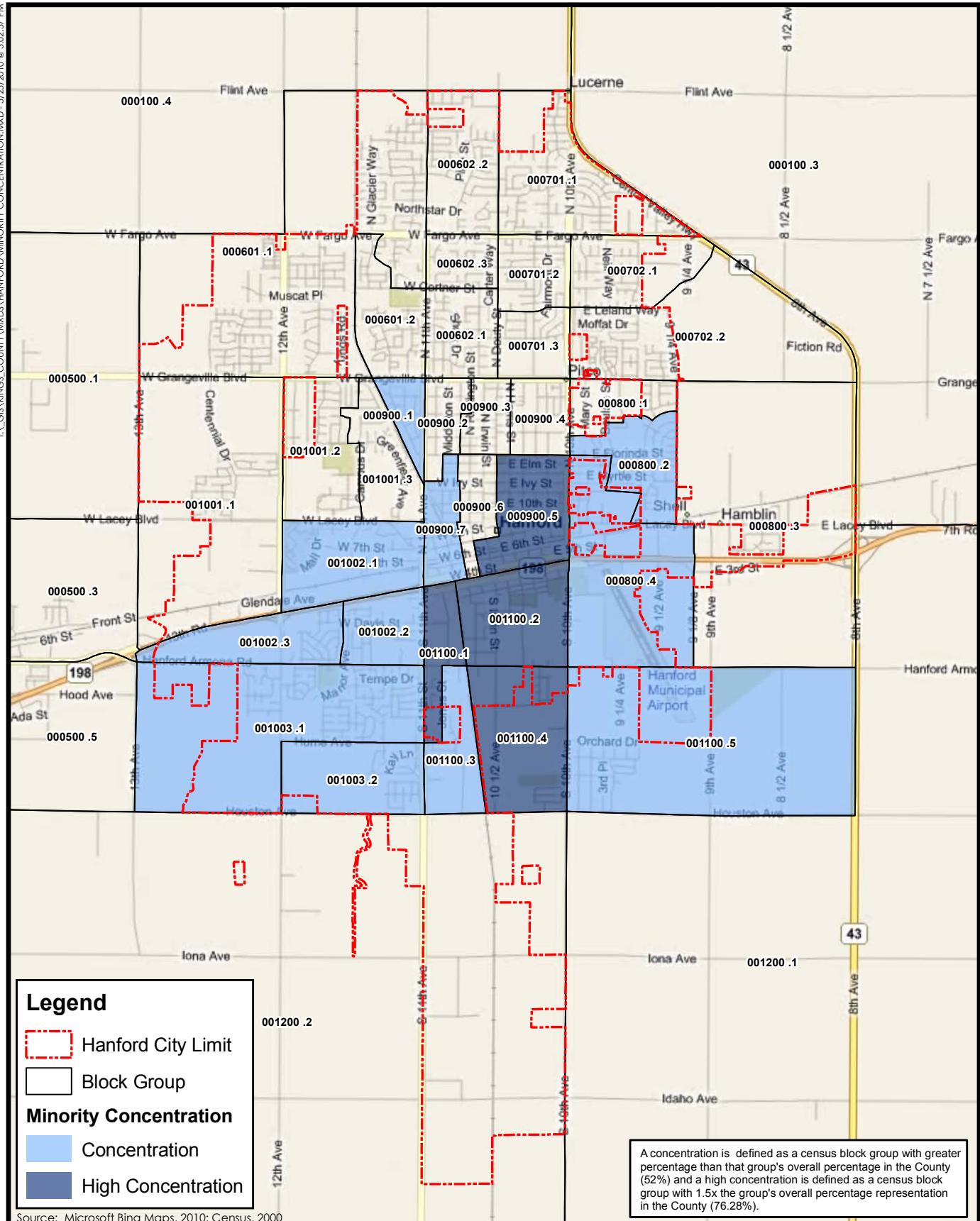
Minority Concentration

Data on race and ethnicity were examined at the block group level to determine areas of minority and ethnic concentration (2000 U.S. Decennial Census, Summary File 3). Minority population is defined as the total population less those who responded "White alone" to the U.S. Census. Block group areas where the percentage of total minority population exceeds the group's countywide total percentage by at least one percentage point are considered to be areas of "minority concentration." Areas that have a minority population at least 1.5 times the countywide total percentage are considered to be areas of "high minority concentration."

As shown in **Figure 1**, Hanford has two main areas of minority concentration and one area with a high concentration of minority population. The two areas of concentration are located toward the southern end of town and extend out to the eastern and western city limit borders. The highly concentrated area starts at the middle of the southern end and extends to the middle of the city.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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Figure 1
Minority Concentration

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Since the U.S. Census enumerates Hispanic as a distinct ethnic category, this characteristic was examined separately. Block group areas where the percentage of total Hispanic population exceeds the countywide percentage by at least one percentage point are considered to be areas of Hispanic concentration. The average countywide percentage of Hispanic population is 58.7 percent. Areas that have a Hispanic population at least 1.5 times the countywide percentage are considered to be areas of high Hispanic concentration.

As shown in **Figure 2**, the Hispanic concentration was similar to that of the minority concentration figure but had a larger highly concentrated area.

HOUSEHOLD CHARACTERISTICS

The type, size, and composition of a household can affect the type of housing and services that are needed. Families typically need single-family homes or large apartments with sufficient bedrooms for children, whereas single-person households, especially those headed by seniors, may desire smaller, easier-to-maintain housing units such as condominiums or apartments.

Household Composition and Size

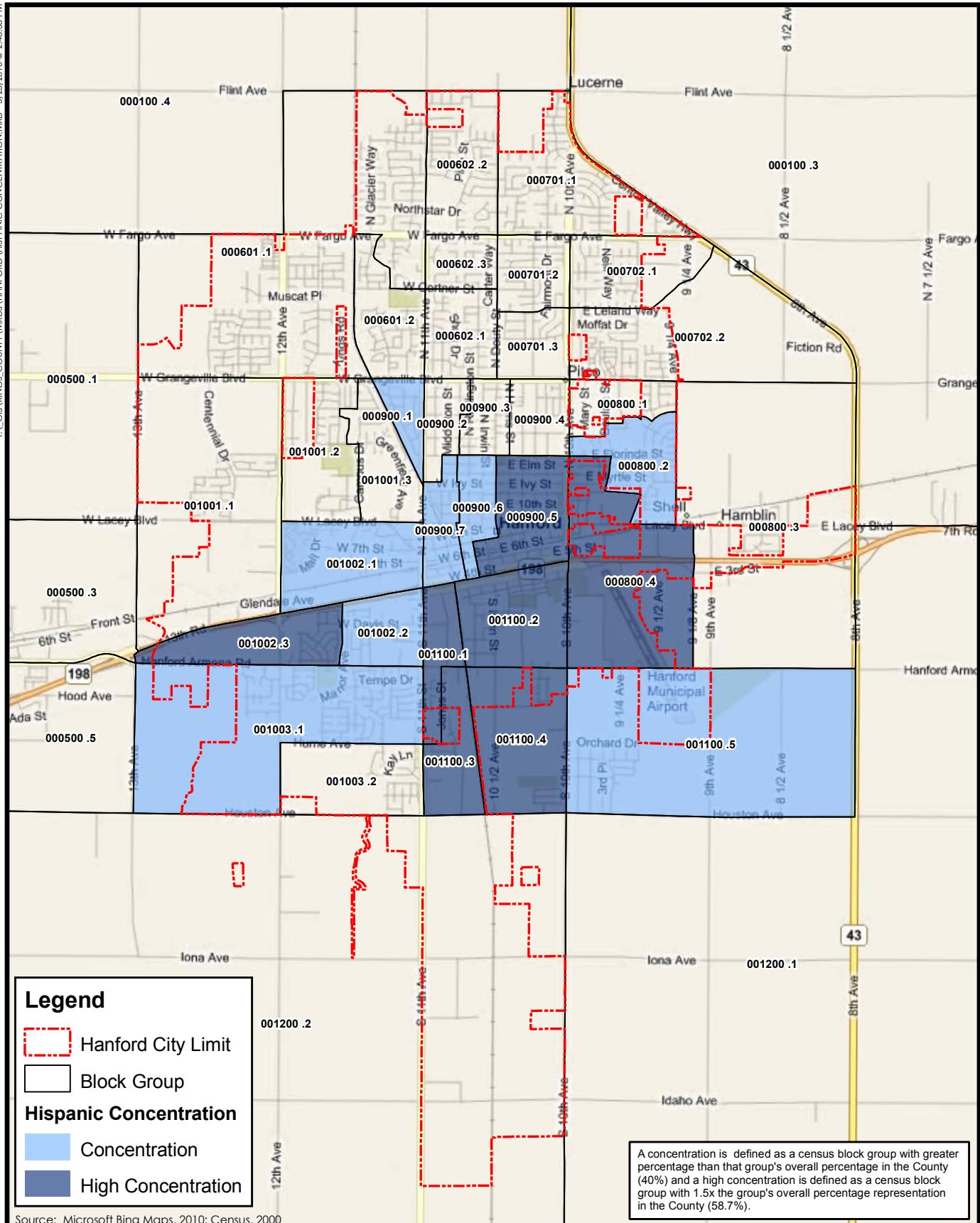
A household is defined by the Census as any group of people occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons who share living quarters. Persons living in retirement or convalescent homes, dormitories, or other group quarters situations are not considered households.

According to the 2006–2008 ACS, family households accounted for approximately 74.0 percent of all households citywide, while non-family households comprised 26.0 percent of all households. Kings County as a whole had a slightly higher percentage of family households (77.9 percent) and lower percentage of non-family households (22.1 percent). A summary of Hanford's household characteristics is provided in **Table 4**.

According to the Department of Finance, Hanford's average household size was 3.04 persons per household in 2009, as compared to the county as a whole at 3.30 persons per household.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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Figure 2
Hispanic Concentration

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TABLE 4
HOUSEHOLD COMPOSITION

Household Type	Hanford		Kings County	
	Households	Percentage	Households	Percentage
Total Household	16,267	100.0%	39,796	100.0%
Family Households	12,042	74.0%	30,996	77.9%
Family Households with own children under 18 years	6,886	42.3%	17,812	44.8%
Female Householder, no husband present	2,389	14.7%	5,517	13.9%
Female Householder with own children under 18 years	1,574	9.7%	3,179	8.0%
Male Householder, no husband present	984	6.0%	2,558	6.4%
Male Householder with own children under 18 years	701	4.3%	1,523	3.8%
Married-Couple Family	8,669	53.3%	22,921	57.6%
Married with Children	4,611	28.3%	13,110	32.9%
Non-Family Households	4,225	26.0%	8,800	22.1%
Householder 65 years and older	2,903	17.8%	6,606	16.6%
Average Household Size (2009)*	3.04			3.30

Source: American Community Survey 3-year estimates, 2006–2008; * Department of Finance, 2009

The following discussion highlights special needs households with particular characteristics that may affect their access to housing in the community. These include large households, single-parent households, disabled persons, persons with HIV/AIDS, and homeless persons.

SPECIAL NEEDS POPULATIONS

Certain groups may have more difficulty finding housing and may require specialized services or assistance. Owing to their special circumstances, they are more likely to have extremely low, very low, low, or moderate incomes. These groups include the elderly, large households, single-parent-headed (female and male) households, persons with disabilities (mental, physical, and developmental), persons with HIV/AIDS, and homeless persons.

Elderly

Elderly persons (those aged 65 years or older) often have special housing needs for three main reasons: income, health care costs, and physical disabilities. According to the 2006–2008 ACS, approximately 4,301 seniors lived in Hanford, comprising about 10 percent of the population. Households led by a senior comprised about 17.8 percent of all city households. Some of the special needs of seniors are limited income for health and other expenses, disabilities (36 percent of Hanford seniors had a disability), and carrying a greater cost burden due to their limited income. As of 2008, seniors over the age of 65 had a median income of \$28,884 annually.

Large Households

Large households are defined as having five or more members. These households are usually families with two or more children or extended families with family members such as in-laws or grandparents. Large households are a special needs group because the availability of adequately sized, affordable housing units is often limited. In order to save for necessities such as food, clothing, and medical care, very low- and low-income large households may reside in smaller units, resulting in overcrowding. Furthermore, families with children, especially those who are renters, may face discrimination or differential treatment in the housing market. For example, some landlords may charge large households a higher rent or security deposit, limit the number of children in a complex or confine them to a specific location, limit the time children can play outdoors, or choose not to rent to families with children altogether.

The 2006–2008 ACS identified 2,568 households in Hanford with five or more persons, representing 15.7 percent of all households. This percentage was lower than in Kings County as a whole, in which large households represented 19.5 percent of all households.

Single-Parent Households

Single-parent families, particularly female-headed families, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Because of their relatively lower income and higher living expenses, female-headed families have more limited opportunities to find affordable, decent, and safe housing. Female-headed families may also be discriminated against in the rental housing market because some landlords are concerned about the ability of these households to make regular rent payments. Consequently, the landlords may require more stringent credit checks for women, which would be a violation of fair housing law.

Another vulnerable subgroup of single-parent families is “subfamilies” with children. Subfamilies with children include single parents or grandparents with children who are living with another family. Although income statistics are not available for this group, most are vulnerable to the point that they must double up to save income for other necessities. In some cases, subfamilies double up to share in child-rearing responsibilities.

According to the 2006–2008 ACS, 14.0 percent (2,275 households) of all households in the City of Hanford were headed by single parents with children under the age of 18. Of the 2,275 households, 1,574 households or 9.7 percent were female-headed households and 701 households or 4.3 percent were male-headed households.

Disabled Persons

Physical, mental, and/or developmental disabilities may prevent a person from working, restrict one's mobility, or make it difficult to care for oneself. Persons with disabilities frequently have special housing needs, often related to a potentially limited ability to earn a sufficient income, a lack of accessible and affordable housing, and higher health costs associated with a disability. In

addition, persons with self-care and mobility limitations may require special housing design features such as wheelchair ramps, holding bars, special bathroom designs, wider doors, and other design features.

According to the 2000 Census, 20 percent of the population age 5 and older (7,456 individuals) who lived in Hanford reported a disability. As age increases, the incidence of disability increases. Nearly half (46.0 percent) of the population 65 and older reported having a disability. The Census also reported households with mobility and self-care limitations. Persons with disabilities often face limited earning potential due to such factors as the nature of their disabilities, their status as retired seniors, and the reluctance of some employers to hire persons with disabilities. In addition to affordability problems, people with disabilities experience other difficulty in securing adequate housing because of discrimination and a lack of housing with accessibility features and adequate support services.

Persons with HIV/AIDS

Persons with HIV/AIDS sometimes face biases and misunderstanding about their illness that affect their access to housing. In addition, persons with HIV/AIDS may also be targets for hate crimes, which include crimes committed because of a bias against sexual orientation. Due to their disabilities, many are lower income in need of housing assistance. The National Commission on AIDS states that up to half of all Americans with AIDS are either homeless or at imminent risk of becoming homeless due to their illness, lack of income or other resources, and weak support network.

According to the Kings County Department of Health Services, as of 2010 there were an estimated 480 residents in the City of Hanford living with AIDS. Among these residents, 66 percent were White, 32 percent were Hispanic, and 3 percent Black/African American. There have been 480 cases of AIDS reported in Hanford since 1988, which is an average of 12 cases per year.

Homeless Persons

Homelessness is the result of several factors—loss of employment, inability to find jobs, need for retraining, cost of housing, chronic health problems, physical disabilities and mental health disability, and drug and alcohol addictions.

Obtaining information is difficult because many are not obviously homeless and may live with friends or family or at temporary shelters. The Kings/Tulare County Continuum of Care Group conducted a point-in-time homeless count in January 2010 for both Kings and Tulare counties. The count identified 261 persons and had the following breakdown:

- 44 percent had been homeless for one year or more
- 20 percent were chronic homeless

- 60 percent were of Hispanic origin
- 41 percent were female
- 20 percent were employed
- 19 percent were families with children
- 16 percent were victims of domestic violence
- 53 percent had a physical disability
- 8 percent were veterans

On any given night, homeless persons in the county are living on the streets or in temporary accommodations, such as an emergency shelter. Additionally, many others are at risk of becoming homeless, especially very low-income households who are overpaying for housing.

Three major types of facilities provide shelter for homeless individuals and families:

- **Emergency Shelters:** A facility that provides overnight shelter and fulfills a client's basic needs (i.e., food, clothing, and medical care) either on site or through off-site services. The permitted length of stay can vary from one day at a time to three months.
- **Transitional Housing:** A residence that provides housing for up to two years. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Services may include substance abuse treatment, mental and physical health care interventions, job training and employment services, individual and group counseling, and life skills training.
- **Permanent Supportive Housing:** Permanent housing that is affordable in the community or service-enriched permanent housing that is linked with ongoing supportive services (on-site or off-site) and designed to allow formerly homeless clients to live at the facility on an indefinite basis.

Kings Community Action Organization

Kings Community Action Organization (KCAO) is a private, nonprofit organization established in 1967 that provides various assistance programs to low-income individuals, including emergency food, shelter, utility assistance, and rental assistance. KCAO operates a 38-bed shelter in Hanford for women and children. In addition, 86 transitional housing beds are located in Hanford and Lemoore (see **Table 5**).

TABLE 5
EMERGENCY SHELTERS, AND TRANSITIONAL AND SUPPORTIVE HOUSING

Provider	Target Population	Family Beds	Individual Beds	Total Beds
Emergency Shelter Facilities				
Kings Community Action Organization (Barbara Saville Women's Shelter)	Single females and families with children	30	8	38
Total Emergency Shelter Beds		30	8	38
Transitional and Supportive Housing Facilities				
Foster Care Transitional Home*	Aged-out foster girls	6	6	6
Foster Care Transitional Home	Aged-out foster boys	6	6	6
Champions Recovery Alternatives Program (Hannah's House)	Single females and households with children	6	9	15
Cornerstone Men's Recovery	Single males	29	29	29
Cornerstone Women's Recovery	Single females and households with children	8	22	30
Total Transitional and Supportive Housing Beds		14	72	86

Source: 2009–2014 Kings County Housing Element

**Foster Care Transitional Home for aged-out foster girls is located in the City of Lemoore*

INCOME DATA

Household income is the most important factor affecting housing opportunity, determining a household's ability to balance housing costs with basic necessities of life. While economic factors that affect a household's housing choices are not fair housing issues per se, the relationship between household income, household type, race/ethnicity, and other factors often creates misconceptions and biases that raise fair housing concerns. For example, a fair housing concern arises when someone refuses to rent to a family of a particular race because of a belief that people of that race tend to be lower income.

Income levels are defined as a percentage of the area median family income (AMI). HUD produces annual estimates of AMI for all metropolitan areas and rural counties in the nation; the estimates are adjusted based on household size but are commonly quoted for a four-person household. The 2009 AMI for Kings County was \$51,700 for a household of four. HUD has defined the following income categories for Kings County, based on the median income for a household of four persons:

- Extremely low income 30 percent and below (\$0 to \$16,750)
- Very low income 31 to 50 percent of median income (\$16,751 to \$27,900)
- Low income 51 to 80 percent of median income (\$27,901 to \$44,650)

According to the 2006–2008 ACS, the median household income for Hanford was \$51,520, which was slightly higher (4.3 percent) than for Kings County overall (\$49,419).

Table 6 provides a summary of income statistics as reported by the 2006–2008 ACS for the City of Hanford and Kings County.

TABLE 6
INCOME CHARACTERISTICS

	Hanford	Kings County
Median Household Income	\$51,520	\$49,419
Median Family Income	\$60,385	\$54,226
Per Capita Income	\$21,169	\$18,041
Percentage of Households Below Poverty Level	11.4 %	13.6%
Percentage of Female-Headed Households with Children Below the Poverty Level	28.3%	32.0%
Percentage of Persons 65 Years and Older Below Poverty Level	11.1%	10.0%

Source: American Community Survey 3-year estimates, 2006–2008

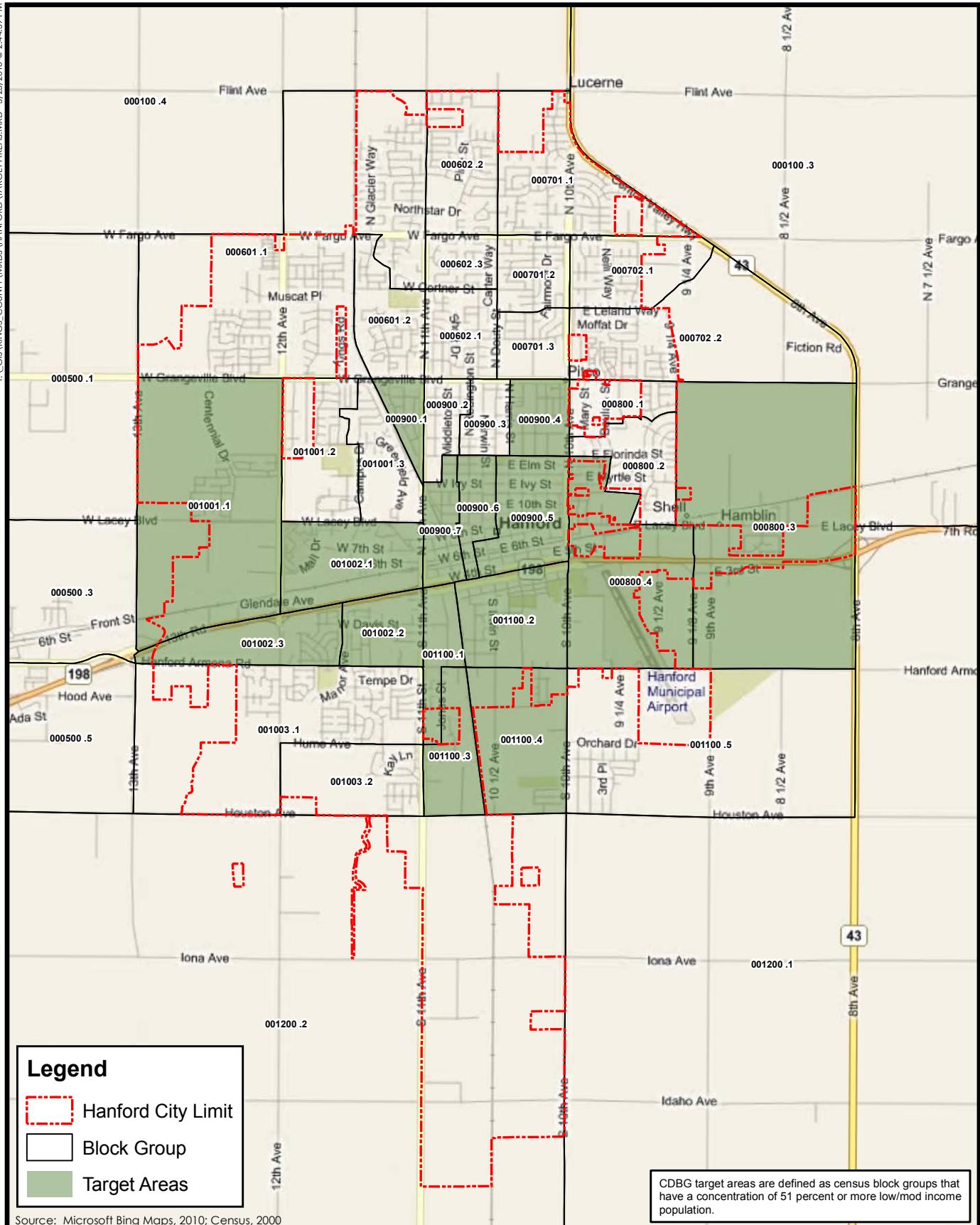
Areas of Low- and Very Low-Income Concentration

Data on income was examined at the block group level to determine areas of low- and very low-income concentration (2009 HUD Low and Moderate Income Summary Data). Low-income areas are those that have 51 percent or more low-income persons. About half of the City of Hanford was considered to be a low-income area. The main area was in the center of the city but extended out to both the east and west borders (see **Figure 3**).

EMPLOYMENT

Labor Force

Table 7 provides a summary of the civilian labor force, employment (the number employed), unemployment (the number unemployed), and the unemployment rate for 2008, 2009, and 2010 for the City of Hanford and Kings County. The 2008 and 2009 data are annual averages, and the 2010 data was collected for January and February 2010. When comparing the 2008 data to the February 2010 data for the City of Hanford, due to the current economic condition the unemployment rate has increased dramatically from 9.1 percent in 2008 to 16.1 percent in February 2010 (an increase of 7 percent). This increased unemployment rate is also the trend for Kings County, with an 8 percent increase in unemployment since 2008.



Source: Microsoft Bing Maps, 2010; Census, 2000

CDBG target areas are defined as census block groups that have a concentration of 51 percent or more low/mod income population.

A scale bar and a north arrow are positioned in the upper left corner of the map. The scale bar is a horizontal line with tick marks at 2,500 feet intervals, labeled '2,500' at both ends. The north arrow is a triangle with a line pointing towards the top right, labeled 'N' below it.

Figure 3 CDBG Target Areas

PMC®

TABLE 7
LABOR FORCE DATA

Labor Force	City of Hanford			Kings County		
	February 2010	2009	2008	February 2010	2009	2008
Total Labor Force	24,500	24,100	23,400	62,600	61,200	59,100
Employment	20,600	21,000	21,200	51,100	52,200	52,900
Unemployment	3,900 (16.1%)	3,100 (12.8%)	2,100 (9.1%)	11,400 (18.2%)	8,900 (14.6%)	6,200 (10.5%)

Source: Monthly Labor Force Data for Cities and Census Designated Places (CDP), 2008, 2009, February 2010

Note: Data is not seasonally adjusted.

Major Employers

A number of large businesses, institutions, and public agencies that provide both local and regional employment opportunities are located in Hanford. Major employers in Hanford include Del Monte Food Company, Kings County Government Center, Adventist Health, Hanford Community Medical Center, and Wal-Mart Superstore, among others (see **Table 8**). Most major employers in Hanford are located in the central portion of the community.

TABLE 8
MAJOR EMPLOYERS

Employer	Type of Business
1,000–4,999 Employees	
Del Monte Foods Co.	Canned Specialties
Kings County Government Center	Government Offices – County
500–999 Employees	
Adventist Health	Hospital
Hanford Community Medical Center	Hospital
Wal-Mart Super Center	Department Store
250–499 Employees	
Central Valley General Hospital	Hospital
Central Valley Meat Co. Inc.	Meat Packers
Con Agra Food Inc.	Food Brokers
Hanford Community Hospital	Hospital
Marquez Brothers	Cheese/Milk Products
Warmerdam Packing	Fruits and Vegetable – Growers/Shippers
100–249 Employees	
Nichols Farms	Farm
The Hanford Sentinel	Newspaper
Kings Waste and Recycling Authority	Air, Water & Solid Waste Management
Exopack	Flexible Packaging Bags

Source: Economic Development Department, 2010

Agricultural Employees

Kings County is one of the state's major agricultural areas, ranking eighth among California counties in total agricultural production. According to the 2009 Kings County Housing Element, the Kings County Agricultural Commissioner estimates that 84 percent of the total land area in the county is devoted to farm land. The ten leading agricultural products in the county are milk, cotton, cattle, alfalfa, processed tomatoes, corn silage, wheat grain, pistachios, wheat silage, and peaches.

According to the Employment Development Department (EDD), in February 2010 there were approximately 5,200 farmworkers in the Hanford-Corcoran Metropolitan Statistical Area. Typically farmworkers have lower incomes than any other occupation. The EDD reports that in the first quarter of 2009 the average hourly wage for farmworkers was \$9.66, or \$20,107 annually. An annual income of just over \$20,000 puts farmworkers into the very low-income category, making it almost impossible for them to find affordable housing.

Military Personnel and Veterans

Adjacent Lemoore Naval Air Station (LNAS) is a significant part of the county's economy. LNAS is the master training center for carrier-based fighter squadrons for the U.S. Pacific Fleet. As of 2009, LNAS was home to 7,500 enlisted personnel and officers and 2,700 civilians. In the same year, there were 1,630 residential units on base, which is significantly fewer than the total housing need for base personnel and their families. With this housing shortfall, military personnel and civilians must find accommodations in nearby communities.

The basic housing allowance provided to Navy personnel ranges from \$734 to \$1,461 for single individuals and from \$979 to \$1,756 for families. Single service members, grade E-1 through E-4, are typically required to live on base, while enlistees with their families must compete for remaining base family housing without any preference based on their pay grade.

HOUSING PROFILE

A discussion of fair housing choice must be preceded by an assessment of the housing market in question. This section provides an overview of the characteristics of the local and regional housing markets. A housing unit is defined as a house, an apartment, or a single room occupied as a separate living quarter or, if vacant, intended for occupancy as a separate living quarter. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The housing stock consists of all housing units located in a community.

Housing Type

The California Department of Finance (DOF) annual estimates of the number of housing units by type for each jurisdiction is based on reported building and demolition permits. As of 2009, the City of Hanford had a total of 17,891 housing units. The majority of units in the city were single-family detached units (73.2 percent) followed by multifamily units comprising five or more units (11.6 percent) (see **Table 9**).

TABLE 9
HOUSING UNITS BY TYPE

Units in Structure	City of Hanford	
	Number	Percentage
Single-Family Detached	13,154	73.2%
Single-Family Attached	864	4.8%
Multifamily (2 to 4 units)	1,538	8.6%
Multifamily (5 or more units)	2,082	11.6%
Mobile Homes	343	1.9%
Total Housing Units	17,981	100.0%

Source: Department of Finance, 2009

Housing Tenure

Housing tenure refers to whether a unit is owner-occupied or renter-occupied. The tenure distribution of a community's housing stock influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Housing cost burden is generally more prevalent among renters than among owners. Tenure preferences are primarily related to household income, composition, and age of the householder.

According to the 2006–2008 ACS, the majority of Hanford's occupied housing units (16,261) were owner-occupied (58.7 percent) and 41.3 percent were renter-occupied (see **Table 10**).

Table 10 also presents the vacancy rate for the City of Hanford. A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. As of 2008, the vacancy rate in the City of Hanford was 5 percent.

TABLE 10
HOUSING UNITS BY TENURE

Tenure	2000		2008	
	Number	Percentage	Number	Percentage
Owner-Occupied *	8,252	59.3	9,551	58.7%
Renter-Occupied *	5,661	40.7	6,716	41.3%
Total Occupied Units	13,913	94.4	16,261	95.0%
Vacant Units	830	5.6	853	5.0%
Total Housing Units	14,743	100.0%	17,120	100.0%

Source: 2000 Census, American Community Survey 3-year estimates, 2006–2008

** Tenure is based on total number of occupied housing units.*

Overcrowding

The U.S. Census Bureau defines overcrowding as occurring when a housing unit is occupied by more than the equivalent of one person per room (excluding bathrooms, kitchens, hallways, and porches), and units with more than 1.50 persons per room are considered highly overcrowded. For example, a typical home might have three bedrooms, a living room, and a dining room, for a total of five rooms. If more than five people were living in the home, it would be considered by the Census Bureau to be overcrowded.

Overcrowding occurs when housing costs are so high relative to income that families have to reside in small units or double up to devote income to other basic needs such as food and medical care. Overcrowding also may result in increased traffic within a neighborhood, deterioration of homes, and a shortage of on-site parking. Maintaining a reasonable level of occupancy and alleviating overcrowding is an important contributor to quality of life.

Data on overcrowding was taken from the 2000 U.S. Census because the ACS data does not provide overcrowding by tenure.

- According to the 2000 Census, 898 households, or 6.5 percent of all households in Hanford, were considered overcrowded and 703 (5.1 percent) were severely overcrowded.
- Approximately 9.3 percent of renter households in Hanford were overcrowded in 2000, compared to 4.5 percent of owner households.

Housing Conditions

Maintaining and improving housing quality is an important goal in Hanford. An indication of the quality of the housing stock is its general age. Typically, housing over 30 years in age is likely to have rehabilitation needs that may include plumbing, roof repairs, foundation work, and other repairs.

Table 11 below displays the age of Hanford's housing stock as of 2009. Among these units, approximately 22.6 percent were built between 1990 and 1999 (3,995 units). Of the total housing units in Hanford, 56.2 percent of the units were less than 30 years old, 23.1 percent were 30 to 50 years old, and 20.8 percent were more than 50 years old.

TABLE 11
HOUSING AGE

Year Structure Built	Units	Percentage
2005 to 2009*	1,114	6.3%
2000 to 2004	2,050	11.6%
1990 to 1999	3,995	22.6%
1980 to 1989	2,781	15.7%
1970 to 1979	2,523	14.3%
1960 to 1969	1,555	8.8%
1950 to 1959	1,720	9.7%
Prior to 1950	1,959	11.1%
Total Units	17,697	100.0%

Source: American Community Survey 3-year estimates, 2006–2008; *Department of Finance, 2009

Housing Condition Survey

As part of the 2009–2014 Housing Element update process, each jurisdiction in Kings County conducted a comprehensive survey of housing conditions within their community. The surveys were based upon criteria developed by the California Department of Housing and Community Development. Housing was classified according to five categories:

- **Sound** – generally in good condition and does not require rehabilitation
- **Minor** – requires nonstructural repairs but is otherwise in sound condition
- **Moderate** – requires some structural improvements as well as major façade improvements
- **Substantial** – requires significant structural and façade improvements at a cost nearing the improved value of the home
- **Dilapidated** – homes where the cost to rehabilitate the home is more than the cost to demolish and rebuild a comparable unit on the same site

The survey found that in the City of Hanford 73 percent of the housing stock was in sound condition, 19 percent was in need of minor repairs, 8 percent was in need of moderate repairs, less than 1 percent was in need of substantial repair, and less than 1 percent was considered dilapidated.

Housing Costs and Affordability

Housing Cost

The recent freeze of credit markets, the economic downturn, and related changes in the housing market have dramatically altered housing prices. The trend has been toward lower prices as demand has decreased and supply increased. This is especially the case in the single-family resale market.

Home Purchase Cost

The sales prices of homes as well as the cost and availability of mortgage credit have changed significantly over the past four years across the nation. This trend was particularly dramatic in the last year (2009).

According to Trulia Real Estate, an online real estate source, the median sales price for homes in Hanford for January through March 2010 was \$156,820. This price represents a decline of 2 percent when compared to the prior quarter and a decrease of 5.1 percent as compared to the prior year. Overall, sales prices in Hanford have decreased by 34 percent over the past five years. **Table 12** depicts home sale prices over the past five years for the City of Hanford.

TABLE 12
MEDIAN SALES PRICES

Home Size	Jan–Mar 2010	3 Months Prior	1 Year Prior	5 Years Prior
1 Bedroom	n/a	n/a	n/a	n/a
2 Bedrooms	\$101,891	\$106,250	\$87,000	\$156,000
3 Bedrooms	\$150,000	\$129,000	\$144,852	\$212,500
4 Bedrooms	\$150,000	\$223,750	\$207,000	\$252,500
All Properties	\$156,820	\$160,000	\$165,000	\$237,500

Source: Trulia Real Estate, April 2010

Rental Costs

Table 13 depicts rental prices for newly developed apartments in Hanford. These units include both market-rate and rent-restricted units.

TABLE 13
RENTAL LISTINGS FOR RECENTLY BUILT APARTMENTS

Development Name	Number of Units	Rents by Unit Size			
		1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Windgate Village Apts.	54	\$725–\$750	\$925–\$950	–	–
Lincoln Plaza Apts.	40	–	\$400–\$450*	\$450–\$500*	\$500–\$550*
Lomarey Apts.	–	–	\$750	–	–
(no project name)	3	–	\$800	–	–
(no project name)	2	–	\$800	–	–
(no project name)	4	–	\$850	–	–
(no project name)	2	–	\$576	\$700	–

Source: 2009–2014 Kings County Housing Element

*Income-restricted affordable units

The U.S. Department of Housing and Urban Development publishes annual Fair Market Rents (FMR), which include an estimated utility cost. The figures effective in 2009 for Kings County are shown in **Table 14** below.

TABLE 14
2009 FAIR MARKET RENT (FMR)

Unit Size	2009 FMR
1 Bedroom	\$660
2 Bedrooms	\$766
3 Bedrooms	\$1,117
4 Bedrooms	\$1,346

Source: HUD 2009 Fair Market Rent Documentation System

Housing Affordability

Housing affordability can be calculated by comparing the cost of renting or owning a home with the maximum affordable housing costs to households at different income levels. Taken together, this information can generally indicate the size and type of housing available to each income group and can estimate which households are most susceptible to overcrowding and overpayment.

In evaluating affordability, the maximum affordable price refers to the maximum amount that could be afforded by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison. **Table 15** shows the annual income for extremely low-, very low-, and low-income households by household size and the maximum affordable housing payment.

Maximum affordable sales prices are based on 10 percent down and a 30-year fixed-rate mortgage at 5.6 percent annual interest rate. Maximum affordable rental prices are based on 30 percent of a household's total income, excluding costs of tenant-paid utilities. The 2009 Area Median Income for Kings County was \$51,700 for a household of four.

TABLE 15
AFFORDABLE MORTGAGE/RENT AMOUNTS

Income Group	1 Person	2 Persons	3 Persons	4 Persons
Extremely Low (<30%)				
Annual Income	\$11,750	\$13,400	\$15,100	\$16,750
Monthly Income	\$979	\$1,116	\$1,258	\$1,395
Maximum Sales Price	\$39,116	\$44,445	\$50,329	\$55,658
Monthly Rent	\$293	\$335	\$377	\$418
Very Low (<50%)				
Annual Income	\$19,550	\$22,300	\$25,100	\$27,900
Monthly Income	\$1,629	\$1,858	\$2,091	\$2,325
Maximum Sales Price	\$65,067	\$74,247	\$83,412	\$92,740
Monthly Rent	\$488	\$557	\$627	\$697
Low (<80%)				
Annual Income	\$31,250	\$35,700	\$40,200	\$44,650
Monthly Income	\$2,604	\$2,975	\$3,350	\$3,720
Maximum Sales Price	\$103,953	\$118,691	\$133,741	\$148,642
Monthly Rent	\$781	\$892	\$1,005	\$1,116

Source: HUD 2009 Income Limits Documentation System (<http://www.move.com/home-finance/financial-calculators/home-affordability-calculator>)

Ownership Affordability

According to **Table 16** above, assuming the buyer is paying 10 percent down, has a 5.6 percent interest rate, and has no other debt payments, a prospective buyer who fell into the extremely low-income category for a four-person household in Kings County could afford a maximum purchase price of \$55,658, a prospective buyer who fell into the very low-income category for a four-person household could afford a maximum purchase price of \$92,740, and a prospective buyer in the low-income category for a four-person household could afford a maximum purchase price of \$148,642. When these maximums are compared to the current median sales price of \$156,820 (see **Table 12**), only a household earning a moderate income would be within reach of affording the median-priced home in Hanford.

Rental Affordability

As shown in **Table 15**, a very low-income household of four could afford up to \$627 a month for rent. If the same household of four lived in a three-bedroom unit in Hanford, according to the above rental prices listed in **Table 13**, the household would be paying approximately \$700 per month, indicating that a household earning 30 percent of the area median income (AMI) would need to allocate over 35 percent of their gross income to be able to afford the rent for a three-bedroom unit. This indicates a need for housing affordable to extremely low- and very low-income households.

Housing Cost Burden

Federal standards establish that a household is experiencing a housing cost burden if it spends more than 30 percent of its gross income on housing costs, mortgages, rents, and/or other costs associated with housing. Cost burden typically occurs when housing costs increase faster than income. While housing affordability in itself is not a fair housing issue, to the extent that housing cost burden is disproportionately impacting the most vulnerable members of a community, particularly those with special needs, the question of access to a range of housing choices arises.

The Comprehensive Housing Affordability Strategy (CHAS) data, which was developed by the Department of Housing and Urban Development (HUD) to assist jurisdictions to write their Consolidated Plans, has special tabulation data based on the 2000 Census. According to this data (see **Table 16**), 906 owner households and 2,332 renter households earned less than 50 percent of the AMI in the City of Hanford in 2000. Of those households, 318 owner-occupied households and 2,098 renter-occupied households fell into the extremely low-income category.

TABLE 16
HOUSING COST BURDEN

	Total Renters	Total Owners	Total Households
Household Income ≤ 50% AMI	2,332	906	3,238
Household Income ≤ 30% AMI	2,098	318	1,416
% Cost Burden > 30%	42.9%	22.5%	30.8%
% Cost Burden > 50%	20.2%	7.8%	12.8%

Source: CHAS, 2000

PUBLIC AND ASSISTED HOUSING

Section 8 Rental Assistance

The Housing Authority of Kings County (HAKC) provides low-income families with affordable rental housing that is decent, safe, and sanitary. The Housing Authority provides rental assistance to approximately 1,090 individuals and families in its Section 8 Housing Choice Voucher and affordable housing programs.

- 688 Section 8 Housing Choice Vouchers (varies according to funding)
- 268 public housing units
- 32 state housing apartments
- 12 foster youth transitional housing program slots
- 45 farm labor housing residences
- 44 senior citizen apartments
- 1 market-rate single-family home

The Section 8 Housing Choice Voucher Program provides rental subsidies to low-income (50 percent of the County AMI) households that spend more than 50 percent of their gross income on housing costs. The recipient is responsible for a portion of the rent, not exceeding 30 percent of his/her monthly income unless the rent is above the payment standard established by HUD.

Section 8 rental assistance is typically issued as vouchers. The voucher system allows the voucher holder to choose housing that rents at levels higher than the Fair Market Rents (FMR) but up to the HAKC-established payment standard. The voucher holders must make up the difference between the payment standard and the actual rents. The intent of the voucher system is to provide greater mobility and location choices for recipients.

Public Housing

The Housing Authority of Kings County owns and manages three public housing projects, totaling 268 units. The majority of the public housing tenants are family households, including households with members who are seniors or disabled.

LICENSED COMMUNITY CARE FACILITIES

Persons with special needs such as the elderly and those with disabilities must also have access to housing in a community. Residential community care facilities provide a supportive housing environment to persons with special needs in a group situation. Restrictions that prevent this type of housing represent a fair housing concern since lack of such housing impedes special needs groups from access to adequate housing. Currently, there are 26 residential care facilities located in Hanford that can accommodate up to 560 persons.

The following care facilities are located in the City of Hanford:

- Adult Day Care Facilities (ADCF) provides programs for frail elderly and developmentally disabled and/or mentally disabled adults in a day care setting. There are currently 5 facilities in the city that can accommodate 279 persons.
- Adult Residential Facilities (ARF) are facilities of any capacity that provide 24-hour nonmedical 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. There are currently 13 facilities in the city that can accommodate 77 persons.
- Group homes are facilities of any capacity and provide 24-hour nonmedical care and supervision to children in a structured environment. There are currently 5 facilities in the city that can accommodate 30 persons.
- Residential Care Facilities for the Elderly (RCFE) provide care, supervision, and assistance with daily living activities to persons 60 years of age and over and persons under 60 with compatible needs. There are currently 3 facilities in the city that can accommodate 174 persons.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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PRIVATE SECTOR PRACTICES

This section of the AI discusses the City's efforts to determine and evaluate the practices of the private sector as they relate to fair housing choice, including the policies and practices of real estate agents, property managers, and mortgage lenders. Mortgage lending patterns are discussed in the next section titled Mortgage Lending.

REAL ESTATE SALES PRACTICES

In the State of California, to engage in the business of real estate sales, a broker or salesperson must be licensed by the Department of Real Estate (DRE). The DRE also enforces violations of California real estate law. In the City of Hanford, any case of discrimination or other fair housing violation that is experienced by an individual from a real estate professional should be reported to the local representative association and/or to the DRE.

The real estate industry in California is highly professionalized. Almost all real estate brokers and salespersons are affiliated with a real estate trade association. The two largest are the California Association of Realtors (CAR), associated with the National Association of Realtors (NAR), and the California Association of Real Estate Brokers (CAREB), associated with the National Association of Real Estate Brokers (NAREB). The use of the term "Realtor" is restricted by NAR as a registered trademark. Members of NAREB are licensed to use the professional designation "Realtist."



NAR has a professional code of conduct which specifically prohibits unequal treatment in professional services or employment practices on the basis of "race, color, religion, sex, handicap, familial status, or national origin" (Article 10, NAR Code of Ethics). Both prohibit members from promulgating deed restrictions or covenants based on race.

Article 10 of the NAR Code of Ethics provides that "Realtors shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. Realtors shall not be a party to any plan or agreement to discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin."

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

The California Association of Realtors (CAR) has many local associations throughout the state. The City of Hanford is served by the Kings County Board of Realtors. The Kings County Board of Realtors holds the local real estate members liable to the professional code of ethics. Beyond the local board, real estate professionals are also held to a code of ethics mandated by the California Association of Realtors, the National Association of Realtors, and the California Department of Real Estate.

The Kings County Board of Realtors does not directly handle fair housing complaints nor does it offer fair housing educational courses. Instead, the local board refers complaints and education opportunities to the state association. CAR offers continuous online courses dealing with fair housing requirements and issues. According to the course description, the course will provide an overview of the federal fair housing laws and an in-depth discussion of the individual laws and their application to the practice of real estate. The course also provides CAR members with a study of the State of California fair housing laws and regulations. The course emphasizes anti-discriminatory conduct which all licensees should practice and concludes by discussing the voluntary affirmative action marketing program and why promoting fair housing laws is a positive force at work in California and throughout the nation.



NAREB Realtists follow 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" (Part I, Section 2, NAREB Code of Ethics):

- In the sale or rental of real property.
- In advertising the sale or rental of real property.
- In the financing of real property.
- In the provision of professional services.

Part I, Section 2 of the NAREB Code of Ethics continues to state that any "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."

RENTAL AND PROPERTY MANAGEMENT

The California Apartment Association (CAA) is the country's largest statewide trade association for rental property owners and managers. CAA incorporated in 1941 to serve rental property owners and managers throughout California. CAA represents rental housing owners and professionals who together manage more than 1.5 million rental units.



CAA supports the spirit and intent of all local, state, and federal fair housing laws for all residents without regard to color, race, religion, sex, marital status, mental or physical

disability, age, familial status, sexual orientation, or national origin. Members of the California Apartment Association agree to abide by the following provisions of their Code for Equal Housing Opportunity:

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

The CAA offers a Certificate in Residential Management (CRM), which includes a course on fair housing law. In addition, the CAA website provides links to the Fair Housing Institute and Fair Housing Network.

The CAA has a local association with offices in Fresno. The CAA of Greater Fresno serves Kings, Fresno, Madera, Tulare, Inyo, and Mono counties and offers multiple educational opportunities on an annual basis including on-site education classes and fair housing luncheons.²

ADVERTISEMENT

In March 2010, a review of rental housing advertisements for the City of Hanford was conducted to identify any fair housing violations or impediments. All advertisements were examined for language that explicitly or implicitly indicated that housing would not be made available to persons with regard to membership in a protected class or that there would be a preference for or a bias against persons belonging to a protected class. No advertisements were found that would comprise an illegal or unfair housing opportunity. The review looked at 85 advertisements posted in the Tri-County Real Estate Weekly newspaper insert between January 30, 2010 and March 5, 2010, 38 listings in the January and February editions of South Valley Homes and Community Magazine, and multiple online resources such as 20 listings from 211kingscounty.org, 93 listings from craigslist.com, and 13 listings from Rent.com. Of the

² Personal communication with Stephanie Babb, Regional Director, California Apartment Association of Greater Fresno

approximately 250 advertisements reviewed, no fair housing impediments or violations were identified in the City of Hanford.

Use of Restrictive Covenants

Covenants that restrict the ownership or use of real property based on membership in a protected class are prohibited under state and federal law. Nonetheless, recorded documents with these terms persist.

Today, the California Department of Real Estate reviews Covenants, Conditions, and Restrictions (CC&Rs) for all subdivisions of five or more lots, or condominiums of five or more units. This review is authorized by the Subdivided Lands Act and mandated by the Business Professions Code, Section 11000. The review includes a wide range of issues, including compliance with fair housing law.

Since 2000, California state law has required that any person or entity that provides declarations, deeds, and other governing documents related to the use of real property must place a cover page over the document or a stamp on the first page of the document containing a statement that any restrictive covenants that may appear in the document are null and void and that any person with an interest in the property has the right to request that the language be removed.

MORTGAGE LENDING

Lending practice in the private sector may impact a household's access to housing. A key aspect of fair housing choice is equal access to credit for the purchase or improvement of a home. In the past, financial institutions did not always employ fair lending practices. Credit market distortions and other activities such as redlining³ prevented some groups from equal access to credit. The passage of the Community Reinvestment Act (CRA) in 1977 was designed to improve access to credit for all members of the community. This section reviews the lending practices of financial institutions and the access to financing from all households, particularly minority households and those of very low and low incomes.

Community Reinvestment Act

The Community Reinvestment Act (CRA) is intended to encourage regulated financial institutions to help meet the credit needs of entire communities, including very low and low-income persons and neighborhoods.

³ This is a now illegal and discontinued practices where banks would not extend mortgage credit to purchase homes in certain areas. The banks would use maps wherein these areas were outlined in red ink.

Conventional Versus Government-Backed Financing

Conventional financing is market-rate priced loans provided by private lending institutions such as banks, mortgage companies, and savings and loans. To assist households that may have difficulty in obtaining home mortgage financing in the private market due to income and equity issues, several government agencies offer loan products that have below market interest rates and are insured (or underwritten) by the agencies. Sources of government-backed financing include loans insured or underwritten by Federal Housing Administration (FHA-insured), the Department of Veterans Affairs (VA-guaranteed), and Farm Service Agency or Rural Housing Services (FHS/RHS). Often, these types of loans are offered to the consumer through private lending institutions and often make the difference in qualifying or not qualifying for a mortgage.

HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA ANALYSIS

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and is implemented by the Federal Reserve Board's Regulation C. This regulation provides the public loan data that can be used to assist:

- In determining whether financial institutions are serving the housing needs of their communities;
- Public officials in distributing public-sector investments to attract private investment to areas where it is needed; in identifying possible discrimination lending patterns.

Under the HMDA, lenders are required to disclose information on the disposition of home loan applications and on race or national origin, gender and annual income of loan applicants.

Overview

To prepare this analysis, 3,223 records of lender actions were pulled from all the lender actions reported in the 2008 HMDA data set for Hanford census tracts.⁴ **Table 17** summarizes the share of all lending applications processed by lending institutions in the City of Hanford. Of the 3,223 lending records, the top 10 lenders in the city account for 54.6 percent of all lending applications processed in 2008.

⁴ Census tracts include 6.01, 6.02, 7.01, 7.02, 8, 9, 10.01, 10.02, 10.03, 11, and 12.

TABLE 17
TOP 10 LENDERS IN 2008

Lending Institution	Applications Processed	Share of Processed Applications
Beneficial Company LLC	332	10.3%
Countrywide Bank, FSB	295	9.2%
Kings Mortgage	198	6.1%
JP Morgan Chase Bank	181	5.6%
Wells Fargo Bank	176	5.5%
CitiMortgage, Inc	123	3.8%
Bank of America	122	3.8%
Wells Fargo Funding	120	3.7%
GMAC Mortgage LLC	117	3.6%
Citicorp Trust Bank	97	3.0%
Other	1,462	45.4%
Total	3,223	100.0%

Source: Home Mortgage Disclosure Act LAR data, 2008

Organization of Data

This section describes how the number of loan request records in the city is narrowed to show loan requests from applicants to purchase primary residences and to secure home refinancing. As previously shown, the number of loan request in the city during 2008 was 3,223; however, the core of the analysis of the lending data includes 692 loan requests for home purchases and 1,394 for refinance requests.

Of the 3,223 loan records, 319 applications are for non-owner-occupied dwellings and are removed from the analysis (19 are multifamily lending requests). In addition, loan application records purchased by an institution (570) are removed. **Table 18** shows lending applications by loan purpose (purchase, improvement, and refinance) by property type (1 to 4 family structures and manufactured housing) for the 2,334 remaining loan applications. As shown, 98.9 percent of loan applications are for units in structures with one to four units. Of the 2,334 lending requests, 1,394 or 59.7 percent are for refinance loan applications and 248 or 10.6 percent are for home improvement loan requests.

TABLE 18
LOAN PURPOSE BY PROPERTY TYPE

Loan Purpose	1 to 4 Family Units		Manufactured Housing		Total
	Number	Percentage	Number	Percentage	
Home Purchase	681	98.4%	11	1.5%	692
Home Improvement	243	98.0%	5	2.0%	248
Refinancing	1,384	99.3%	10	0.7%	1,394
Total	2,308	98.9%	26	1.1%	2,334

Source: Home Mortgage Disclosure Act LAR data, 2008

Home Purchase Lending

Because we are interested in analyzing lending patterns for lending request to purchase primary residences, the refinance and home improvement requests are removed from the analysis. The remaining records are loan requests for owner-occupied home purchases in structures with one to four units, totaling 692 requests.

The remaining 692 applications include lending applications for the following actions:

- Loan origination (466 records)
- Application approved but not accepted (56)⁵
- Application denied by the financial institution (86)
- Application withdrawn by applicant (73)
- File closed for incompleteness (11)

Loan Type

Table 19 summarizes loan type requests by lending outcomes. As shown in the table, FHA-insured loan request (44.5 percent) are the most frequent loan requests, followed by conventional loan request (42.8 percent), VA-guaranteed request (12.6 percent), and FSA/RHS request (less than 1 percent). VA loan types have the highest rate of loan origination (78.2 percent), followed by FHA (71.4 percent), and conventional (60.1 percent). Conventional loan requests have the greatest share of denied loans (17.9 percent) as compared to all other loan requests.

⁵ These are records where the lender approved the mortgage application but the applicant did not accept the offer of credit.

TABLE 19
LOAN REQUEST TYPE BY LENDING OUTCOME

Loan Type	Applications Received		Loans Originated		Loans Denied		Loans Failed	
	Number	Number	Number	Percentage	Number	Percentage	Number	Percentage
Conventional	296	178	60.1%		53	17.9%	118	39.9%
FHA- Insured	308	220	71.4%		29	9.4%	88	28.6%
VA- guaranteed	87	68	78.2%		3	3.4%	19	21.8%
FSA/RHS	1	0	0.0%		1	100.0%	1	100.0%
Total	692	466	67.3%		86	12.4%	226	32.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Note: "Loans Failed" includes loan applications resulting in denial, applications approved but not accepted, withdrawn applications, and incomplete files.

Table 20 summarizes loan request types by loan applicant race. As shown, 83.7 percent of loan applicants report race as White, and 9.4 percent do not provide race. Of all loan types, VA-guaranteed loan request are the most popular request among non-White applicants.

TABLE 20
APPLICANT RACE BY LOAN REQUEST TYPE

Applicant Race	Conventional		FHA-Insured		VA-guaranteed		FSA/RHS		Total Applications	
	#	%	#	%	#	%	#	%	#	%
American Indian or Alaska Native	4	1.4%	6	2.9%	2	2.3%	0	0.0%	12	1.7%
Asian	7	2.4%	5	1.6%	3	3.4%	0	0.0%	15	2.2%
Black or African American	8	2.7%	5	1.6%	5	5.7%	0	0.0%	18	2.6%
Native Hawaiian or other Pacific Islander	1	0.3%	1	0.3%	1	1.1%	0	0.0%	3	0.4%
White	243	82.1%	265	86.0%	70	80.5%	1	100.0%	579	83.7%
Race not provided	33	11.1%	26	8.4%	6	6.9%	0	0.0%	65	9.4%
Total	296	100.0%	308	100.0%	87	100.0%	1	100.0%	692	100.0%

Source: Home Mortgage Disclosure Act LAR data, 2008

Table 21 summarizes loan request types by loan applicant ethnicity. As shown, roughly 34 percent of all loan applicants are Hispanic/Latino, which makes the Hispanic/Latino population the second largest group of persons requesting a loan. FHA-insured loan applications are the most common loan type request among Hispanic/Latino borrowers.

TABLE 21
APPLICANT ETHNICITY BY LOAN TYPE REQUEST

Applicant Ethnicity	Conventional		FHA-Insured		VA-guaranteed		FSA/RHS		Total Applications	
	Number	%	Number	%	Number	%	Number	%	Number	%
Hispanic/Latino	87	29.4%	132	42.9%	15	17.2%	0	0.0%	234	33.8%
Not Hispanic/Latino	186	62.8%	156	50.6%	66	75.9%	1	100.0%	409	59.1%
Ethnicity not provided	23	7.8%	20	6.5%	6	6.9%	0	0.0%	49	7.1%
Total	296	100.0%	308	100.0%	87	100.0%	1	100.0%	692	100.0%

Source: Home Mortgage Disclosure Act LAR data, 2008

Lending Outcomes

Table 22 shows lending actions by race. As shown, 67.3 percent of all primary residence loan applications in the city result in origination. Of the 226 loan applications failing to originate, 86 of those (38 percent) do so because of denial. Loan origination for the non-White population (77.1 percent) is 9.8 percent greater than for all loan applicants (67.3 percent). Of the 11 failed loan applications for non-White applicants, 36.4 percent fail due to loan denial, which is similar to the share of denied loan applications as a percentage of loan failures for White applicants (37.0 percent).

Table 23 summarizes, by race, the explanation for each of the 86 denied loans in the city. As shown, 75 percent of applications result in denial for non-White applicants for “other” reasons than those reported. However, as shown in **Table 22**, only four loans were denied for non-White applicants making the reasons for denial among non-White applicants statistically insignificant.

Among White applicants, debt-to-income (27.3 percent) and credit history (15.2 percent) are the most common reasons loan applications are denied.

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TABLE 22
LENDING OUTCOME BY RACE

Applicant Race	Total Applications	Origination		Denial		Failure	
		Number	%	Number	%	Number	%
American Indian or Alaska Native	12	9	75.00%	1	8.3%	3	25.0%
Asian	15	12	80.00%	2	13.3%	3	20.0%
Black or African American	18	14	77.8%	0	0.00%	4	22.2%
Native Hawaiian or other Pacific Islander	3	2	66.7%	1	33.3%	1	33.3%
Sub-total Non-White	48	37	77.1%	4	8.3%	11	22.9%
White	579	401	69.3%	66	11.4%	178	30.7%
Race not provided	65	28	43.1%	16	24.6%	37	56.9%
Total	692	466	67.3%	86	12.4%	226	32.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Note: "Loans Failed" includes loan applications resulting in denial, applications approved but not accepted, withdrawn applications, and incomplete files.

TABLE 23
REASON FOR DENIAL BY RACE

Applicant Race	Debt-to-income	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit App. Incomplete	Other
American Indian or Alaska Native	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Asian	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%
Black or African American	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Native Hawaiian or other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Sub-total Non-White	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.0%
White	27.3%	1.5%	15.2%	9.1%	6.1%	3.0%	7.6%	30.3%
Race not provided	18.8%	0.0%	0.0%	25.0%	0.0%	6.3%	12.5%	37.5%
Total	25.6%	1.2%	11.6%	11.6%	4.7%	3.5%	8.1%	33.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Table 24 shows lending actions by ethnicity. As shown, 67.8 percent of all primary residence loan applications in the city result in origination. Of the 219 loan applications failing to originate, 79 (36 percent) do so because of denial. Non-Hispanic applicants experience loan origination at a rate of 71.9 percent, which is 6.7 percent higher than the rate Hispanic applicants (65.2 percent) experience loan origination. Of the 80 requests resulting in loan failure for Hispanic applicants, 30 (37.5 percent) are due to loan denial, which is 3 percent higher than for non-Hispanic borrowers (34.5 percent).

TABLE 24
LENDING ACTION OUTCOME BY ETHNICITY

Applicant Ethnicity	Total Applications	Origination		Denial		Failure	
		Number	%	Number	%	Number	%
Hispanic/Latino	234	150	64.1%	34	14.5%	84	35.9%
Not Hispanic/Latino	409	293	71.6%	42	10.3%	116	28.4%
Ethnicity not provided	49	23	46.9%	10	20.4%	26	53.1%
Total	692	466	67.3%	86	12.4%	2226	32.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Note: "Loans Failed" includes loan applications resulting in denial, applications approved but not accepted, withdrawn applications, and incomplete files.

Table 25 summarizes, by ethnicity, the explanation for each of the 86 denied loans in the city. As shown, debt-to-income (25.6 percent), credit history (11.6 percent), and collateral (11.6 percent) represent the most common reasons applications are denied. Of the 34 loan applications denied for Hispanics, 35.3 percent were denied because of debt-to-income ratios, followed by insufficient collateral (20.6 percent), and insufficient cash (11.8 percent).

Of the 42 loan applications denied for non-Hispanics, 19.0 percent were denied because of debt-to-income ratios, followed by credit history (16.7 percent), and incomplete credit application (11.9 percent).

Based on the reasons for loan application denial, 67.7 percent of Hispanic loan applicants are denied for reasons related to net wealth (debt-to-income, collateral, and insufficient cash) compared to 23.8 percent of loan denials for non-Hispanic applicants related to net wealth. Hispanic applicants experience denial because of less than desirable net wealth, while non-Hispanic applicants experience loan denial for systematic reasons (credit history, unverifiable information, and incomplete credit application).

TABLE 25
REASON FOR DENIAL BY ETHNICITY

Applicant Ethnicity	Debt-to-income	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit App. Incomplete	Other
Hispanic/Latino	35.3%	0.0%	8.8%	20.6%	11.8%	0.0%	0.0%	23.5%
Not Hispanic/Latino	19.0%	2.4%	16.7%	4.8%	0.0%	7.1%	11.9%	38.1%
Ethnicity not provided	20.0%	0.0%	0.0%	10.0%	0.0%	0.0%	20.0%	50.0%
Total	25.6%	1.2%	11.6%	11.6%	4.7%	3.5%	8.1%	33.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Mortgage Lending By Area

In addition to analyzing lending outcomes for individual applicant characteristics, it is important to analyze lending patterns by neighborhood characteristics, specifically census tracts. This section analyzes lending outcomes by census tracts and compares outcomes in each census tract to race and income characteristics of each census tract.

Table 26 shows lending actions and socioeconomic characteristics for Hanford census tracts. HMDA data is available at the census tract level, but not at the block group level. The census tracts presented in **Table 26** show the census tracts located in the City of Hanford. However, all of the census tract boundaries (with the exception of tract 9) extend beyond the city limits, meaning that some of the lending actions may fall outside of the city boundary. The 2000 Census reports that there were 14,743 housing units located in the city, or 85 percent of the number of housing units (17,405) contained in census tracts that are fully or partially located in Hanford. Because 85 percent of the city's housing stock makes up the housing stock of all partially located census tracts in the city, the analysis of census tracts in **Table 26** is significant in explaining lending outcomes by neighborhood characteristics.

As shown, the share of non-White households in the city's census tracts slightly exceeds 50 percent, with the Hispanic population representing nearly 39 percent of the total population of census tracts. Census tracts with one percent more non-White persons or Hispanic persons than the overall city share are considered concentrated areas. Census tracts with non-White or Hispanic persons that are at least 1.5 times greater than the overall share in the city are considered highly concentrated. **Figures 1 and 2** show block group areas in the city with concentrations and high concentrations of non-White persons and Hispanic/Latino persons. As shown in **Table 26**, four census tracts (8, 9, 10.02, and 10.03) are concentrated with non-White persons and Hispanic persons. One census tract (11) is highly concentrated with non-White persons and Hispanic persons. The overall rate of loan denial in the city is 12.4 percent, and census tracts 6.02, 8, 9, 11, and 12 exceed the overall rate of denial in Hanford.

According to HUD's Low/Mod summary data, 42.5 percent of the total census tract populations are low/mod. Low/mod persons are persons that earn 80 percent or less of the area median income, and areas with at least 51 percent low/mod persons are considered CDBG target areas. **Figure 3** shows a map of block groups and census tracts considered CDBG target areas. As shown in **Table 26**, five census tracts (8, 9, 10.02, 11, and 12) have higher shares of low/mod persons than the overall share in the city and three census tracts (9, 10.02, and 11) are considered CDBG target areas. Of the census tracts that exceed the overall share of low/mod persons in the city, tracts 8, 9, 11, and 12 have higher rates of loan denial at 18.8 percent, 20.5 percent, 22.2 percent, and 50 percent, respectively.

Census tracts 8, 9, and 11 have large shares of non-White persons, Hispanic persons, low/mod persons, and higher than expected rates of denied loans. The total number of applications received in these tracts is smaller than the total applications in other tracts; however the relative amount of loan activity in the tracts is frequent enough to warrant further analyses into the reasons loans are denied at a higher rate in these tracts.

TABLE 26
LENDING ACTIONS AND CHARACTERISTICS FOR HANFORD CENSUS TRACTS

Census Tract	Total Applications	Origination	Denial	Failure	Non-White Population	Hispanic/Latino Population	Low/Mod Population
6.01	275	71.6%	9.8%	28.4%	39.0%	21.6%	33.3%
6.02	65	69.2%	15.4%	30.8%	30.4%	17.5%	23.5%
7.01	64	68.8%	9.4%	31.3%	27.7%	20.2%	15.0%
7.02	62	61.3%	6.5%	38.7%	34.8%	24.9%	28.1%
8	32	59.4%	18.8%	40.6%	51.9%	43.0%	47.7%
9	44	59.1%	20.5%	40.9%	57.8%	48.6%	64.0%
10.01	47	76.6%	10.6%	23.4%	38.4%	27.4%	25.7%
10.02	22	54.5%	9.1%	45.5%	70.4%	53.8%	59.0%
10.03	45	82.2%	8.9%	17.8%	63.9%	49.7%	40.8%
11	24	37.5%	29.2%	62.5%	81.3%	65.5%	75.4%
12	12	25.0%	50.0%	75.0%	33.8%	27.8%	48.0%
Total	692	67.3%	12.4%	32.7%	50.20%	38.50%	42.50%

Source: Home Mortgage Disclosure Act LAR data, 2008

Note: "Loans Failed" includes loan applications resulting in denial, applications approved but not accepted, withdrawn applications, and incomplete files.

Table 27 shows the reasons for denied loan applications by census tract. As shown, debt-to-income (25.6 percent), credit history (11.6 percent), and collateral (11.6 percent) are the most frequent reasons loans are denied in all census tract. In census tracts 8 and 9, the most frequent reason for loan denial is other. Unfortunately, classifying loan denial reasons as other does little to help understand specific denial reasons, meaning that the reasons for high denial rates in

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tracts 8 and 9 are not fully explained by the data. However, it is apparent that incomplete credit applications and insufficient collateral are frequent reasons for loan denial in tracts 8 and 9. In tract 11, the most frequent reason for loan denial is less than desirable debt-to-income ratios among applicants.

TABLE 27
REASON FOR DENIAL BY CENSUS TRACT

Census Tract	Debt-to-income	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit App. Incomplete	Other
6.01	33.3%	0.0%	14.8%	3.7%	3.7%	7.4%	3.7%	33.3%
6.02	30.0%	0.0%	40.0%	0.0%	0.0%	0.0%	10.0%	20.0%
7.01	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	83.3%
7.02	0.0%	0.0%	25.0%	50.0%	25.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	33.3%	0.0%	0.0%	16.7%	50.0%
9	11.1%	0.0%	0.0%	22.2%	11.1%	11.1%	0.0%	44.4%
10.01	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	40.0%	40.0%
10.02	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%
10.03	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%
11	42.9%	0.0%	0.0%	42.9%	0.0%	0.0%	0.0%	14.3%
12	50.0%	16.7%	16.7%	0.0%	0.0%	0.0%	16.7%	0.0%
Total	25.6%	1.2%	11.6%	11.6%	4.7%	3.5%	8.1%	33.7%

Source: Home Mortgage Disclosure Act LAR data, 2008

Summary of Home Purchase Lending Data

Of the 3,223 loan records for the City of Hanford, 692 or 21.5 percent are loan applications for the purchase of primary residences. Of the 692 loan requests, lending institutions approved financing for 67.3 percent and denied 12.4 percent. Most applicants are either White or Hispanic/Latino and request FHA-insured loans. Nearly 15 percent of loan requests made by Hispanic/Latino borrowers were denied, which is slightly higher than the share of loans denied for non-Hispanic/Latino applicants (10.3 percent). Unfavorable debt-to-income ratios, insufficient collateral, and insufficient cash are the most frequent reasons for loan denial among denied Hispanic/Latino applicants.

In census tracts 8, 9, and 11, lending institutions denied 18.8 percent, 20.5 percent, and 22.2 percent of loan requests, respectively. Census tracts 8, 9, and 11 are among census tracts in the city that have higher concentrations of non-White persons, Hispanic persons, and low/mod persons. Though there are other tracts in the city that display high concentrations of non-Whites, Hispanics, and low/mod persons, tracts 8, 9, and 11 correlate with high rates of denial.

Debt-to-income, insufficient collateral, insufficient cash, and incomplete credit applications are the most frequent reasons for loan denial in tracts 8, 9, and 11.

Refinance Lending Data

The previous section analyzes lending activity for home purchase requests. In this section, refinance loan requests are analyzed. Specifically, refinance loan requests by race, by ethnicity, and by census tract are reported. As shown in **Table 18**, of the 3,223 loan request records in the 2008 HMDA data set, 1,394 records are for refinance requests for primary residences.

Homeowners will usually refinance a home loan in order to adjust (usually lower) their monthly mortgage payment or to secure lower mortgage interest rates. Though refinance lending does not show the possible discrepancies in the availability of credit to purchase a residence, refinancing data will show discrepancies in access to credit that may lower monthly mortgage payments and or secure a lower financing rate for loan applicants.

Refinance Requests by Race

Table 28 summarizes refinance loan requests by race. As shown, 22.8 percent of refinance loan requests were originated for non-White borrowers, as compared to 26.8 percent for all borrowers. Of refinance loan requests resulting in failure for all borrowers, 68 percent fail due to denial. Forty-two (42) percent of refinance requests are denied for high debt-to-income ratios, unfavorable credit history, and insufficient collateral. Among non-White borrowers, insufficient collateral is the number one reason refinance requests result in denial.

TABLE 28
REFINANCE LENDING OUTCOME BY RACE

Applicant Race	Total Applications	Origination		Denial		Failure	
		Number	%	Number	%	Number	%
American Indian or Alaska Native	27	5	18.5%	20	74.1%	22	81.5%
Asian	52	18	34.6%	16	30.8%	34	65.4%
Black or African American	56	8	14.3%	33	58.9%	48	85.7%
Native Hawaiian or other Pacific Islander	10	2	20.0%	1	10.0%	8	80.0%
Sub-total Non-White	145	33	22.8%	70	48.3%	112	77.2%
White	1,045	284	27.2%	535	51.2%	761	72.8%
Race not provided	204	56	27.5%	89	43.6%	148	72.5%
Total	1,394	373	26.8%	694	49.8%	1,021	73.2%

Source: Home Mortgage Disclosure Act LAR data, 2008

Refinance Requests by Ethnicity

Table 29 summarizes refinance loan requests by ethnicity. As shown, 18.3 percent of refinance requests result in origination for Hispanic and Latino applicants, which is 13.5 percent lower than the share of originated refinance loan requests for Non-Hispanic applicants (31.8 percent). Of the 394-refinance loan requests that fail to originate for Hispanic/Latino borrowers, 74 percent fail due to denial. Of the 516 refinance loan requests that fail to originate for non-Hispanic applicants, 65 percent fail due to denial. As previously mentioned, 42 percent of refinance requests are denied for high debt-to-income ratios, unfavorable credit history, and insufficient collateral. Among Hispanic and Latino applicants, insufficient collateral is the number one reason refinance requests result in denial, followed closely by high debt-to-income ratios.

TABLE 29
REFINANCE LENDING OUTCOME BY ETHNICITY

Applicant Ethnicity	Total Applications	Origination		Denial		Failure	
		Number	%	Number	%	Number	%
Hispanic or Latino	482	88	18.3%	293	60.8%	394	81.7%
Non-Hispanic or Latino	757	241	31.8%	335	44.3%	516	68.2%
Other	155	44	28.4%	66	42.6%	111	71.6%
Total	1,394	373	26.8%	694	49.8%	1,021	73.2%

Source: Home Mortgage Disclosure Act LAR data, 2008

Refinance Requests by Census Tract

Table 30 summarizes refinance lending actions and characteristics for each Hanford census tract. As shown, 72.7 percent of refinance loan applications result in failure, of which six census tracts exceed 72.7 percent refinance failure. Census tracts with large shares of non-White and low/mod persons correlate with larger overall shares of refinance loan failure. In fact, census tract 11 has the largest shares of both non-White and low/mod persons, as well as refinance loan failures.

Unfavorable credit history is the most common reason refinance loan requests are denied among the highlighted census tracts (8, 9, 10.02, 10.03, and 11) in **Table 30**. In addition to higher rates of denial due to unfavorable credit history, insufficient collateral is the second largest reason for denial in tracts 8 and 9. Tracts 10.02, 10.03, and 11 have high rates of denial for unfavorable credit history, insufficient collateral, and high debt-to-income ratios.

TABLE 30
REFINANCE LENDING ACTIONS AND CHARACTERISTICS
FOR HANFORD CENSUS TRACTS

Census Tract	Total Applications	Origination	Denial	Failure	Non-White Population	Hispanic/Latino Population	Low/Mod Population
6.01	206	29.6%	42.2%	70.4%	39.0%	21.6%	33.3%
6.02	167	34.1%	38.3%	65.9%	30.4%	17.5%	23.5%
7.01	144	28.5%	47.9%	71.5%	27.7%	20.2%	15.0%
7.02	125	36.8%	40.8%	63.2%	34.8%	24.9%	28.1%
8	123	23.6%	52.8%	76.4%	51.9%	43.0%	47.7%
9	95	28.4%	40.0%	71.6%	57.8%	48.6%	64.0%
10.01	89	25.8%	43.8%	74.2%	38.4%	27.4%	25.7%
10.02	78	20.5%	65.4%	79.5%	70.4%	53.8%	59.0%
10.03	188	21.8%	60.6%	78.2%	63.9%	49.7%	40.8%
11	120	13.3%	73.3%	86.7%	81.3%	65.5%	75.4%
12	59	27.1%	47.5%	72.9%	33.8%	27.8%	48.0%
Total	1,394	27.3%	48.6%	72.7%	50.20%	38.50%	42.50%

Summary of Refinance Lending Data

Roughly 27 percent of refinance loan requests result in origination, meaning the other 73 percent result in failure. Of loan requests that fail to originate, 61 percent fail due to denial. The difference in loan origination among non-White borrowers (22.8 percent) and refinance requests for White borrowers (27.2 percent) is not significant. However, the difference between refinance loan origination for Hispanic/Latino applicants (18.3 percent) and non-Hispanic/Latino (31.8 percent) applicants is significant. Most applications for Hispanic/Latino borrowers fail to originate because of denial and most applications are denied because of insufficient collateral and high debt-to-income ratios. Census tracts with higher shares of non-White and low/mod persons tend to have smaller shares of originated refinance loan requests, mostly due to unfavorable credit history, insufficient collateral, and high debt-to-income ratios.

Summary of Lending Data

Of the 692 loan requests to purchase a mortgage for a primary residence, lending institutions approved financing for 67.8 percent and denied 11.6 percent. Of the 1,394 refinance loan requests, 27.3 percent result in origination and 48.6 percent result in denial. For both types of lending requests (purchase and refinance), Hispanic and Latino applicants experience lower rates of loan origination and higher rates of loan denial than White borrowers.

The main reasons that Hispanic and Latino borrowers are denied financing for both types of lending requests are insufficient collateral and high debt-to-income ratios. Each of these denial

reasons highlights a systematic difference related to wealth inequality among Hispanic/Latino applicants and White applicants.

Census tracts 8, 9, 10.02, 10.03, and 11 are among census tracts in the city that have higher concentrations of non-White persons, Hispanic persons, and low/mod persons. In each of these tracts, home purchase financing and refinancing have lower than expected (overall citywide rate) loan origination rates. Debt-to-income, insufficient collateral, insufficient cash, and incomplete credit applications are the most frequent reasons for loan purchase and refinance denial in tracts with higher rates of non-White and low/mod persons.

The lending data shows that individual Hispanic/Latino applicants and the applicants in predominantly non-White neighborhoods experience lower rates of loan origination for both home purchase requests and refinance requests. The data also explains that the majority of loan failures for Hispanic/Latino applicants and applicants from predominantly non-White areas are because of loan denial and that the loan requests are denied for reasons related to borrower qualifications (mostly wealth-related) and not necessarily individual or neighborhood lending discrimination.

FAIR HOUSING COMPLAINTS AND ENFORCEMENT

Patterns of complaints and enforcement are useful to assess the nature and level of potentially unfair or discriminatory housing practices in the private sector. Several public and private agencies may receive complaints about unfair housing practices or housing discrimination.

At the federal level, the Office of Fair Housing and Equal Opportunity (FHEO) of the Department of Housing and Urban Development receives complaints of housing discrimination. FHEO will attempt to resolve matters informally. FHEO may act on those complaints if they represent a violation of federal law and FHEO finds that there is "reasonable cause" to pursue administrative action in federal court.

At the state level, the Department of Fair Employment and Housing (DFEH) has a similar role to FHEO. DFEH also receives, investigates, attempts to settle, and can take administrative action to prosecute violations of the law. HUD and DFEH have some overlap in jurisdiction and depending on the nature of the case, may refer cases to one another. DFEH is a HUD Fair Housing Assistance Program (FHAP) grantee, meaning that it receives funding from HUD to enforce federal fair housing law in the state.

U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity



The San Francisco FHEO office provided information on fair housing complaints and cases for the period January 1, 2004, through December 31, 2009.⁶ FHEO recorded only two fair housing complaints originating in the City of Hanford over this time period. One was filed in 2006 and the other was filed in 2009.

Both cases filed directly with FHEO contained complaint bases of race. More specifically, the first complaint filed in 2006 consisted of multiple bases including race, sex, disability, and familial status. The second and last complaint between 2004 and 2009 was based solely on race. The number of complaint bases is more than the number of cases filed because each case filed can claim up to four bases.

FHEO did not provide information on the form of the claimed discrimination.

FHEO reported that both complaints filed between 2004 and 2009 were closed. The 2006 complaint that included multiple basis was closed through conciliation or resolution. The 2009 complaint based on race was closed through administrative action.

California Department of Fair Employment and Housing



The California Department of Fair Employment and Housing provided records of housing complaints filed in the City of Hanford for the period January 2004 through December 2009.⁷ The department received eight complaints between 2004 and 2009.

Of the eight complaints received, the basis of disability was most common, as it occurred in five of the cases filed with the DFEH. Race was the basis for two complaints, sex was the basis for one complaint, familial status was the basis for two complaints, and national origin was the basis for one complaint. The number of complaint bases is more than the number of cases filed because each case filed can claim up to four bases.

Four of the five disability based complaints were physical, one was mental. The single sex basis complaint was based on pregnancy. The familial status complaint was based on presence of children. The national origin case was for a national origin of Mexico.

The forms of discrimination included refusal to rent (7), eviction (1), unequal terms (3), harassment (1), and refusal to make a reasonable accommodation or modify the unit for a disabled person (2).

⁶ Correspondence, Chuck Hauptman, HUD-FHEO, San Francisco

⁷ Correspondence, Karen Gilbert, DFEH

Between 2004 and 2009, the eight complaints were evenly distributed during the six-year period with the only exception being calendar year 2008, when no complaints were filed with the DFEH.

The DFEH has closed all eight fair housing complaint cases filed between 2004 and 2009. The most common closing category was “no probable cause to prove a violation of the statute” as five cases were closed under this group. Two cases were closed due to the complainant not being available. The final case was closed through successful conciliation, with a \$1,000.00 compensation awarded to the complainant. DFEH did not provide information on the disposition of individual complaints.

Local Reports

Multiple local agencies provide fair housing information, education, training advocacy, and other related services and/or resources. Only one primary agency currently receives, directly handles, and maintains a working database of fair housing complaints in the City of Hanford. This agency is the Fair Housing Council of Central California (FHCCC) based in Fresno.

The FHCCC was founded in 1994 as a private nonprofit fair housing agency dedicated to the creation of racially and economically integrated communities, neighborhood diversity, and the elimination of discriminatory housing practices. The FHCCC provides fair housing outreach and education, investigation and enforcement of claims pertaining to fair housing infractions, advocacy, and counseling. As an enforcement agent empowered by the U.S. Department of Housing and Urban Development (HUD) under the Fair Housing Act, the FHCCC investigates and processes claims of housing discrimination for remedy and relief under the law.

The FHCCC also serves the Hanford community by organizing fair housing education workshops to housing industry representatives from banking and lending, insurance, landlord/property management, and real estate brokerage firms. The FHCCC also conducts individual training programs with property managers in the City of Hanford and in Kings County as well as fair housing education and outreach events for agencies that provide social services or other advocacy services to clients identified as protected class members under fair housing law.

Currently, the FHCCC is not under contract with the City of Hanford to provide fair housing or related services.

The FHCCC received and/or directly handled 78 fair housing complaints from Hanford residents between 2006 and 2009 (see **Table 31**). The most common basis of complaints was discrimination based on race (28 percent), disability (27 percent), familial status (18 percent), and national origin (8 percent). **Table 31** provides the total number of complaints per basis received and logged by the Fair Housing Council of Central California over the three-year period between January 2006 and December 2009.

TABLE 31
FAIR HOUSING COMPLAINTS, PRIVATE SECTOR, 2006–2009

Basis of Complaint	Number	Percentage
Disability and Accommodation	21	26.9%
Race	22	28.2%
Familial Status	14	18.0%
National Origin	6	7.7%
Gender	—	—
Other	15	19.2%
Total	78	100.0%

Source: Fair housing complaint reports generated by the FHCCC, January 2006–December 2009

Table 32 shows a large majority (93.6 percent) of complaints received by the FHCC over the three-year period were closed due to the complainants not following through with the complaint process or the FHCCC lost contact with the claimant when the complainant moved or was evicted. The high fallout rate can be an indicator of need for additional outreach and education within the community regarding fair housing rights. Furthermore, the FHCCC has limited resources and is not able to provide the concentrated follow-up efforts that are often needed to facilitate a successful resolution for many of the original complaints.⁸ Of those cases that remained in contact with the FHCCC, all five were resolved by providing brief services or advising the complainant during a phone or in-person conversation..

TABLE 32
CLOSED FAIR HOUSING CASES, PRIVATE SECTOR, 2006–2009

Outcome	Number	Percentage
Agency Advice/Brief Services	5	6.4%
Referral to Other Agency	—	—
Client Stopped Case/Lost Contact	73	93.6%
Administratively Closed	—	—
Closed by an Attorney	—	—
Total	78	100%

Source: Fair housing complaint reports generated by the FHCCC, January 2006–December 2009

⁸ Correspondence with M. J. Borelli, Fair Housing Council of Central California, April 2010

CAA of Greater Fresno

The local association of the California Apartment Association (CAA) does not directly handle fair housing complaints.⁹ The CAA of Greater Fresno will forward any fair housing complaints originating out of Hanford to the Fair Housing Council of Central California, CCLS, the Office of Fair Housing and Equal Opportunity, or the Department of Fair Employment and Housing. According to the CAA of Greater Fresno, there have not been a notable number of fair housing complaints submitted to the CAA of Greater Fresno from which to provide a detailed report.

Summary of Private Sector Practices

The City of Hanford does not appear to have a significant problem in the private sector regarding unfair housing practices or housing discrimination. A total of 78 complaints were reported over three years, of which only five were pursued past the initial complaint and received some form of agency services. All recorded complaints originated from circumstances involving rental housing. Race and disability were the most commonly reported basis of complaint as they represented approximately 55.0 percent of all complaints received.

Despite having a relatively low number of complaints, and an even lower number of administratively active cases, there do appear to be indicators pointing toward a lack of available resources from which local residents can access fair housing information and a low number of local agencies to which residents can submit complaints and receive advocacy and support services. The Fair Housing Council of Central California (FHCCC) is the single local agency that receives, records, and provides fair housing complaints services to Hanford residents. Additional resources and educational opportunities could provide an increased ratio of resolved cases to original complaints.

Summary of Private and Public Sector Complaints and Enforcement Activity

Of the complaints received from both private sector and government agencies, including the FHEO and DFEH, the most common have been based on race (50.0 percent), disability (including mental, physical and neurological) (30.7 percent), and familial status (19.3 percent). The next most frequently reported classifications of discrimination were national origin (8.0 percent) and sex (2.3 percent).

Of the total 88 cases filed with both private and public agencies, 11 cases (12.5 percent) were closed through agency advice and/or brief services or no probable cause was found. The majority (85.2 percent) of cases, however, were administratively closed due to the complainants being out of contact and/or not following through with the complaint filing process.¹⁰ The remaining 2.3 percent were closed through successful conciliation.

⁹ Personal communication, Stephanie Babb, Regional Director, California Apartment Association of Greater Fresno

¹⁰ Correspondence with M. J. Borelli, Fair Housing Council of Central California, April 2010

FAIR HOUSING SURVEY

In conjunction with the Analysis of Impediments to Fair Housing, the City of Hanford's Community Development Department conducted an online survey of the community's fair housing needs. The survey was made available on the City's home page between March and May 2010. The survey was targeted towards persons who have personal and/or professional experience with for-rent housing, home purchasing, and mortgage financing within Hanford. Citizens, real estate professionals, social service providers, and public employees were encouraged to complete the survey. The goal of the survey was to identify whether barriers and adverse policies exist in the city's housing market.

During the time the survey was available, 34 persons provided a response to 23 questions. Overall, most survey respondents have not been a victim of housing discrimination, though if they were a victim they were likely to report it. In addition, respondents did not feel that discrimination is a significant issue in the city, though some of the responses indicated that persons in the rental housing market may experience discrimination at a higher rate than others.

The analysis of the survey is organized into two sections: the first section describes the characteristics of survey respondents and the second describes the results of housing discrimination questions. In each section, a summary of the survey responses for each question is presented.

Survey Respondent Characteristics

This section of the survey analysis provides a summary of survey respondent characteristics. Identifying respondent characteristics is important in determining the types of persons providing responses to fair housing questions.

Of the 34 persons who completed the survey, 21 provided information regarding their gender. Of the 21 respondents, 57 percent are female and 43 percent are male. Of the 12 persons that provided the number of children younger than 18 living at home:

- 8 (66.7 percent) respondents report one child
- 2 (16.7 percent) respondents report two children
- 1 (8.3 percent) respondent reports three children
- 1 (8.3 percent) respondent reports four children

As shown in **Table 33**, survey respondents report race as White (76.2 percent), other, or two or more races (28.6 percent). Of the 18 persons who responded as to whether or not they are Hispanic or Latino, 6 (33.4 percent) are Hispanic or Latino and 12 (66.6 percent) are not.

TABLE 33
SURVEY RESPONDENT RACE CHARACTERISTICS

	Number	Percentage
White	16	76.2%
Black or African American	0	0.0%
Asian or Pacific Islander	0	0.0%
American Indian/Alaska Native	0	0.0%
Other or more than one race	6	28.6%
Answered question	22	
Skipped question	12	

Source: Hanford Fair Housing Survey, May 2010

The majority of survey respondents are homeowners. Of the 26 persons providing survey responses as to whether they own or rent their primary residence, 19 (73.1 percent) own and 7 (26.9 percent) rent.

Table 34 shows the role within the community of survey respondents. As shown, more than half of the survey respondents are county residents. Nearly one-fifth of survey respondents are real estate brokers/agents, and one-tenth are either housing providers/advocates or local government staff/official.

TABLE 34
COMMUNITY ROLE OF SURVEY RESPONDENTS

	Number	Percentage
County Resident	18	56.3%
Mortgage Lender	2	6.3%
Housing Provider/Advocate	3	9.4%
Real Estate Broker/Agent	6	18.8%
Local Government Staff and Elected/Appointed Official	3	9.4%
Answered question	32	
Skipped question	2	

Source: Hanford Fair Housing Survey, May 2010

Housing Discrimination Responses

This section of the fair housing survey summarizes the results of survey questions intended to uncover possible barriers or adverse policies that impede housing choice. Each survey question is provided, after being introduced with a summary of the responses.

As summarized below, roughly 67 percent of respondents feel housing discrimination never or rarely occurs. Of the 27 respondents, 18.5 percent report that housing discrimination occurs somewhat commonly.

How common do you believe it is to experience housing discrimination in your community?

	Number	Percentage
Never happens	4	14.8%
Rarely	8	29.6%
Somewhat rarely	6	22.22%
Somewhat commonly	5	18.5%
Don't know	1	3.7%
Answered question	27	
Skipped question	7	

Source: Hanford Fair Housing Survey, May 2010

As described below, 44.4 percent of respondents do not feel that housing discrimination occurs in the community. However, about 30 percent of respondents feel that in the past three years housing discrimination has become more of a problem.

In the past 3 years, housing discrimination in your community:

	Number	Percentage
Has become much more of a problem	2	7.4%
Has become somewhat more of a problem	6	22.2%
Has become somewhat less of a problem	5	18.5%
Has become much less of a problem	2	7.4%
Is not a problem in my community	12	44.4%
Answered question	27	
Skipped question	7	

Source: Hanford Fair Housing Survey, May 2010

As described below, most survey respondents understand their fair housing rights, with only 33 percent reporting not having a good grasp on their rights.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

How well do you feel you understand your fair housing rights?

	Number	Percentage
Very well	11	40.7%
Somewhat well	10	37.0%
Somewhat poorly	3	11.1%
Very poorly	1	3.7%
Not at all	2	7.4%
Answered question	27	
Skipped question	7	

Source: Hanford Fair Housing Survey, May 2010

As shown below, nearly 89 percent of respondents would likely report housing discrimination.

If you were to experience housing discrimination, would you report it?

	Number	Percentage
Definitely would not	0	0.0%
Probably would not	2	7.4%
Probably would	9	33.3%
Definitely would	15	55.7%
Don't know	1	3.7%
Answered question	27	
Skipped question	7	

Source: Hanford Fair Housing Survey, May 2010

The majority of respondents report that if they experienced housing discrimination and did not report it, it would be because of the belief that no meaningful action would take place.

If you were to experience housing discrimination, what are some reasons you might not want to report it?

	Number	Percentage
Fear of reprisal	6	24.0%
Belief that no meaningful action will take place	17	68.0%
Don't want the hassle/don't have the time	6	24.0%
Don't feel I understand my fair housing rights	5	20.0%
Other (Sample response: Officials not believing the tenant and favoring the landlord)	3	12.0%
Answered question	25	
Skipped question	9	

Source: Hanford Fair Housing Survey, May 2010

Of the 27 responses to the question asking whether or not the survey responder has experienced fair housing discrimination in the past 12 months, 3 (11.1%) report they have. Those reporting housing discrimination in the past 12 months report the nature of discrimination as race/ethnicity, disability, age, gender, and marital status. Of the three persons reporting discrimination, one respondent reports experiencing refusal to rent or sell housing, being misled about information regarding housing for sale or rent, and refusal to apply for mortgage financing. In all three cases, the survey respondent did not take action.

As described below, 47.6 percent of survey respondents think housing discrimination is common in the rental housing market. Other than those who think housing discrimination takes place in the rental housing market, most survey respondents feel that all forms of housing discrimination are rare or never occur.

How often do you think housing discrimination occurs in the following areas?

Area	Never	Rare	Somewhat Rare	Somewhat Common	Common	Don't Know
Purchase of housing	19.0%	14.3%	33.3%	14.3%	19.0%	0.0%
Rental of housing	9.5%	14.3%	9.5%	19.0%	47.6%	0.0%
Mortgage lending	19.0%	19.0%	33.3%	14.3%	14.3%	0.0%
Homeowners insurance	28.6%	19.0%	19.0%	14.3%	14.3%	4.8%
Answered question	21					
Skipped question	13					

Source: Hanford Fair Housing Survey, May 2010

As shown below, survey respondents report that housing discrimination is somewhat common for all types of discrimination. Most notably, respondents think refusal to rent or sell housing is common as is discrimination to show rental or for-sale housing in certain areas.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Of the types of housing discrimination that you believe may occur in your community, how common do you think are the following types?

Type of Discrimination	Never	Rare	Somewhat Rare	Somewhat Common	Common	Don't Know
Refusal to rent or sell housing	14.3%	14.3%	19.0%	19.0%	28.6%	4.8%
Refusal to show available housing	9.5%	19.0%	19.0%	28.6%	14.3%	4.8%
Being given false or misleading information about the availability of housing for sale or rent	9.5%	19.0%	14.3%	33.3%	19.0%	4.8%
Being told false or misleading information about the price or rent of housing for sale or for rent	9.5%	14.3%	19.0%	33.3%	19.0%	4.8%
Having different conditions imposed on the purchase or rental of housing for sale or for rent	9.5%	14.3%	19.0%	33.3%	14.3%	9.5%
Being shown housing for sale or for rent only in certain areas or not in certain areas	14.3%	9.5%	23.8%	14.3%	28.6%	9.5%
Answered question	21					
Skipped question	13					

Source: Hanford Fair Housing Survey, May 2010

As shown below, respondents feel that housing discrimination occurs mostly based on national origin, race/ethnicity, age, presence/absence of children, household size, and language.

Of the categories of housing discrimination that may occur in your community, how common do you think are the following types?

Type of Discrimination	Never	Rare	Somewhat Rare	Somewhat Common	Common	Don't Know
National origin	19.0%	14.3%	4.8%	33.3%	14.3%	14.3%
Religion	19.0%	33.3%	9.5%	19.0%	4.8%	14.3%
Race/ethnicity	14.3%	14.3%	14.3%	38.1%	14.3%	4.8%
Disability	19.0%	23.8%	19.0%	23.8%	9.5%	4.8%
Age	19.0%	19.0%	14.3%	42.9%	0.0%	4.8%
Gender	19.0%	33.3%	4.8%	33.3%	4.8%	4.8%
Marital status	28.6%	19.0%	4.8%	33.3%	4.8%	4.8%
Presence/absence of children	23.8%	9.5%	9.5%	23.8%	23.8%	9.5%
Household size	14.3%	4.8%	23.8%	28.6%	19.0%	9.5%
Language	19.0%	9.5%	14.3%	23.8%	23.8%	9.5%
Answered question	21					
Skipped question	13					

Source: Hanford Fair Housing Survey, May 2010

As shown below, respondents feel that housing discrimination is common among large families, immigrant families, and for persons who do not speak English as their first language. In addition, respondents feel that discrimination among Black and Asian households is somewhat common.

How likely do you believe it is for a member of one the following groups to experience housing discrimination in your community?

Group	Never	Rare	Somewhat Rare	Somewhat Common	Common	Don't Know
Black/African American	14.3%	19.0%	4.8%	28.6%	23.8%	9.5%
Asian or Pacific Islander	19.0%	19.0%	9.5%	33.3%	9.5%	9.5%
Hispanic/Latino	14.3%	23.8%	4.8%	23.8%	28.6%	4.8%
Mixed race persons	19.0%	23.8%	9.5%	19.0%	19.0%	9.5%
Unmarried couples	14.3%	23.8%	9.5%	14.3%	28.6%	9.5%
Families with children	19.0%	9.5%	19.0%	9.5%	33.3%	9.5%
Single-parent families	14.3%	14.3%	9.5%	23.8%	33.3%	4.8%
Large families	14.3%	14.3%	14.3%	4.8%	42.9%	9.5%
Immigrant families	14.3%	14.3%	9.5%	9.5%	47.6%	4.8%
Persons who do not speak English as their first language	14.3%	14.3%	9.5%	9.5%	47.6%	4.8%
Answered question	21					
Skipped question	13					

Source: Hanford Fair Housing Survey, May 2010

Prior to completing the fair housing survey, respondents were encouraged to provide further comments regarding fair housing or improving access to affordable housing. Of the 34 survey respondents, 7 provided additional comments. As shown below, comments vary between providing standardized rental agreements in multiple languages to assisting with housing payments. One comment is not reported in the table below. It was not an intelligible comment.

Is there anything you would like the City of Hanford to know about fair housing or improving access to affordable housing?

Comment
Evaluate every apartment complex in the city, and get feedback from tenants.
You need to have a comprehensive fair housing program in place!!!
In 12 years in the real estate lending business, I have never seen any discrimination.
The attention given to the physical condition and appearance of certain parts of the city have a big effect on values to that area, which results in different income levels, races and ethnicity populations in certain areas. (i.e., roads, graffiti walls or fences, neglected lots, abandoned houses, etc.)
Make the rental payments less than at least expected...our unemployment is way up and people are having a hard time looking for employment, including this one!
Rent control and standardized rental agreement forms in multiple languages.
Answered question: 7
Skipped question: 27

Source: Hanford Fair Housing Survey, May 2010

Based on the survey results, housing discrimination does not appear to be an issue in the city. Interestingly, survey respondents report that housing discrimination is likely common among large families, immigrant families, and for persons who do not speak English as their first language. Survey respondents also tend to report that renters are more likely to experience housing discrimination. Though most of the survey respondents have not experienced housing discrimination personally, it is interesting to find that if they did experience discrimination, most would not report it due to the perception that nothing would be done about it.

STAKEHOLDER COMMENTS

On May 6, 2010 the City of Hanford conducted a public meeting to solicit service provider, citizen, and stakeholder feedback regarding fair housing issues. During the meeting, attendees were asked to identify impediments and obstacles to fair and affordable housing in the City.

Community members overwhelmingly identified housing discrimination as a recurring impediment, especially amongst renters. The most common forms were charging a higher rent, failing to adequately maintain or repair a home, harassment or intimidation, and offering different terms. The basis for discrimination is most often national origin or ethnicity (primarily Hispanic/Latino), English language proficiency, disability, and age.

In some instances, landlords have asked renters to pay in cash or to make additional "side payments" in cash above the rent stated in the lease or rental agreement.

Also, according to community members, HUD's fair market rents (FMR) were seen as an issue. They believe that the FMR published by HUD to guide public housing programs has inflated rents. Private landlords have seen increases in the FMR as justification to increase rents even as the local market may not justify an increase.

Housing discrimination is believed to persist because of lack of information, lack of enforcement, and consumer lack of knowledge.

Attendees at the meeting identified that to address these housing discrimination issues there is a need for advertising and increased public awareness of fair housing rights. One way to achieve this would be to hold a fair housing workshop to educate the community on their rights. Another way to help address these issues would be to create an independent agency to raise public awareness

Additional barriers that were identified were many housing units were not handicap accessible units, high rent prices, and that the grant funding is depleting.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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PUBLIC POLICIES

CITY PROGRAMS

The City of Hanford offers multiple programs that encourage fair housing choice or support the City's efforts to remove regulatory barriers to equal housing opportunities. Most of the programs promote affordable housing opportunities for low- to moderate-income households (up to 80 percent or 120 percent of area median income (AMI)) and preserve the city's existing housing stock.¹¹

Neighborhood Stabilization Program (NSP)

The City of Hanford received Neighborhood Stabilization Program funds through the Housing and Economic Recovery Act (HERA) of 2008. The City is offering eligible low- and moderate-income (up to 120 percent AMI) households with up to \$75,000 in down payment and closing cost assistance, and/or \$15,000 for repairs toward an eligible foreclosed property. Buyers must complete an eight-hour education class before closing on the loan and must contribute \$1,000 of their own funds toward the purchase.

Properties eligible for this program must be within the City of Hanford NSP Target Areas that consist of carefully chosen census tracts.

First-Time Homebuyer Program

This program is funded through the federal HOME Investment Partnership Program (HOME) and provides qualified borrowers with up to \$100,000 in down payment and closing cost assistance. The loan is provided in the form of a low-interest, fixed rate, deferred loan that helps maintain long-term affordability. During the 2008–09 fiscal year, the City assisted six households to achieve homeownership through this program.

The City experiences a high demand for this program and often fully commits available funds before additional funding is available. As a result, the City maintains an interest list so as to notify buyers when additional funds become available.

Housing Rehabilitation Program

The City's Housing Rehabilitation Program offers qualifying low-income homeowners the opportunity to have repairs done to their home and receive financial assistance to cover the costs. These repairs can include, but are not limited to, roofing, plumbing, and electrical and handicap accessibility. A priority is placed on the elimination of health and safety hazards within or around the structure. No to low interest rate loans and grants are offered to qualifying homeowners.

¹¹ Correspondence with Sandra Lerma-Martinez, City of Hanford staff on April 23, 2010.

Demand for the Housing Rehabilitation Program is high as well; therefore a waiting list has been used when funds are no longer available.

Emergency Repair Program

The Emergency Repair Program is designed to provide financial assistance for those emergency repairs that pose an immediate threat to one's health and safety. Assistance is limited to emergency repairs only. Qualifying repairs include, but are not limited to, replacing and/or repairing a leaking roof, repairing plumbing, and replacing and/or repairing air conditioning or heating units. Zero percent deferred loans and grants up to \$10,000 are available to qualifying homeowners.

A three-year grant agreement is recorded against the property conditioning the homeowner to reside in the home for a minimum of three years from the date of assistance, or the homeowner will have to repay the full amount of the original assistance.

Do-It-Yourself Paint Program

This program offers the opportunity for low- to moderate-income homeowners in the community to paint the exterior of their homes at minimal cost. The cost to the homeowner is based on the household size and gross annual income. The City of Hanford provides the paint while the homeowner is responsible for all materials and labor.

This program is available citywide but is limited to a period of each year between May and October.

New-Look Summer Paint Program

The New-Look Summer Paint Program is similar to the Do-It-Yourself Paint Program but is exclusive to senior and/or physically disabled residents of Hanford. The program provides these special needs populations with the opportunity to have the exterior of their homes painted at a significantly reduced cost and with assistance for labor and materials.

Public Facilities and Improvements

Each year the City of Hanford aims to improve public facilities, infrastructure, and the environment of Hanford's designated target areas. These efforts help address those impediments that hinder providing services to residents in the very low- to moderate-income neighborhoods. Efforts typically include exterior painting and landscaping with a budget of approximately \$50,000.

Public Facilities Rehabilitation

In concert with the improvement efforts, the City also allocates resources every year to address public facility rehabilitation needs. In 2009, the City of Hanford utilized \$25,000 toward the

rehabilitation of a public facility in a low- to moderate-income facility. These rehabilitation efforts help foster strong community and neighborhood revitalization.

Code Compliance

As part of the City's efforts to eliminate regulatory barriers to equal housing opportunities, Hanford continuously provides code compliance activities throughout all neighborhoods to maintain or improve the physical environment. The City allocates approximately \$70,000 to perform these ongoing annual compliance efforts. Nearly 430 complaints were logged through the 2008-2009 fiscal year for this program.

BUILDING AND PLANNING PRACTICES

Public policies established at the state, regional, and local levels can affect housing development and therefore may have an impact on the range and location of housing choices available to residents. This section discusses the public policies enacted by the City of Hanford and their potential impacts on housing development. Zoning and housing-related documents (e.g., housing elements, previous fair housing assessments, and consolidated plans) were reviewed to identify potential impediments to fair housing choice and affordable housing development.

Housing Element Law and Compliance

As part of evaluating potential impediments to fair housing choice and housing development, the City of Hanford's Housing Element was reviewed. California housing element law requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community.

California state housing element law requires each jurisdiction to:

- Identify adequate sites which will be made available through appropriate zoning and development standards and with the 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 city's regional housing needs.
- Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households.
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.
- Conserve and improve the condition of the existing affordable housing stock.
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

Land Use Policies and Practices

The City's ordinances contain a variety of zoning districts that allow a range of housing opportunities for persons with special needs, including people with disabilities, people requiring transitional housing or emergency shelter, and farmworkers. It is the policy of the City of Hanford to periodically evaluate local zoning laws and policies that may affect fair housing choice.

Zoning Districts

The following is a detailed description of residential zoning districts, as well as the commercial districts that permit or conditionally permit residential development in the City of Hanford.

Residential Districts

One-Family Residential

Very Low Density Residential (R-1-20): Allows for 0 to 3 dwelling units per gross acre. This designation is applied to larger estate-style lots for single-family residential development with typical lot sizes averaging 20,000 square feet.

Low Density Residential (R-1-6, R-1-8, R-1-12): Allows for 2 to 9 dwelling units per gross acre. This designation is applied to single-family development on lot sizes typically found in urban settings with lot sizes ranging from 6,000 to 12,000 square feet in size. Smaller lot sizes may be permitted when clustered around open space, such as a golf course, parks, or lake as permitted in a planned development.

Multifamily Residential

Medium Density Residential (RM-3): Allows for 7 to 15 dwelling units per gross acre. Intended primarily for typical duplex or lower-density apartment complexes and other nontraditional designs such as zero lot lines, patio homes, and townhomes.

High Density Residential (RM-2): Allows for 10 to 22 dwelling units per gross acre. Intended primarily for multifamily apartment and condominium development in proximity to major arterial streets, commercial and recreational facilities, and employment centers.

Commercial Districts

Office Residential (OR)

Allows for 4 to 22 units per acre. This designation is intended for large older homes in and near the downtown district or other transitional areas which may no longer function as conventional single-family units.

Community Commercial (CC)

This designation includes a variety of commercial uses that serve both a large local area and, to some extent, the region. Multifamily units are conditionally permitted if built over a permitted use.

Downtown Commercial (DC)

The city's downtown district has its own unique character as a pedestrian-oriented, concentrated area of retail, service, and office uses. Multifamily residential may also be permitted in DC.

Mixed Commercial (MC)

This designation is intended to allow a mixture of small commercial, office, and multifamily uses along the 10th Avenue corridor between Grangeville Boulevard and Lacey Boulevard.

Provisions for a Variety of Housing

Permitting different types of housing is essential to providing a full range of housing choice. The City of Hanford has many zoning districts that permit a variety of housing types. Some of the housing types include single-family residential housing, multifamily residential housing, residential accessory dwelling units, mobile homes, duplexes, and residential care homes. **Table 35** shows the housing types permitted in the various zoning districts in Hanford. No significant barriers were identified for any of the housing types listed below.

TABLE 35
HOUSING TYPES PERMITTED BY ZONE

Housing Type	Zoning District						
	R-1 20	R-1-6, -8, -12	RM	OR	CC	DC	MC
Single-Family Detached	P	P	P	P			P
Single-Family Attached			P	P			P
Multifamily			P	P	C	P	P
Mobile/Manufactured Home	P	P	P	P			
Second Units	P	P	P	P			
Emergency Shelters				P			
Transitional and Supportive Housing			C	P			
Residential Care Facility (6 or fewer)	P	P	P				
Residential Care Facility (7 or more)			C				
Single Room Occupancy			C	P			

Source: Kings County Housing Element, August 2009

Care Facilities

Community Care Facility. The City's definition of a community care facility is consistent with Health and Safety Code Section 1267.8. The intermediate care facility is to include provisions for developmentally disabled habilitative-nursing or congregate living.

Residential Care Facility. The City defines a residential care facility as a family home, group care facility, or similar facility for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

Under current zoning regulations, residential care facilities that serve six or fewer persons are a permitted use in the R-1-20, R-1-6, R-1-8, R-1-12, RM, and OR zones. Larger state- or county-licensed care facilities that provide housing on a temporary basis and that do not require personal supervision or rehabilitation services are conditionally permitted in the RM zones. The Hanford Housing Plan in the Kings County Housing Element (Program 3.14) provides that the City will amend the Zoning Code to allow residential care facilities for more than six persons by conditional use permit in the R-1, RM, and OR zones. With these changes, Hanford's Zoning Code would not pose a significant constraint on the establishment of residential care facilities.

Persons with Disabilities

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling.

The California Government Code requires localities to analyze potential and actual constraints and to include programs to accommodate housing for disabled persons. The Building Code adopted by the City of Hanford incorporates accessibility standards contained in Title 24 of the California Code of Regulations.

The City is currently in the process of updating its Housing Element and as a part of that update has looked at the following requirements related to persons with disabilities:

- Definition of "family" – The Hanford Zoning Code defines family as "a single residential unit or person or group of persons living together as a domestic unit in a single residential unit." This definition is consistent with current housing law.
- Separation requirements – The City's Zoning Code does not impose any separation requirements between group homes or residential care facilities.
- Site planning requirements – The site planning requirements for residential care facilities are no different than for other residential uses in the same zone.

- Reasonable accommodations – The City's Zoning Code includes administrative procedures for reviewing and approving requests for modifications to building or zoning requirements in order to ensure reasonable accommodations for persons with disabilities. Requests for reasonable accommodation are reviewed and approved administratively by the Community Development Director within 30 days of receiving an application. There is no fee associated with a reasonable accommodation application. Although the City allows for reasonable accommodations, to ensure that City regulations and procedures are reviewed and updated as necessary to encourage and facilitate accessible housing for persons with disabilities, Program 3.14 was included in the Hanford Housing Plan of the Kings County Housing Element.

Emergency Shelters; Transitional and Supportive Housing

State law requires jurisdictions to provide adequate sites for a variety of housing types including emergency shelters and transitional/supportive housing. The City permits emergency shelters and transitional housing subject to site plan review in the OR zone. Program 3.13 in the Hanford Housing Plan in the Kings County Housing Element states that the City will amend the Zoning Code to clarify that emergency shelters are a nondiscretionary permitted use in the OR zone and identify appropriate development standards consistent with Senate Bill 2. The Zoning Code will also be amended to clarify that transitional and supportive housing facilities are permitted uses subject only to the same regulations and procedures that apply to other residential uses of the same type in the same zone.

Permit Processing

Residential projects can be built by right in their respective zones with an approved site plan review and applicable California Environmental Quality Act (CEQA) requirements without a conditional use permit or design review. For multifamily projects, a site plan review is required to enable the City to determine whether a proposed project conforms to the intent and provisions of the Zoning Ordinance, to guide the Building Official in the issuance of building permits, and to provide for the expeditious review of environmental impact assessments. The Community Development Department makes findings for approval provided the project complies with the following City policies: (1) traffic safety, street dedications, street improvements, and environmental quality; (2) zoning, fire, police, building and health codes, and public works construction standards; and (3) any other applicable federal, state or local requirements. Architectural review is required only for Planned Unit Development (PUD) overlays, and only one parcel in Hanford is designated as such. Developers follow objective guidelines and the Planning Commission approves the project.

Density Bonus Ordinance

The City of Hanford adopted a density bonus ordinance in conformance with state law in 2008. State law requires a jurisdiction to grant a 25 percent density bonus and at least one regulatory concession if the project sets aside (1) 10 percent of the units for very low-income households; (2) 20 percent of the units for low-income households; (3) 50 percent of the units for qualifying residents, such as senior residents; or (4) 20 percent of condominium units for moderate-income households (added by Assembly Bill 1866 in 2002). Regulatory concessions include modifications in development standards or zoning requirements that result in identifiable cost reductions.

Available Vacant Land

The City of Hanford has approximately 57 acres of vacant land designated for very low-density single-family residential development and over 400 vacant acres designated for low-density single-family development. These parcels were assigned to the above moderate- and moderate-income categories, respectively, based on recent new home sales prices in the City of Hanford. Along with the City of Lemoore, Hanford has the highest home prices in Kings County, with new single-family home sales in 2009 ranging in price from \$204,000 to \$240,000. Over 70 acres of vacant land are designated for medium-density (up to 15 units per acre) and approximately 62 acres are designated for high-density residential development (up to 22 units per acre). This analysis demonstrates that Hanford's land inventory can accommodate the 2007–2014 Regional Housing Needs Allocation (RHNA) for all income categories and have a surplus of 1,530 units.

Accessibility of Public Transit

Public transit plays an important role in access to housing. Public transit should link lower-income persons, who are often transit-dependent, to major employers where job opportunities may be available. The lack of an integral relationship between public transit, employment opportunities, and affordable housing may impede fair housing choice because persons who depend on public transit will have limited choices regarding places to live.

Elderly and disabled persons tend to be more transit-dependent than other persons. Specifically, many elderly and disabled persons rely on public transit to visit doctors and go to medical appointments, go shopping, or attend activities offered at community facilities. Housing for the elderly and disabled should be located near transit routes, or alternative transit should be made available for persons with special needs. This section discusses the accessibility of public transit to major employers, shopping centers, and community and medical facilities from lower-income areas and from housing for persons with special needs.

According to the 2006–2008 ACS, in the City of Hanford, 144 persons relied on public transit to go to work and may have also relied on public transit for other activities such as grocery shopping, going for medical appointments, and visiting community facilities.

ASSESSMENT OF FAIR HOUSING PRACTICES

Currently, the City of Hanford does not have a formal comprehensive policy regarding fair housing issues, complaints, and conditions within the community. At this time, the City takes a role similar to other jurisdictions, like the cities of Corcoran and Lemoore, and refers housing complaints to the HUD Fair Housing Enforcement Center in San Francisco and assumes a supportive role to other agencies and stakeholders. Hanford does not directly contract with a local fair housing agency to provide related services, but does offer a variety of indirect fair housing supportive services to the local community and fair housing stakeholders.

HOUSING ELEMENT

The City of Hanford continues to support the efforts and actions to eliminate affordable housing barriers identified in its Housing Element. The County of Kings and Cities of Avenal, Corcoran, Hanford and Lemoore 2009–2014 Housing Element identifies several affordable housing barriers and outlines the City of Hanford's plans to eliminate these barriers. Such actions include continuing to enforce and support the Code Enforcement Program, as well as continuing to provide incentives to encourage the development of affordable housing through the infill and density bonus programs. The City also preserves its existing housing stock by assisting families with home improvement loans, promoting homeownership opportunities by assisting low-income families through two first-time homebuyer programs, and offering information on all programs in multiple languages and through a variety of resources.

Fair and equal housing opportunity remains an important issue in Kings County to ensure that all persons, regardless of their status, have the opportunity to find a suitable home. The Kings County Housing Element presents two policies under a single goal for Hanford, and the other participating jurisdictions, to follow in the ongoing efforts to promote fair and equal housing opportunities.

GOAL 5. Further equal housing opportunities for persons, regardless of status.

Policy 5.1. Support enforcement of fair housing laws prohibiting arbitrary discrimination in the development, financing, rental, or sale of housing.

Policy 5.2. Periodically review City ordinances and development regulations and modify, as necessary, to accommodate housing for disabled persons.

HANFORD ANNUAL ACTION PLAN

The Annual Action Plan adopted by the City of Hanford echoes those fair housing efforts identified in the Housing Element. More specifically, the Action Plan reinforces the City's commitment to removing or reducing barriers to affordable housing over the next five years. The actions listed include supporting and/or implementing the following:

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

- Code compliance
- Paint programs
- Housing rehabilitation programs
- Preservation of at-risk affordable housing
- Provide sites adequately zoned and sized for affordable housing
- Develop density bonus programs
- Continue with Planned unit Development (PUD) process to encourage unique development projects
- First-time homebuyer programs
- Support Kings County Housing Authority Section 8 program
- Residential infill programs
- Affordable housing assistance
- Increase farmworker and workforce housing
- Support efforts to develop emergency and transitional shelters
- Housing for disabled persons
- Promote equal housing opportunities

HANFORD CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

The most recent CAPER reiterates the value the City of Hanford places on affirmatively furthering fair housing within the community and is in concert with the efforts in producing this Analysis of Impediments.

The 2008–2009 CAPER informed HUD that the City was in the early stages of “developing the Analysis to Impediments to Fair Housing Choice.” This development of the AI, along with additional fair housing efforts, are under way to reduce the impediments identified in the Housing Element and Action Plan. City efforts presented by the CAPER include development and regulatory incentives for affordable housing, rezoning of sites to higher density, and the use of affordable housing fees to assist in the development of housing.

HANFORD FAIR HOUSING/AFFIRMATIVE MARKETING PLAN

In addition to supporting the Housing Element, the City of Hanford supports and adopted a Fair Housing/Affirmative Marketing Plan. The City utilizes the plan to ensure that all segments of the community are equally targeted for the City's various housing programs. The purpose of the plan is to attract eligible persons to various City housing projects without regard to race, color, national origin, sex, religion, familial status, or disability.

Through this plan the City of Hanford utilizes the Equal Housing Opportunity logo on any and all related press releases and solicitations sent to homeowners or renter households. The City displays fair housing posters and pamphlets throughout city offices. The City also distributes two fair housing brochures to the public and provides copies of the Fair Housing/Affirmative Marketing Plan when requested.

The City offers special outreach opportunities as a part of the Fair Housing/Affirmative Marketing Plan. These outreach opportunities are designed to offer information across multiple languages and through a variety of avenues such as newspaper advertisements, homebuyer workshops, and public hearings. The City will continue to work with local lenders and real estate professionals to educate buyers on the programs designed for low- and moderate-income households.

Another aspect of the Fair Housing/Affirmative Marketing Plan is to maintain accurate and detailed records of race, ethnicity, gender, disability, age of target area residents and all applicants (regardless of eligibility). The data collected is used to determine whether there are any under-served segments of the community when compared to the city's overall population.

The City of Hanford keeps census data on file and uses this information to adjust the plan accordingly and to ensure the housing programs target all segments of the community.

Staff will annually evaluate the results of the affirmative marketing activities and provide this information to the Department of Housing and Community Development HOME Program through an annual report. The City of Hanford will also use this information to make any necessary adjustments to the current Fair Housing/Affirmative Marketing Plan based on the results of the above evaluation.

HANFORD FAIR LENDING NOTICE

The City of Hanford provides a fair lending notice to all applicants that apply for financial assistance through the City to purchase, construct, rehabilitate, improve, and/or refinance their primary residence. The notice informs borrows/applicants that it is unlawful under the Housing Financial Discrimination Act of 1977 for a public agency to consider any of the following in determining whether or not, or under what terms and conditions, to provide or arrange for financial assistance:

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

- Neighborhood characteristics (such as the average age of the home or the income level in the neighborhood) to a limited extent necessary to avoid and unsafe and unsound business practice.
- Race, sex, color, religion, marital status, national origin, or ancestry.
- It is also unlawful to consider, in appraising a residence, the racial, ethnic, or religious composition of a particular neighborhood or whether or not such a composition is undergoing change or is expected to undergo change.

The fair lending notice is a document also utilized as a tool in the homebuyer education courses the City offers first-time homebuyers utilizing assistance program funding.

HANFORD FIRST-TIME HOMEBUYER WORKSHOP

On a regular basis, the City of Hanford Community Development Department offers first-time homebuyer education workshops that educate interested, qualified applicants about a variety of topics related to obtaining homeownership. The class material covers topics including, but not limited to, mortgage loans, credit, closing, insurance, budgeting, making payments, property maintenance, and neighborhood responsibility. Part of the class is dedicated to discussing predatory lending, equal and fair treatment, and other fair housing issues.

These classes are also offered to interested buyers through the local not-for-profit Self-Help Enterprises office.

IMPEDIMENTS AND ACTIONS TO ADDRESS

The purpose of this analysis is to determine the possible existence of impediments to housing choices based upon race, religion, sex, color, national origin, handicap (disability) or familial status, and, where identified, suggest necessary steps to reduce and/or eliminate such impediments. This section describes those impediments and the corresponding actions identified through the analysis.

The identified impediments are grouped into four broad categories: affordable housing, mortgage lending, fair housing enforcement and education, and governmental barriers. Within each category are one or more impediments followed by one or more actions the City of Hanford plans to undertake to address each impediment. It is important to note that the identification of an impediment does not necessarily identify a deficiency. By identifying the presence of an impediment, this analysis is stating the nature of a problem which the actions to address will serve to mitigate. These may be affirmative actions as much as responses to current conditions.

To facilitate reporting of accomplishments and the association of planned activities with impediments and actions to address, each impediment and action is identified by a number. Actions are labeled according to the impediment they address.

Please note that state law requires local jurisdictions in California to assess barriers to affordable housing as part of the General Plan Housing Element. Programs to address impediments to fair housing may be addressed through the implementation of the Housing Element.

AFFORDABLE HOUSING

The provision of affordable housing and the support of existing and new affordable housing is critical to assuring that all households have access to quality housing.

The City of Hanford has produced a diversity of housing types and has adequate land available to meet the projected housing needs of lower income households.

The City has housing affordability issues in both the ownership and rental sectors of the housing market. Even with declining home prices offering a median sales price of \$156,820, only a household earning a moderate income would be within reach of affording the median-priced home in Hanford. This means low-income households in Hanford will require assistance to achieve affordable homeownership.

Rental affordability is an issue for persons and families earning extremely-low and very-low household incomes. The average four-person household within these income categories would have to allocate more than 35 percent of their income to cover the average costs of a three-bedroom unit within the City of Hanford. Subsidized rental housing is needed to assure housing affordability.

1. IMPEDIMENT: Lack of sufficient affordable housing supply.

- 1.1. Action:** The City of Hanford will continue to provide assistance to preserve existing affordable housing and to create new affordable housing.
- 1.2. Action:** The City of Hanford will continue to offer regulatory relief and incentives for the development of affordable housing.
- 1.3. Action:** The City of Hanford will continue to assure the availability of adequate sites for the development of affordable housing.

2. IMPEDIMENT: Funding available for first-time homebuyer assistance is less than the demand for assistance.

- 2.1. Action:** The City of Hanford will continue to research and apply for private and public funding to support affordable homeownership programs.
- 2.2. Action:** The City of Hanford will continue to adapt the homebuyer program to match current market conditions thus assuring the most efficient use of available funding.

3. IMPEDIMENT: Need for rental subsidy programs for low- and moderate-income households.

- 3.1. Action:** Review and analyze the current program guidelines for opportunities to develop additional rental assistance programs or opportunities.

MORTGAGE LENDING

The analysis of home mortgage lending patterns revealed that persons reporting as Hispanic had a higher likelihood of not receiving requested mortgage credit. The analysis suggested that this might be due to poor preparation prior to application for credit.

The mortgage lending analysis also suggests that those who request mortgage credit to purchase homes in areas that have concentrations of lower income households and concentrations of minority households are less likely to receive that credit. The analysis suggests that this is related to factors associated with relative income and wealth (credit risk, debt to income, loan to value).

Two general strategies are suggested from the analysis; pre-purchase counseling for home buyers and the encouragement of lenders to reach out to under-represented populations. (The availability of appropriately priced housing is also linked to the ability to achieve appropriate loan-to-value and debt-to-income ratios. See *Affordable Housing* above.)

4. IMPEDIMENT: Differential origination and approval rates in the private lending market based on race, ethnicity and household income.

- 4.1. Action:** The City of Hanford will periodically monitor Home Mortgage Disclosure Act (HMDA) data and report significant trends in mortgage lending by race, ethnicity and household income.
- 4.2. Action:** When selecting lending institutions for contracts and participation in city homeownership/occupant assistance programs, the City of Hanford may prefer those with a Community Reinvestment Act (CRA) rating of "Outstanding." The City 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).
- 4.3. Action:** The City of Hanford will support home purchase programs targeted to households who wish to purchase homes in Census Tracts with loan origination rates under 50 percent according to the most recently published HMDA data.

5. IMPEDIMENT: Lower income and minority households appear to be less prepared for home purchase than the general population.

- 5.1. Action:** The City of Hanford will continue to offer and to support pre-purchase counseling and home buyer education programs.
- 5.2. Action:** The City of Hanford will continue to offer and to support home purchase programs targeted to lower income (low and very low), immigrant, and minority households.

FAIR HOUSING EDUCATION AND ENFORCEMENT

Promoting fair housing includes both education and enforcement. The City of Hanford will continue to support both education and enforcement efforts.

This analysis has indicated that housing discrimination is most prevalent in the rental housing industry. The reported incidence of unfair housing practices in the residential sales market is relatively low. This can be assumed to be the case because the level of professionalization in the sales industry is high and because parties tend to have professional representation. Enforcement efforts will be targeted to rental housing.

This analysis indicates that there is a primary need for education regarding fair and equal treatment to persons of different races/ethnicities and for persons with disabilities. Additional feedback and reports from local advocates support a secondary need for focused education and enforcement with regard to housing discrimination based on familial status and national origin.

6. IMPEDIMENT: Knowledge of fair housing rights is limited.

- 6.1. **Action:** The City of Hanford will continue to support efforts to educate tenants, and owners and agents of rental properties regarding their fair housing rights and responsibilities.
- 6.2. **Action:** The City of Hanford will continue to support local advocate agencies and community stakeholders in efforts to disseminate fair housing information to people within the community.

7. IMPEDIMENT: Information on the nature and basis of housing discrimination is limited.

- 7.1. **Action:** Monitor the incidence of housing discrimination complaints and report trends annually in the CAPER.
- 7.2. **Action:** Create an action item in the City's annual Action Plan that addresses those most commonly reported complaints from the previous year's CAPER.
- 7.3. **Action:** Work with local agencies to improve the collection and reporting of information on discrimination, particularly based on race, disability, familial status and national origin.

GOVERNMENT BARRIERS

Local government can play a critical role in the provision of a full range of housing types and to assuring the availability of housing suitable to all sectors of the public. The City of Hanford offers multiple housing affordability and assistance programs and implements several fair housing related policies. The City does not have a formally established fair housing policy. The City of Hanford is committed to working with community stakeholders and local advocacy partners to create a comprehensive fair housing policy and to implement corresponding fair housing procedures.

8. IMPEDIMENT: Current policies and procedures regarding fair housing issues and circumstances of discrimination or unfair treatment need to be formalized and documented.

- 8.1. **Action:** The City will collaborate with local fair housing agencies and other community stakeholders to discuss and analyze the current conditions of Hanford's fair housing environment.
- 8.2. **Action:** The City of Hanford will adopt formal policies and procedures regarding the fostering of equal treatment for all protected classes when it comes to housing conditions with the community.

9. IMPEDIMENT: Need for public transportation serving low-income and special needs populations.

9.1. Action: The City of Hanford will continue to work with regional public transit providers to identify any opportunities to improve public transit serving low-income households and special needs populations (including elderly and persons with disabilities). Special attention will be paid to the transit needs of areas where housing affordable to low-income households and special needs populations is located.

