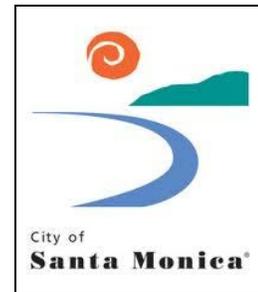




ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



CITY OF SANTA MONICA
Housing and Economic
Development Department



CITY OF SANTA MONICA

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

24 CFR §570.601(a)(2)
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CITY OF SANTA MONICA

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EXECUTIVE SUMMARY

A. WHAT IS THE AI?

The Analysis of Impediments to Fair Housing Choice, or “AI” for short, is a component of the fair housing requirement of the Consolidated Plan and Community Development Block Grant (CDBG) Regulations. As part of the Consolidated Plan, federal grantees such as Santa Monica must submit a certification which requires them to undertake Fair Housing Planning through:

- Completion of an Analysis of Impediments to Fair Housing Choice (AI)
- Actions to eliminate identified impediments
- Maintenance of fair housing records

The AI reviews both public and private sector regulations, conditions or other possible obstacles that may impact access to fair housing choice, and involves:

- A comprehensive review of Santa Monica's laws, regulations, and administrative policies, procedures, and practices;
- An assessment of how those laws affect the location, availability, and accessibility of housing; and
- An assessment of conditions, both public and private, affecting fair housing choice.

Based on this assessment, the AI establishes an action plan to address identified fair housing impediments.

B. DEFINING FAIR HOUSING

HUD defines fair housing as follows:

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

HUD draws an important distinction between household income, housing affordability and fair housing. Economic factors that impact housing choice are not fair housing issues per se. Only when the relationship between household income combined with other factors - such as household type or race/ethnicity - create misconceptions and biases do they become a fair housing issue.



Tenant/landlord disputes are also not typically fair housing issues, generally resulting from inadequate understanding by the parties on their rights and responsibilities. Such disputes only become fair housing issues when they are based on factors protected by fair housing laws and result in differential treatment.

The purpose of this report is to identify impediments to fair and equal housing opportunities. HUD's *Fair Housing Planning Guide* defines an impediment as follows:

- *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 promote equal housing opportunity, a community must work to remove impediments to fair housing choice.

C. COMMUNITY PARTICIPATION

Input from public and private agencies has played an invaluable role in providing insight into fair housing issues in Santa Monica during development of the AI. To ensure the AI responds to community concerns, an outreach program was conducted consisting of the following:

- A consultation workshop with affordable housing providers, agencies representing special needs populations, the real estate community and key City Departments
- Presentations before the following City Commissions and solicitation of Commissioner input:
 - Commission for the Senior Community
 - Housing Commission
 - Disabilities Commission
 - Commission on the Status of Women
 - Social Services Commission
- Interviews with key service providers and housing industry representatives
- Interviews with five most active mortgage lenders in Santa Monica



D. SUMMARY OF REPORT CONCLUSIONS/FINDINGS

The following summarizes the key findings from the AI:

1. Community Profile

- While Santa Monica's population remains predominately White (70% in 2010), different racial and ethnic groups evidence areas of concentration, defined as census block groups which exceed the countywide average of a particular group.
 - ✓ A small area of **Hispanic concentration** is located between Pico and the 10 freeway
 - ✓ **African American concentrations** are present along the Olympic corridor from 23rd street to Pacific Coast Highway.
 - ✓ **Concentrations of Asian households** exist in several census block groups located north and west of the Santa Monica Airport.
- An estimated 760 Spanish speaking households and 750 Asian speaking households in Santa Monica are **linguistically isolated**. Such households are defined as ones in which all members over the age of 14 have some difficulty in speaking or understanding the English language. Language barriers may prevent these residents from accessing services, information and housing, as well as impacting educational attainment and employment.
- An estimated 16 percent of Santa Monica's population has some type of **disability**, encompassing physical, mental and developmental disabilities. The living arrangements for persons with disabilities depends on the severity of the condition, and ranges from independent living to specialized care environments (group housing). Without an inventory of accessible units, it is often difficult for disabled individuals and organizations to locate suitable housing in the community.
- **Senior citizens** comprise 20 percent of Santa Monica's households. 60 percent of the City's senior households live alone, 58 percent are renters, and 40 percent of seniors have a disability. Seniors face housing needs related to housing maintenance, accessibility, and cost. Many elderly are on limited, fixed incomes and are particularly vulnerable to rent increases and other changes in living expenses.
- While Hispanics, African-Americans, persons with disabilities and seniors are all well represented in SMHA rental assistance programs, **Asians are underrepresented** relative to their presence in the community. With 1,400 households receiving rental assistance vouchers, approximately 18 percent of Santa Monica's eligible renter population is served by rental assistance vouchers, compared with just two percent of the eligible Asian renter population..
- Since 1999 when Costa-Hawkins allowed vacancy decontrol of rent controlled units, 61 percent of Santa Monica's 28,000 units subject to Rent Control have undergone tenant turnover and re-rented at market rate. **Rents on decontrolled-**



recontrolled units are roughly double that of long-term controlled units, and are well above the level affordable to even moderate income (120% AMI) households.

- Nearly 200 units in Santa Monica are in various states of **foreclosure** (July 2012), and with adjusting mortgage interest rates and a slow economic recovery, the level of foreclosure activity is projected to remain significant. However, new foreclosure filings in Santa Monica are well below the ratio evidenced in other Westside communities relative each jurisdiction's total housing stock,
- An over-concentration of **residential care facilities** can be a fair housing concern if that over-concentration is limited to a certain area of the City. Residential care facilities are generally dispersed throughout Santa Monica, providing these types of supportive housing services in most areas of the community.
- Santa Monica is very well served by **public transit** provided by the Big Blue and Mini Blue bus lines. Major employers, community facilities, and assisted housing are located within close proximity to transit routes.

2. Fair Housing Profile

- The Consumer Protection Unit within the City Attorney's Office, the Rent Control Board, the Beverly Hills/Greater Los Angeles Association of Realtors, and the Apartment Association of Greater Los Angeles conduct extensive **fair housing education and outreach**. As the Consumer Protection Unit reports that small property managers/owners are generally the major violators of fair housing laws, targeted outreach to this group remains critical.
- Due to their specific housing needs, **persons with disabilities** are vulnerable to discrimination by landlords who many not understand the reasonable accommodation protections contained in the Federal Fair Housing Act. Given the continued prevalence of discrimination complaints from disabled households, there is a continued need to educate landlords on reasonable accommodation.
- The race-based **rental housing audit** confirmed differential treatment to African Americans in one of four tests. An additional audit is being conducted to test differential treatment to families with children. The City will tailor its fair housing education program to address the results of the audits and any identified patterns of discrimination.

3. Review of Potential Impediments

Public Sector Impediments

- While the City provides for **senior housing** in all its multi-family and most commercial zones, the age threshold for senior housing is identified as 60 years or older in the Zoning Code. In contrast, the Fair Housing Act and Unruh Civil



Rights Act establish a threshold of 62 years of age for senior housing to be exempt from familial status protections, or 55 years of age in a senior citizen housing development (35+ dwelling units).

- The City does not currently have written procedures in place to allow for deviations from development standards, building codes, or permit procedures to provide a **reasonable accommodation** for persons with disabilities.
- The Zoning Code does not contain a **definition of disability**, although specific disabilities are mentioned as part of a use definition, such as “terminally ill (hospice definition) and chronic illness/infirmary (nursing home definition). Under the Fair Housing Act, persons with disabilities (or handicaps) are defined as “individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment.”
- With the **dissolution of the Redevelopment Agency**, redevelopment funds will no longer be available to support Santa Monica’s affordable housing activities, impeding the City’s efforts to expand housing choice among lower and moderate income households.
- Rent Control Board staff recognize that **Hispanic households are underrepresented** in the Rent Control program: the 2006 Santa Monica Tenant Survey identifies 6.3% of rent-controlled households as Hispanic, whereas the 2010 Census indicates Hispanic householders comprise 10.8% of the City’s renter households. In an effort to increase participation, the Rent Control Board has established a Spanish website and conducted targeted outreach to the Hispanic community.
- The **Section 8 payment standard** in Santa Monica is well below market rent levels, and as a consequence some landlords are not willing to accept the lower rents associated with Section 8 tenants. This has led to heightened competition for available Section 8 rentals and a longer time period for voucher holders to secure Section 8 units.

Private Sector Impediments

- While Santa Monica residents have good **access to financing** for home mortgage, refinance and home improvement loans, lower cost government-backed FHA loans continue to comprise a very small proportion of mortgage loan applications (5% FHA loans in Santa Monica in 2010, compared to 40% countywide).
- **Hispanic applicants** for mortgage and refinance loans evidenced a loan denial rate of 31% in Santa Monica, 10% above other racial groups in the City and 6% above Hispanics countywide.



- Review of **loan status by census tract** over the past five years identifies several areas with loan denial rates of five percent or above Citywide averages. Census tracts 7018.01, 7018.02, 7017.01 and 7014.02 all exhibit recent trends of higher than average loan denials and are characterized by high minority and/or low/mod populations.
- The issue of **subprime/high cost loans** in Santa Monica is fairly non-existent. None of the home purchase loans made in 200 were high cost loans, and just two of the 1,525 refinance loans met the “high cost” threshold.
- Similar to most communities, **home improvement loans** in Santa Monica had a relatively high loan denial rate (33%). Coordination with local lenders to direct loan applicants to the City’s rehabilitation programs could assist eligible households in making needed home improvements.
- **Predatory mortgage lending** refers to the practice of making high-cost home loans to borrowers without regard to the borrower’s ability to repay the loan. As predatory lending has increased, both the federal government and State of California, among others, have enacted regulations in an effort to curtail predatory practices. The City of Santa Monica supports these actions to help low income and minority borrowers to avoid the pitfalls of predatory lending.
- An area of lending currently subject to abuse is **loan modifications** for homeowners at-risk of foreclosure. The Housing Rights Center (HRC) – the largest fair housing provider in the county - reports a high volume of its calls are from homeowners reporting “mortgage rescue fraud,” having paid hundreds and even thousands of dollars to consultants who are often ineffective for a service provided free of charge through HUD-certified mortgage counseling agencies.
- Another area of concern is the plight of existing **tenants in properties undergoing foreclosure**. While Federal legislation now provides tenants the right to remain in their homes for 90 days after foreclosure, HRC reports that some realtors representing the lenders in bank-owned properties are not sufficiently well versed on tenant’s rights.
- Despite the City’s repeated urging, the *Santa Monica Daily Press* and the *Santa Monica Mirror* do not currently publish a **fair housing disclaimer** in their classified sections. Neither the LA Times or these two local newspapers include any type of disclaimer regarding exceptions to **no pet policies** in units advertised for rent for disabled persons requiring a service or companion animal.



E. RECOMMENDED ACTIONS TO ADDRESS IMPEDIMENTS

The following actions are recommended to further fair housing choice in Santa Monica, and are primarily implemented by the Consumer Protection Unit within the City Attorney's Office.

1. Education and Outreach Activities

Action 1.1: Continue the proactive fair housing outreach to Santa Monica residents, apartment owners/managers and realtors conducted through the Consumer Protection Unit. Continue co-sponsorship of fair housing workshops with the Apartment Association of Greater Los Angeles, the Beverly Hills/Greater Los Angeles Association of Realtors, the Housing Rights Center and other community partners to maximize the effectiveness of fair housing education and outreach.

Action 1.2: Conduct focused outreach and education to small property owners/landlords on fair housing, and familial status and reasonable accommodation issues in particular. Conduct property manager workshops within Santa Monica on an annual basis, targeting managers of smaller properties and Section 8 landlords, and promote fair housing certification training offered through HRC.

Action 1.3: Coordinate with the Rent Control Board's outreach to tenants and landlords to incorporate information on fair housing.

Action 1.4: Conduct targeted outreach to Hispanic households to solicit participation in the Rent Control Program. Re-evaluate and expand previous outreach techniques with the goal of gaining greater involvement.

Action 1.5: Further evaluate the under-representation of Asian households in SMHA Rental Assistance Voucher Programs. As warranted, conduct targeted outreach as defined in the Administrative Plan.

Action 1.6: Designate a staff disability coordinator at City Hall to assist disabled residents in reasonable accommodation, locating accessible units, accessibility grants, etc.

2. Enforcement Activities

Action 2.1: Continue to provide investigation and response to allegations of illegal housing discrimination through the Consumer Protection Unit. For cases which cannot be conciliated, refer to the Department of Fair Housing and Employment (DFEH), U.S. Department of Housing and Urban Development (HUD), small claims court, or to a private attorney, as warranted.

Action 2.2: On an annual basis, review discrimination complaints to assess Santa Monica trends and patterns over time, and tailor fair housing education and outreach accordingly.



Action 2.3: Continue to enforce (and make the public aware) of the City's anti-housing discrimination policies in the Municipal Code (Chapter 4.28, Families with Children; Chapter 4.40, Sexual Orientation or Domestic Partnership; and Chapter 4.52, Persons Living with AIDS).

Action 2.4: Continue to enforce and promote Santa Monica's just cause eviction and tenant harassment laws which offer protections to tenants in buildings regardless of rent control status.

Action 2.5: Continue to offer counsel to tenants and landlords regarding rights and responsibilities under State and City codes through the Consumer Protection Unit, and mediate disputes arising from rent control law through the Rent Control Board. Provide referrals to The Center for Civic Mediation, Legal Aid and other agencies for issues outside the City's purview.

Action 2.6: Coordinate review of hate crime data on an annual basis between the Santa Monica Police Department and City Attorney's Office, and evaluate as a potential fair housing issue. When appropriate, refer victims to the County Hate Crime Victim Assistance & Advocacy Initiative.

3. Monitoring Lending, Housing Providers, and Local Real Estate Practices

Action 3.1: Coordinate with the Beverly Hills/Greater Los Angeles Association of Realtors in conducting outreach on predatory mortgage lending practices, loan modification scams, and the rights of tenants in foreclosed properties. Disseminate a Fact Sheet via the City's website and in public locations throughout the community.

Action 3.2: Monitor mortgage loan denial rates among Hispanic households and in census tracts with higher than average loan denials and high minority and/or low/mod populations (tracts 7018.01, 7018.02, 7017.01 and 7014.02) through annual review of Home Mortgage Disclosure Act (HMDA) data. Contact the City's major mortgage lenders to discuss the City's concerns.

Action 3.3: Follow-up with Santa Monica's major mortgage lenders to discuss opportunities for expanded marketing of:

- ✓ Lower cost, government-backed mortgage products
- ✓ Available first-time homebuyer education and loan products
- ✓ Foreclosure prevention programs
- ✓ Transfer of REOs to non-profits for affordable housing

Action 3.4: Contact local lenders to request they direct applicants ineligible for privately financed home improvement loans to the City's rehabilitation loan program.

Action 3.5: Continue to encourage the Santa Monica Mirror and Santa Monica Daily Press to publish a fair housing disclaimer with reference to City fair housing services, and encourage these newspapers, as well as the LA Times, to publish a "no pets" disclaimer.



Action 3.6: Continue to include non-discriminatory and fair housing language in all City affordable housing contracts and agreements. Enforce the Affirmative Marketing Policies that are required as part of HOME-assisted rental developments.

4. Investigative Testing and Auditing Local Real Estate Markets

Action 4.1: Conduct rental audits and/or testing to evaluate apparent patterns of discrimination related to race, familial status and disability. To the extent such audits reveal significant discrimination, widely publicize the results and require remediation to serve as a deterrent to other property owners and landlords.

5. Land Use Policies to Affirmatively Further Fair Housing

Action 5.1: Amend the current 60 year age threshold for senior housing in the Zoning Code to be consistent with those in the Fair Housing Act and Unruh Civil Rights Act. These Acts reference a 62 year age threshold, or 55 year threshold in a senior citizen housing development (35+ dwelling units) for allowing a senior housing exemption to the law's familial status requirements.

Action 5.2: Incorporate the following definition of "disability" within the Zoning Code consistent with the Fair Housing Act: "individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment."

Action 5.3: Develop and adopt reasonable accommodation procedures to facilitate accessibility improvement requests through modifications in zoning (including use permissions and development standards), building codes, and permit processing procedures.

Action 5.4: Develop an inventory of publicly-assisted accessible units in Santa Monica and make available on the City's website for use by interested parties. Encourage apartment owners utilizing the Rent Control Board's Apartment Listing Service to identify accessible units.

6. Increasing Geographic Choice in Housing

Action 6.1: Continue to provide financial and regulatory incentives to facilitate the provision of affordable housing throughout the community, particularly in locations near transit and services that promote walkability. Provide affordable and accessible housing to special needs populations, including the disabled, seniors and persons at-risk of homelessness.

Action 6.2: Support the integration of affordable units within market rate projects through implementation of the Affordable Housing Production (inclusionary) Program.

Action 6.3: Pursue alternative funding sources for affordable housing activities previously funded through the Santa Monica Redevelopment Agency, including

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replacement funding for the 70 families assisted under the former Redevelopment Agency's Rental Assistance Program.

Action 6.4: If eligible, apply to HUD for an increase in the Section 8 payment standard to provide greater parity with market rents. Evaluate adoption of an ordinance prohibiting discrimination against Section 8 voucher holders.



I. INTRODUCTION

A. PURPOSE OF THE REPORT

The U.S. Department of Housing and Urban Development (HUD) is committed to eliminating racial and ethnic segregation and other discriminatory practices in housing, and will use all the programmatic and enforcement tools available to achieve this goal. The fundamental goal of the Department's fair housing policy is to make housing choice a reality through Fair Housing Planning (FHP).

As part of the Consolidated Plan, and pursuant to federal regulations (24 CFR §570.601(a)(2) and 24 CFR 91.225(a)) grantees such as Santa Monica must submit a certification which requires them to undertake fair housing planning through:

- Completion of an Analysis of Impediments to Fair Housing Choice (AI)
- Actions to eliminate identified impediments
- Maintenance of fair housing records

This report constitutes the Analysis of Impediments to Fair Housing Choice (AI) for the City of Santa Monica. The AI is a review of impediments to fair housing choice in the public and private sectors, and involves:

- A comprehensive review of Santa Monica's laws, regulations, and administrative policies, procedures, and practices;
- An assessment of how those laws affect the location, availability, and accessibility of housing; and
- An assessment of conditions, both public and private, affecting fair housing choice.

The scope of analysis and the format used for this AI adhere to recommendations contained in the 1998 *Fair Housing Planning Guide* developed by the U.S. Department of Housing and Urban Development (HUD).

B. DEFINING FAIR HOUSING

HUD defines fair housing as follows:

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

HUD draws an important distinction between household income, housing affordability and fair housing. Economic factors that impact housing choice are not fair housing issues per se. Only when the relationship between household income combined with other factors -



such as household type or race/ethnicity - create misconceptions and biases do they become a fair housing issue.

Tenant/landlord disputes are also not typically fair housing issues, generally resulting from inadequate understanding by the parties on their rights and responsibilities. Such disputes only become fair housing issues when they are based on factors protected by fair housing laws and result in differential treatment.

The purpose of this report is to identify impediments to fair and equal housing opportunities. HUD's *Fair Housing Planning Guide* defines an impediment as follows:

- *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 promote equal housing opportunity, a community must work to remove impediments to fair housing choice.

C. ORGANIZATION OF REPORT

The Santa Monica AI contains the following five chapters:

I. Introduction. This chapter defines “fair housing” and explains the purpose of the report.

II. Community Profile. This chapter presents the demographic, housing, and income characteristics of Santa Monica residents. An analysis of accessibility of transit to community facilities and major employment centers is also included. The purpose of this section is to provide a broad overview and understanding of the community so that housing needs are clearly defined.

III. Current Fair Housing Profile. This chapter evaluates the fair housing and tenant/landlord services available to residents and identifies fair housing complaints and discrimination issues in Santa Monica. A summary is provided of public comments received from the City's community outreach efforts.

IV. Review of Potential Impediments. This chapter begins with an analysis of public policies that may impede fair housing choice, such as zoning regulations, building and accessibility codes, and representation on City Commissions. The chapter then goes on to evaluate potential private sector impediments, including an in-depth analysis of mortgage lending activity and the specific fair lending related activities of the City's top 5 mortgage lenders.



V. Findings and Recommendations. This chapter summarizes the major findings from the prior sections and provides recommended actions to further fair housing in Santa Monica. A review of the City's actions to address impediments identified in the prior 2007/08 AI is also provided.

A summary matrix of the AIs actions is included in Appendix D, and constitutes the City's 2012-2016 Fair Housing Action Plan. This matrix can be used as part of Santa Monica's annual reporting to HUD in its Consolidated Annual Performance Report (CAPER).

D. DATA SOURCES

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

- 1990, 2000 and 2010 U.S. Census
- 2006-2010 American Community Survey 5-Year Estimates
- 2008-2013 Santa Monica Consolidated Plan
- 2008-2014 Santa Monica Housing Element
- City of Santa Monica Municipal Code
- 2000 HUD Comprehensive Housing Affordability Strategy (CHAS) Databook
- Dataquick housing sales activity data, 2011
- Santa Monica Housing Authority, Rental Assistance Voucher data
- Santa Monica Housing Authority, Administrative Plan 2011
- Rent Control Annual Report
- Impact of Market Rate Vacancy Increases, 12th Year Report
- State Dept. of Social Services, Community Care Licensing, 2011
- Santa Monica Consumer Protection Unit, Discrimination Case data
- Home Mortgage Disclosure Act (HMDA) data on lending patterns in 2010

E. COMMUNITY PARTICIPATION

Input from public and private agencies has played an invaluable role in providing insight into fair housing issues in Santa Monica during development of the AI.

A consultation workshop was conducted with affordable housing providers, agencies representing special needs populations, the real estate community and key City Departments to discuss potential impediments to fair housing, and to brainstorm potential strategies for the City and its community partners to address. Approximately 20 agencies and City Departments were invited, with the following in attendance:

Agencies

CLARE Foundation
Community Corporation of Santa Monica
Ocean Park Community Corporation
Realtor, Rent Control Board
St. Joseph Center
Westside Center for Independent Living
Westside Regional Center

City Departments

City Attny's Office, Consumer Protection Unit
Housing Division
Santa Monica Housing Authority
Rent Control Department
Human Services Division



In addition to the workshop, the Housing Division and AI consultant met with the following City Commissions to discuss fair housing issues:

- Commission for the Senior Community
- Housing Commission
- Disabilities Commission
- Commission on the Status of Women
- Social Services Commission

A summary of the comments received at the consultation workshop and commission meetings is included in Section III.C of this report.

The Draft AI will be made available for public review for a period of 30 days, from August 22 to September 20, 2012, and is available on the City's website, at City Hall and at the Housing Division offices. The Housing Commission will conduct a public meeting on September 20th to discuss the AI, followed by a public hearing before the City Council in November, providing residents and other interested parties a final opportunity to comment on the AI prior to adoption.

F. PREPARERS OF THE REPORT

This report has been prepared through a collaborative effort between Santa Monica Housing Division staff, staff from the Consumer Protection Unit of the City Attorney's Office, and Karen Warner Associates, Inc. under contract to the City of Santa Monica.



II. COMMUNITY PROFILE

Section II provides background information on demographics, housing, employment, community facilities, and transportation services in Santa Monica. All of these factors can affect housing choice and the type of fair housing issues a community may encounter.

A. DEMOGRAPHIC PROFILE

Demographic changes, such as rapid population growth or changes in the racial/ethnic composition of a community may affect a household's access to housing or raise fair housing concerns. Thus, this section of the AI provides an overview of the population, including the age, race and ethnic characteristics of Santa Monica residents.

1. Population Trends

Located on the Pacific Ocean, Santa Monica is one of the most densely populated urban areas in California. Consisting of 8.3 square miles, the city has grown from a population of 1,580 in 1890 to a population of 89,736 as of the 2010 Census.

Table II-1 presents population growth trends since 1980 for Santa Monica, and compares this growth to other Westside jurisdictions and the City and County of Los Angeles. For each decade between 1980 and 2000, Santa Monica experienced a slight decrease in its population. The smaller comparison cities also had low or negative growth rates between 1980 and 2000, with the exception of Beverly Hills which evidenced a 5.7 percent increase in population during the 1990's. However, since 2000, Santa Monica has experienced an increase of 5,652 people or 6.7 percent. This is a higher percentage than the smaller comparison cities as well as both the City and County of Los Angeles during that same period of time. Most of Santa Monica's growth has occurred as lower-density land uses have been recycled to higher-density uses, as well as significant residential development in its commercial zones.

Table II-1: Regional Population Growth Trends

Jurisdiction	1980	1990	2000	2010	Percent Change		
					1980-1990	1990-2000	2000-2010
Santa Monica	88,314	86,905	84,084	89,736	-1.6%	-3.2%	6.7%
Beverly Hills	32,367	31,971	33,784	34,109	-1.2%	5.7%	1.0%
Culver City	38,139	38,793	38,816	38,883	1.7%	0.1%	0.2%
West Hollywood*	*	36,118	35,716	34,399	n/a	-1.1%	-3.7%
Los Angeles City	2,966,850	3,485,398	3,694,820	3,792,621	17.5%	6.0%	2.6%
Los Angeles County	7,477,503	8,863,164	9,519,338	9,818,605	18.5%	7.4%	3.1%

Source: U.S. Census 1980, 1990, 2000 and 2010

*West Hollywood did not become an incorporated City until 1984.



2. Age Characteristics

Santa Monica's housing needs are determined largely by the age characteristics of residents. For instance, each age group has distinct lifestyles, family type and size, income levels, and housing preferences. As people move through each stage, their housing need and preferences also change. As a result, evaluating the age characteristics of a community is an important factor in addressing housing needs of residents.

Table II-2 illustrates the age characteristics of residents in 1990, 2000 and 2010. Between 1990-2010, most age groups in Santa Monica remained fairly consistent in both number and percentage of total population with the exception of Young Adults and Middle Age.

Like many communities nationwide, Santa Monica's population is growing older, as evidenced by a continued increase in the median age from 37.9 years (1990) to 39.3 years (2000) to 40.4 years (2010). Over the past two decades, the Young Adults age group experienced a significant decline of 4,623 persons or 12 per cent; while the Middle Age group experienced a significant increase of 7,582 persons or 44 percent. Middle-aged adults typically prefer larger homes as they form families and raise children. Seniors typically live in single-family homes, but may begin to require more supportive housing options as they age and become more frail. Senior citizens can be expected to continue to comprise a growing segment of Santa Monica's population as the City's middle age "baby boomers" (45 to 64) age in place. This anticipated shift in the age demographic could lead to less pressure on the housing market for larger homes and greater need for smaller, more affordable rental and ownership housing.

Table II-2: Age Characteristics and Trends

Age Group	1990		2000		2010		1990-2010 Change	
	Persons	%	Persons	%	Persons	%	Persons	%
Preschool (<5 yrs)	4,048	5%	3,448	4%	3,696	4%	-352	-9%
School Age (5-17 yrs)	7,929	9%	8,866	11%	8,884	10%	955	12%
College Age (18-24 yrs)	6,238	7%	5,114	6%	6,442	7%	204	3%
Young Adults (25-44 yrs)	37,175	43%	33,704	40%	32,552	36%	-4,623	-12%
Middle Age (45-64 yrs)	17,164	20%	20,874	25%	24,746	28%	7,582	44%
Seniors (65+ years)	14,351	16%	12,078	14%	13,416	15%	-935	-7%
TOTAL	86,905	100%	84,084	100%	89,736	100%	2,831	3%
MEDIAN AGE	37.9 years		39.3 years		40.4 years			

Source: U.S. Census 1990, 2000 and 2010.



3. Race and Ethnicity

A person’s racial or ethnic background can, in some cases, affect his or her ability to find housing, obtain home financing, or have unrestricted access to the housing of their choice. Table II-3 illustrates the relative stability of Santa Monica’s racial and ethnic population.

The 2010 Census documents that White persons continue to make up the majority of Santa Monica’s population, comprising approximately 70 percent of City residents in comparison to just 28 percent Countywide. Over the most recent decade, only the Asian/Pacific Islander racial/ethnic category showed a significant increase in both actual number (2,033 persons) and proportion (from 7% to 9%). Though the White population increased by 2,435 persons during this same period, the percentage of Whites to the total population declined from 72 to 70 percent. Similarly, the Hispanic population increased by 412 persons, remaining at 13 percent and the African American population increased by 283 persons maintaining four percent of the population.

Table II-3: Racial and Ethnic Composition

Racial/Ethnic Group	1990		2000		2010		LA Co. %
	Persons	Percent	Persons	Percent	Persons	Percent	
White	65,337	75%	60,482	72%	62,917	70%	28%
Asian/Pacific Islander	5,364	6%	6,043	7%	8,076	9%	14%
Hispanic	11,842	14%	11,304	13%	11,716	13%	48%
African American	3,842	4%	3,081	4%	3,364	4%	8%
Other Race	532	<1%	590	<1%	489	<1%	<1%
Two or more races	n.a.	n.a.	2,584	3%	3,174	4%	2%
TOTAL	86,905	100%	84,084	100%	89,736	100%	100%

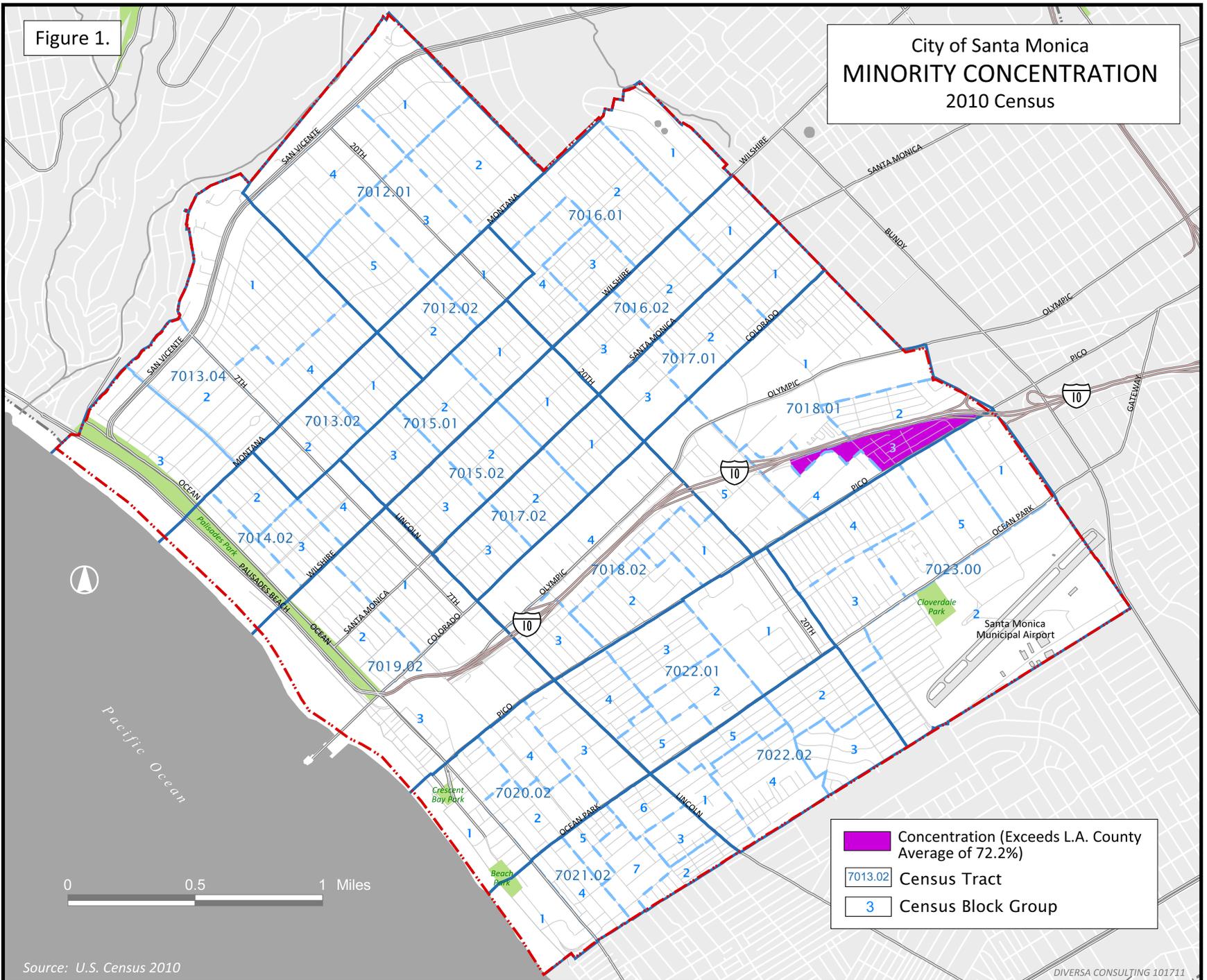
Source: Bureau of the Census (1990, 2000, 2010).

Given the relatively low percentages of minority population in Santa Monica, it is appropriate to look at minority residents as an aggregate. Overall, the non-White “minority” population represented 27 percent of Santa Monica’s total population in 2010. For purposes of this report, a minority “concentration” is defined as a census tract which exceeds the countywide average of minorities, measured at 72.2 percent in the 2010 census. Figure 1 displays Santa Monica’s one block group in census tract 7018.01, located south of the 10 Freeway, north of Pico, which had a concentration of minorities higher than the countywide average.

Figure 2 shows the one area of concentration of the City’s Hispanic population, exceeding the countywide average of 47.7 percent. The concentration of the Hispanic population coincides with the area of minority concentration displayed in Figure 1. The concentration of Santa Monica’s African-American population, exceeding the countywide average of 8.7 percent, is displayed in Figure 3. These block groups are primarily located along the 10 Freeway and Olympic corridor, to the Pacific Ocean. The Asian population also demonstrated some concentration, exceeding the countywide average of 13.7 percent, in certain block groups, as shown in Figure 4. These block groups were generally located south of the 10 Freeway, near Pico and south to Ocean Park.

Figure 1.

City of Santa Monica MINORITY CONCENTRATION 2010 Census



Concentration (Exceeds L.A. County Average of 72.2%)

7013.02 Census Tract

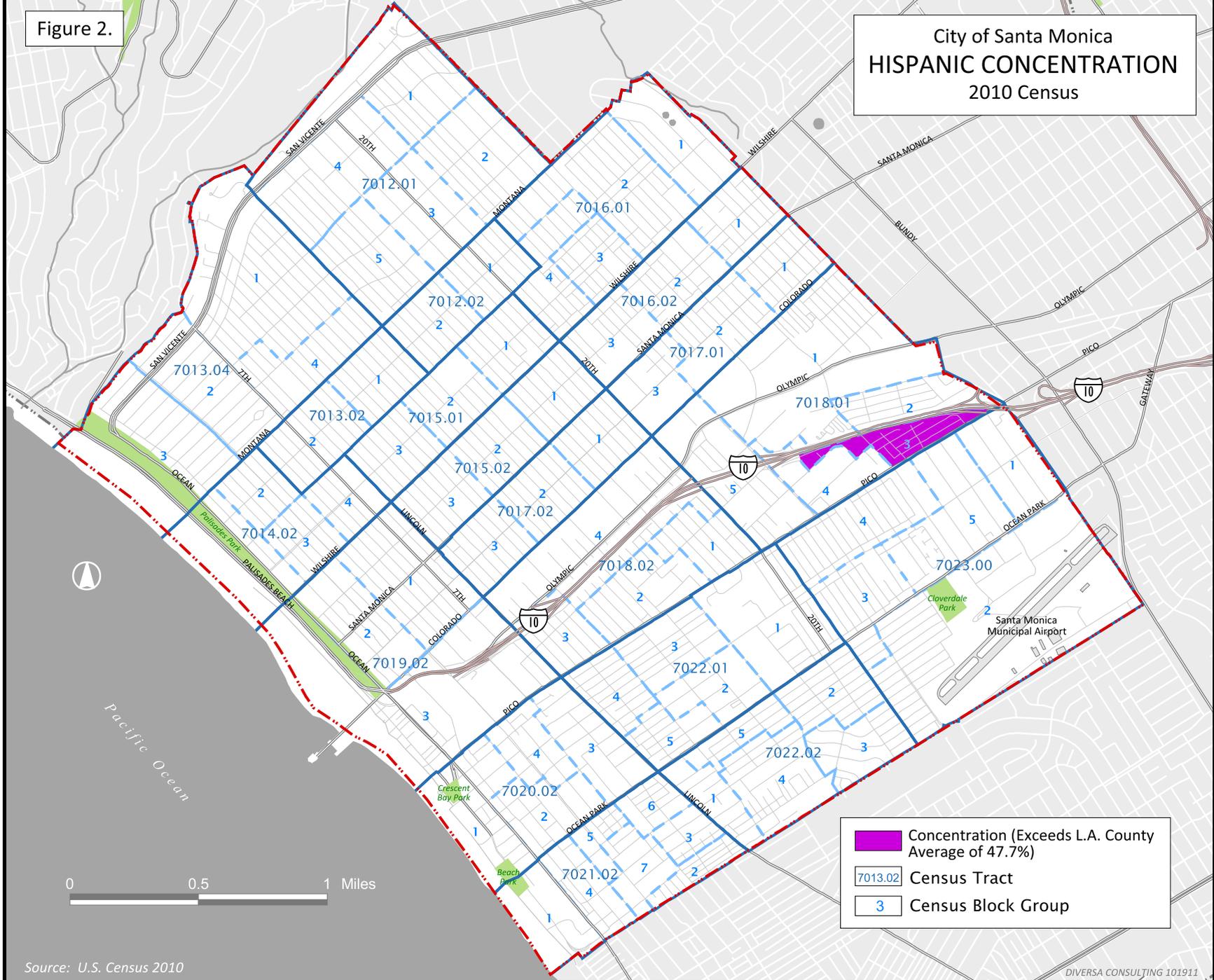
3 Census Block Group

0 0.5 1 Miles

Source: U.S. Census 2010

Figure 2.

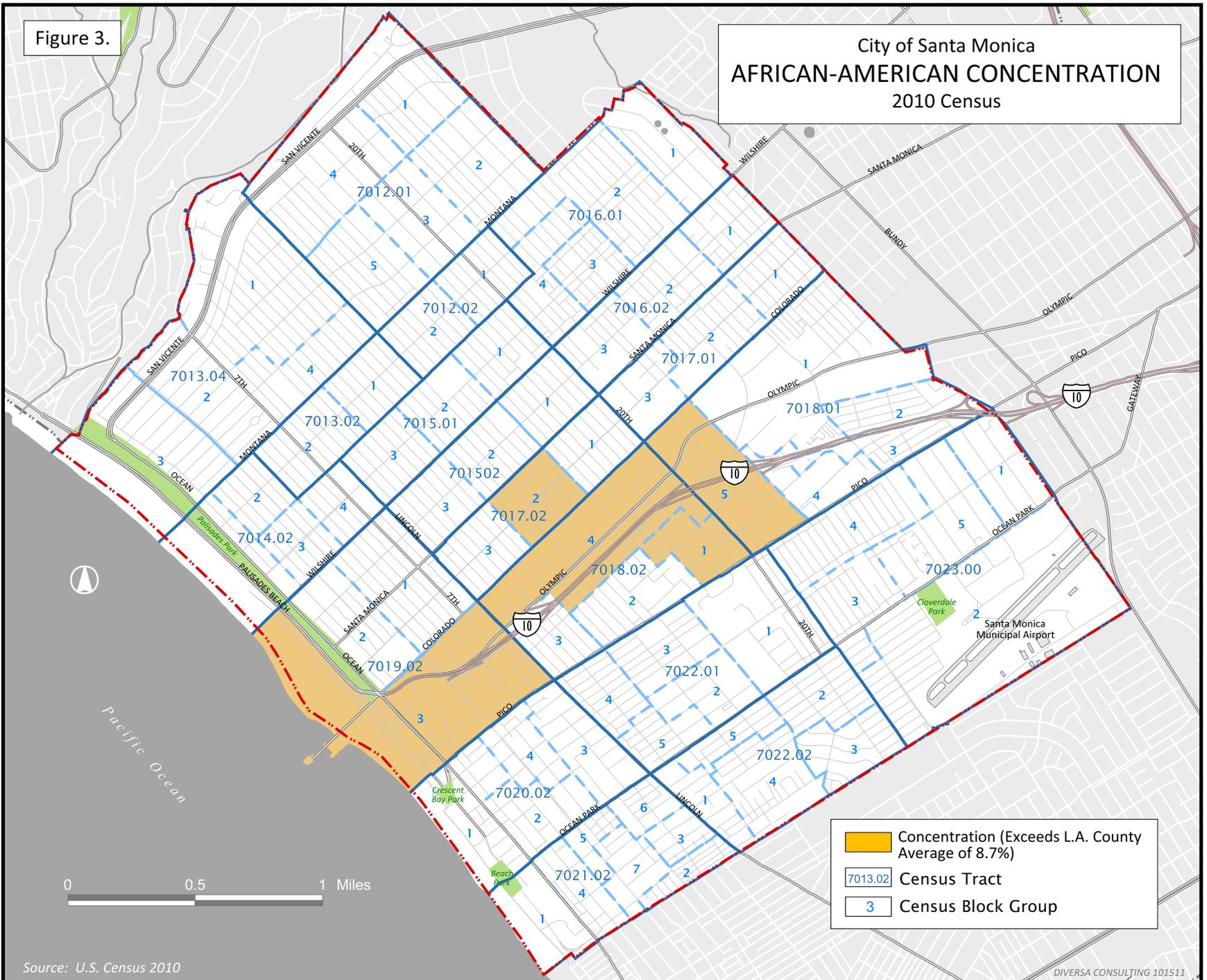
City of Santa Monica HISPANIC CONCENTRATION 2010 Census



Source: U.S. Census 2010

Figure 3.

City of Santa Monica AFRICAN-AMERICAN CONCENTRATION 2010 Census



Concentration (Exceeds L.A. County Average of 8.7%)

7013.02 Census Tract

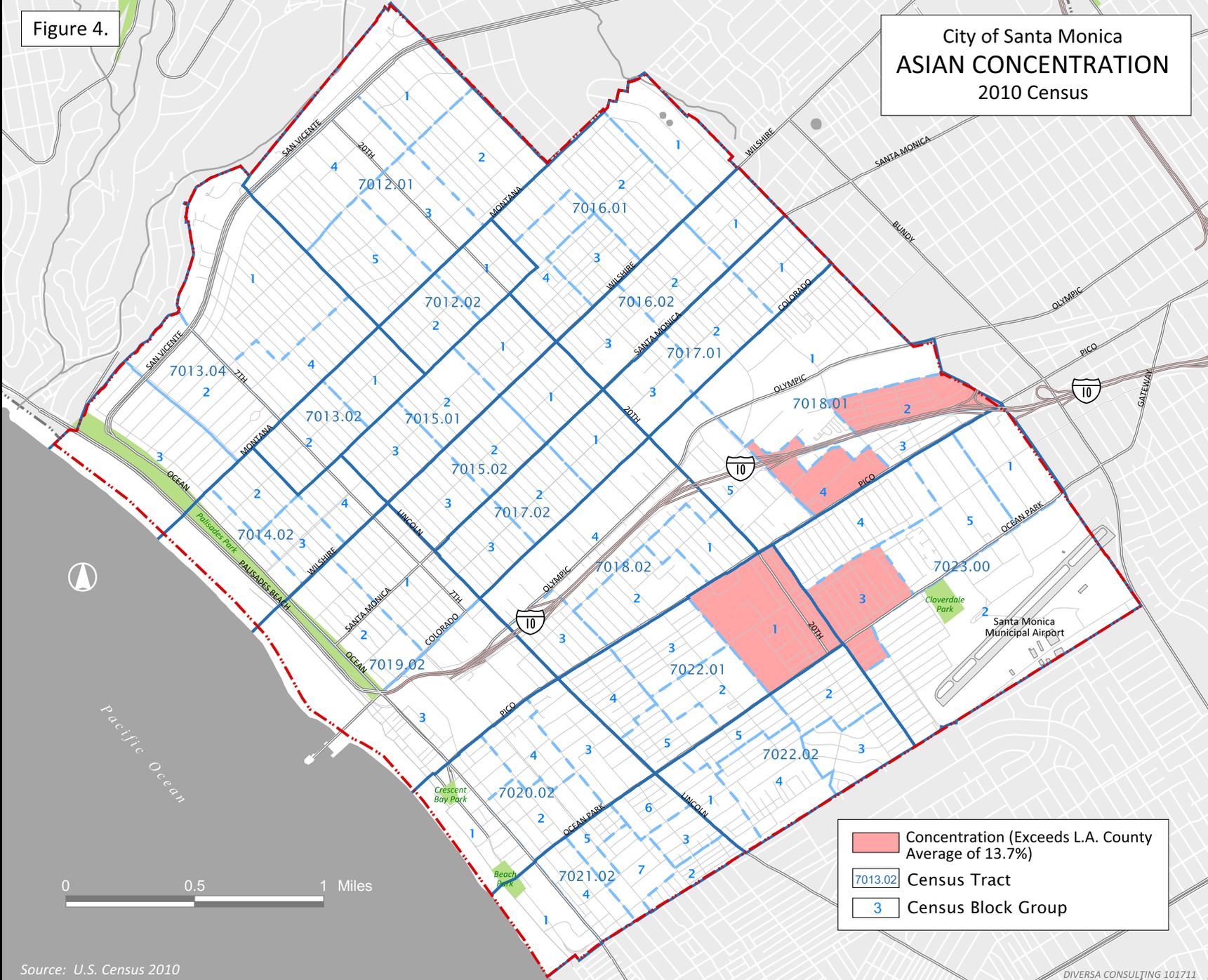
3 Census Block Group

0 0.5 1 Miles

Source: U.S. Census 2010

Figure 4.

City of Santa Monica ASIAN CONCENTRATION 2010 Census



	Concentration (Exceeds L.A. County Average of 13.7%)
	7013.02 Census Tract
	3 Census Block Group

0 0.5 1 Miles

Source: U.S. Census 2010



a. Household Language and Linguistic Isolation

The 2006-2010 American Community Survey (ACS) estimates that approximately 23 percent of residents in Santa Monica were foreign born. A linguistically isolated household is one in which all members over 14 years of age has some difficulty with speaking or understanding the English language. In Santa Monica, 3,990 households spoke Spanish (8.6 percent of all households), of which 19 percent were linguistically isolated (Spanish-speaking only). Of Santa Monica's 2,499 households that spoke Asian languages, the ACS estimates that 30 percent were linguistically isolated.

Language barriers may prevent residents from accessing services, information and housing, and may also effect educational attainment and employment. Executive Order #13166 ("Improving Access to Services by Persons with Limited English Proficiency") was issued in 2000, requiring federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to Limited English Proficiency (LEP), cannot fully and equally participate in or benefit from those programs and activities. This requirement passes down to grantees of federal funds as well, and thus as a federal entitlement jurisdiction, Santa Monica is responsible for ensuring compliance with this regulation.

In order to ensure equal access to LEP persons for the planning and program implementation of the federal CDBG program, the City of Santa Monica provides public notices and program applications in both English and Spanish. In addition, translators are available at all public meetings and available to respond to questions pertaining to draft and final documents prepared as part of the CDBG program, including the Consolidated Plan, Annual Action Plan, CAPER, and Analysis of Impediments to Fair Housing Choice (AI).

The Santa Monica Housing Authority (SMHA) has prepared a Language Assistance Plan (LAP) as part of its 2012 Administrative Plan. The LAP identifies the following resources that SMHA staff will continue to make available to LEP individuals and families:

- Bilingual staff in designated positions to provide oral translation services
- Program documents translated into Spanish
- HUD website (www.hud.gov/offices/ftheo/promotingfh/lep.cfm) containing LEP documents

In addition, the SMHA will:

- List the telephone extension on all notices addressing language assistance.
- Utilize language identification flashcards to assist limited English proficient individuals to inform staff of the language they are most comfortable using to communicate.
- Utilize signage in the lobby of the Housing Authority and on the website informing the public of translation and interpreter service.
- Inquire as to the need for, and provide qualified interpreter assistance for all required group meetings (i.e. briefings) at no cost to the participant



B. HOUSEHOLD PROFILE

Household type, composition and size, and the presence of special needs populations are all factors that can affect access to housing in a community. This section identifies the characteristics of Santa Monica's households.

1. Household Type

The 2010 Census identifies a total of 46,917 households in Santa Monica. As shown in Table II-4, the City has a very high proportion of single individuals living alone, comprising 48 percent of all households in the community. Families were 39 percent of total households, of which families with children were 41 percent (16 percent of total households). Other non-family households (i.e. roommates) comprise the remaining 13 percent of households residing in Santa Monica.

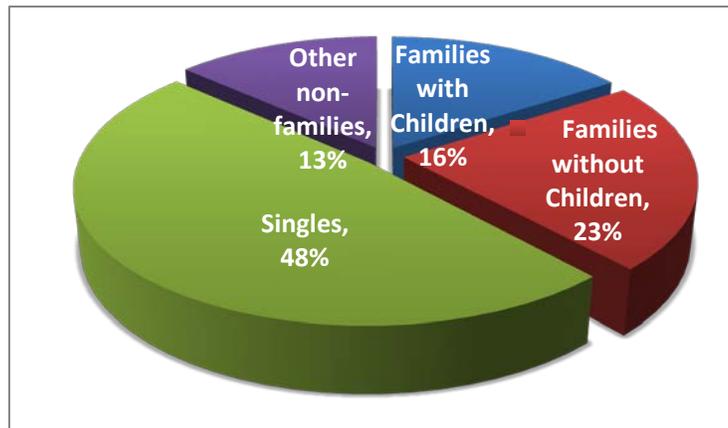


Table II-4 also illustrates changes in the composition of Santa Monica households between 1990 and 2010. During this period, total households increased by 2,057 or five percent, in contrast to "other" non-family households, which increased by 39 percent, and singles, which increased by 21 percent. While total families actually declined by one per cent, families with children increased by five percent. Figure 5 on the following page depicts concentrations of households with children. One census block group north of Pico and south of 20th stands out as having both higher than average households with children (20-28.6%) and a high renter population (85-99.6%).

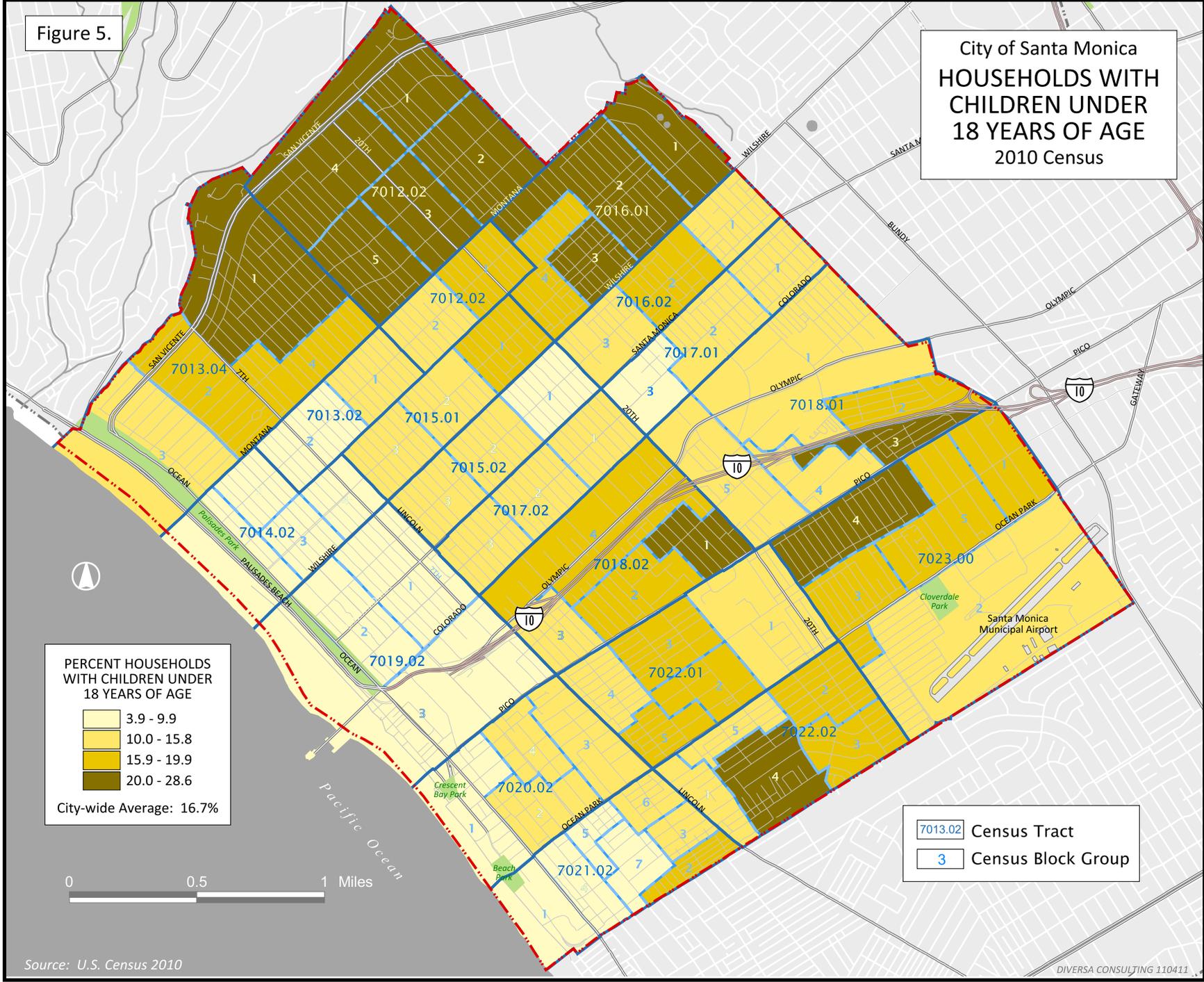
Table II-4: Household Characteristics

Household Type	1990		2000		2010		Percent Change 1990-2010
	Hshlds	%	Hshlds	%	Hshlds	%	
Families	18,124	40%	16,783	38%	17,929	39%	-1%
With children	7,084	(39%)	7,045	(42%)	7,410	(41%)	5%
Without children	11,040	(61%)	9,738	(58%)	10,519	(59%)	-5%
Singles	22,247	50%	22,786	51%	22,716	48%	21%
Other non-families	4,519	10%	4,928	11%	6,272	13%	39%
Total Households	44,860	100%	44,497	100%	46,917	100%	5%
Householder Age 65+	9,572	21%	8,113	18%	9,434	20%	-1%
Average Household Size	1.88		1.83		1.87		
Average Family Size	2.80		2.80		2.79		

Source: U.S. Census 1990, 2000 and 2010.

Figure 5.

City of Santa Monica
HOUSEHOLDS WITH CHILDREN UNDER 18 YEARS OF AGE
2010 Census



PERCENT HOUSEHOLDS WITH CHILDREN UNDER 18 YEARS OF AGE

- 3.9 - 9.9
- 10.0 - 15.8
- 15.9 - 19.9
- 20.0 - 28.6

City-wide Average: 16.7%

7013.02 Census Tract
3 Census Block Group

0 0.5 1 Miles



2. Special Needs Populations

Special needs populations include the elderly, persons with disabilities, female-headed families with children, persons with HIV/AIDS, victims of domestic violence and persons suffering from substance abuse. As a result of their special needs, these populations are more vulnerable to discrimination, which can limit their access to housing. This section discusses the housing needs facing each group, as summarized in Table II-5.

Table II-5: Special Needs Groups

Special Needs Groups	Persons	Households	Renter # (%)	Owner # (%)	% of Total Households or Persons
*Seniors (age 65+)	12,078	--	--	--	15%
Elderly Households	--	9,434	5,443 (58%)	4,001 (42%)	20%
Seniors Living Alone	--	5,551	--	--	12%
**Disabled Seniors	4,653	--	--	--	5%
**Disabled Persons	13,202				16%
*Female Headed Hshlds		18,857	14,760 (78%)	4,097 (22%)	40.2%
**With Children		1,885	1,338 (71%)	547 (29%)	4.0%
*Large Households		1,419	670 (47%)	749 (53%)	3.0%

Source: * Bureau of the Census (2010). ** Bureau of the Census (2000).

a. Senior Households

Many senior households (households headed by a senior person) have special housing needs due to income, location concerns, health care costs, and disabilities. According to the 2010 Census, 20 percent of Santa Monica's households are headed by seniors age 65 and older. The majority of Santa Monica's senior households are renters (58%).

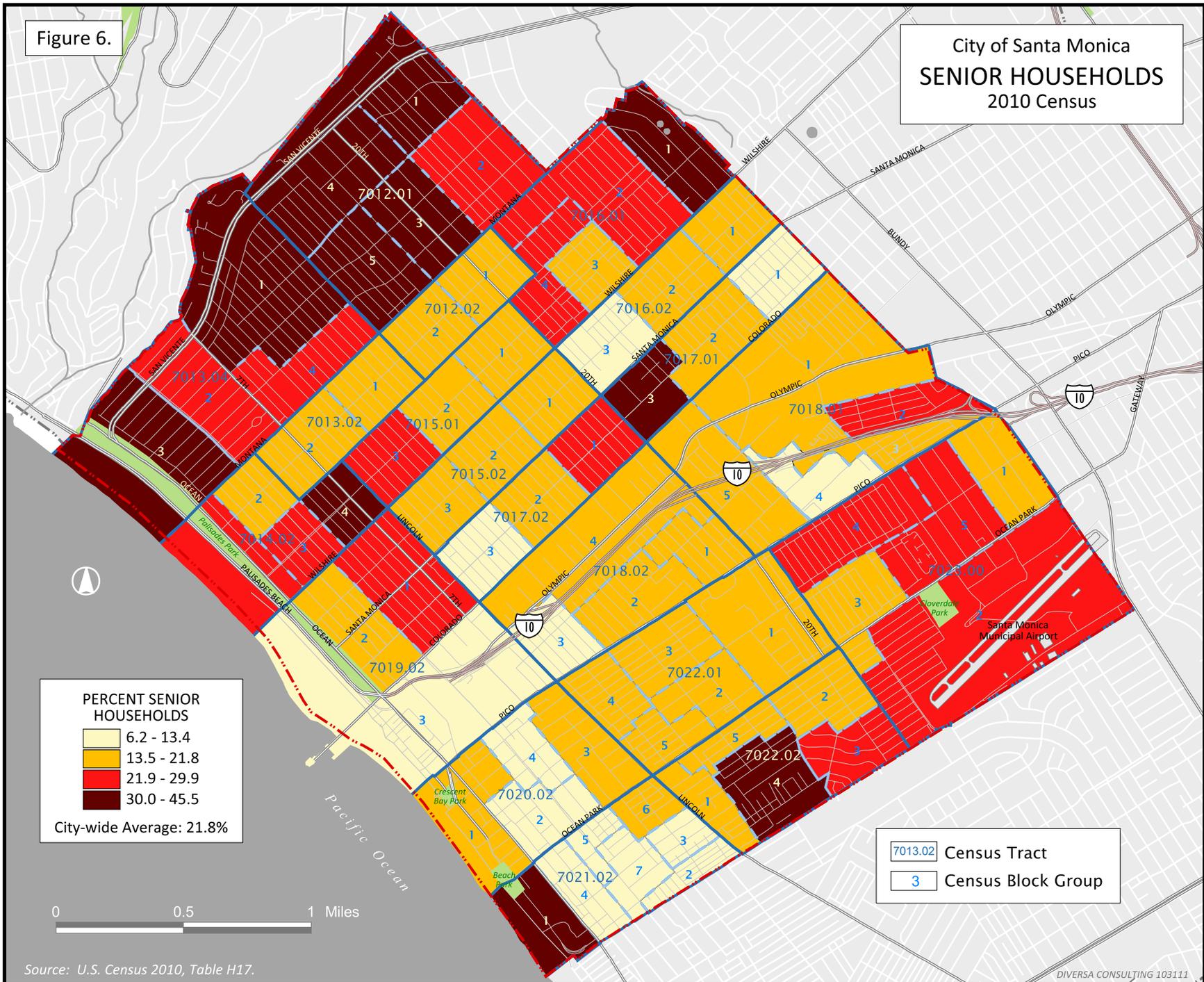
Some of the special needs of Santa Monica's seniors are as follows:

- *Disabilities.* More than 38 percent of the City's senior population have a disability.
- *Limited Income.* Almost one-third of senior households earned extremely low or very low incomes.
- *Overpayment.* More than 63 percent of senior renter-households and 31 percent of senior owner-households were overpaying for their housing (>30% income on housing costs)

Figure 6 illustrates the percentage of senior households in Santa Monica by census block group. The highest concentrations of seniors are in single-family neighborhoods at the northern boundaries of the city, northwest of Montana. Senior renter households are concentrated in block groups along the southern boundary of the City, as well as between Wilshire and Montana where several affordable senior housing developments are located.

Figure 6.

City of Santa Monica SENIOR HOUSEHOLDS 2010 Census



Source: U.S. Census 2010, Table H17.



b. Persons with Disabilities

Persons with disabilities have special housing needs due to a shortage of accessible and affordable housing, frequently fixed incomes, and higher health costs. Some residents in Santa Monica have disabilities that prevent them from working, restrict their mobility, or make it difficult to care for themselves. The Census defines several types of disabilities -- employment, mobility, and self-care limitations. Disabilities are defined as mental, physical or health conditions that last over six months. The Census tracks the following disabilities:

- Employment disability: refers to a condition lasting over six months which restricts a person's choice of work and prevents them from working full-time;
- Mobility limitation: refers to a physical or mental condition lasting over six months which makes it difficult to go outside the home alone; and
- Self-care limitation: refers to a physical or mental condition lasting over six months that makes it difficult to take care of one's personal needs.

In 2000, approximately 16 percent of Santa Monica's population (13,202 persons) suffered from one or more disabilities. The living arrangement of persons with disabilities depends on the severity of the disabilities. Many persons live at home in an independent arrangement or with other family members. To maintain independent living, persons living with disabilities may need assistance. This can include special housing design features to accommodate wheelchairs and persons with mobility limitations, income support for those not able to work, and in-home supportive services for persons with medical conditions among others. Services can be provided by public or private agencies.

Due to their specific housing needs, persons with disabilities are vulnerable to discrimination by landlords who may not be familiar with the reasonable accommodation protections contained in the Fair Housing Act. Similarly, some landlords may be hesitant to rent to persons with an assistive animal such as a guide dog.

Persons with more severe disabilities may require supportive housing. For those who may require additional care and supervision, licensed community care facilities offer special residential environments for persons with disabilities including physical, mental and emotional disabilities. Twenty-seven licensed community care facilities are located in Santa Monica; an inventory of these facilities along with a map is provided later in the document in Table II-24 and illustrated in Figure 11.

Physically Disabled: The 2000 Census documents 5,389 persons over the age of five in Santa Monica with a physical disability. The majority of the supportive services and housing assistance for physically disabled persons are provided through local non-profit organizations. In addition to these supportive services, the City offers rehabilitation grants to persons with disabilities to make accessibility improvements to their homes.

Mentally Disabled: According to the 2000 Census, 3,687 people over the age of five in Santa Monica had a mental disability. Region-wide, facilities for the mentally disabled include hospitals, medical centers, outpatient clinics, mental health centers, counseling



centers, treatment centers, socialization centers, residential facilities for children, crisis centers, and adolescent and adult day treatment offices.

Severely Mentally Ill: Severe mental illness includes the diagnosis of psychoses and major schizoaffective disorders and qualifies as a chronic condition if it lasts at least one year. National estimates indicate that approximately one percent of the adult population meets the definition of severe mental illness, translating to an estimated 695 severely mentally ill persons in Santa Monica.

Developmentally Disabled: The federal definition of developmental disability is a severe chronic disability caused by physical or mental impairment that is evident before the age of 22. The National Association of Retarded Citizens estimates that between one and three percent of the population is affected by developmental disabilities, translating to an estimated 900 to 2,700 people in Santa Monica with such disabilities.

c. Female-Headed Households

Single-parent households often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and other supportive services. Because of their relatively lower incomes and higher living expenses, single-parent households usually have more limited options for affordable, decent, and safe housing. As a result, single parents are considered to be among the most at-risk groups facing poverty.

According to the 2010 Census, there were 18,857 female-headed households, approximately 40 percent of total households, residing in Santa Monica. Of these female-headed households, 10 percent (1,885 households) have children. Female-headed families with children are a particularly vulnerable group because they must balance the needs of their children with work responsibilities. They may also face greater discrimination by landlords, particularly small landlords who may be unfamiliar with fair housing laws and may be reluctant to rent to families with children due to concerns about potential noise or property damage from children.

d. Large Households

Large households are defined as those with five or more members residing in the home. According to the 2010 Census, Santa Monica had 1,419 large households, of which just under half (47%) were renter households. Large households are a special need group because of the limited supply of adequately sized and affordable housing units. Similar to female-headed households with children, large renter households may also be subject to greater levels of discrimination by landlords based on familial status.

The housing needs of large households are typically met through larger units. In the 2006-2010 ACS, it is estimated that Santa Monica has 7,004 owner-occupied units and 2,735 renter-occupied units with three or more bedrooms that could reasonably accommodate



large families without overcrowding. However, overcrowding still occurs because a vast majority of these larger units were for sale and generally more expensive.

e. Persons with HIV/AIDS

The County's Department of Public Health HIV Epidemiology Program releases a Semi-Annual Surveillance Summary that reports AIDS statistics in the County. As reported in Santa Monica's 2010-2015 Consolidated Plan, from July 2008-December 2008, there were 869 new cases of adults with AIDS recorded in Los Angeles County, including nine new cases in Santa Monica. The cumulative cases of AIDS in Los Angeles County total 54,003 between 1982 and 2008, and 565 in Santa Monica. Of the reported AIDS cases in Los Angeles County, Whites had the highest percentage of cases (45%), followed by Hispanics (31%), African Americans (20%), and Asians (2%).

There has been a significant downward trend in the incidence of new AIDS cases. At the same time, improved medical treatment for HIV/AIDS has greatly increased the life span of persons diagnosed with this disease. As of 2008, 3,360 people in Westside Los Angeles were HIV-positive and it was estimated that one in four people were unaware they were HIV-positive.

Short-term housing needs for persons with AIDS may include hospice facilities, shelters or transitional housing. Long-term needs include affordable housing in close proximity to public transportation and health care facilities. As with other persons with disabilities, persons with HIV/AIDS may face discrimination that affects their access to housing due to fear, the need for reasonable accommodations or other factors.

f. Homeless Persons

The City of Santa Monica is part of the Los Angeles County Continuum of Care, which applies jointly for HUD homeless program funds for most of the county. The City works closely with the Continuum of Care lead agency, the Los Angeles Homeless Services Authority, as well as other regional leaders such as the United Way of Greater Los Angeles and the Westside Council of Governments, to ensure that other communities are committed to achieving the Continuum of Care outcomes.

The City has conducted an annual citywide homeless count since 2009, though federal and regional requirements are a biannual count. The overall homeless population was 740 in 2011 including 263 people on the streets, 426 in shelters and institutions, and 51 in cars or encampments. This number was nearly the same in 2010 (742), and represents a reduction of 19 percent from the 2009 total of 915 and a 25 percent reduction from the 2007 total of 999. Between the 2009 and 2011 count, there were 128 fewer people counted on the streets (33% decrease); nine fewer individuals counted in shelters and institutions (2% decrease); and 38 fewer people counted in cars and encampments (43% decrease).

The City of Santa Monica adopted a comprehensive Action Plan to Address Homelessness in 2008. The City focuses on engaging the chronically homeless in services and assisting



them to become more stable in a variety of housing options. The Action Plan outlines the collaborative efforts by the City with all city, community, and regional public, non-profit, private, and community service organizations to implement the action steps adopted in the Plan. For example, there are 20 programs that provide a continuum of care approach to homelessness. These programs provide outreach, emergency shelter, transitional housing, case management, permanent housing and employment assistance. The programs reflect the involvement of several stakeholders; for example, faith-based organizations are integral to the provision of homeless services and emergency shelter in Santa Monica, and the business community supports the community's efforts to end homelessness through fundraisers, donations of resources, and encouragement of volunteer efforts.

The City has also established several innovative programs, including the Homelessness Community Court, Project Homecoming, and the Service Registry. The Homeless Community Court treats the criminal justice system as an entry point to providing services, including mental health treatment and case management, for chronically homeless persons. Project Homecoming focuses on reuniting homeless persons with family or friends in their communities of origin. The Service Registry is a listing of chronically homeless persons that is distributed to government and social service agencies in order to help identify and connect these individuals with support services and permanent housing. A key use of the Service Registry is to identify sub-populations such as chronically homeless veterans who are eligible for special resources through the Veterans Administration (VA).

The City of Santa Monica participates in the County of Los Angeles Continuum of Care consisting of the following components:

Emergency Shelter: Shelter services provided through a homeless shelter or motel voucher. Outreach and assessment is provided to identify an individual's or a family's needs and connect them to the appropriate facilities and services.

Supportive Services: Services include job training, drug and/or alcohol rehabilitation, mental health services and special services to specific subpopulations.

Transitional Housing: Housing for homeless families and individuals that is temporary, but longer than emergency facilities, and is usually connected to rehabilitative services, including substance abuse and mental health care interventions, employment services, individual and group counseling and life skills training.

Permanent Housing: Housing provided along with prevention services. Santa Monica is focusing on a "Housing First" approach, rather than emphasizing emergency shelter and services. The goal is to assist the homeless with housing that has teams providing case management and intervention.



C. INCOME PROFILE

Income is a key factor affecting housing choice and one’s access to housing. This section presents a profile of the income of Santa Monica residents. Credit issues and lending are analyzed in Chapter IV “Review of Potential Impediments.”

1. Income Definitions

To facilitate analysis of income distribution among households in communities, the federal Department of Housing and Urban Development (HUD) groups households into categories by income, depicted in Table II-6. The associated 2011 LA County income thresholds for extremely low, low, and moderate income categories are also presented (HUD does not publish income thresholds for above moderate income households as federal housing programs are not eligible to households earning greater than 80 percent of the AMI).

Table II-6: 2011 HUD Income Categories

Income Group	Percent Area Median Income (AMI)	2011 Income Threshold (LA County)
Extremely Low	< 30%	\$24,850
Low	31% - 50%	\$41,400
Moderate	51% - 80%	\$66,250
Above Moderate	>80%	--

Source: 24 Code of Federal Regulations Part 91.305. www.hcd.ca.gov/hpd/hrc/rep/state/inc2k10.pdf

Santa Monica’s inclusionary housing program utilizes different income category definitions than those used by HUD. These categories are: Very Low Income up to 50% AMI; Low Income between 51% and 60%; Moderate Income between 61% and 100%; and Above Moderate Income above 100% AMI.

2. Income Characteristics

As estimated in the 2006-2010 American Community Survey (ACS), Santa Monica residents earned a median household income of \$68,842. Table II-7 compares the City’s median household income with that of nearby communities on the Westside of Los Angeles County. As shown, all four of the smaller cities had higher median household incomes than the City of Los Angeles; while three of the four cities had higher median household incomes than Los Angeles County. Nonetheless, approximately 30 percent of all households in Santa Monica had low or moderate incomes, as shown in Table II-8.

Table II-7: Median Household Income

Jurisdiction	Median Household Income
Beverly Hills	\$ 83,463
Culver City	\$ 72,199
Santa Monica	\$ 68,842
West Hollywood	\$ 52,009
Los Angeles City	\$ 49,138
Los Angeles County	\$ 55,476

Source: 2006-2010 ACS 5-Year Estimate



Table II-8: Santa Monica Income Distribution 1990 and 2000

Income Group	1990		2000		Percent Change
	Households	%	Households	%	
Extremely Low (0-30% AMI)	5,646	13%	4,778	11%	-15%
Low (31-50% AMI)	4,624	10%	3,764	8%	-19%
Moderate (51-80% AMI)	5,774	13%	4,706	11%	-19%
Above Moderate (>80% AMI)	29,081	64%	31,226	70%	7%
Total Households	45,125	100%	44,474	100%	-1%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, HUDUSER, (2000).

3. Income by Household Tenure, Type and Race

Table II-9 details the income distribution of renters and homeowners within Santa Monica. The number and percentage of extremely low, low and moderate income renter households was significantly higher at 11,384 or 37 percent of renter households compared to residents who owned their own home at 1,864 or 14 percent of owner households.

Table II-9: Income Distribution by Owner/Renter Tenure

Income Group	Renters		Owners		Total
	Households	Percent	Households	Percent	Percent
Extremely Low (0-30% AMI)	4,150	13%	688	5%	11%
Low (31-50% AMI)	3,358	11%	406	3%	8%
Moderate (51-80% AMI)	3,876	12%	830	6%	11%
Above Moderate (>80% AMI)	19,800	63%	11,426	86%	70%
Total Households	31,184	100%	13,290	100%	100%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, HUDUSER, (2000).

While renters are more likely to have lower incomes than owners, income also varies by household type as shown in Table II-10. Elderly households in Santa Monica evidenced a much higher incidence of extremely low, low and moderate incomes than other households in the City. Elderly households are often on limited fixed incomes, and are particularly vulnerable to rent increases and other changes in living expenses.

Table II-10: Income Level by Household Type

Income Group	Elderly	Small Family	Large Family	All Households
Extremely Low (0-30% AMI)	17%	5%	7%	11%
Low (31-50% AMI)	15%	5%	7%	8%
Moderate (51-80% AMI)	17%	8%	15%	11%
Above Moderate (>80% AMI)	51%	82%	71%	70%
Total	100%	100%	100%	100%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, HUDUSER, (2000).

Table II-11 illustrates median incomes by race/ethnicity in both Santa Monica and the County as measured by the 2000 Census. In both Santa Monica and the County, median



income among the White population was the highest. The Asian population had the second highest incomes in the City and County, although the income disparity (>\$7,000) between Asians and Whites was far more pronounced in Santa Monica. Median incomes for Hispanics were \$18,000 below that for Whites in Santa Monica, though still above that for Hispanics countywide. African Americans in Santa Monica evidenced the lowest median income levels, and were the only racial group with incomes well below the countywide average.

Table II-11: Median Household Income by Race/Ethnicity

Race/Ethnicity	Santa Monica	Los Angeles County
White	\$54,688	\$48,602
Asian	\$47,409	\$47,631
Hispanic	\$36,683	\$33,820
African American	\$30,066	\$36,201

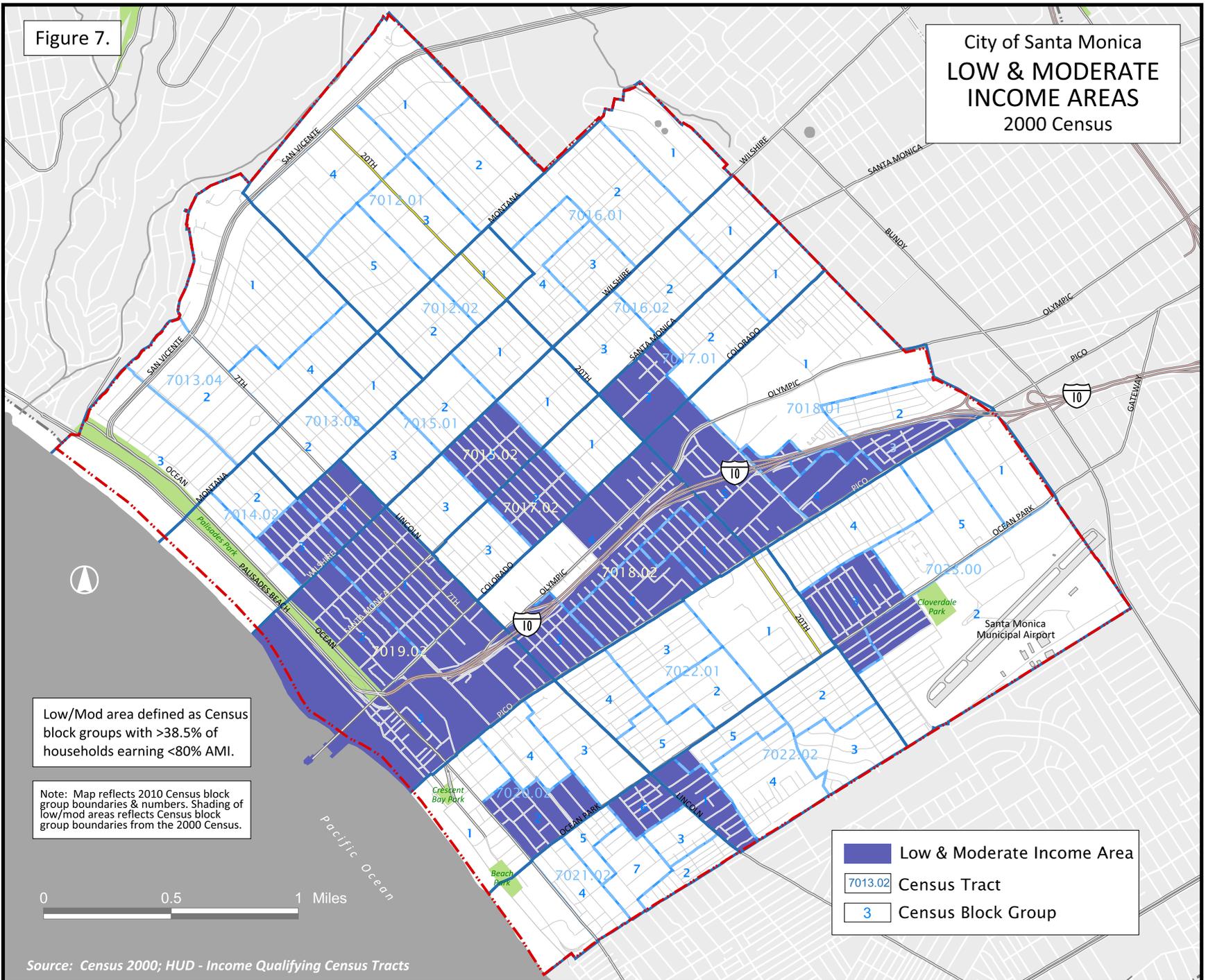
Source: Bureau of the Census (2000).

4. Low and Moderate Income Concentrations

Typically, an area of low to moderate income concentration is defined as a census tract or block group where 51 percent or more of the residents earn 80 percent or less of the Metropolitan Statistical Area (MSA) area median income (AMI). However, in Santa Monica, low and moderate income areas are defined as census block groups with 38.5 percent or more low/mod income residents. Figure 7 depicts the 20 census block groups which meet this definition and are thus considered low and moderate income areas. A majority of these areas geographically follow Interstate 10 (Santa Monica Freeway) from the east to west borders of the City. These Interstate 10 corridor areas are bordered on the south by Pico Boulevard across the entire City and extend as far north as Washington Avenue. Four of the areas fall farther south within the north and south boundaries of Pearl Street and Airport Avenue and the east and west boundaries of Main Street and 24th Street.

Figure 7.

City of Santa Monica LOW & MODERATE INCOME AREAS 2000 Census



Low/Mod area defined as Census block groups with >38.5% of households earning <80% AMI.

Note: Map reflects 2010 Census block group boundaries & numbers. Shading of low/mod areas reflects Census block group boundaries from the 2000 Census.

- Low & Moderate Income Area
- 7013.02 Census Tract
- 3 Census Block Group

Source: Census 2000; HUD - Income Qualifying Census Tracts



D. HOUSING PROFILE

This section assesses various housing characteristics and conditions that affect the well-being of City residents. Housing factors evaluated include the following: housing stock and growth; tenure and vacancy rates; age and condition; and housing costs and affordability.

1. Housing Growth

The City's overall housing growth was relatively stable from 1990 to 2000, with an increase of 110 units at a rate of 0.2 percent, as shown in Table II-12. This was the lowest increase of housing units in the surrounding area. Beverly Hills also experienced a growth rate less than one percent, while Culver City and West Hollywood's growth was just over one percent. The City and County of Los Angeles grew at a rate of 2.9 and 3.4 percent during that same period of time. Between 2000 and 2010, Santa Monica's residential development increased from 47,863 to 50,912 units, an increase of 3,049 units, and at a rate of 6.4 percent. During this most recent decade, Santa Monica's growth rate was second only to Beverly Hills (13.4%), with the City and County of Los Angeles increasing by 5.7 percent and 5.3 percent respectively, while West Hollywood's growth rate was two percent and Culver City's was less than one percent.

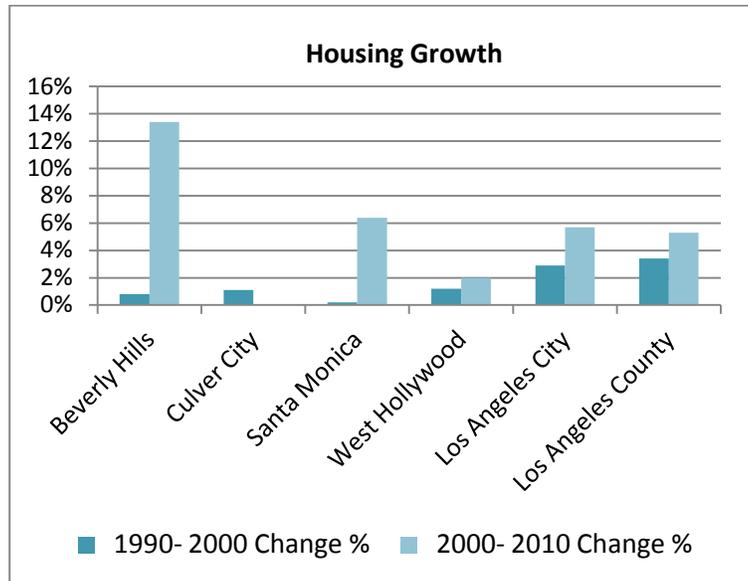


Table II-12: Regional Housing Growth Trends 1990-2010

Jurisdiction	Housing Units			Percent Change	
	1990	2000	2010	1990-2000	2000-2010
Santa Monica	47,753	47,863	50,912	0.2%	6.4%
Beverly Hills	15,723	15,855	16,394	0.8%	13.4%
Culver City	16,943	17,130	17,135	1.1%	0.03%
West Hollywood	23,821	24,110	24,588	1.2%	2.0%
Los Angeles City	1,299,963	1,337,668	1,413,995	2.9%	5.7%
Los Angeles County	3,163,343	3,270,909	3,445,076	3.4%	5.3%

Source: U.S. Census 1980, 1990, 2000 and 2010



2. Housing Type and Tenure

Table II-13 summarizes various characteristics of Santa Monica's housing stock. The composition of the current housing stock reflects the recycling of lower density housing to higher density residential, particularly between 2000 and 2010. Multi-family units in buildings with two to four units have decreased by 372 units; while units in buildings with five or more units have increased by 2,630 units from 30,822 to 33,452. The percent of multi-family units has continued growing since 1990. The number of single-family detached units increased by 318 units from 2000-2010 while attached units decreased by 135 units. Mobile homes also decreased, from 289 to 201.

Table II-13: Housing Type 1990-2010

Unit Type	1990		2000		2010	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	9,159	19.2%	9,265	19.4%	9,583	19.2%
SF Attached	1,802	3.8%	1,928	4.0%	1,793	3.6%
<i>Total Single-Family</i>	<i>10,961</i>	<i>23.0%</i>	<i>11,193</i>	<i>23.4%</i>	<i>11,376</i>	<i>22.8%</i>
2 to 4 Units	6,005	12.5%	5,559	11.6%	5,187	10.4%
5 or more units	29,979	62.8%	30,822	64.4%	33,452	66.9%
<i>Total Multi-Family</i>	<i>35,984</i>	<i>75.3%</i>	<i>36,381</i>	<i>76.0%</i>	<i>38,639</i>	<i>77.2%</i>
Mobile Homes & Other	808	1.6%	289	0.6%	201	0.4%
Total Housing Units	47,753	100%	47,863	100%	50,015	100%
Vacancy Rate	6.06%	--	7.03%	--	7.85%	--

Source: U.S. Census 1990, 2000 and 2010.

According to the 2010 Census, 71 percent of Santa Monica households were renters and 29 percent were homeowners. Figure 8 displays the geographic distribution of renter households in the City by census tract. The highest concentrations of renter households (85.0-99.6%) are located in the central portion of the City, north of Pico. Moving further west the block groups with the highest percentages expands north to Wilshire and Montana.

Table II-14 summarizes housing units by tenure and unit size. Santa Monica had 2,735 rental units with three or more bedrooms, more than adequate to house the City's 670 large renter-households. However, market rental prices for larger units are well beyond the reach for the more than half of large renter households who earned lower incomes.

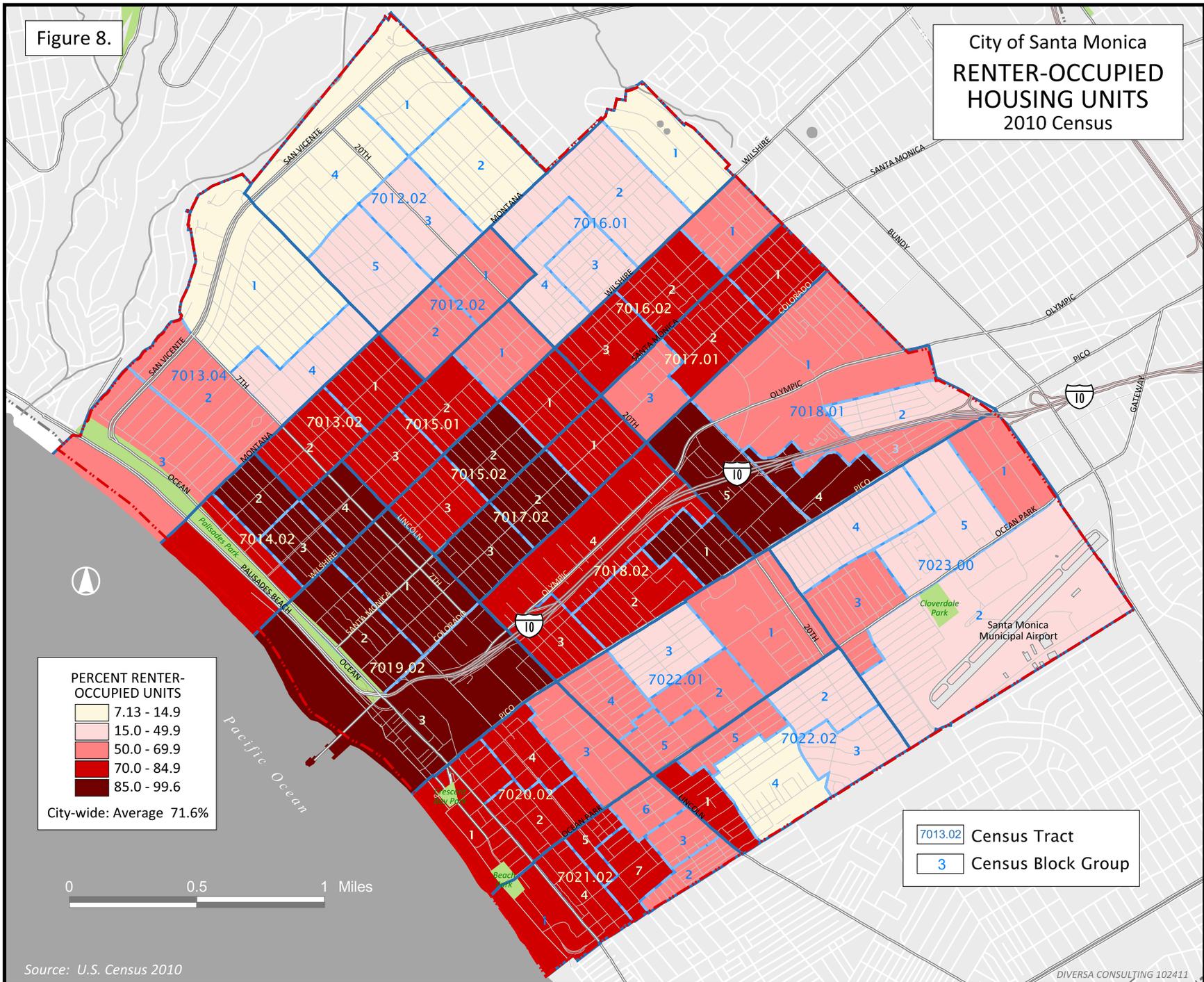
Table II-14: Bedroom Mix By Tenure

# Bedrooms	Rental Units	Owned Units	Total
Studio	3,153	98	3,251
One-Bedroom	15,691	1,095	16,786
Two-Bedrooms	11,488	5,279	16,767
Three- or More Bedrooms	2,735	7,004	9,739
Total	33,067	13,476	46,543

Source: 2006-2010 American Community Survey 5-Year Estimates

Figure 8.

City of Santa Monica RENTER-OCCUPIED HOUSING UNITS 2010 Census



PERCENT RENTER-OCCUPIED UNITS

7.13 - 14.9
15.0 - 49.9
50.0 - 69.9
70.0 - 84.9
85.0 - 99.6

City-wide: Average 71.6%

7013.02	Census Tract
3	Census Block Group

Source: U.S. Census 2010



3. Housing Age and Condition

Housing age is an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual deterioration over time. If not maintained, housing can deteriorate and depress neighboring property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood. Thus maintaining and improving housing quality is an important goal for the City.

Table II-15 summarizes the distribution of housing by the year built in the City. As of 2010, approximately 84 percent the City's housing was over 30 years old and approximately 43 percent was over 50 years old. A general rule of thumb in the housing industry is that structures older than 30 years begin to show signs of deterioration and require reinvestment to maintain their quality. Homes older than 50 years, unless properly maintained, require major renovations to keep the home in good working order. There are 28,422 renter occupied units over 30 years old (86%) and 10,304 owner occupied units over 30 years old (76%). Given the high property values in Santa Monica, much of the City's older housing stock is well maintained resulting both from private investment and City rehabilitation assistance to income qualified households.

Table II-15: Age of Housing Stock by Tenure 2010

Year Structure Built	Renter Occupied Housing	Percent Renter	Owner Occupied Housing	Percent Owner	Total Percent
2000-2009	1,350	4%	586	4%	4%
1990-1999	1,335	4%	1,088	8%	5%
1980-1989	1,960	6%	1,498	11%	7%
1970-1979	6,319	19%	2,434	18%	19%
1960-1969	8,591	26%	1,210	9%	21%
1950-1959	6,270	19%	1,562	12%	17%
1940-1949	3,438	10%	2,191	16%	12%
1939 or earlier	3,804	12%	2,907	22%	14%
Total	33,067	100%	13,476	100%	99%*

Source: U.S. Census 2010. Total percentage does not equal 100% due to rounding.

The Building and Safety Division reports that substandard housing complaints average about 300 incidences annually. Most of these complaints are related to the rental housing stock. Although incidences typically occur throughout the community, there is a concentration of complaints within the Pico neighborhood. The Division works with the property owner to correct any violations, and provides referrals to the City's rental rehabilitation programs.

Residents of rent controlled units indicated in a Santa Monica Tenant Survey (2006) the following physical problems in their units: defects in plumbing systems was mentioned by 25 percent of the 750 respondents; leaks in walls or ceiling mentioned by 18 percent; and large holes in walls or floors mentioned by seven percent.



4. Overcrowding

Overcrowding occurs when housing costs are so high relative to income that families double-up or take on roommates or boarders to devote income to other basic needs, such as food and medical care. Overcrowding also tends to result in deterioration of homes and shortage of on-site parking. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding is an important contributor to quality of life.

HUD and the Census define overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches and hallways). Table II-16 shows that overcrowding for all households in Santa Monica is relatively low at 2.6 percent compared to the incidence in Los Angeles County at 12.0 percent. Overcrowding for owner households was less than one percent in the City. Overcrowding affected 2.6 percent of renter households in 2010. This is significantly less than the incidence of rental housing overcrowding in Los Angeles County at 17.6 percent.

Table II-16: Overcrowded Households 2010

Overcrowding	Households	Percent	L.A. Co. Percent
Owners			
Overcrowding	81	0.6%	6.0%
Severe Overcrowding	13	0.1%	1.4%
Renters			
Overcrowding	860	2.6%	17.6%
Severe Overcrowding	529	1.6%	7.8%
Total Overcrowding	941	2.1%	12.0%

Source: 2006-2010 American Community Survey 5-Year Estimate.

Note: Severe overcrowding is a subset of overcrowding.



5. Overpayment

Housing overpayment occurs when housing costs increase faster than income. Like most urban communities in California, it is not uncommon to overpay for housing. However, to the extent that overpayment is often disproportionately concentrated among the most vulnerable members of the community, maintaining a reasonable level of housing cost burden is an important contributor to quality of life.

Housing overpayment is a significant problem in Los Angeles County. In 2000, 40 percent of County households spent too much of their incomes on housing (greater than 30% of income on housing costs); during the 2006-2010 period, Countywide housing overpayment had increased to 50 percent. Although less severe in Santa Monica (35% overpayment in 2000, increasing to 44% during 2006-2010), the same countywide pattern of dramatic increases in overpayment is evident.

Table II-17 provides information from the 2006–2010 American Community Survey related to overpayment for renters and owners by income range. Approximately 45 percent of Santa Monica’s renters overpaid for housing, compared to 40 percent of homeowners. Renter households earning less than \$50,000 were the most impacted by overpayment both in terms of the number (11,700) and proportion (70%-91%) of households. While the proportion of overpaying owner households earning less than \$75,000 is also significant (49%-84%), the relatively few number of owner households in these lower and moderate income groups makes this a less prevalent issue (2,600).

Table II-17: Housing Overpayment by Tenure 2010

Income Category	Renter		Owner	
	# pay >30% on housing costs	% of Income Group	# pay >30% on housing costs	% of Income Group
< \$20,000	5,390	91%	755	84%
\$20,000 to \$34,999	3,637	87%	701	69%
\$35,000 to \$49,999	2,678	70%	445	53%
\$50,000 to \$74,999	2,017	36%	701	49%
> \$75,000	1,223	10%	2,789	31%
Total	14,945	45%	5,391	40%

Source: 2006-2010 American Community Survey 5-Year Estimate.



6. Housing Costs and Affordability

The cost of in housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of overpayment and overcrowding. This section provides current information on housing sales prices and rents in Santa Monica, including information on home foreclosures, and assesses the affordability of the housing stock to Santa Monica residents.

a. Housing Sales

Housing sales prices in Los Angeles County fell during 2011, with the median single-family home price decreasing by 4.4 percent to \$325,000. The median price of a condominium decreased by 8.3 percent to \$275,000. “Last year ended much the way it began, with pitifully low new-home sales, record investor activity, drum-tight credit, and lots of potential buyers and sellers just sitting tight,” said John Walsh, DataQuick president. He further stated, “Some of the economic vital signs have improved lately and it’s sparked a renewed sense of optimism in housing circles,” he said. “Coupled with incredibly low mortgage rates, it certainly suggests 2012 might offer the ‘rock bottom’ for pricing that many buyers and sellers have been waiting for. But the housing drama isn’t over. Credit conditions remain horrible, leaving many unable to take advantage of today’s improved affordability. And lenders still must decide the fate of scores of borrowers who aren’t making their mortgage payments.”

Table II-18 documents the single-family and condominium sales in Santa Monica from January through December 2011 by zip code¹. A total of 263 single-family homes were sold, with median prices ranging from \$548,000 to \$2,141,000; and a total of 343 condominiums were sold with median prices ranging from \$299,000 to \$1,015,000. The majority of the single-family homes were sold in two zip codes (90402 and 90405) with 110 homes and 106 homes respectively. The 90402 zip code is a primarily single family residential neighborhood in the northern area of Santa Monica with a median home price of \$2,141,000 while the 90405 zip code encompasses both a single-family area as well as multi-family zoning in the southern area of Santa Monica. The median home sales price in the 90402 zip code was \$2,141,000 which was a decrease of 8.5 percent from the 2010 sale; while the median home sales price in 90405 was \$983,000, an increase of 5.2 percent from 2010. Single-family home median sales prices in two additional zip codes decreased between 9 and 25. 5 percent since 2010. The fifth area (zip code 90401) did not have sufficient comparison data.

¹ Zip Code Boundaries:

90401 – Pacific Ocean-Wilshire-12th to 7th along Colorado-Pico

90402 – Pacific Ocean-Northern City Boundary-26th-Montana

90403 – Pacific Ocean-Montana-Centinela-Wilshire

90404 – 12th to 7th along Colorado -Wilshire-Centinela -Pico

90405 – Pacific Ocean-Pico-Centinela-Southern City Boundary



Of the 343 condominiums sold in 2011, 147 were sold in zip code 90403, a low to medium density multi-family area between Wilshire and Montana, with higher densities allowed along the Wilshire corridor; 80 were sold in zip code 90404, a commercial and light manufacturing area; 76 were sold in 90405 a low to medium density residential area; and the remaining 40 condominiums sold were located in 90401 and 90402. The median sales price for condominiums in these last two zip codes increased by 0.6 and 42 percent respectively, whereas the median condominium sales price decreased in all other zip codes.

Table II-18: Single-Family Home and Condominium Sales Prices 2011

Zip Code	Single-Family Homes			Condominiums		
	# Sold	Median Price	% Change from 2010	# Sold	Median Price	% Change from 2010
90401	1	\$600,000	N/A	10	\$533,000	0.6%
90402	110	\$2,141,000	-8.5%	30	\$1,015,000	42.0%
90403	36	\$1,423,000	-9.0%	147	\$710,000	-7.8%
90404	10	\$548,000	-25.5%	80	\$515,000	-7.2%
90405	106	\$ 983,000	5.2%	76	\$299,000	-6.0%
Total	263			343		

Source: DQ News- Los Angeles Times Annual Zip Code Chart. www.dqnews.com

b. Home Foreclosures

Home foreclosures are having a major impact on housing sales throughout the State. With depreciated values, many homeowners find themselves owing more on their homes than its market value. Combined with rapidly adjusting mortgage rates on subprime loans and high unemployment, the number of mortgage default notices filed against California homeowners reached a record high of over 135,000 in first quarter 2009, comprising 54 percent of all housing resale activity in the State. Since that time, foreclosure activity has been consistently declining each quarter, with the latest statistics for fourth quarter 2011 identifying an 11.9 percent decline in new mortgage default notices from the prior year, and foreclosure resales accounting for just 38 percent of the resale market. Default notices in Los Angeles County also declined by 13 percent during 4th quarter 2011 over the prior year.

Home foreclosures are not only impacting the more affordable inland communities, but have also expanded to older, more established communities as well. Within Santa Monica, www.Realtytrac.com identifies 196 residential properties in various states of foreclosure (July 2012): 31 percent in “pre-foreclosure” having received a notice of mortgage default; 35 percent undergoing foreclosure with notice of a trustee sale; and 34 percent with ownership taken over by the bank. In May 2012, RealtyTrac recorded a total of 28 new foreclosure filings in Santa Monica, representing 1 filing for every 1,858 residential units in the City, well below the foreclosure ratios in other Westside jurisdictions:

City of Los Angeles	1 : 511
West Hollywood	1 : 672
Culver City	1 : 882
Beverly Hills	1 : 942
Santa Monica	1 : 1,858



c. Rental Housing Market

Santa Monica voters adopted a Rent Control Law in 1979, affecting all rental units in existence at the time (including mobile homes and mobile home spaces) and requiring owners to establish rents at April 10, 1978 levels as well as register the rents and amenities as of that same date. The law also included provisions regarding just cause evictions, removal of controlled units and provided landlords a fair return.

In 1995, the Costa-Hawkins Rental Housing Act was enacted, requiring changes to all rent control laws in California. Costa-Hawkins established a vacancy decontrol-recontrol rent stabilization for units that previously required strict rent control. As units are vacated, the Act allowed the owner to negotiate rental rates with new tenants after January 1, 1999. This new rental rate becomes the base for rent increases, rather than the 1978 rate.

The City of Santa Monica Rent Control Board prepares an annual report on the Impact of Market-Rate Vacancy Increases. This report provides an analysis of rents in Santa Monica, comparing those under the original Rent Control Law and those decontrolled-recontrolled under Costa-Hawkins. The Board's 2011 Report documents a total of 28,135 units subject to the Santa Monica Rent Control Law, not including the 8,522 units that have been removed from rent control or are subject to use exemptions (e.g., owner-occupancy, commercial use, removal permits or other use exemptions). Of these 28,135 units, 37.2 percent are occupied by long-term tenants and 61.4 percent have undergone tenant turnover and re-rented at market rate rents, representing nearly 17,300 previously controlled unit that have received vacancy increases.²

As shown in Table II-19, 2011 rents on decontrolled-recontrolled (market rate) units are roughly double the median rents of the long-term controlled units. Median rents in long-term controlled units ranged from \$670 for a studio to \$1,285 for a unit with 3+ bedrooms; compared to median rents in decontrolled-recontrolled units of \$1,172 for a zero-bedroom to \$2,721 for a unit with three or more bedrooms. As the number of bedrooms increases, the median market rents are more than double the median long-term controlled unit rents.

Table II-19: Santa Monica Apartment Rents – December 31, 2011

# Bedrooms	Long-Term Controlled Units		Decontrolled-Recontrolled		Not Registered	Total Units
	# Units	Median Rent	# Units	Median Rent	# Units	
Studio	842	\$670	2,116	\$1,172	187	3,145
1	4,510	\$771	8,652	\$1,556	33	13,195
2	3,987	\$998	5,627	\$2,055	92	9,706
3+	1,126	\$1,285	896	\$2,721	67	2,089
Totals	10,465		17,291		379	28,135

Source: The Impact of Market-Rate Vacancy Increases, Thirteenth Year Report 1999-2011, Santa Monica Rent Control Board

² An additional 1.3 percent of units subject to Rent Control were not registered for various reasons.



d. Housing Affordability

Housing affordability can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Standards for affordable owner and rental housing costs are as follows:

Affordable Ownership Housing Cost - moderate income (110% AMI)

- Housing costs consist of mortgage debt service, homeowner association dues, insurance, utility allowance and property taxes.
- Affordability is based on housing costs <35% of household income.

Affordable Renter Housing Cost

- Housing costs include rent plus utilities paid for by the tenant.
- Affordability is based on housing costs <30% of household income.

Homeowner Affordability: Table II-20 presents the maximum affordable purchase price for moderate-income households (110% AMI), and compares this with market sales prices for single-family homes and condominiums in Santa Monica as presented in Table II-18. As could be expected, median single-family home prices in Santa Monica are well beyond the level of affordability for moderate-income households. For example, the maximum affordable purchase price for a moderate-income household ranges from \$241,000 to \$327,000 based on household size, whereas the median price of single-family homes sold in Santa Monica's five zip codes ranged from \$548,000 to \$2,141,000. Condominiums are also out of reach to households earning moderate incomes, with Santa Monica's median sales prices ranging from \$299,000 to \$1,015,000 in 2011.

Table II-20: 2011 LA County Maximum Affordable Housing Cost (Moderate Income)

Moderate Income Affordable Housing Cost	1 Bedroom (2 persons)	2 Bedroom (3 persons)	3 Bedroom (4 persons)	4 Bedroom (5 persons)
Household Income @ 110% Median	\$56,300	\$63,360	\$70,400	\$76,010
Income Towards Housing @ 35% Income	\$19,705	\$22,176	\$24,640	\$26,604
Maximum Monthly Housing Cost	\$1,642	\$1,848	\$2,053	\$2,217
Less Expenses:				
Utilities	(\$75)	(\$95)	(\$115)	(\$135)
Taxes (1.1% affordable hsg price)	(\$265)	(\$300)	(\$335)	(\$360)
Insurance	(\$85)	(\$100)	(\$115)	(\$130)
HOA Fees & Other	(\$180)	(\$180)	(\$180)	(\$180)
Monthly Income Available for Mortgage	\$1,037	\$1,173	\$1,308	\$1,412
Supportable Mortgage @ 4.0% interest	\$217,000	\$246,000	\$274,000	\$295,000
Homebuyer Downpayment (10%)	\$24,000	\$27,000	\$30,000	\$32,000
Maximum Affordable Purchase Price	\$241,000	\$273,000	\$304,000	\$327,000
City Median Single-Family Price	\$548,000 - \$2,141,000			
City Median Condo Sales Price	\$299,000 - \$1,015,000			

Source: Karen Warner Associates, 2011



Renter Affordability: Table II-21 presents the maximum affordable rents for extremely low, low and moderate-income households by household size, and compares with median rents of both long-term rent controlled and decontrolled-recontrolled units in Santa Monica, as documented previously in Table II-19. As this Table indicates, median rents in decontrolled unit are well above the level of affordability for extremely low, low and moderate income households. Only the median long-term rent controlled units are below the level of affordability for all moderate income households and a two-person low income household. As the City's long-term controlled units are vacated and rented under the Costa-Hawkins regulations, even moderate income households will be challenged to be able to afford to rent in Santa Monica. Prior to Costa Hawkins, 82% of Santa Monica's rental units were affordable to low income households (<80% AMI); by 2010, only 17% were affordable to households earning low incomes.

The impact of this dramatic increase in rents on lower income households is significant. For example, many young people earning entry-level pay will be unable to afford to live in Santa Monica, and those living on fixed incomes - principally seniors and the disabled - will likely be unable to continue to live here if they lose their long-term rent-controlled housing.

Table II-21: 2011 Los Angeles County Maximum Affordable Rents*

Income Level**	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Extremely Low Income (30% AMI)	\$470	\$525	\$579
Low Income (50% AMI)	\$813	\$910	\$1,007
Moderate Income (80% AMI)	\$1,324	\$1,487	\$1,647
City Long-Term Controlled Median Rents	\$771	\$998	\$1,285
City Decontrolled-Recontrolled Median Rents	\$1,556	\$2,055	\$2,721

*Maximum rent reflects deduction of utility allowance per SMHA utility schedule (assumes water and trash included in rent): \$42 for 1 bdrms, \$51 for 2 bdrms, and \$61 for 3 bdrms (gas primary utility used).

**Income levels reflect the 2011 Official State Income Limits published by State HCD.



E. PUBLIC AND ASSISTED HOUSING

1. Public Housing

The Los Angeles County Housing Authority owns two developments in Santa Monica comprising 41 units of public housing. Monica Manor is a 19 unit development for families, and 175 Ocean Park Boulevard is a 22 unit development for seniors.

2. SMHA Tenant-Based Housing Assistance

The City of Santa Monica Housing Authority (SMHA) administers the Housing Choice Voucher (Section 8) program, which provides rental assistance to 1,092 households. SMHA also administers 238 Shelter Plus Care Vouchers; 34 HOME funded vouchers; 34 vouchers for the Serial Inebriate; and 82 redevelopment agency funded vouchers. In total, there were 1,480 households receiving rental assistance administered by the SMHA in January 2012. Staff indicates that of the current vouchers, an average of 50 turn over on an annual basis and become available to new families on the SMHA waiting list.

The Housing Choice Voucher (HCV) Program enables income-eligible households to use an HCV to rent a suitable unit in any rental complex accepting the HCV. Once approved, the renter household pays a minimum of 30 percent of household income for rent and SMHA pays the difference up to the current rent payment standard. The current rent payment standards, presented in Table II-22, are based on HUD-established Fair Market Rents (FMR). As indicated by this table, the Section 8 payment standard is well below market rent levels. This disparity serves as a disincentive to landlords to participate in the program and has resulted in a shortage of Section 8 units for program participants.

Table II-22: Santa Monica Housing Authority – 2012 Rent Payment Standards

Bedroom Size	0-bdr	1-bdr	2-bdr	3-bdr
SMHA Rent Payment Standard (including utilities)	\$1,009	\$1,352	\$1,843	\$2,411
Median Market Rent (Decontrolled/Recontrolled Unit)	\$1,172	\$1,556	\$2,055	\$2,721

Source: SMHA, January 2012. Santa Monica Rent Control Board, Thirteenth Year Report 1999-2011.

In August 2011, the Housing Division opened its waiting list for all affordable housing programs, including Housing Choice Vouchers and Inclusionary Housing units. The previous waiting list had been established in 2006 with approximately 5,000 applicants. This time the waiting list was opened for 35 hours and received almost 34,000 applicants. Based on the self-reported data from applicants, approximately 3,900 applicants either work or live in Santa Monica, of which 173 reported being veterans.

The SMHA's Administrative Plan establishes local preferences and gives priority to serving families that meet those criteria. These preferences and priorities are consistent with the Consolidated Plan and must be based on local housing needs and priorities that are documented. The SMHA established two Tiers of preferences. Tier I establishes a displaced preference resulting from a disaster; government action; eviction pursuant to specific laws; and evictions related to owner/relative occupancy of rent controlled units. Tier II establishes preferences based on residing in the City; working in the City; applicants on



the service registry (homeless); and other homeless applicants receiving services from a recognized homeless service agency. Within each Tier, preference is given to U.S. military, and applicants who are seniors displaced or disabled.

a. Patterns of Occupancy

In October 2011, there were 1,400 households receiving rental vouchers from the Santa Monica Housing Authority. Table II-23 identifies the distribution of vouchers by race/ethnicity and household type for current voucher holders. The vast majority of households receiving vouchers are White (801 vouchers), followed by African Americans (347 vouchers), Hispanics (237 vouchers) and Asian/Pacific Islanders (11 vouchers).

Table II-23: Characteristics of Rental Assistance Voucher Recipients

Household Characteristics	Number of Households with Vouchers	Estimate of Eligible Population (Renters <50% AMI)	Percent of Eligible Population with Vouchers
Race/Ethnicity			
Hispanic or Latino	237	979	24%
Non-Hispanic:			
White	801	5,125	16%
African American	347	509	68%
Asian/Pacific Is.	11	528	2%
Other	4	--	--
Total Vouchers	1,400	7,508	18%
Special Needs Households			
Disabled	887	1,715	52%
Elderly	633	2,393	26%
Elderly and Disabled	427	1,105	39%

Source: Santa Monica Housing Authority, October 2011. CHAS Databook 2000

Figure 9 illustrates the distribution of these 1,400 rental assistance vouchers by census tract. Vouchers are distributed throughout the City's higher density multi-family residential neighborhoods, with the highest numbers found in census tracts immediately north and south of Interstate 10 (Santa Monica Freeway) and in the downtown core. As could be expected, census tracts with the greatest number of rental assistance vouchers largely correspond with the City's low and moderate income areas (refer to Figure 7), although not all low and moderate income areas evidence high levels of rental assistance and many voucher holders reside outside these areas.

According to HUD's Comprehensive Housing Affordability (CHAS) database, there were 7,508 low income (50% AMI) renter households in Santa Monica in 2000, generally the eligible population for rental assistance vouchers. With 1,400 households receiving rental assistance vouchers, approximately 18 percent of Santa Monica's eligible renter population is served by rental assistance vouchers. African American, Hispanic and White households are well represented in that 68, 24 and 16 per cent, respectively, of income eligible renters within each of these groups hold a voucher. In contrast, only 2 percent of income eligible Asian renter households hold a voucher.

The reasons for the disparity in representation of Asian renter households are not fully



understood. The 2010 Census does not identify any predominant racial majority within the Asian population in Santa Monica. The largest Asian racial groups were Chinese (27%); Japanese (17%); Korean (16%); and Asian Indian (13%). Information from the 2006-2010 American Community Survey showed that of 2,499 households with Asian or Pacific Islander languages, approximately 30 percent were households considered linguistically isolated (no one 14 or over speaks English only or 'very well'). However, it is unclear which of the racial groups in the Asian community experiences this language barrier. In addition to the language barrier, lower income Asian populations may be unfamiliar with the City's rental assistance programs, or may be reluctant to interface with government officials. SMHA staff has also found that lower income households in the Asian community tend to receive support from within the Asian community and are less inclined to seek support from the government for housing.

The SMHA also keeps statistics on the household type of voucher holders, also presented in Table II-23. Of Santa Monica's 1,715 low income renter households identified by the census as having a mobility or self-care limitation, just over half (53%) receive Housing Choice Vouchers. One-quarter of Santa Monica's income eligible senior renter households also receive vouchers.

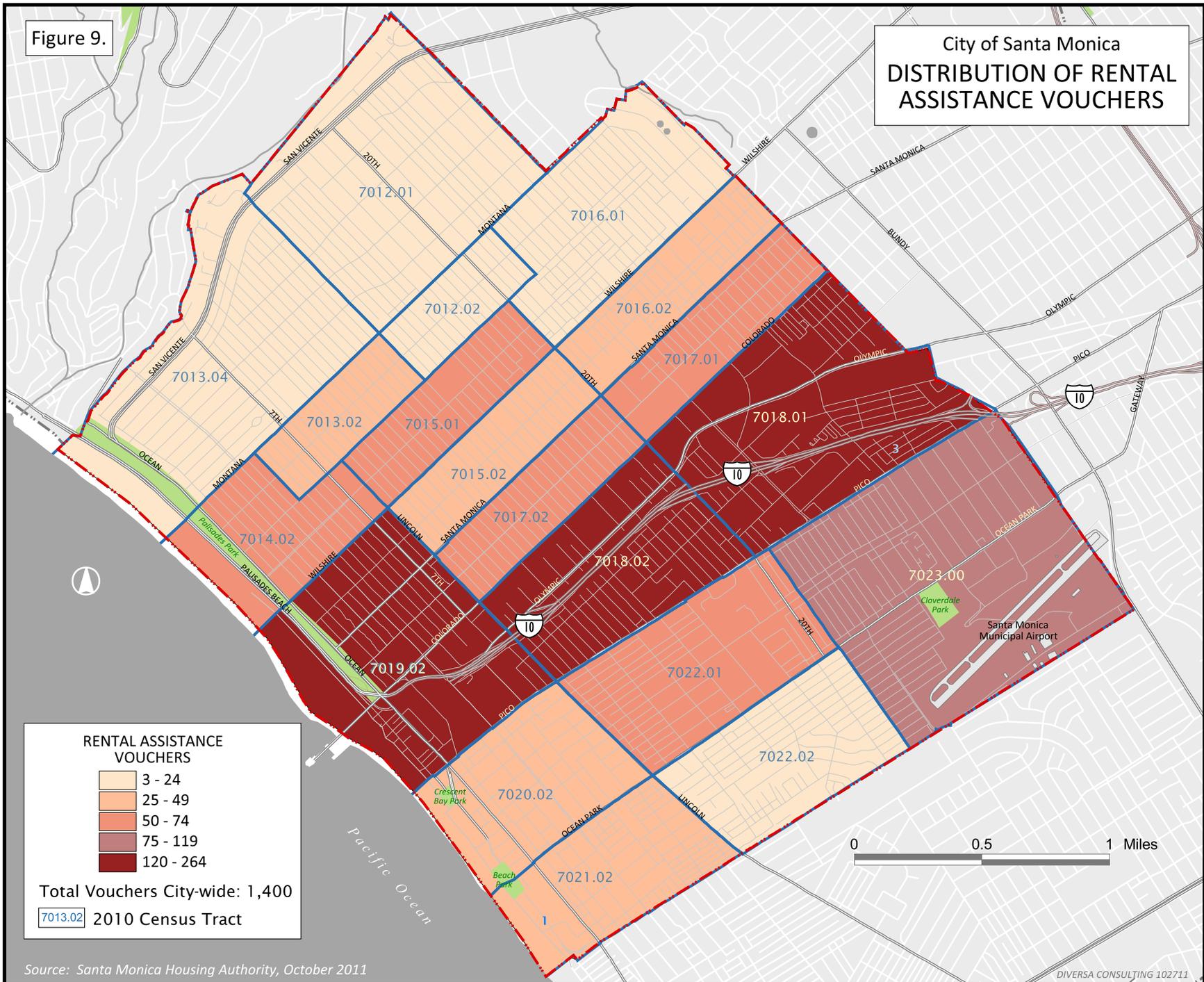
The SMHA has established policies to monitor the characteristics of the population currently being served through rental vouchers compared to the population as a whole to identify underserved populations. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations, including extremely low income families, are being underserved. If targeted outreach is necessary, the SMHA Administrative Plan suggests various activities such as: press releases to local and minority newspapers; providing informational materials to other public and private agencies; and developing partnerships with other organizations that serve similar populations.

The SMHA undertook extensive community outreach in preparation for opening the assisted housing waiting list in August 2011, resulting in a significant number of applicants (almost 34,000). In addition to outreach in the local newspapers, notice to partnering social service agencies, and information presented on the City's website and cable television station, SMHA worked with local community partners to provide internet access and application assistance at various locations, particularly focusing on those populations in the community least likely to have internet access (e.g. homeless, seniors, disabled.) Analysis of the characteristics of the population on the waiting list is currently being conducted by SMHA staff.

As part of the Housing Choice Voucher Program, the Santa Monica Housing Authority also administers the Family Self-Sufficiency (FSS) Program. As its name implies, the program is designed to help HCV participants become more self-sufficient. Participants in the program elect to sign a Contract of Participation, which specifies what actions they will take to become financially independent from welfare cash aid. The Housing Authority establishes a savings account for the participant in order to encourage successful completion of the program. As of October 2011, there were 44 participants in the Family Self-Sufficiency Program.

Figure 9.

City of Santa Monica DISTRIBUTION OF RENTAL ASSISTANCE VOUCHERS



RENTAL ASSISTANCE VOUCHERS

3 - 24
25 - 49
50 - 74
75 - 119
120 - 264

Total Vouchers City-wide: 1,400

7013.02 2010 Census Tract

Source: Santa Monica Housing Authority, October 2011



3. Assisted Housing

Existing housing that receives governmental assistance is often a significant source of affordable housing in many communities. Santa Monica has used a variety of methods to facilitate affordable housing development throughout the City. In addition to subsidized housing, affordable housing has also been produced in private development in the City as a result of regulatory mechanisms such as inclusionary housing regulations, development agreements, settlement agreements, and rent control removal permit requirements.

A detailed inventory of all publicly assisted affordable rental housing in Santa Monica is provided in Appendix A (does not include inclusionary units). This inventory encompasses 3,633 units within 131 separate developments, including:

- 1,005 units within 11 developments financed under specific HUD Programs
- 41 public housing units in 2 developments owned by the Co. Housing Authority (HACoLA)
- 40 privately owned units in three developments leased to and managed by HACoLA
- 1,932 units within 108 developments developed by CCSM and other non-profits
- 615 new units in 7 developments estimated to be developed between 2012 – 2014

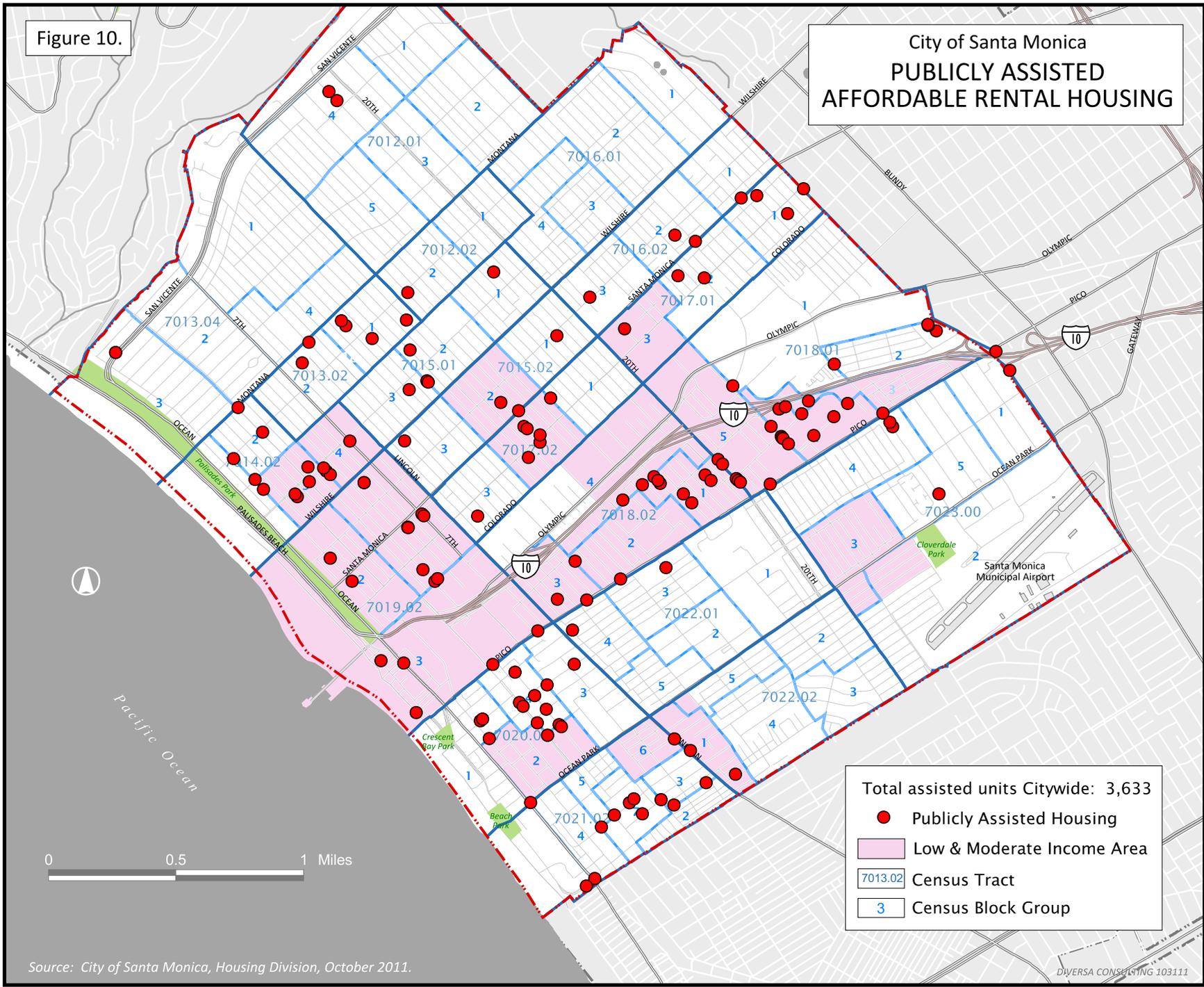
Public funding assistance has been provided through a wide variety of Federal, State and local sources, including: HUD (including HOME and CDBG funds), Federal Low Income Housing Tax Credits, State Multi-family Housing Program, City Housing Trust Funds, Multi-Family Earthquake Repair Loan (MERL) program assistance, and prior Redevelopment Housing funds, among others. The demand for assisted housing is high, with many developments having waitlists that are years long.

Figure 10 displays the location of all 131 assisted affordable housing developments in Santa Monica. The distribution of these developments is relatively dispersed throughout the community in various multi-family residential neighborhoods and commercial corridors. Though most of these affordable rental complexes are in locations that correspond to the City's low and moderate income areas, approximately one-third can be found in other census block groups. The City's inclusionary housing policy which integrates affordable units within market rate developments serves to further de-concentrate low and moderate income households. And because the City is so well served by public transit, all affordable housing developments are located within short walking distance of a bus line (refer to Figure 12 later in this chapter).

The City's 2010-2015 Consolidated Plan analyzed which of the publicly assisted rental housing developments were at-risk of converting to market rate either at the end of HUD's subsidized contract period or other agreement that restricts the rents. Six City-assisted developments that were identified as at-risk have 10 year extensions on a affordability restrictions; several of the HUD assisted developments have pre-payment options, but are controlled by non-profit agencies unlikely to pre-pay; several developments have Section 8 subsidy contracts subject to renewal, however, it is likely that HUD will be able to extend those contracts each year. Based on these factors, it is unlikely that any of these developments will actually convert to market rate in the near future.

Figure 10.

City of Santa Monica PUBLICLY ASSISTED AFFORDABLE RENTAL HOUSING





F. RESIDENTIAL CARE FACILITIES

Residential care facilities (also known as licensed community care facilities) serve a variety of persons who may require a supportive care environment. Many of these facilities provide housing for persons with physical, developmental, or mental disabilities, including both children and the elderly. These facilities are licensed and monitored by the Community Care Licensing Division, which is part of the State of California’s Department of Social Services. A description of each type of facility is provided below:

- *Small Family Homes:* provide 24-hour-a-day care to six or fewer children, who may have physical, mental or developmental disabilities, in a licensed home residence.
- *Group Homes:* provide 24-hour non-medical care and supervision to troubled and/or developmentally disabled youth.
- *Adult Residential Facilities:* provide 24-hour non-medical care for adults ages 18-59, including those with physical, developmental and/or mental disabilities, who need assistance with daily living skills.
- *Residential Care Facilities for the Elderly:* provide care, supervision and assistance to persons 60 years of age and over (also known as assisted living facilities, retirement homes and board and care homes).
- *Residential Care Facilities for the Chronically Ill:* serve up to 25 persons and provide care and supervision to adults with HIV/AIDS.

Table II-24 provides a summary of the 25 licensed residential care facilities and two adult day care centers located in Santa Monica. These 27 facilities provide care for up to 914 residents. The three adult residential facilities that serve disabled persons provide a total capacity of 202 beds. An additional 22 residential care facilities for the elderly serve up to 592 elderly, including many who are also disabled. In addition, there are two licensed adult day care facilities serving 120 persons that provide care to adults over 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of these individuals.

Figure 11 shows the location of the 27 licensed facilities in relationship to the City’s low and moderate income areas. Overall, there is not a concern about over-concentration since facilities are distributed in various areas of the City. Two of the adult residential facilities are located near the northern and southern edges of the low and moderate income areas and the third is located near the northern boundary of the City in a lower density residential area. The 22 residential care facilities for the elderly are widely dispersed, with just three located within low and moderate areas. One adult day care facility is located on 4th and the other on Pico, providing good access along significant transit corridors.

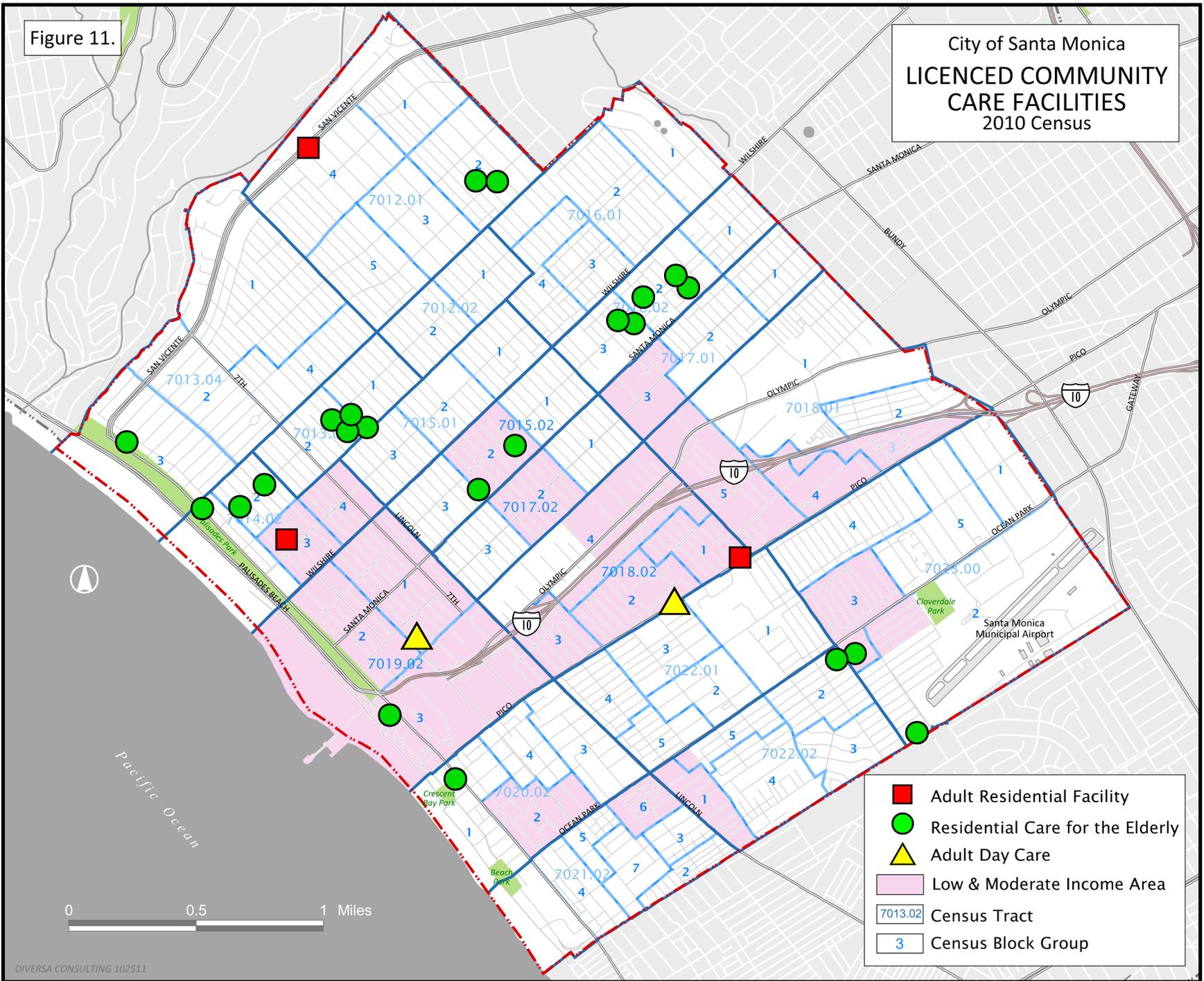
Table II-24: Licensed Residential Care Facilities

Type of Facility	# of Facilities	Capacity (beds)
Adult Residential Facility	3	202
Residential Care for the Elderly	22	592
Adult Day Care	2	120

Source: State Department of Social Services, Licensing Division (2011).

Figure 11.

City of Santa Monica LICENCED COMMUNITY CARE FACILITIES 2010 Census



0 0.5 1 Miles



G. TRANSPORTATION PROFILE

Public transit is important for lower income households, which are often transit dependent. Fair housing choice is enhanced when public transit provides links for those households between housing, job opportunities and other services.

The City of Santa Monica has one of the most extensive public bus systems of any city of its size in the nation. The City launched its own bus line in 1928, starting as Santa Monica Municipal Bus Lines and becoming Santa Monica's Big Blue Bus in 1999. The Big Blue Bus has a fleet of approximately 210 alternative fuel buses and carries over 80,000 people a day or 21 million passengers a year around a 52 square mile service area. The



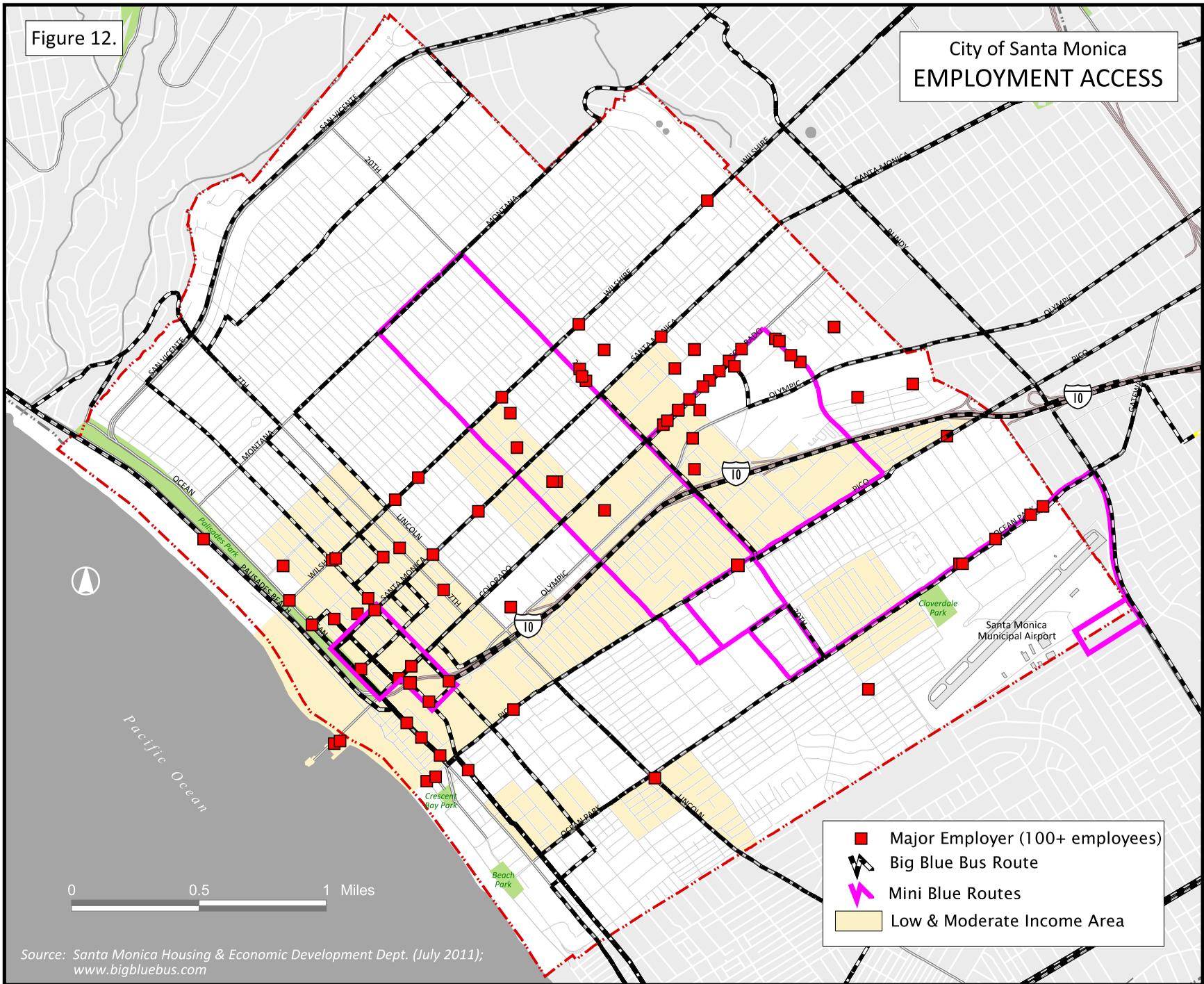
Santa Monica Big Blue Bus won the American Transportation Associations' Outstanding Achievement Award four times between 1983 and 2000.

The Big Blue Bus offers fourteen regular bus routes, two limited stop (rapid) services, and three mini bus routes, providing extensive coverage within the City, to Santa Monica College and UCLA, and to downtown Los Angeles. Several routes provide service to the Pico/Rimpau Transit Center in Los Angeles where patrons can link to the Metro and LADOT DASH. The Big Blue Bus also provides service to the Metro Green Line, Los Angeles airport, VA Hospital, and regional shopping areas. The Mini Blue provides three routes within Santa Monica and is advertised as a smaller faster neighborhood ride, running every 15-20 minutes. Fares for the Big Blue Bus are discounted for seniors, persons with disabilities, and Santa Monica College and UCLA students. Discounted fares are also available with monthly passes, day passes, or the purchase of 13 rides.

Figure 12 depicts the location of fixed route transit systems in Santa Monica, and their proximity to employers with 100+ employees. Because Santa Monica is so well served by the Big Blue and Mini Blue bus lines, all the City's major employers fall within a block or two of a bus line, demonstrating that public transportation enhances fair housing choice in Santa Monica and is not an impediment. Furthermore, the 2006-2010 American Community Survey indicates that almost 10 percent of Santa Monica's residents use public transit as a means of commuting to work.

Figure 12.

City of Santa Monica EMPLOYMENT ACCESS



Source: Santa Monica Housing & Economic Development Dept. (July 2011); www.bigbluebus.com



H. EMPLOYMENT PROFILE

Education and employment also have an important impact upon housing needs to the extent that housing affordability is tied to household income. According to the California Employment Development Department (EDD), a total of 56,800 Santa Monica residents were in the labor force as of December 2011, with approximately 5,400 unemployed residents. Santa Monica's unemployment rate (9.6 percent) was two points below the overall unemployment rate for Los Angeles County (11.6%).

The 2006-2010 American Community Survey documents that the overall educational level of Santa Monica residents is substantially higher than that of the population in Los Angeles County as a whole. The population over age 25 with a high school diploma or higher degree is 95 per cent in Santa Monica, compared to 76 per cent countywide. Of that same population, those with a Bachelor's degree or higher is 63 percent for Santa Monica and 31 percent countywide. Conversely, just three percent of Santa Monica residents (age 25+) do not hold a high school diploma, compared to 10 percent countywide. This higher level of educational attainment translates into the types of occupations and income levels necessary to afford Santa Monica's high housing costs.

Table II-25 shows the types of occupations held by Santa Monica residents in 2000 (Census) and 2006-2010 (ACS). Two-thirds of residents are employed in management and professional occupations, professions characterized by higher paying jobs. Twenty percent of residents are employed in sales and office occupations, typified by moderate to upper income pay scales, with nine percent of residents employed in the service industry, characterized by lower paying jobs. Over the 2000-2010 period, the City evidenced a significant 14 per cent increase in residents employed in management and professional occupations, indicating the prevalence of upper income professionals moving into the City. In contrast, production/transportation and construction/maintenance occupations evidenced significant declines (-33% and -34% respectively), as did sales and office occupations (-8%).

Table II-25: Employment Profile 2000 and 2010

Occupations	2000		2010		Percent Change
	Persons	Percent	Persons	Percent	
Management/Professional	28,378	60%	32,507	66%	+14%
Sales and Office	10,955	23%	10,089	20%	-8%
Service	4,430	9%	4,458	9%	+1%
Production/Transportation	1,721	4%	1,149	2%	-33%
Construction/Maintenance	1,575	3%	1,034	2%	-34%
Farming, Fishing, and Forestry	0	0%	0	0%	0%
Total	47,059	100%	49,237	100%	+5%

Source: Bureau of the Census, 2000. American Community Survey 2006-2010.

Santa Monica has a large array of industry types that provide jobs throughout the City, including professional occupations relating to Santa Monica College, the RAND Corporation, St. John's Health Center and Santa Monica-UCLA Hospital. As a beachfront community, tourism is also a key component of Santa Monica's economy, with numerous jobs in the



hospitality and service industries. The 2000 Census documented that only 17 percent of persons employed in Santa Monica also lived in the City, indicating that housing is not affordable to a large segment of the City's workforce.

Table II-26 identifies the twenty-five largest employers in the City, illustrating the dominant role education, health services, media/entertainment and hospitality industries play in the local economy. These large employers generated approximately 25 percent, or 18,123 of the 74,100 total estimated jobs in Santa Monica in 2011. Figure 12 depicts the location of the nearly 80 employers in Santa Monica with 100+ employees, and illustrates their excellent access to public transportation.

Table II-26: Major Employers in Santa Monica, July 2011

Rank	Employer	Industry	Employees
1	City of Santa Monica	Government	2,528
2	Santa Monica College	Education	2,086
3	Saint John's Hospital Medical Center	Health Services	1,796
4	Santa Monica-UCLA Hospital	Health Services	1,780
5	Santa Monica-Malibu Unified School District	Education	1,500
6	RAND Corporation	Research	894
7	Universal Music Group	Media + Entertainment	850
8	Activision Blizzard Inc	Media + Entertainment	692
9	ET Whitehall Santa Monica Partners LP	Hospitality	534
10	MTV Networks	Media + Entertainment	506
11	Loews Hotels	Hospitality	434
12	Lion's Gate Entertainment Corp	Media + Entertainment	425
13	Yahoo! Media & Music	Media + Entertainment	390
14	Edmunds.com	Internet Service	361
15	Rubin Postaer and Associates	Advertising	350
16	Goldline International Inc.	Financial Services	337
17	KOR Hotel Group	Hospitality	323
18	Whole Foods Market	Retail	307
19	Fairmont Miramar Hotel	Hospitality	303
20	Crossroads School for Arts & Sciences	Education	295
21	Wells Fargo Capital Finance	Financial Services	295
22	Sony Computer Entertainment America	Media + Entertainment	292
23	The Macerich Company	Real Estate	284
24	Google	Internet Service	281
25	Sonic Automotive	Auto Dealer	280
Total			18,123

Source: City of Santa Monica Housing and Economic Development Department, Employer reported employment levels, July 31, 2011.



I. COMMUNITY FACILITIES

The City of Santa Monica has a wide array of public facilities dispersed throughout the community to address the needs of residents. The following is an overview of these facilities.

Civic and Governmental Facilities

- The **City Hall complex** is located at 1685 Main between Olympic and Interstate 10 (Santa Monica Freeway). Departments located in City Hall include: City Manager, City Clerk, Community & Cultural Services, Finance, Human Resources, Information Systems, Planning & Community Development, Public Works, and the Rent Control Board.
- The **Housing and Economic Development Department** at 1901 Main near Pico houses the Santa Monica Housing Authority, administration of the City's inclusionary housing program, the former Redevelopment Agency, Economic Development and the Farmer's Market. It is located a few blocks from City Hall.
- The **Civic Auditorium** is located at 1855 Main, near Pico and City Hall.
- The **Police Department** is located at 333 Olympic between 4th and Main, adjacent to City Hall.
- The **Main Library** is located at 601 Santa Monica near 6th.

Community Facilities

- The **Ken Edwards Center** is located at 1527 4th, between Colorado and Broadway. This Center is used by City Departments for Commission meetings as well as by numerous community groups for meetings and other events.
- The **Senior Recreation Center** is located at Palisades Park on Ocean between Montana and California. The Center offers on-going recreation classes for seniors.
- The **Teen Center** is located at Virginia Avenue Park, south of Interstate 10 near Pico. The Center offers art classes, academic assistance, enrichment classes, a computer center and a variety of recreational opportunities.
- Community meeting rooms are provided at six parks throughout the City, including the **Thelma Terry Building** with a multi-purpose room and classrooms for seniors at Virginia Avenue Park.

Parks

- Santa Monica maintains approximately 366 acres of public open space, including 245 acres of Santa Monica State Beach; 27 regional, community and neighborhood parks; and 27 community facility sites. Four parks are located within the City's low and moderate areas: Memorial Park, Stewart Street Park, Euclid Park and Virginia Avenue Park. The parks range from .16 acres (small neighborhood park) to 26.4 acres (Palisades Park) and provide typical amenities including sports fields/facilities, playgrounds, picnic areas and open space. The City has just approved the design of its first universally accessible playground to be located at the beach, with construction beginning in 2012.



Schools

- The Santa Monica/Malibu School District includes 11 elementary schools, four middle schools and three high schools.
- Santa Monica College, located at Pico between 16th and 18th, is a two-year community college that has operated since 1929. It now serves approximately 30,000 students and offers more than 80 fields of study. It is the leader among the State's community colleges in transferring students to the University of California, University of Southern California and other four-year campuses.

In summary, community facilities are well dispersed throughout Santa Monica and are well served by the Big Blue Bus and Mini Blue transit system.



III. FAIR HOUSING PROFILE: EVALUATION AND ASSESSMENT

This section provides an overview of the variety of fair housing and tenant/landlord mediation services available to Santa Monica residents. Recent fair housing complaints and cases are evaluated to assess potential patterns of impediments to fair housing choice. Finally, a summary is provided of comments received at the public fair housing consultation workshop, as well as comments received from various City commissions.

A. FAIR HOUSING SERVICES

Santa Monica's Fair Housing Program is provided through the Consumer Protection Unit within the City Attorney's Office, and is staffed by three attorneys and two investigators. The Consumer Protection Unit has two primary responsibilities: 1) to facilitate compliance with local, state and federal fair housing laws through complaint investigation and enforcement; and 2) to further fair housing goals through community education and awareness. Fair housing services provided to Santa Monica residents include: community outreach and education; investigation of allegations or complaints regarding unfair housing practices; fair housing audits and testing; and counseling or referrals to other agencies when individuals may have been victims of discrimination.

1. Education and Outreach

Every April for National Fair Housing Month, the Consumer Protection Unit conducts a multi-faceted campaign to improve community awareness of fair housing laws and to help eliminate housing discrimination in the City. This includes outreach to Santa Monica residents, real estate professionals, developers, bankers/lenders, advocacy groups, government officials, and a variety of other entities. The City's fair housing awareness campaign encompasses the following activities:

Fair Housing Poster Contest. Hundreds of Santa Monica elementary and middle school students participate in the Consumer Protection Unit's annual poster contest, creating colorful works of art reflecting the annual theme. Past themes have included "Fair Housing Brings Us Together", "Fair Housing Rocks", "Fair Housing Helps Families" and "Fair Housing Turns the Key." Finalists' posters are displayed in the lobby of City Hall, and published as calendars and provided free to the public. The posters are also used as part of the City's fair housing ad campaign, described below.

Fair Housing Ad Campaign. The City places full-page community awareness advertisements (featuring the students' fair housing posters) in local newspapers, notifying residents where they can learn more about fair housing laws, such as www.fairhousing.com, fair housing videos on www.youtube.com, as well as the City Attorney's consumer-oriented website at www.smconsumer.org. The fair housing posters are also placed in the display ad space on all of the City's Big Blue Buses.



Fair Housing Workshops and Seminars. Every year, the City's Consumer Protection Unit sponsors a public workshop to increase awareness of fair housing laws among local apartment owners, realtors and the general public, and to address current issues such as fair lending, reasonable accommodation, and protections for families with children. The City has utilized a variety of creative formats for its workshops, and has been successful in achieving a high level of community participation. The following highlights several of the workshops conducted in recent years:

- **Fair Housing Day at Santa Monica High School.** The City's fair housing attorneys and investigators spoke to over 500 students in six combined classes at Santa Monica High School about the fair housing laws and their history. After each presentation, students volunteered to take part in a fictional fair housing dispute, taking on the roles of attorneys and clients in a mediation. Gary Rhoades, Deputy City Attorney, coordinated the event with SAMOHI, commented on the day: "After getting a crash course in fair housing law, the students threw themselves into their roles during the mediation. We hope that not only will some of the students share what they learned with their parents, but they will be seeking housing for themselves in the not too distant future, and might need this information about their civil rights in housing."
- **Fair Housing Seminar with Apartment Association:** The Apartment Association of Greater Los Angeles (AAGLA), the California Department of Fair Employment & Housing (DFEH), and the City Attorney's Consumer Protection Unit have co-sponsored several half-day fair housing workshops at the Santa Monica Library. The workshop's presenters focus on relevant fair housing topics, including anti-smoking laws as they relate to housing, families with children, reasonable accommodations for tenants with disabilities, insurance coverage issues, and alternatives to litigation such as mediation and the administrative complaint process.

Lainy Parry, AAGLA Board Member and Santa Monica resident, said, "Fair housing for all is a practice vigorously pursued by AAGLA. Everyone deserves a fair shot at getting an apartment, and AAGLA takes pride in promoting equal opportunity." Parry also noted that, "This cooperative venture between AAGLA and the City of Santa Monica has already proven to be the beginning of good things to come, as we have found common ground for other projects." Gary Rhoades, Deputy City Attorney, agreed: "The continuing venture with AAGLA has helped both of us to reach many more folks with this valuable community education service. Over 230 persons have attended these workshops, and we've seen firsthand how the better informed owners and tenants resolve fair housing disputes without having to go to court."

- **Fair Housing Seminar with Board of Realtors:** The Beverly Hills/Greater Los Angeles Association of Realtors (BHGLAAR) and the Santa Monica City Attorney's Office co-sponsored a half-day fair housing workshop in Santa Monica on real estate and lending issues. The workshop's presenters reviewed federal and state fair housing laws pertaining to real estate, and discussed steering, redlining, predatory lending practices, and alternatives to litigation. Presenters



included representatives from the California Department of Fair Employment & Housing (DFEH), California Association of Realtors, BHGLAAR, Wells Fargo Mortgage, and the City Attorney's Office.

Commenting on the seminar, Deputy City Attorney Gary Rhoades said: "This unique cooperative venture between the City and the local realtors underscores the importance of fair housing. Not only does fair housing help Santa Monica families get and keep keys to housing, it's also crucial for the healthy development of our community and businesses."

- **Postwar Housing Segregation Film and Discussion:** The City hosted a half-day workshop at the City library that included the showing of a PBS film on the history of post World War II housing segregation, and a discussion afterwards to explore the fair housing issues experienced by participants. Speakers included representatives of the California Department of Fair Employment & Housing (DFEH), the Housing Rights Center, Bet Tzedek, and Legal Aid.

In addition to the annual fair housing workshops and seminars described above, the City Attorney's Office sponsors workshops throughout the year in response to specific issues. Past workshops include:

- Santa Monica Senior Law Day
- Finding Common Ground in Changing Times – dispute resolution workshop with local apartment owners and tenants
- Disability Issues in Rental Housing

2. Fair Housing Enforcement and Case Statistics

The Consumer Protection Unit investigates and prosecutes violations of fair housing laws and the tenant harassment ordinance, and helps to resolve tenant/landlord disputes on a regular basis.

a. Complaint Resolution Process

The City's process for resolving discrimination complaints involves the following steps:

- Complaint intake
- Testing for discrimination
- Meeting with alleged violator
- Potential legal action

Complaint intake: The first step is to obtain information on the nature of the complaint. Complainants are advised that the Consumer Protection Unit is part of a public agency and can not represent individuals in subsequent legal action. Any legal action filed by the Unit will be brought on behalf of the People of the State of California and the complainant will be witness. Complainants are thus advised to seek private counsel if they are interested in seeking legal remedies, and are provided with referrals to The Legal Aid Foundation of Los Angeles (with offices in Santa Monica) and the Santa Monica Bar Association.

FAIR HOUSING PROFILE



Testing for discrimination: The next step is to investigate the complaint through testing. The process is done through telephoning the landlord or manager, giving an informational profile similar to the complainant, and recording the response. If a face-to-face confrontation was the setting for the discrimination, a tester fitting the profile of the complainant will be sent to the location.

Meeting with the alleged violator: If a complaint sustains discrimination after testing, a letter is sent to the property owner requesting their presence at an informal office conference held at the City Attorney's Office. Landlords are advised of their right to bring an attorney to represent them at the meeting as well as any witnesses and documents supporting their position. They are asked not to rent the unit or units in question until the office conference has been held. Many complaints can be resolved in this manner by the landlord agreeing to consider the tenant's application for the unit.

Potential legal action: When informal resolution fails and the complaint testing results strongly suggest that discrimination has taken place, the Consumer Protection Unit may file a lawsuit. The initial step in litigation is to file for a Temporary Restraining Order and Preliminary Injunction. The Consumer Protection Unit then files a civil action for violation of the Unfair Business Practice/Unfair Competition statute. A permanent injunction is sought as well as civil penalties and the costs of prosecution. Typically, the Unit seeks a negotiated settlement as a means to prevent litigation.

b. Discrimination Cases

Table III-1 displays the number and nature of fair housing cases in Santa Monica during the past three years, as well the outcome of the cases.

Table III-1: Discrimination Cases in Santa Monica

Discrimination Cases	2008/2009	2009/2010	2010/2011	Totals	
Protected Classification					
Disability	14	10	9	33	68%
Race	2	1	1	4	8%
Family Status	1	0	2	3	6%
Religion	0	1	0	1	2%
N/A*	2	2	4	8	16%
Total	19	14	16	49	
Disposition					
No Violation or Inconclusive Evidence	10	6	4	20	41%
Referred to other Agency	4	5	6	15	31%
Resolved with City's Intervention	3	3	5	11	22%
Case Open	2	0	1	3	6%

City of Santa Monica, City Attorney's Office, Consumer Protection Unit, October 2011.

* Complaint filed as fair housing, but turned out not to involve any protected class. Often involves tenants in deed restricted housing and/or with Section 8 vouchers.



With a total of 49 discrimination cases during this period, more than two-thirds, or 33 cases, were related to disability issues and requests for reasonable accommodation. For example, a landlord's refusal to permit a disabled person, at their own expense, to make reasonable modifications to their rental unit that are necessary to allow the disabled tenant "full enjoyment of the premises" is unlawful discrimination. Other discrimination cases involved race (4 cases), family status (3 cases), and religion (1 case). An additional eight fair housing cases didn't involve any protected class, and typically involved tenants in deed restricted housing and/or with Section 8 vouchers.

Upon investigation, 20 of the 49 fair housing cases (41%) were closed due to inconclusive evidence or a determination that no violation has occurred; 15 cases (31%) were referred to an outside agency; 11 cases (22%) were resolved with intervention by the City Attorney's Office; and three cases (6%) were still open.

Given the high incidence of disability issues in Santa Monica, the AI recommends the City conduct focused outreach and education to landlords and property owners on reasonable accommodation requirements.

Fair Housing Case Examples: A variety of different fair housing complaints brought by Santa Monica residents have been investigated by the City Consumer Protection Unit. The discussion below provides an example of four fair housing cases - one pertaining to religious discrimination, one pertaining to disability discrimination, and two pertaining to discrimination based on familial status.

Allegation: Religious Discrimination

People v. Or Khaim Hashalom. Upon purchasing an apartment complex, a recently formed purported synagogue notified the complex's tenants that it wanted only Jewish refugees from Iraq and Iran to live at the building. All the tenants were given eviction notices. Many of the tenants filed fair housing complaints with the City's Consumer Protection Office. After an informal attempt to resolve the issue, the City filed an unlawful business practices lawsuit against the "synagogue," including a state fair housing claim as one of the unlawful business practices. The tenants also filed their own case in federal court. Both cases were resolved in the same settlement agreement which required the owner to offer units back to any tenant who left, pay each tenant money for stress and costs, and engage in fair housing training.

Allegation: Disability Discrimination

Santa Monica Shores. The City Attorney's Office received a complaint that management of a large apartment and condominium complex (500 units) prohibited the disabled owners of service and companion animals to walk their animals onsite. After visiting the property and talking to numerous witnesses, City staff determined that forcing the disabled owners (approximately 60 people) out the gates of the relatively large grounds violated the tenants' rights to a reasonable accommodation. The City sent a letter to the management, owners and attorneys and persuaded them to change the policy in writing to allow all service animals to be walked on the Shore's grounds.



Allegation: Familial Status

Pablo & Rocio Cosio. A longtime tenant family was asked to leave because the owner planned a relative's occupancy in their apartment. When the tenants asserted their rights to certain process under rent control, the owner's son and manager made discriminatory remarks based on familial status and threatened to call Child Services, insinuating that the one-bedroom unit was too small for the family. After Consumer Protection Unit staff intervened and explained the law, the owners agreed they would not proceed with any type of eviction.

Patricia Contis. The only elevator at a property became inoperable. At least two disabled tenants were unable to enter and exit their units. The Consumer Protection Unit involved several City and other agencies in the inspection and relocation of the disabled tenants. The City also worked with the owner to devise an action plan and future procedures for accommodating disabled tenants in such situations.

Discrimination Suits: There have been no fair housing complaints in Santa Monica in which the Secretary of HUD has issued a charge of discrimination, nor any housing discrimination suit filed by the Department of Justice in the City.

3. Random Fair Housing Audits

In the fall of 2011, the City Attorney's Office began its first affirmative long term project to test local rental properties for potential discrimination. The goal of the project was to determine if prospective renters experienced differential treatment based on race or familial status. The City partnered with the Housing Rights Center (HRC) to conduct the rental audits.

As of the drafting of this report, HRC had finalized the race-based rental audit, with the following findings:

- Four different apartment buildings were tested for differential treatment towards prospective African American and White tenants applying for occupancy.
- Two of the four tests sustained findings of differential treatment towards African Americans.
- One of the tests showing differential treatment involved a property manager who said different things to the African American and White testers, although the differences were very small in nature and on balance not weighted towards one race or another (i.e. one example of the treatment would be considered differential in favor of the African American tester). The City Attorney's Office and HRC both agreed that the manager showed no apparent discrimination or discriminatory scheme.
- For the other test showing differential treatment, the City Attorney's Office is contacting the owner and management company and demanding that they address the problem.



Upon completion of the rental audit on potential differential treatment towards families with children, the results will be integrated into the AI prior to adoption by City Council. Based on the outcome of both audits, the City Attorney's Office will develop a revised approach to its community education program, in addition to contacting affected property owners to demand they address any allegations of discrimination uncovered by the audit.

4. Hate Crimes

In response to Congress' passage of the Hate Crime Statistics Act of 1990, the Federal Bureau of Investigation (FBI) collects and publishes data on crimes motivated by racial, religious, ethnicity/national-origin, sexual orientation, and disability bias. From the first year national hate crime data were published in 1992 to 2000, incidents motivated by racial violence comprised the largest portion of hate crime incidents, followed by incidents motivated by a religious bias. Following the events of September 11, 2001, crime incidents motivated by bias against ethnicity/national origin more than doubled and became the second most prevalent reported hate crime behind race. Hate crimes impact not only the individual victim, but can also affect the entire group associated with the particular bias. Such stereotyping can make victims of all who share the same race, religion, ethnicity or national origin, sexual orientation, or disability.

Table III-2 presents FBI hate crime statistics for 2005-2010 in the cities of Culver City, Los Angeles, Santa Monica and West Hollywood. According to FBI records, seven hate crimes were recorded in Santa Monica during this six year period, fairly comparable to the eight crimes recorded in the City during the 2000-2005 period. Of these seven most recent hate crimes in Santa Monica, two were motivated by a bias against race, two by a bias against ethnicity, two by a bias against sexual orientation, and one by a bias against religion. In comparison with other communities, the rate of hate crimes per 1,000 population is generally lower in Santa Monica than in the City of Los Angeles and West Hollywood, and higher than that in Culver City.

The Santa Monica Police Department conducts a thorough investigation of all hate crime incidents, including inquiries of nearby property owners to help identify the offender(s) and uncover potential patterns of hate crime activity.

a. Services for Hate Crime Victims

Both the State and County have programs providing assistance to hate crime victims. The Office of Attorney General has established an Office of Victims' Services that provides advocacy, support, educational and referral services. The aims of this Office are to help victims and their families understand their rights, help them get the support they need, and to guide them through the criminal justice system. The Office of Attorney General also has a Hate Crime Prevention Program Manager.

The Los Angeles County Commission on Human Relations each year evaluates hate crime incidents and trends throughout the County, and publishes an annual hate crimes report. The Commission has developed an array of programs and projects aimed at reducing hate crime, prejudice and gang/community violence, and building networks that can promote healthy intergroup relations (refer to www.lahumanrelations.org) The Commission has also

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Table III-2: FBI Hate Crime Statistics 2005-2010

Year/ Jurisdiction	Total Hate Crimes Reported	Hate Crimes per 1,000 Population	Motivation of Hate Crime				
			Race	Religion	Sexual Orientation	Ethnicity	Disability
2010							
Santa Monica	1	.01	1				
Culver City	0	--					
Los Angeles	138	.04	39	28	37	33	1
West Hollywood	9	.30	1		7		1
2009							
Santa Monica	3	.03	1		1	1	
Culver City	1	.03		1			
Los Angeles	190	.05	74	57	36	23	
West Hollywood	9	.30		3	6		
2008							
Santa Monica	0	--					
Culver City	0	--					
Los Angeles	280	.07	112	83	43	42	
West Hollywood	10	.30	2	2	6		
2007							
Santa Monica	1	.01				1	
Culver City	0	--					
Los Angeles	279	.07	132	50	43	54	
West Hollywood	10	.30		2	7	1	
2006							
Santa Monica	2	.02		1	1		
Culver City	0	--					
Los Angeles	211	.05	94	33	42	41	1
West Hollywood	4	.10			4		
2005							
Santa Monica	0	--					
Culver City	0	--					
Los Angeles	219	.06	104	34	42	39	
West Hollywood	12	.30	1	1	10		

Source: www.fbi.gov/ucr/ucr.htm

created the Hate Crime Victim Assistance & Advocacy Initiative to offer assistance to hate crime victims at a time of crisis. The needs of victims, according to the Initiative, range from counseling, financial compensation for medical bills or other expenses, emergency relocation, explanation of law enforcement and legal matters, and other forms of support.

The following agencies participate in the Hate Crime Victim Assistance & Advocacy Initiative:

- American Legal Center
- Anti Defamation League

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- Asian Pacific American Legal Center
- Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA)
- Los Angeles Gay & Lesbian Center
- Muslim Public Affairs Council (MPAC)
- South Asian Network (SAN)
- Youth Empowerment Project of the Southern Christian Leadership Conference

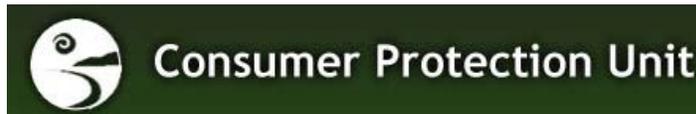
Victims of hate crimes in Santa Monica can be referred to the County Commission on Human Relations, Agencies participating in the Initiative, and the Office of Attorney General Office of Victim's Services.



B. LANDLORD-TENANT SERVICES

Santa Monica Consumer Protection Unit

In addition to fair housing complaints, the Consumer Protection Unit of the City Attorney's Office helps to resolve informal disputes between landlords and tenants on a regular basis. The Unit provides counseling to both tenants and landlords regarding their respective rights and responsibilities under the California Civil Code, Santa Monica's Tenant Harassment Ordinance and other City codes. Complainants contact the City for a multitude of reasons, including lockouts, utility shut-offs, tenants with domestic partners and harassment, to name a few. The Unit's webpage prominently displays the form for filing a housing complaint, and provides the option of completing the form on-line or in written form.



In December 2011, the City Council expanded the tenant harassment ordinance to encompass both rent controlled and non-rent controlled units. All tenant harassment complaints are referred to the City Attorney's Office for investigation and enforcement of the law. As a neutral enforcer of the law, the City can not represent tenants directly, and refers tenants requiring representation to Legal Aid (located near City Hall) or the Santa Monica Bar Association.

Rent Control Board



Santa Monica's Rent Control Board monitors evictions and advises tenants of their rights. The Rent Control Ordinance provides specific procedures for filing complaints and resolving disputes between landlords and tenants in rent controlled housing. For example:

- Excess rent complaints are reviewed by staff and the owner is given a chance to resolve the complaint. Complaints which are unable to be resolved administratively are referred to the Hearings Department for mediation and/or hearing. Decisions of the hearing officer may be appealed to the Rent Control Board.
- The Hearings Department offers mediation services every time a petition is filed regarding rent decrease, excess rent, maintenance, loss of housing services, and unreasonable construction impacts. Mediation is also available when no petition has been filed, but is requested by an owner or tenant over a dispute involving rent or maintenance.

Rent Control staff report that mediation is used extensively, and has been highly effective in resolving disputes.



The Rent Control Board does not usually mediate issues unrelated to the Rent Control Law. Examples may include disputes between tenants, neighborhood disputes, noise issues and family issues. If the Rent Control Board determines a dispute is unrelated to the Rent Control Law, the City provides referrals to the Center for Civic Mediation.

Legal Aid Foundation of Los Angeles



The Legal Aid Foundation of Los Angeles (LAFLA), located on 5th Street in Santa Monica, is funded by the City and provides legal services to low income residents of Santa Monica. LAFLA attorneys work closely with local agencies and City services to provide the following services:

- Housing & Eviction Defense
- Tenant/Landlord Disputes (i.e. tenant harassment, housing conditions, security deposits, unlawful detainers)
- Consumer Law (including foreclosures and predatory lending practices, home equity loan scams, elderly financial abuse)
- Government Benefits
- Naturalizations
- Family Law/Domestic Violence
- Self Help Legal Access Center

LAFLA has 2½ attorneys who focus on assisting low income Santa Monica residents. A large segment of their work involves assisting residents with disabilities in obtaining reasonable accommodations, and in defending rent controlled tenants against unlawful evictions.

Legal Clinics for Santa Monica Seniors: Beginning in December 2011, LAFLA began a new series of Monday morning legal clinics at WISE & Healthy Aging in the Santa Monica Ken Edwards Center. Each clinic focuses on a particular legal topic, such as Housing, Landlord-Tenant Issues, Family Law, or Government Benefits. LAFLA's attorneys offer counsel and advice to seniors on a first come, first served basis.

Santa Monica Self Help Legal Access Center: LAFLA operates a Self Help Legal Access Center in Santa Monica in collaboration with the County of Los Angeles, the Los Angeles Superior Court and Neighborhood Legal Services. The Center is a walk-in clinic where individuals who are representing themselves can obtain legal information, assistance in preparing legal forms and guidance on a variety of civil matters. Referrals to private attorneys or legal services programs are provided as needed.



The Center for Civic Mediation

The Center for Civic Mediation, formerly Dispute Resolution Services, offers mediation services to the Santa Monica community from their Santa Monica office. They define mediation as “a highly successful dispute resolution process that provides people with an opportunity to find solutions to their conflicts without going to court.” The Center handles disputes involving landlord-tenant issues and consumers (such as homebuyers), among others, and cite the following benefits of their mediation services:



- It's Effective – More than 90% of mediations result in long-term resolutions of mutual satisfaction.
- It's Quick – Mediations are scheduled within 2 to 4 weeks of the initial request for service.
- It's Inexpensive – There is no fee for the first three hours of mediation of community disputes. If subsequent mediations are needed and agreed upon by all participants, charge for additional sessions will be based on the mediator's hourly rate.
- It's Convenient - Mediation sessions can be scheduled at a mutually convenient time and location including evenings and Saturdays to accommodate participants' schedules.
- It's Empowering - Mediation allows people and organizations to develop mutual solutions, meeting their specific needs, interests and values as well as protecting their rights.
- It's Confidential - Statements made during the mediation and documents prepared for the mediation are not admissible in any legal proceeding without the written consent of all parties and the Center for Civic Mediation



C. INPUT FROM FAIR HOUSING WORKSHOP AND CITY COMMISSIONS

The City conducted outreach to a variety of public and private agencies either directly or indirectly involved with fair housing issues in Santa Monica to provide input during development of the AI. The following section summarizes the input received from those meetings.

1. Fair Housing Consultation Workshop

A consultation workshop was conducted on November 20, 2011, at the Ken Edwards Center with affordable housing providers, agencies representing special needs populations, the real estate community and key City Departments. The purpose of this workshop was to discuss potential impediments to fair housing, and to brainstorm potential strategies for the City to address. Approximately 20 agencies and City Departments were invited to attend the workshop held. The following agencies and City Departments were represented at the meeting:

CLARE Foundation
Community Corporation of Santa Monica
Ocean Park Community Corporation (OPCC)
Realtor, Rent Control Board
St. Joseph Center
Westside Center for Independent Living
Westside Regional Center

City Attorney's Office, Consumer Protection Unit
Housing Division
Human Services Division
Rent Control Department
Santa Monica Housing Authority

Comments from the workshop are summarized below, and have provided input into development of recommendations for the AI:

Gary Rhoades, Deputy City Attorney, Consumer Protection Unit

- The City's Consumer Protection Unit investigates and prosecutes both housing and consumer cases – about 50/50 each type.
- Enforcement involves investigation and sometimes working with other agencies such as the federal office of FHEO or the State DFEH that have been contacted by the complainant. The Unit's goal is to resolve the disputes, which often involves working closely with local realtors.
- The relatively low number of family dispute cases (compared to other cities) is likely due to a 2003 child discrimination and tenant harassment misdemeanor case that received significant attention. The property owner pleaded no contest to the charges, was required to pay a fine and attend fair housing training.
- The Unit conducts extensive education and outreach during fair housing month every April. Activities include:



- Fair Housing Poster Contest for elementary and middle school students. Hundreds of posters are received, with finalists displayed at City Hall, printed in the Daily Press, and published as calendars and provided free to the public.
- Fair Housing Ad Campaign. Community awareness advertisements, featuring the students' fair housing posters, are run in the local newspapers. Posters are also placed in all the City's Big Blue Buses.
- Fair Housing Seminar co-hosted with another major housing organization like the Apartment Owners Association, the Association of Realtors, and DFEH. The focus is to increase awareness of fair housing laws among local apartment owners, realtors and general public, and address current issues such as anti-smoking regulations, fair lending, reasonable accommodation, and protections for families with children.
- Santa Monica High School Fair Housing Program. The Unit conducted a program involving six presentations to over 500 high school students. After each presentation, students volunteered to take part in a fictional fair housing dispute, taking on the roles of attorneys and clients in mediation.

Robert Kronover, Realtor, Santa Monica Rent Control Board

- Concerned that the focus of the AI is so much on the 'demand' side without consideration of the 'supply' side issues. Specifically, he has seen intimidation of owners, particularly 'mom and pop' owners, by some renters.
- 'Mom and pop' owners generally own 1-2 buildings and are often from other countries. He estimated that about 30-50% of apartment buildings in Santa Monica are 'mom and pop' owned.
- Recommends that all owners run criminal background checks on prospective tenants. His understanding is the Community Corporation of Santa Monica (CCSM) does not run these checks.
- A question from Jim Kemper was if more fair housing complaints involve 'mom and pop' owners or larger property owners. Response: The majority of fair housing cases involve smaller property owners.

Tracy Condon, Administrator, Rent Control Department

- The Rent Control Board oversees administration of the Rent Control law on approximately 30,000 rental units. Approximately 40% are under long-term control, and 60% have been decontrolled/recontrolled upon vacancy.
- The Department has recently expanded its outreach to the Hispanic community, and maintains has a Spanish website and conducts specific outreach events in Spanish.
- An annual rent control registration fee is paid by property owners; if the fee is paid on time, the fee may be passed on to tenants with proper notice.
- Fee waivers are available for units occupied by very low income seniors or very low income disabled persons; units participating in a government funded rent subsidy program for very low or low income tenants; and units occupied by the landlord.
- The Board provides mediation services regarding disputes over housing conditions and amenities as an option to holding a formal hearing. Tenant harassment cases are referred to the City Attorney's Office.
- Any tenant/landlord disputes not related to the rent control law are referred to the Los Angeles County Bar Association Dispute Resolution Services, now the Center for Civic Mediation.



Cheryl Shavers, Senior Administrative Analyst, Santa Monica Housing Authority (SMHA), Housing Division

- The SMHA provides 1,400 households with rental assistance in the form of: Housing Choice Vouchers, Shelter Plus Care, Serial Inebriate Program, HOME Tenant Based Rental Assistance (TBRA) and Redevelopment TBRA.

Sergio Ramirez, Senior Administrative Analyst, Human Services Division

- This Division oversees Human Services funding of approximately \$7.4 million, including federal Community Development Block Grant (CDBG) funds.

Kristen Blair, St. Joseph Center

- St. Joseph Center provides emergency and long-term services to homeless and persons at-risk of homelessness.
- Works with the federal Shelter Plus Care (S+C) and Family Self-Sufficiency housing subsidy programs.
- The most significant issue for clients is the availability of affordable units. However, fair housing issues such as companion animals and accessible housing (wheelchair, etc.) are also concerns.
- City staff indicated that there is some CDBG money available for housing modifications for accessibility through the Home Access Program.
- Allowances for households to pay rent a few days later each month to coincide with State subsidy checks would be helpful. (If client is disabled, can receive reasonable accommodation to delay paying rent until receipt of disability check from State).

Rocio Miranda, Cindy Norton, Community Corporation of Santa Monica (CCSM)

- CCSM owns and manages 1,495 affordable rental units in Santa Monica.
- CCSM receives 3-5 requests for reasonable accommodations per month, and maintains written procedures for granting a reasonable accommodation. Accommodations are provided through various means, including transfer of units, assistance from the Westside Center for Independent Living (WCIL).
- CCSM has a waiting list of approximately 3,500 persons for their units, and maintains written policies and procedures for tenant selection. The waiting list is updated annually.

Rebecca Ricketts, Westside Center for Independent Living (WCIL)

- Due to fixed incomes, one of the most significant issues for their clients is finding units that are affordable to extremely low income households.
- What is the best way to get accessible units to the people who need those units? Though there are accessible units in the city, many are occupied by persons who do not need the accessibility. WCIL would like to see an inventory of accessible units developed that they could use with their clients.
- Concerned that the City's new Land Use and Circulation Element (LUCE) mixed use areas require first floor commercial in new developments, thereby precluding the provision of accessible units on the first floor.
- Would like to see the City adopt visitability standards for new development. Visitability is generally defined as first floor accessibility for potential guests visiting a residential property, i.e. a level entry, accessible bathroom, wide doorways, electrical switches at accessible height.



Leah Dyson, CLARE Foundation

- CLARE provides recovery services for substance abusers and their families through 14 programs including outpatient living.
- Santa Monica does not have good outpatient settings for recovering abusers due to the high cost of land and difficulties with locating treatment centers in neighborhoods that oppose them.
- Hard to find housing affordable to clients with general relief funds or SSI only. When a physical disability is added to affordability, finding units is especially difficult.

Debby Maddis, Ocean Park Community Corporation (OPCC)

- OPCC provides services and shelter to assist community members facing issues of domestic violence, poverty, homelessness, mental illness, abuse and discrimination. They assist approximately 9,000 persons on an annual basis.
- There is a lack of affordable units for low income and disabled persons.
- Would like the public to be able to access current information on affordable units available in the city, particularly inclusionary units. (affordable housing locator service)

Lori Khajadourian, Administrative Analyst, Housing Division

- City opened up the housing waiting list in August 2011. Almost 34,000 applications were received. The list is used for all City Affordable Housing Programs including the Section 8 Housing Choice Voucher Program. The Housing Division is encouraging owners of affordable housing, including inclusionary units, to check for potential tenants on the waiting list first.
- An inventory of affordable housing built with City assistance is listed in the Housing Element, although developments with inclusionary units are not identified.

Erica Reimer, Westside Regional Center

- Works on Placement Plans for developmentally disabled clients; primarily provide referrals.
- Clientele have not had fair housing complaints since she has been there.
- Affordability and accessibility are both issues for clients.
- Sometimes a child's disability can create negative interactions with landlords.
- Most residential facilities for WRC clients house less than 6 people.

Jim Kemper, Manager, Housing Division

- Housing Division functions as both a lender and as the Housing Authority, providing rental assistance.
- The City also owns three residential properties: 1616 Ocean; 419 Ocean; and Mountain View Mobile Home Park. City has had requests for reasonable accommodations in these properties.

Legal Aid Foundation of Los Angeles (*written comments*)

- Large segment of LAFLA's work involves assisting disabled tenants in obtaining reasonable accommodations.
- Accommodations received from private landlords include: acceptance of Section 8 vouchers, changing the due date of rent, permitting a caregiver, allowance for a



- support animal, not evicting due to breaches/nuisances related to mental disabilities, and moving a disabled or elderly tenant to a first floor unit.
- Accommodations received from the Santa Monica Housing Authority include: rescinding terminations, extending time to re-certify income, and allowing changes in program rules.
 - LAFLA also protects rent controlled tenants from unlawful eviction. Occasionally see other types of fair housing issues such as familial status or race discrimination, although cases difficult to prove from an evidentiary standpoint.
 - Section 8 payment standard in Santa Monica has not been increased since 2006 and as a result is well below market rent levels. Many landlords not willing to accept current payment standard, thus limiting housing choice for Section 8 tenants, majority of which are members of protected classes under fair housing law. SMHA should apply to HUD for an increase in the payment standard even though unlikely it would be approved at this time.
 - AI should identify discrimination against Section 8 holders (resulting both from below-market payment standards and potential minority discrimination) as a potential impediment with a recommended action to include reviewing federal, state and local laws and recommend any new laws or modifications to the City's current laws to protect Section 8 voucher holders from discrimination.
 - In 2011, market rents in Santa Monica were \$1,240 for a studio unit and \$1,595 for a one-bedroom unit, whereas affordable rents for moderate income households were \$1,495 for a studio and \$1,708 for a one bedroom. As moderate income rents are essentially the same as market rate, LAFLA is concerned that a City affordable housing policy that provides financial incentives to developers to build moderate income housing reduces funding available for needed housing for extremely low, very low and low income households, many of whom are members of protected classes.
 - Concern that CCSM admission policies may be too strict and may serve as an impediment to fair housing. For example, applicants with an unlawful detainer notice within the past five years are automatically denied admission. Also, applicants must show five years of rental history and no bankruptcies in the preceding five years. Not all unlawful detainer records result from the tenant's wrongdoing, and even those that do are not always reasonably predictive of future performance.

2. City Commissions

Santa Monica has established various commissions and advisory boards comprised of interested citizens to monitor the needs of the community and advise the City Council on the best way to address those needs. As part of the community outreach for the AI, the Housing Division met with the Commission for the Senior Community, the Housing Commission and the Disabilities Commission during their regularly scheduled meetings to discuss fair housing issues. The following summarizes the comments received from commissioners at those meetings.

COMMISSION FOR THE SENIOR COMMUNITY November 16, 2011; 1:30 p.m.

Following a brief presentation regarding the AI by Lori Khajadourian, Housing Division and Karen Warner, Consultant, the Senior Commission provided the following comments:



- How much of Santa Monica's housing is supported by HUD and thus subject to federal fair housing laws? *Response:* The federal Fair Housing Act applies to all housing, regardless of funding source.
- The data on housing overpayment (>30% income on rent) is interesting as it shows fewer extremely low income seniors impacted by overpayment than low and moderate income seniors. This illustrates the gap in rental assistance for seniors whose incomes exceed the Section 8 assistance level and face housing overpayment due to high market rents.
- It is important that seniors with disabilities are aware of options for a reasonable accommodation or modification. The City needs to better publicize procedures for requesting a reasonable accommodation.
- Once a few senior tenants are granted an exception to have an "assistance animal", leads to many senior tenants claiming a disability to allow them to have a pet. This has been the case at The Shores Apartments. However, the grounds remain well kempt so it hasn't been a nuisance.

HOUSING COMMISSION

November 17, 2011; 4:30 p.m.

Following a brief presentation regarding the AI by Lori Khajadourian, Housing Division and Beth Stochl, Consultant, the Housing Commission provided the following comments:

- Suggest working with local hardware stores to provide information about reasonable accommodation requirements to owners and maintenance staff.
- Concern that owners take more time making repairs in affordable versus market rate multi-family units.
- Recommend simple training for owners regarding fair housing, holding fair housing workshops.
- Service Pets – since the definition is broad, perhaps there is a way to distinguish between physical versus emotional impediment and require walking dogs off-site unless physically unable to do so. However, ADA does not distinguish between physical vs emotional disabilities.
- Non-smokers rights – though not based on disability, there seems to be a movement for some protections in this area. Santa Monica has adopted an ordinance prohibiting smoking in common areas of multi-family residential properties. There is currently discussion about providing a smoke-free choice in multi unit housing.
- In a non-smoking building, what happens to people who use medical marijuana? It does not always need to be smoked.
- Look at *all* protected classes for the AI, not just race; for example, consider familial status and disabilities.

DISABILITIES COMMISSION

December 5, 2011; 6:30 p.m.

Following a brief presentation regarding the AI by Lisa Luboff, Housing Division and Beth Stochl, Consultant, the Disabilities Commission provided the following comments:

- Concern that not all affordable and accessible housing is being monitored by the City. *Response:* City staff monitors HOME funded developments as required by HUD which involves a file review, review of income certifications, and any other requirements of the City agreement. In order to monitor all affordable housing units



- in the City, it would take over 7,000 hours. The Commissioners asked if more resources are needed for monitoring; the answer was yes.
- How does an applicant know where they are on the City's consolidated waiting list for housing? Is there a way to have a waiting list for accessible units in new developments? *Response:* Over 30,000 people are on the waiting list. A number is not assigned, but there are priorities assigned such as live or work in the City, homeless in the City. Approximately 4,000 people on the waiting list have a Santa Monica preference. Only approximately 50 Housing Authority Vouchers are freed up annually. When a unit is available, the waiting list is used to find the target population for that type of unit. Inclusionary housing units that are available must use names from the list before other advertising. Units developed with City loans do not currently use the consolidated waiting list – such as CCSM units– and draw from their own waiting lists.
 - In management of multi-family residential buildings, important to employ people who know about fair housing rights. If not, important to train all employees, not just managers.
 - The information from the City Attorney's Office Consumer Protection Unit that approximately 67% of all fair housing complaints over the past three years have been related to disabilities was of interest.
 - Service animals are allowed with documentation. The recent case at Santa Monica Shores regarding service animals was discussed.
 - Important to get the word out regarding rent control and how seniors who live on an upper floor of a building can move to a vacant unit on the first floor.
 - Santa Monica should adopt a visitability ordinance. There was a recent federal study regarding the lack of housing stock meeting ADA.
 - Segregated housing (exclusively disabled housing) is not recommended. Persons with disabilities should be integrated within the overall population.
 - Does HUD have a program to provide information to private landlords regarding reasonable accommodation?
 - Daily Press now has a box in the ad section regarding non-discrimination, but nothing regarding service animals
 - Many of the complaints received by Westside Center for Independent Living (WCIL) are resolved through negotiations. WCIL is funded to help prevent situations where there is not reasonable accommodation.
 - There are tax incentives available for universal design and visitability.



IV. REVIEW OF POTENTIAL IMPEDIMENTS

This section evaluates potential public and private sector impediments to fair housing choice in Santa Monica.

A. POTENTIAL PUBLIC SECTOR IMPEDIMENTS

The following section evaluates public policies in Santa Monica and their impact – both positive and negative - on fair housing choice, including:

- Local zoning, building and occupancy codes
- Provision for a variety of housing types
- Zoning regulations and procedures for persons with disabilities
- Public policies affecting housing activities
- Rent Control policies
- Santa Monica Housing Authority policies
- Moratoriums or growth management plans
- Residential development fees
- Community representation

HUD has prepared a checklist to identify the public policies that an AI must evaluate; Appendix A includes the completed 18 question HUD checklist *Review of Public Policies and Practices* for Santa Monica. Many of Santa Monica's public policies serve to further fair housing choice, such as the City's anti-discrimination ordinances, Rent Control protections and Housing Authority practices, and are discussed in the following section to provide a complete picture of the impact of the City's policies on fair housing.

1. Local Zoning, Building and Occupancy Codes

Santa Monica regulates the type, location, density, and scale of residential development primarily through the General Plan and Zoning Ordinance. In general, the City's zoning regulations are designed to balance the goal of providing affordable housing opportunities for all income groups with the goal of preserving the character and integrity of existing neighborhoods and protecting the health and safety of residents.

Based on existing zoning designations, over 3,600 acres of land in Santa Monica are devoted to residential uses, accounting for two-thirds of the city's land area. Commercial zoning districts provide an additional 825 acres (15 percent of the city's land) and residential uses are an allowable use in all commercial districts.

a. Residential Development Standards

The City's zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. The Zoning Code also serves to preserve the character and integrity of existing neighborhoods. Table IV-1 summarizes the most pertinent development standards within Santa Monica's

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primary residential zones. The City's Housing Element documents over 1,000 affordable residential units completed, under construction or in the development review process during the 1998-2008 period, evidence that the City's Zoning Code does not constitute a significant constraint to the production of housing.

Table IV-1: Residential Development Standards

Development Standard	Residential Zone District			
	R1	R2	R3	R4
Min. Lot Size	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.
Max. Density	8.7 du/acre	29 du/acre	35 du/acre	48 du/acre
Max. Height	2 stories/ 28 ft	2 stories/ Flat roof: 23 ft	3 stories/ 35 ft* (Others: 2 stories/23 ft)	4 stories/ Flat roof: 40 ft
Max. Parcel Coverage				
First Story	35-60%	45% -50%	50%	50%
Second Story	n/a	90% of 1 st story	85%-90% of 1 ^s story	80% of 1 st story
Third Story	n/a	n/a	60% of 1 ^s story	60% of 1 st story
Fourth Story	n/a	n/a	n/a	50% of 1 st story
Front Yard (ft.)	20 ft	20 ft	20 ft	20 ft
Side Yard (ft.)	10% parcel width or min 3.5 ft	8 ft	8 ft	8 ft
Rear Yard (ft.)	25 ft	15 ft	15 ft	15 ft
Open Space				
4-5 units	n/a		100 sq. ft. per unit	
6+ units	n/a		50 sq. ft. per unit	

Source: Santa Monica Municipal Code.

* Preferred projects: congregate housing, homeless shelters, hospice facilities, large family day care, residential care facilities, senior group home housing, senior housing, single-family dwellings, transitional housing, multi-family housing where 25% of units are 3 bdrms or larger, projects registered to receive a LEED rating of silver or higher.

Pursuant to the Zoning Ordinance, two parking spaces in a garage are required for a single-family residence. For multi-family residences, Santa Monica's Zoning Ordinance provides for parking to be calculated on a per bedroom basis. The parking requirements are: 1.0 space for a studio unit; 1.5 space for a one-bedroom unit; and 2 spaces per unit for 2 or more bedrooms. The parking requirement for condominiums is slightly higher at 2.0 covered spaces per unit with one or more bedrooms. The city provides reduced parking standards for deed-restricted affordable housing at 1.0 space for a one-bedroom and 1.5 spaces for a two-bedroom unit.

For more than a decade, Santa Monica has encouraged housing production in commercial zones through its Zoning Code and various incentives and has been successful in realizing numerous free-standing residential projects as well as residential/commercial mixed use. Single-family homes, multifamily homes, congregate housing, transitional housing, artists' lofts, SROs, and senior housing may be developed in commercial districts including the BCD, BSC, CP, C2, C3, C3C, C4, C5, and C6 districts. By allowing residential uses in commercial zones, the City has provided extensive opportunities to address its share of future housing needs. Also, certain types of housing, for artists and transitional facilities, are allowed in industrial areas. The maximum building height varies from 30 feet in the C2 zone



to 45 feet in the C3, C5, and C6 districts. There are no minimum rear and side yard setback requirements, except where the rear parcel line or interior side parcel line abuts a residential district.

Moreover, in several districts, the City offers special incentives for housing:

- In the BSC, C3C, and C M districts, any floor area devoted to residential use is counted at 50 percent for purposes of calculating FAR. In BCD, C2, C4, and C6 districts, the City offers increased density if at least 30 per cent of the project is residential.
- In the BCD, C3-C, C6, and C3 districts, the City eliminates the restriction on the number of stories that can be built if the structure contains at least one floor of residential uses. The City also offers increased maximum height to projects with a designated number of floors of residential use.
- The City offers bonuses for building heights, number of stories and FAR for preferred residential projects within many residential and commercial districts.

a. Building Code

Santa Monica has adopted the 2010 California Building Standards Code (based on the 2009 International Building Code), the 2010 California Green Building Standards Code, and 2010 California Residential Code. The State Building Standards Code establishes accessibility requirements in Chapters 11A (Housing Accessibility) and 11B (Accessibility to Public Buildings, Public Accommodations, Commercial Buildings and Publicly Funded Housing). Consistent with the federal Fair Housing Act, the Code requires all multi-family structures with four or more units built after March 13, 1991 to provide accessible routes throughout the property, and “adaptable” dwelling units to allow conversion to a fully accessible unit without significant costs and the need to do significant structural modifications. In multi-family structures with an elevator, 100% of the units must meet the accessibility requirements, whereas in buildings without an elevator, all of the ground floor units must be accessible. The Code requires compliance with the following seven basic design and construction requirements for accessible routes and unit adaptability:

- #1 Accessible building entrance on an accessible route
- #2 Accessible and usable public and common-use areas
- #3 Usable doors by a person in a wheelchair
- #4 Accessible route into and through the dwelling unit
- #5 Light switches, electrical outlets, thermostats, etc in accessible locations
- #6 Reinforced bathroom walls for later installation of grab bars
- #7 Usable kitchens and bathrooms for persons in a wheelchair



These accessibility requirements pertain to new construction only, and not renovations or remodels. However, the Building Code applies a more stringent standard for publicly-funded housing, requiring 20 percent of public funds utilized on renovation, structural repair, alterations or additions to existing multi-family buildings be allocated towards removal of architectural barriers.

Section 504 of the Rehabilitation Act of 1973 adds an additional layer of accessibility requirements for developments receiving federal funds, such as HOME or CDBG. In federally assisted new construction or substantially rehabilitated housing with five or more units, five percent of the units, or at least one unit, must be accessible for persons with mobility disabilities. An additional two percent of the dwelling units, or at least one unit, must be accessible for persons with hearing or visual disabilities. These units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS), or a standard that is equivalent or stricter. UFAS generally defines an accessible housing unit as a unit located on an accessible route that can be approached, entered and used by individuals with disabilities.

Santa Monica's Building Division ensures compliance with all State and Federal accessibility requirements as part of the Plan Check process. During the construction phase, building inspectors conduct site visits to ensure the project adheres to the required accessibility specifications prior to signing off on the final certificate of occupancy.

Code enforcement can be a potential fair housing concern because code compliance actions may create disproportionate impacts on protected groups such as minority populations. In Santa Monica, however, code enforcement is triggered by complaints and the City seeks voluntary code compliance through administrative processes. In some cases, proactive campaigns are also undertaken when a widespread problem is identified. In conjunction with inspecting and notifying property owners regarding a violation, code enforcement personnel informs property owners of assistance provided through the City's various housing rehabilitation programs.

b. Occupancy Standards

Local occupancy standards more stringent than those established by the State have been deemed unconstitutional by the courts; the Santa Monica Zoning Ordinance does not contain residential occupancy standards. All California jurisdictions are mandated to follow the occupancy standards established under the State Uniform Housing Code (UHC). The UHC requires that every dwelling, except studio apartments, have one room with at least 120 square feet of floor area. Two persons are permitted to use a room for sleeping purposes if it has a total area of not less than 70 square feet. When more than two persons occupy a room, the required floor area must be increased by 50 square feet per occupant. The UHC is based on health and safety considerations, and is not intended to discriminate based on familial status.



c. No Smoking Laws in Multi-Family Housing

Effective September 9, 2010, Santa Monica expanded its current prohibition of smoking in multi-unit residential building common areas (yards, walkways, play areas, parking lots, etc) to include a 25 foot radius around any apartment building door, window or vent. Restrictions encompass private balconies, patios, porches and decks within the 25 foot radius. Under the law, a person who smokes in a restricted area is subject to a court-ordered payment of \$100 for the first offense, with subsequent violations within the same year carrying fines of \$200 and \$500 respectively. The city's ordinance prohibits landlords from using smoking as grounds for tenant eviction.

Landlords and homeowner associations are required to post at least one conspicuous sign in an apartment or condo common area notifying residents of the new law and the remedy. They were also required to give notice by Dec. 1, 2010 to all tenants in affected units informing them of the new locations where smoking is banned and the remedies for enforcing the new law.

A new state law went into effect on Jan. 1, 2012 that gives landlords the right to prohibit smoking within their properties. The law requires landlords to use their lease and rental agreements to clearly specify prohibitions on smoking. Santa Monica's Rent Control Board has conducted outreach to tenants to clarify the new law has no effect on existing tenancies covered by the Rent control Law. This is because the new State law specifically says:

"a landlord who exercises the authority ...to prohibit smoking shall be subject to federal, state, and local requirements governing changes to the terms of a lease or rental agreement for tenants with leases or rental agreements that are in existence at the time that the policy limiting or prohibiting smoking is adopted."

Santa Monica prohibits unilateral changes in rent-controlled tenancies. Thus, if a tenant is currently not prohibited from smoking inside their apartment by the terms of their rental agreement, the new statute will not change that. However, once that tenant moves out, the landlord can prohibit the unit's future occupant from smoking inside that unit as well as anywhere else on the property.



2. Provision for a Variety of Housing Types

Through its zoning powers, Santa Monica offers a range of options for siting residential uses including housing for special needs groups. Table IV-2 summarizes the variety of housing types permitted Santa Monica's zoning districts. Affordable housing and SROs with 49 units or less are permitted by right, with discretionary review required for 50 or more units.

The City provides for transitional housing in all multi-family residential and commercial zones. Homeless shelters are conditionally permitted in six residential districts, and are permitted by right in almost all nonresidential zones. The City also provides for domestic violence shelters in all residential districts and commercial districts except for one.

The Zoning Ordinance contains numerous incentives specifically designed to facilitate the development of affordable and special needs housing, including the following:

- **Planning Fee Waiver:** Planning and Zoning review fees are waived for projects that are 100 percent deed restricted for affordable housing.
- **Special Needs Housing by Right in Residential Zones:** Senior and senior group housing, transitional housing, congregate housing, and domestic violence shelters are permitted by right in all multi-family residential districts.
- **Special Needs Housing by Right in Commercial Zones:** Shelters of 55 beds or less, domestic violence shelters, congregate housing, transitional housing, single room occupancy housing, and senior housing are permitted by right in the BCD, BSC, C2, C3, C3C, C4, C6, CM, and CP zones.
- **Exemption from Story Limit:** 100% affordable housing projects are exempt from the applicable limits on the number of stories. However, such projects are still subject to applicable height limits in each zone.
- **Height Bonus:** 100% affordable housing developments in nonresidential zones are eligible for height bonus of ten feet if consistent with the Land Use Element.
- **State Density Bonus:** Projects may be eligible for increases in density (up to 35%), along with 1-3 development incentives/concessions based upon the amount of affordable housing provided.
- **Reduced Parking Requirements:** Parking reductions are provided for affordable housing, senior housing, shelters, congregate care housing, and transitional housing. Typically, the reduction allowed is 0.5 spaces per unit.

While the City provides for senior housing in all its multi-family and most commercial zones, the age threshold for senior housing is identified as 60+ years in the Zoning Code. The City will amend this definition to be consistent with the Fair Housing Act and Unruh Civil Rights Act which establish a threshold of 62 years of age for senior housing exempt from familial status protections, or 55 years of age in a senior citizen housing development (35+ units).

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Table IV-2: Permitted Housing Types by Residential Zoning Category

Housing Type	OP	OP-1	OP-2	OP-3	OP-4	R1	R2	R3/ R4	BCD	RVC	CP/ CM	CC	C2	C3	C4/ C6
Single-Family	P	P	P	P	P	P	P	P	P	P	P		P	P	P
Duplex						UP									
Multi-Family*	P		P	P	P		P	P	P	P	P		P	P	P
Second Units		UP				UP									
Transitional Housing**			P	P	P		P	P	P	P	P	P	P	P	P
SRO (up to 49 units)			P	P	P		P	P	P	P	P		P	P	P
SRO (50+ units)			DR	DR	DR		DR	DR	DR	DR	DR		DR	DR	DR
Domestic Violence Shelters	P	P	P	P	P	P	P	P	P	P	P		P	P	P
Hospice Facilities						P	P	P							
Large Group Homes	PSP	PSP	PSP	PSP	PSP				PSP				PSP		
Community Care Facilities			C	C	C		C	C							
Residential Care Facilities** (7+ persons)	C		C	P	C		C	C							
Congregate Housing			P	P	P		P	P	P	P	P		P	P	P
Senior Housing			P	P	P		P	P	P	P	P		P	P	P
Senior Group Housing	PSP			P	P		P	P	P	P	P		P	P	P
Homeless Shelters <= 55 beds			C	C	C			C	P	C	P	P	P	P	P
Homeless Shelters > 55 beds			C	C	C			C	C	C	C	P	C	C	C

Source: Santa Monica Municipal Code.

P = Permitted by right. DR = Development Review. UP = Use Permit. C = Conditional Use Permit. PSP = Performance Standards Permit.

* Multi-family apartments with 25% 3+ bedroom units, 60% of remaining units 2+ bedrooms, and project registered with USGBC to receive LEED rating of silver or higher.

** Residential care facilities with 6 or fewer persons are considered a family dwelling and permitted in all zones where single-family units are permitted.

Supportive housing is permitted and considered a residential use by right under the definitions of Transitional Housing, Domestic Violence Shelters, Congregate Housing, Residential Care Facilities and Homeless Shelters.



3. Zoning Regulations and Practices for Persons with Disabilities

The City of Santa Monica recognizes the importance of addressing the housing needs of persons with disabilities. This section reviews potential governmental constraints to the development and improvement of housing for persons with disabilities.

a. Definition of Family

Local governments may unintentionally restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Code. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not housing for families that are similarly sized or situated.

Santa Monica’s Zoning Regulations do not include a definition of “family”. Instead, the Zoning Regulations define the persons who occupy a housing unit as a “household”. A household is defined as follows:

9.04.02.030.415 Household

Persons living together in a single dwelling unit, with common access to, and common use of all living and eating areas and all areas and facilities for the preparation and storage of food within the dwelling unit.

This definition of household does not refer to related or unrelated persons who may occupy a housing unit. Therefore, the zoning regulations do not discriminate against unrelated individuals with disabilities who reside together in a congregate or group living arrangement.

b. Zoning and Land Use

Pursuant to the Lanterman Act, licensed residential care facilities for six or fewer persons should be treated as a regular residential use and permitted where residential uses are permitted. Santa Monica zoning regulations specify that residential care facilities with 6 or fewer persons are considered a family dwelling and thus permitted in all zones where single-family units are permitted:

9.04.02.030.715 Residential Facility

A community care facility which consists of any family home, group care facility, or similar facility as determined by the Director of the State Department of Social Services, for twenty-four-hour non-medical 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, as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section 1500 et seq. A residential facility serving six or fewer persons shall be considered a family dwelling for all zoning purposes.



In terms of large residential care facilities with more than six residents, Santa Monica's Zoning Code conditionally permits these uses in the R2, R3, R4, OP, OP-2, and OP-4 zones, whereas the OP-3 zone permits them by right; no separation standards are imposed on these facilities (refer to Table IV-2). The City's reasonable accommodation procedures currently under development will make explicit that facilities housing seven or more disabled persons may seek an exception or waiver from the Zoning Code standards and requirement for a Conditional Use Permit.

Development standards for housing that serves persons with disabilities are the same as those for other residential developments. The Zoning Code does not specify a unique set of performance standards for group care facilities and other types of housing facilities for persons with a disability. The standard development requirements are not overly burdensome and do not represent a constraint to the provision of such housing.

Santa Monica's Zoning Code does not contain a definition of disability. However, specific disabilities are mentioned as part of a use definition, such as "terminally ill (hospice definition) and chronic illness/infirmary (nursing home definition). Under the Fair Housing Act, persons with disabilities (or handicaps) are defined as "individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment." In order to affirmatively further fair housing, the City will add to the zoning regulations a disability definition consistent with the Fair Housing Act.

c. Building Code

The City enforces Title 24 of the California Code of Regulations, which regulates the access and adaptability of buildings to accommodate persons with disabilities. ADA accessibility guidelines requires new residential buildings consisting of three or more units to incorporate design features, including (1) adaptive design features for the interior of the unit, (2) accessible public and common use portions, and (3) sufficiently wider doors to allow wheelchair access. The City ensures that all plans meet ADA accessibility standards and in recent years a number of accessible residential developments incorporating the new standards have been constructed.

Santa Monica uses the most recent edition of the Uniform Building Code. No unique restrictions are in place for accessible housing, such as minimum distances, special conditions for accessible housing, or other such regulations that could constrain the development, maintenance, improvement, or alteration of housing for persons with a disability. "Universal Design" housing which is fully accessible to persons with most disabilities, are allowed under the California Building Code (CBC) and UBC standards. Flexible development standards may also be considered by the City. Per State law, requests for modifications to ensure housing access, such as ramps up to 30 inches in height, do not require a building permit.

d. Reasonable Accommodation

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct 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. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The City's zoning regulations do not currently describe a formal "reasonable accommodation procedure". The City initiated a comprehensive update of its Zoning Code in 2011 and is developing reasonable accommodation procedures in conjunction with the update. The Zoning Code and reasonable accommodation procedures are projected to be adopted in mid 2012. One of the main reasons for a reasonable accommodation procedure is to provide a way – other than through a variance – for disabled applicants to request a modification from zoning, building and land use rules, standards, and policies.

Santa Monica Community Corporation (CCSM) maintains written procedures for granting a reasonable accommodation on its nearly 1,500 affordable rental units. CCSM reports receiving an average of 3 to 5 requests for reasonable accommodations per month, and provides accommodation through various means, including transfer of units and assistance from the Westside Center for Independent Living (WCIL). The Santa Monica Housing Authority (SMHA) also maintains written policies and procedures for granting a reasonable accommodation (refer to section A.6 later in this chapter).

4. Public Policies Concerning Housing Activities

a. General Plan Housing Element

The General Plan Housing Element is a state-mandated document which sets forth a comprehensive strategy to address the community's identified housing needs. The 2008-2014 Santa Monica Housing Element was adopted by City Council in November 2008 and was certified by the State Department of Housing and Community Development (HCD) as being in compliance with state housing element statutes. Important criteria for State HCD approval of any housing element include a determination that the local jurisdiction's policies do not unduly constrain the maintenance, improvement, and development of a variety of housing choices for all income levels.

Santa Monica's Housing Element sets forth the following eight goals:

GOAL 1: Promote the construction of new housing within the City's regulatory framework.

GOAL 2: Encourage the production of housing for all income categories including housing for the community's workforce.

GOAL 3: Protect the existing supply of affordable housing.

GOAL 4: Promote the rehabilitation and continued maintenance of existing housing.

GOAL 5: Provide housing assistance and supportive services to very low, low and moderate income households and households with special needs.

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GOAL 6: Eliminate discrimination in the rental or sale of housing on the basis of race, religion, national origin, sex, sexual preference, age, disability, family status, AIDS, or other such characteristics.

GOAL 7: Promote quality housing and neighborhoods.

GOAL 8: Promote the participation of citizens, community groups, and governmental agencies in housing and community development activities.

State Housing Element law requires jurisdictions to adopt an action program to:

“Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.”

While all of Santa Monica’s Housing Element programs expand housing choice, the following programs most directly promote equal housing opportunity:

Program 2g: Facilitate Development and Maintenance of Special Needs Housing

Program 2j: Facilitate a Reduction in Homeless Living on the Streets through Provision of Affordable, Permanent, Supportive Housing

Program 3b: Protection of Mobile Home Park Tenants

Program 3c: Maintain a Tenant Eviction Protection Program

Program 5d: Provide Tenant Relocation Assistance

Program 5e: Maintain a Temporary Relocation Program

Program 5g: Maintain Senior Homeless Prevention Program

Program 5h: Reasonable Accommodation (*adopt written procedures*)

Program 6a: Maintain Fair Housing Programs

Program 6b: Provide Tenant/Landlord Mediation and Legal Services

Program 8a: Maintain a Citizen Notification Program

b. Consolidated Plan

As a recipient of federal housing and community development block grant funds, Santa Monica is required to adopt a Consolidated Plan that identifies priorities and resources for affordable housing and community development projects and services. More specifically, the Consolidated Plan directs the City’s expenditure of approximately \$1.9 million in annual CDBG (Community Development Block Grant) and HOME (Home Investment Partnership Act) funds. Santa Monica’s current Consolidated Plan covers the 2010-2015 period.

The Strategic Plan portion of the Consolidated Plan identifies:

- Priorities for allocating funds among priority needs throughout the City, as well as geographically in target neighborhoods
- Obstacles to meeting underserved needs
- How funds expected to be available will be used to address priority needs
- 2010-2015 quantified objectives for the City’s housing and community development activities

Santa Monica’s Consolidated Plan incorporates numerous policies and programs from the City’s Housing Element, including actions to promote equal housing opportunity.



c. City Anti-Discrimination Policies

Santa Monica maintains the following anti-discrimination protections within its Code:

Sexual Orientation or Domestic Partnership: Chapter 4.40 of the Municipal Code prohibits housing discrimination against persons based upon sexual orientation or domestic partnership. Specifically, the Code prohibits unlawful real estate practices, generally defined as the refusal to treat persons fairly in the sale, lease or rental of housing; the provision of credit or insurance; the advertisement of housing; and the provision of tenant services. In addition, the Code prohibits evictions against any tenant on the grounds that he or she has breached a rental agreement if the alleged breach arises from an increase in the number of occupants due to the domestic partnership of the tenant, provided that the occupancy by the tenant's domestic partner and children of the domestic partner is otherwise lawful. The only exception to these protections applies to the rental or leasing of any housing unit in which the owner or lessor or any member of his or her family occupies one of the living units and either a) it is necessary for the owner or lessor to use a bathroom or kitchen facility in common with the prospective tenants; or b) the structure contains less than three units.

Persons Living with AIDS: Chapter 4.52 of the Municipal Code prohibits housing discrimination against a person with AIDS, a history of AIDS, or those regarded as having or transmitting AIDS. Specifically, the Code prohibits unlawful real estate practices, which are generally defined as the refusal to treat persons fairly in the sale, lease or rental of housing; the provision of credit or insurance; the advertisement of housing; and the provision of tenant services. The only exception applies to the rental or leasing of any housing unit in which the owner or lessor or any member of his or her family occupies one of the living units and it is necessary for the owner or lessor to use a bathroom or kitchen facility in common with the prospective tenants.

Families with Children: Chapter 4.28 of the Santa Monica Municipal Code establishes the following actions as unlawful for any person offering for rent of lease, renting, leasing, or listing any housing accommodation, or any authorized agent or employee of such person:

- Refuse to rent or lease a housing accommodation, allow access to or use of the common areas and facilities, serve a notice of termination of tenancy, commence an unlawful detainer action or otherwise deny or withhold a housing accommodation on the basis of age, parenthood, pregnancy, or the actual or potential occupancy of a minor or child.
- Advertise, represent, or include in any contract with regard to a housing accommodation offered by that person a statement that indicates any preference, limitation, or discrimination with respect to age, parenthood, pregnancy, or the potential actual occupancy of a minor child.
- Include in any rental agreement or lease for a housing accommodation a clause providing that as a condition of continued occupancy, the tenants shall remain



childless or shall not bear children or otherwise not maintain a household with a person or persons of a certain age.

- Threaten to commence or commence eviction proceedings against any tenant head of household on the grounds of breach of a rental agreement due to an increase in the number of occupants arising out of the marriage of the tenant, or the birth, adoption, or change of legal custody of a minor child of whom the tenant head of household or his or her spouse is the parent or legal guardian.

Exceptions to this chapter include housing designed and operated exclusively for senior adults and their spouses, or any nursing, convalescent, or retirement home.

d. Affirmative Marketing Policies

HUD's definition of affirmative marketing is marketing efforts intended to reach those prospective tenants and homebuyers who are least likely to apply for HOME-assisted housing to make them aware of available affordable housing opportunities. The City of Santa Monica's Housing Division and project owners must adopt an Affirmative Fair Housing Marketing Plan (AFHMP) for any housing with five or more units assisted through the federal HOME program.

The City has established affirmative marketing policies and procedures to serve as a guide to applicants in developing AFHMPs for their projects, including:

Targeting: Identify the segments of the eligible population

Outreach: Outline an outreach program that includes special measures designed to attract those groups identified as least likely to apply and other efforts designed to attract persons from the total population.

Indicators: Identify the indicators to be used to measure the success of the marketing program. The effectiveness of the marketing program can be determined by noting if the program effectively attracted renters or buyers who are:

- ✓ from the majority and minority groups, regardless of gender, as represented in the population of the housing market area;
- ✓ person with disabilities and their families; and
- ✓ families with children, if applicable.

All applicants are required to make a "good faith effort" to carry out the provisions of HUD's Affirmative Marketing requirements. Examples of such efforts include:

- **Advertising** in print and electronic media that is used and viewed or listened to by those identified as least likely to apply;
- **Marketing** housing to specific community, religious or other organizations frequented by those least likely to apply;
- **Developing a brochure or handout** that describes community facilities to be used by buyers or renters, how the proposed project will be accessible to physically handicapped persons and how any reasonable accommodations will be made to persons with disabilities; and
- **Insuring** that the management staff has read and understood the Fair Housing Act, and the purpose and objectives of the AFHM Plan.



e. Dissolution of Santa Monica Redevelopment Agency

Affordable housing has been a longstanding priority in Santa Monica, and the primary local revenue source for affordable housing has traditionally been the Redevelopment Agency's Low- and Moderate-income Housing Fund. Under the former Redevelopment law, twenty percent of all redevelopment tax increment funds that came to the City were required to be spent on affordable housing. Santa Monica exceeded that requirement in order to make the City an accessible place to live for households with diverse levels of incomes. Over the last 25 years, the former Santa Monica Redevelopment Agency spent more than \$195 million on affordable housing development.

On December 29, 2011 the California Supreme Court issued a ruling upholding AB 1X 26, legislation that called for the elimination of hundreds of local redevelopment agencies in the state. On January 10, 2012, the City of Santa Monica elected to become the Successor Agency of the former Santa Monica Redevelopment Agency effective February 1, 2012. As the Successor Agency, the City elected to carry out activities necessary to wind down the affairs of the former Redevelopment Agency, including carrying out existing projects that are in various stages of development.

In addition, on January 10, 2012 the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency. The City entered into an agreement with the Housing Authority to carry out the affordable housing production, preservation and assistance activities, and managing all housing assets.

With the dissolution of the Redevelopment Agency, redevelopment funds will no longer be available to support Santa Monica's affordable housing activities. The City is pursuing alternative funding sources for its affordable housing program, including replacement funding for the 70 families assisted under the Redevelopment Agency Rental Assistance Program.



5. Rent Control

Santa Monica Rent Control was adopted by the voters in April 1979 in response to a shortage of housing units, low vacancy rates and rapidly rising rents. The law was intended to alleviate the hardship of the housing shortage and to ensure that owners received no more than a fair return. Regulations were adopted by the Rent Control Board to implement and enforce the Rent Control Law. Changes to the Charter can only be made by the voters, whereas changes to the implementing Regulations are made by the Board.

The City's Rent Control Law:

- Controls the amount that may continue to be charged for a rental unit and provides remedies for the collection of excess rent.
- Determines the amenities and services that are included as part of the rent and provides remedies for removal or reduction of those amenities.
- Provides for only "just cause" evictions.
- Limits removal of controlled units from rental market.

The following units are covered under the Law:

- Most residential rental buildings in the City constructed prior to April 10, 1979 and certain units constructed after that date are covered by Rent Control.
- In addition to apartment buildings, Rent Control also applies to single-family homes and condominiums used as rentals.
- Duplexes and triplexes where one of the units is occupied by the owner are not subject to rent control.

The Rent Control Board provides waivers of Rent Control registration fees to units occupied by their owners, subsidized by HUD (Section 8 or HOME program), or occupied by low-income tenants who are over 62 or disabled. There are also fee waivers for condominiums and single-family-dwellings on which rent restrictions have been lifted pursuant to the Costa-Hawkins' Act, for tenants participating in the City of Santa Monica TARP program, and in mobile home parks for units where tenants have signed long-term leases.

a. Vacancy Decontrol

The Costa-Hawkins Rental Housing Act, passed by the State Legislature in 1995, has had a significant impact on local rent control ordinances. Under this state law, a unit's rent is decontrolled at the end of a tenancy. The owner can set a new rent for the next tenancy which is then controlled at that level, leading some to characterize Costa-Hawkins as a system of "vacancy decontrol-recontrol."

The following highlights some of the major effects Costa Hawkins's has on the Santa Monica rental market during its 123years of implementation (1999-2011):¹

¹ The Impact of Market Rate Vacancy Increases - Thirteenth Year Report 1999-2011, Santa Monica Rent Control Board.



- Since the decontrol-recontrol system began, nearly 17,300 controlled units have received vacancy increases, representing 61% of the City's total rent controlled housing stock. Market rate rents are on average roughly double that of long-term controlled rents.
- Median rents for decontrolled-recontrolled apartments have gone up by well over 150% between 1999-2011, compared to a cumulative rate of inflation in southern California of 50% over the same period.
- Prior to Costa Hawkins, 82% of Santa Monica's rental units were affordable to low income households (<80% AMI); with 61% of the rental stock decontrolled-recontrolled due to tenant turnover, even moderate income households (<120% AMI) are challenged to afford the majority of rental housing in the community.

The impact of this dramatic increase in rents on lower income households is significant. For example, many young people earning entry-level pay will be unable to afford to live in Santa Monica, and those living on fixed incomes—principally seniors and the disabled—will likely be unable to continue to live here if they lose their long-term rent-controlled housing.

The City has enacted Just Cause Eviction and Tenant Harassment Laws to help protect existing tenants in rent controlled housing from unfair evictions, and has recently expanded these protections most residential tenants, regardless of rent control status.

b. Just Cause Eviction

Santa Monica's Rent Control Ordinance establishes "Just Cause Eviction" provisions, and defines procedures which a property owner must follow to lawfully evict a tenant. These local provisions are in addition to State regulations on landlord and tenant rights and responsibilities. The following are permissible grounds for eviction:

Fault-Based Evictions

- Nonpayment of rent
- Materially and substantially breaching the lease
- Causing or permitting a substantial nuisance or damage to the unit
- Being convicted of using the unit for an illegal purpose
- Refusing to renew or extend the lease on the same terms as the original lease when lawfully asked to do so by the landlord
- Refusing to grant the landlord reasonable access to the unit to make repairs or improvements, or show the property for sale
- Subletting in violation of the lease

No Fault Evictions

- The landlord seeks possession of a unit in good faith for use and occupancy by herself or himself, or her or his children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.



- The landlord seeks to recover possession to demolish or otherwise remove the controlled rental unit from rental residential housing use after having obtained all proper permits from the City of Santa Monica.
- The landlord seeks to recover possession of the unit to remove the rental unit permanently from rental housing use pursuant to the Ellis Act

In November 2010, Santa Monica voters passed Measure RR, amending the Rent Control Law to further strengthen tenant protections against eviction in the following three ways:

- Extending “just cause” eviction protections to all tenants in multi-unit apartment buildings that are permanently exempt from rent control, as well as 2 and 3 unit owner-occupied properties, and newly constructed rental units.
- Requiring owners to give tenants a reasonable opportunity to correct an alleged lease violation, nuisance activity, or failure to provide lawful access before serving a three-day notice to perform or quit.
- Forbidding owners to evict for owner occupancy any tenant who has occupied a rental unit for at least five years and is 62 or older, disabled, or terminally ill, unless the owner (or qualified relative intending to occupy the unit) meets at least one of these criteria.

Rent Control staff conducted extensive outreach to inform tenants and owners about the expanded evictions protections under Measure RR, including mailing the “Rent Control News” newsletter to nearly every renter in the City within days after the election results were final. In addition, staff created a Fact Sheet it made available at City Hall, posted on the Rent Control website, and mailed to members of the City’s neighborhood associations.

Tenant evictions are monitored by Rent Control staff to ensure compliance with Just Cause Eviction requirements. In 2010, the Board received 106 separate notices of eviction. Of these, roughly half or 54 were for alleged nuisances or breaches of lease terms (it is for such reasons that Measure RR now requires warning and reasonable time to correct). Thirty-seven notices of eviction were for non-payment of rent, and twelve were for owner-occupancy.

c. Tenant Harassment Protections

In 2002, the City Council adopted a Tenant Harassment Ordinance to protect tenants in rent controlled units from landlords’ conduct in derogation of tenants’ rights. The ordinance prohibits the following acts by landlords if they are done with the intent to harass:

- Taking away services provided for in the lease (such as parking or laundry)
- Failure to perform repairs and maintenance required by law
- Entering the apartment without proper notice
- Using lies or intimidation intended to make a tenant move out
- Giving a “3 day notice” or other eviction notice that is based on false charges where the landlord does not intend to take the case to court
- Threatening the tenant, by word or gesture, with physical harm



- Intentionally disturbing a tenant's peace and quiet
- Interfering with a tenant's right to privacy
- Refusing to acknowledge receipt of a tenant's rent payment without justification
- Violating any law which prohibits discrimination based on race, gender, sexual preference, sexual orientation, ethnic background, nationality, religion, age, parenthood, marriage, pregnancy, disability, AIDS or occupancy by a minor child

In December 2011, the City Council extended these tenant harassment protections to all tenants covered by just cause eviction rules. Tenant harassment complaints are referred to the City Attorney's Office for investigation and enforcement of the law. As a neutral enforcer of the law, the City can not represent tenants directly, and refers tenants requiring representation to Legal Aid (located near City Hall) and the Santa Monica Bar Association.

In a recent lawsuit, the City sued a former rental property owner for violation of the City's Tenant Harassment Laws, and the former tenant filed a separate lawsuit for excess rent, wrongful eviction and other claims. The owner agreed to pay restitution of \$120,000 prior to the case being brought to trial. "This case shows that breaking the rental laws does not pay," said Deputy City Attorney Adam Radinsky. "When landlords go out of the rental business, they need to follow the law. And tenants should know that they have legal rights and can't simply be thrown out on the street."

d. Relocation Assistance

Under the City's Rent Control Law, a property owner is required to pay relocation assistance to a tenant when terminating tenancy for any of the following reasons:

- The owner seeks to withdraw all rental units from the rental market as provided for under the Ellis Act
- The owner seeks to recover possession of a rental housing unit for use by the owner or family member
- The landlord seeks to recover possession to demolish or otherwise withdraw a rental housing unit from residential rental housing use, including units that were illegally converted to residential use, after having obtained the proper permits from the City

Santa Monica had not increased its permanent relocation benefit amounts (other than cost of living increases) since 2007, during which time rent levels in the City had increased and vacancies had decreased, so in December 2011, City Council adopted increased relocation fees. In addition, the city established augmented relocation amounts to households with seniors, disabled and children tenants because these households are particularly vulnerable. Table IV-3 presents the City's adopted 2011 relocation amounts.



Table IV-3 Residential Relocation Fee Amounts 2011

Unit Size	Fee Amount	Augmented Fee Amount*
Single or Studio	\$7,800	\$8,900
One bedroom	\$12,050	\$13,850
Two or more bedrooms	\$16,300	18,750

Source: Santa Monica Ordinance #2383 *Eligible households include those with a senior citizen or disabled occupant, or an occupant with whom a minor child resides.

e. Rent Control Dispute Resolution

The Rent Control Ordinance provides processes for filing of petitions, complaints and applications to resolve disputes between landlords and tenants.

- Excess rent complaints are reviewed by staff and the owner is given a chance to resolve the complaint. Complaints which are unable to be resolved administratively are referred to the Hearings Department for mediation and/or hearing.
- Owner-occupied exemption applications that are not resolved administratively are referred to the Hearings Department.
- The Hearings Department provides mediation services as part of the decrease and excess rent processes, as well as for issues involving lack of maintenance, loss of housing services, and unreasonable construction impacts. The mediator has been very successful in settling a large percentage of these cases.

The City has found that mediation may be particularly useful when a building is purchased. For example, new owners may want to fix-up the building and make improvements in the common areas, yet may be unaware of how the Rent Control law affects those changes. The owner may not realize that proper notice is required before entering the tenants' units or that the tenants are entitled to certain amenities. The tenants may be concerned about changes to their home and disruptions to the longstanding practices or "culture" of a building and may not know how to communicate their concerns effectively. Both parties have different perspectives and needs, but no place to safely discuss them. Mediation may be appropriate and helpful in this type of situation.

f. Rent Control Outreach Activities

The Rent Control Board staff conducts extensive public outreach to keep existing and prospective tenants and landlords informed about Santa Monica's Rent Control Law. The Board publishes two newsletters annually which it distributes to all rent controlled tenants and landlords, as well as postcards with the annual rent adjustment approved by the Board. Community meetings and free educational seminars are conducted at the City Library throughout the year, with the following seminars planned for 2012:



- **Owning Rental Property in Santa Monica:** At this seminar, owners and managers learn the basics of the Santa Monica Rent Control Law and how to avoid common pitfalls. Topics include rents, amenities, maintenance, eviction limitations, restrictions on change of use, and services available through the Rent Control office.
- **Tenant Seminar on Santa Monica Rent Control Law:** This seminar is designed for tenants to learn what services are available through the Rent Control office such as how rent and amenities are defined, the eviction protections under the law, and what remedies are available for issues related to rents, amenities, and maintenance.
- **Calculating the Annual Rent Increase:** Designed for owners, this workshop offers a quick overview of how to calculate and notice this year's general adjustment and surcharges. Attendees can sign up for one-on-one assistance with calculating and completing rent increase notices for a specific property.
- **Rental Property Maintenance:** Presented with the City's Code Compliance Division staff, this seminar will address what types of maintenance and repair are required, how and where to file a complaint, temporary relocation of tenants during repairs, and issues related to habitability, plumbing and painting. Tenants, owners, managers and all others are welcome.

New Website Launched: In Spring 2010, Santa Monica Rent Control launched the redesigned Rent Control website to make it more user friendly, provide more detailed and more easily navigable data, and provide more continuously-current data to Rent Control users, including both current and prospective Santa Monica tenants and landlords. The Rent Control webpage is used extensively, with over 62,000 views in 2010 alone.

Greater Outreach to Spanish-Speaking Constituents: Rent Control Board staff recognize that Hispanic households are underrepresented in Santa Monica's Rent Control program. The 2006 Santa Monica Tenant Survey conducted for the Board identifies 6.3 percent of rent-controlled households as Hispanic, whereas the 2010 Census indicates Hispanic or Latino householders comprise 10.8 percent of all renter households in Santa Monica. During 2010, the Board greatly expanded outreach to Spanish-speaking constituents in two ways. First, Santa Monica Rent Control created the City's first-ever Spanish-language website that exactly mirrors the English-language site in both layout and content. Second, Rent Control staff organized a Fall seminar conducted entirely in Spanish. The seminar was staffed by Spanish-speaking information coordinators as well as a Spanish-speaking code compliance officer. However, despite extensive advertisement of the seminar, including notification through the local Catholic church with a large number of Hispanic parishioners, attendance at the seminar was limited.

Greater Outreach to Senior Citizen Constituents: As senior citizens (age 65+) occupy an estimated 15 percent of Santa Monica's rent control households, Rent Control staff have begun conducting targeted outreach to seniors. Outreach to seniors

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was expanded when staff participated in the City's first Senior Law Day in 2010, specifically designed provide seniors with greater access to legal services and to assist in their understanding of their rights to housing and other issues. As part of that participation, Rent Control staff provided written materials about the Rent Control Law and provided answers to seniors' questions.

New Social Media Presence: Beginning shortly after the Costa-Hawkins Rental Housing Act's full enactment in 1999 and increasing over the subsequent decade, anecdotal evidence suggested that many new tenants mistakenly believed that their tenancies were not protected by the Rent Control Law. This seemed especially true for younger tenants. In order to reach out to new and younger tenants, Santa Monica Rent Control launched a Facebook page. The page, which is updated approximately twice a week, allows Rent Control staff to communicate regularly with those who have joined the page, and also allows constituents to communicate easily with staff.

Apartment Listing Service Launched: The Rent Control Board started a new, free apartment listing service in the fall of 2010. Apartment owners are able to list vacancies for rent and tenants are able to access those listings free of charge, online or via handout from the Rent Control office, City library and other community locations. The list is published weekly and updated every Thursday.



6. Santa Monica Housing Authority (SMHA)

a. SMHA Programs

The Santa Monica Housing Authority (SMHA) administers the Housing Choice Voucher (HCV) program; Shelter Plus Care vouchers; HOME funded vouchers; Serial Inebriate vouchers; and Redevelopment Agency funded vouchers. The Housing Choice Voucher program, often referred to as Section 8, provides rental assistance to extremely low and very low income households. The SMHA has budget authority for 1,092 tenant-based rental assistance (TBRA) vouchers. The SMHA allows up to 20 percent of HCV expenditures to be used as project-based vouchers (PBV), and currently, there are nine PBV administered by the SMHA.

The SMHA administers up to 238 vouchers funded by Shelter Plus Care, a program that provides housing and supportive services to formerly homeless persons with chronic mental illness, substance abuse, and or HIV/AIDS and other disabilities. Other funds from the federal Supportive Housing Program are used to provide approximately 34 vouchers to the Serial Inebriate population, referred by the Serial Inebriate Outreach Program (SIOP). The SIOP is a joint effort between the Santa Monica Police Department (SMPD) and the CLARE Foundation, a substance abuse treatment facility, to provide outreach services to in-custody arrestees including serial inebriates and others with chronic substance abuse issues. CLARE outreach counselors are available 24/7 to go to the SMPD jail facility during peak release hours or as needed to offer arrestees services through their detoxification, outpatient, and residential treatment programs.

A Senior Homeless Prevention and Rental Assistance program, funded through redevelopment housing funds, provides approximately 82 housing vouchers to homeless seniors. Seniors at risk of being evicted are eligible for a one-time grant of \$2,000 to prevent them from becoming homeless. Case management is a requirement and is provided by community based non-profit agencies including St. Joseph's Center, Ocean Park Community Center (OPCC) and WISE Senior Services.

A Homeless Transitional Set-Aside program provides HCV and 34 HOME Tenant-Based Rental Assistance vouchers to formerly homeless persons who graduate from transitional housing programs funded by the City of Santa Monica. As units are vacated they are reserved for recently referred program graduates. Referrals are accepted from Sojourn, the OPCC, Family Place, St. Joseph's Center, and two City funded homeless transitional housing programs.

Both the HOME-funded Chronic Homeless Program and Redevelopment-funded Senior Homeless Program provides rental assistance to eligible Santa Monica residents.

b. SMHA Policies and Plans to Promote Housing Choice

The SMHA Administrative Plan (Plan) establishes policies for carrying out the Housing Choice Voucher (HCV) program in a manner consistent with HUD requirements and local goals and objectives contained in the Public Housing Agency (PHA) plan. The

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Administrative Plan explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The SMHA Plan specifically states:

“The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”). Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.”

In addition to Federal requirements to prohibit discrimination against certain classes, State and local requirements, as well as PHA policies, can prohibit discrimination against additional classes of people. The SMHA has adopted the following additional policy:

“The PHA will not discriminate on the basis of marital status or sexual orientation.”

These non-discrimination policies and regulations apply to all aspects of the SMHA’s actions, including but not limited to the opportunity to apply for housing, treatment in determining eligibility, and access to the same level of services. The Plan also states that the PHA will take steps to ensure that all families and owners are fully aware of all applicable civil rights laws. If there are discrimination complaints, the SMHA will attempt to remedy the discrimination and let the complainant know how to file the complaint with federal, state and/or local offices.

Persons with Disabilities: The Administrative Plan provides policies related to persons with disabilities, including reasonable accommodation. As stated in the Plan, “the definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.” Types of reasonable accommodation provided by the SMHA include: mailing applications and reexaminations; using higher payment standards if necessary to obtain a suitable housing unit; and/or providing time extensions for locating a unit.

Accessibility to the SMHA programs and services for persons with hearing or vision impairments is also discussed in the Administrative Plan, along with requirements for physical accessibility. Standards for communication and key policies for the SMHA’s responsibilities for physical accessibility are provided in the Plan.

Limited English Proficiency: The SMHA sets standards for improving access to services for persons with Limited English Proficiency (LEP) to remove barriers to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. The SMHA balances the following four factors in determining the level of access needed by LEP persons: (1) the number or proportion of LEP persons

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eligible to be served or likely to be encountered by the Housing Choice Voucher program: (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the programs, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the SMHA.

The SMHA has assessed LEP needs based on the American Community Survey from the Census and has prepared a draft Language Assistance Plan as part of the 2012 Administrative Plan. The draft Plan states that the SMHA will continue to make the following resources available to LEP individuals and families:

- Bilingual staff in designated positions to provide oral translation services
- Program documents translated into Spanish (a participant population of 5% or more who speak a language other than English in the home if that language can be identified)
- HUD website (www.hud.gov/offices/ftheo/promotingfh/lep.cfm) containing LEP documents

In addition, the SMHA will:

- List the telephone extension on all notices addressing language assistance.
- Utilize language identification flashcards to assist limited English proficient individuals to inform staff of the language they are most comfortable using to communicate.
- Utilize signage in the lobby of the Housing Authority and on the website informing the public of translation and interpreter service.
- Inquire as to the need for, and provide qualified interpreter assistance for all required group meetings (i.e. briefings) at no cost to the participant.

The SMHA will also provide ongoing training for appropriate staff regarding the LAP policy and procedures including:

- An overview of the SMHA's Limited English Proficiency Policy and Procedures.
- How and when to use the Santa Monica Housing Authority's Language Identification Card to identify the language in which the LEP person needs assistance.
- How and when to access language services through bilingual staff or Language Line Services.
- How to work with an interpreter.
- Prohibition against requiring or asking LEP person to bring his/her own interpreter.
- Cultural sensitivity.

SMHA staff will annually assess the language assistance needs and recommend modifications to the Plan, as necessary.

Family and Household definitions: For purposes of eligibility, the Plan distinguishes the terms *family* and *household*.

"To be eligible for assistance, an applicant must qualify as a *family*. A family may be a single person or a group of persons. *Family* as defined by HUD

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includes a family with a child or children, two or more elderly or disabled person living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. A single person family may be an elderly person, a displaced person, a disabled person, or any other single person. The PHA has the discretion to determine if any other group of persons qualifies as a family.”

The SMHA has adopted the following additional policy:

“A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual’s income and other resources will be available to meet the needs of the family. Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family’s composition changes.”

A *household* “is a broader term that includes additional people who, with the PHA’s permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.”

Housing Choice Voucher Waiting List: The Administrative Plan states that the PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. Since the waiting list is essential in the application for HCV, these policies are critical to fair housing. SMHA has adopted a policy to maintain a single waiting list for the HCV program, including any public housing, project-based voucher or moderate rehabilitation program the PHA operates. In addition, the SMHA adopted a policy that “the PHA may merge the HCV waiting list with the waiting list for the HOME funded subsidies, dedicated affordable housing programs funded with the City of Santa Monica Redevelopment Agency funds, and inclusionary housing opportunities. The PHA may merge the HCV waiting list with the waiting list for any other program the PHA operates.”

The SMHA waiting list was last opened August 15, 2011 as an on-line application system and in a 35 hour period, received almost 34,000 applicants. The previous waiting list, when opened in 2006 had 5,000 applicants. Of these applicants, 3,600 remained on the HCV waiting list in 2011, but due to the passage of 5 years, the SMHA was not receiving responses when contacting wait list applicants regarding openings in the HCV program. Therefore, the SMHA ‘purged’ the list to prepare for opening up the list once again. The SMHA did extensive outreach through local papers, presentations to stakeholder City commissions, the City’s website, and contact with partner agencies, including those working with extremely low income populations. Several of these partner agencies provided application assistance and computer access during the open application process, especially for seniors and disabled persons. The City also opened up several sites for application assistance including the public library computer training room, the Police Activities League and Virginia Park Center. There was less use of this assistance than anticipated. The SMHA provided reasonable accommodation for disabled applicants by taking application information over the phone.

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The response was significantly more than anticipated with many out-of-state applicants. Approximately 4,000 applicants indicated that they are Santa Monica residents, including 173 veterans. There was some technical difficulty with the website due to the volume of applicants; however, the SMHA was pleased with the overall on-line process.

The Administrative Plan states that “the PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.” In addition, “The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Placing a notice in the local newspaper,
- Posting a notice in plain view in the City Hall lobby,
- Placing a notice in the Spanish language newspaper,
- Posting a notice in community centers,
- Arranging <http://www.smgov.net/> and cable TV public service announcements, and
- Sending a mailing to local Legal Aid Office, community organizations and civic groups.”

The Administrative Plan also requires the PHA to conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted. The SMHA has adopted a policy that “the PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA’s jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.”

Selection for HCV Assistance: As allowed by HUD, the SMHA’s Administrative Plan establishes local preferences and gives priority to serving families with HCV assistance that meet those criteria. These preferences and priorities are consistent with the HUD policies, Santa Monica’s Consolidated Plan and are based on documented local housing needs and priorities. The SMHA established two Tiers of preferences. Tier I establishes a displaced preference resulting from a disaster; government action; eviction pursuant to specific laws; and evictions related to owner/relative occupancy of rent controlled units. Tier II establishes preferences based on residing in the City; working in the City; applicants on the service registry (homeless); and other homeless applicants receiving services from a recognized homeless service agency. Within each Tier, preference is given to U.S. military; and single applicants who are elderly, displaced or disabled.

The SMHA also administers targeted programs funded by Shelter Plus Care, Supportive Housing Programs and federal HOME funds. Applicants for these programs must meet additional, specific eligibility requirements. For most targeted programs, applicants are referred by agencies that provide services to the targeted population. These applicant referrals are placed on the affordable housing waiting list and the applicant is placed on the regular HCV list if it is open.

Rental Property Owner Recruitment and SEMAP Indicators: One of the concerns for the SMHA is ensuring that very low income families have access to all types and

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ranges of affordable housing in the City, particularly housing outside areas of poverty or minority concentration. Therefore, it is essential for the SMHA to continue to identify and recruit new rental property owners to participate in the HCV program.

The SMHA Plan establishes the following policy to encourage owner participation:

“The PHA will conduct owner outreach to ensure that owners are familiar with the programs and its advantages. The PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. Poverty concentration is a census tract with more than 20 per cent of the population living in poverty. Minority concentration is a census tract with higher than the countywide average of minority population. These outreach strategies will include:

- Distributing an owner packet of printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings
- Participating in community based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations.”

HUD has established a management assessment tool, the Section 8 Management Assessment Program (SEMAP) to measure PHA performance in key areas to ensure program integrity and accountability. One of the SEMAP indicators reflects whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the areas they may lease units; and supplies a list of landlords who are willing to lease units. The SMHA’s Plan provides such a written policy.

The SMHA has established policies to encourage property owners to remain active in the program. They also work closely with other Santa Monica Housing and Economic Division staff to refer participating owners to available City rehabilitation assistance programs.

Project Based Voucher Site Selection Standards: HUD allows PHAs that administer a tenant-based voucher program to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance. The SMHA has adopted a policy to operate a project-based voucher program. The SMHA’s goal regarding site selection standards for Project Based Vouchers (PBV’s) is to select sites that provide for de-concentrating poverty and expanding housing and economic opportunities.

Conclusions: The SMHA has approved an Administrative Plan that addresses concerns about Fair Housing related to the various programs operated by the SMHA. This Administrative Plan is updated annually through an open process that includes presentations to City commissions and outreach to social service agencies. The SMHA demonstrated compliance with their policies when the waiting list for affordable housing was opened in August 2011 with a result of approximately 34,000 applicants. Outreach



to property owners and allowing project based vouchers in areas that do not have poverty or minority concentration is also a part of the Administrative Plan.

While the greatest numbers of rental assistance vouchers coincide with Santa Monica's low and moderate income census block groups (refer to Figure 9 in the Community Profile), this is also a reflection of the location of rental housing and density in the City. The areas with the most vouchers are areas that contain higher density multiple-family housing and are located along transit and commercial corridors. In addition, there are significant numbers of voucher holders dispersed throughout Santa Monica and living in areas outside low and moderate income neighborhoods.

7. Moratoriums/Growth Management

The City of Santa Monica does not have building moratoriums or growth management plans that limit housing construction.

8. Development Fees/Assessments

Like cities throughout California, Santa Monica collects various fees, charges, and taxes on new residential development. These charges are set at rates designed to recover the cost of permit processing, and the costs of providing public services to the developments, and to mitigate certain development impacts (e.g., parks and open space and affordable housing). Construction of housing in the City typically requires payment of plan check and building permit fees, water meter fees, sewer connection fees, recreation taxes and school facilities fees. Multi-family developments, which constitute most of the net new housing in the City, may also be subject to charges for various administrative or discretionary reviews, environmental review, and impact mitigation.

Most planning and construction fees and taxes are due at building permit, but some fees and charges (e.g., affordable housing fees, when applicable; infrastructure improvements for which security instruments may be posted) may be paid at a later point in the construction process (e.g., Certificate of Occupancy). In limited cases, off-site improvements may be required to mitigate project impacts (e.g., street capacity improvements), or to repair public facilities damaged during project construction (e.g., sidewalk and curb reconstruction or alley repaving), and in order to protect the public health, safety and general welfare of City residents, businesses and visitors.

When a residential development project requires multiple planning permit applications, the City places a cap on the combined fees. Planning and zoning fees are waived for affordable housing developments.

The City conducts a periodic assessment of its fees to ensure they reflect the actual cost of providing services. Most user fees are adjusted annually based on the change in the Consumer Price Index (CPI). The City attempts to keep its fees in line with similar jurisdictions; a comparison of typical multi-family development fees in Santa Monica with those imposed in other Westside cities and Los Angeles shows that the City's fees



and charges are generally comparable to those charged in these other jurisdictions located in the same housing market area.

9. Community Representation and Participation

An important way to further fair housing is to provide a variety of opportunities for residents to express their concerns about housing issues. The City of Santa Monica has over twenty commissions and advisory boards comprised of interested citizens which monitor the needs of the community and advise the City Council and City staff on the best way to address those needs. Appointments to these Commissions are made by the City Council after reviewing applications, interviewing applicants individually, and hearing the recommendations of the Council liaisons. The length of the term on most Commissions is four years.

The City solicits applications from persons interested in actively participating in local government on an ongoing basis. Applications are available on the City's website and at the City Clerk's Office. Completed applications remain on file for a period of one year, after which time letters are mailed out asking the applicant to reapply if they are still interested in serving.

The purview of the following Santa Monica commissions and boards involve issues pertaining to fair housing:

- Commission for the Senior Community
- Commission on the Status of Women
- Disabilities Commission
- Housing Commission
- Social Services Commission

As part of the community outreach for the AI, the Housing Division and AI consultants met with these commissions during their regularly scheduled meetings to solicit their input on fair housing issues. A summary of the input received from those commissions providing comments is included in the community outreach section of this report.



B. POTENTIAL PRIVATE SECTOR IMPEDIMENTS

The following section evaluates potential private sector impediments to fair housing, including real estate, apartment association and mortgage lending practices.

1. Real Estate Associations and Practices

Real estate associations at the national, state and local level promote fair housing practices. Organizations relevant to Santa Monica include the National Association of Realtors, the California Association of Realtors, the California Department of Real Estate, and the Beverly Hills/Greater Los Angeles Association of Realtors.

a. National Association of Realtors

Since 1996, the National Association of Realtors (NAR) has maintained a Fair Housing Partnership with the U.S. Department of Housing and Urban Development (HUD), and have developed a Model Affirmative Fair Housing Action Plan for use by members. Through this Plan, NAR offers a full spectrum of fair housing resources and training to member realtors.

As part of the NAR Code of Ethics, each member Realtor is required to sign the following fair housing declaration per the HUD-NAR agreement:

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

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In addition to the Code of Ethics, NAR certifies real estate professionals who receive specialized training to work with a diverse population. The “At Home with Diversity: One America” certification program provides planning tools for reaching out and marketing to a diverse housing market in the areas of diversity awareness, building cross-cultural skills, and developing a diversity business plan. Other NAR training tools include brochures for existing and prospective homebuyers on “How to Avoid Predatory Lending” and “Learn How to Avoid Foreclosure and Keep Your Home.”

b. California Association of Realtors (CAR)



The California Association of Realtors (CAR) is an arm of NAR, and represents nearly 200,000 realtors statewide. Members are required to adhere to the NAR Code of Ethics and sign the Fair Housing Pledge. Santa Monica realtors are served by CAR’s Los Angeles office, and have access to numerous services and programs including legislative advocacy, legal programs (including CAR’s Legal Hotline), and educational training. CAR offers a variety of professional development courses both on-line and in Face2Face interactive sessions, including a current focus on training realtors in working with foreclosed properties.

CAR and the Los Angeles Times have host an annual Southern California Homebuyer’s Fair at the Los Angeles Convention Center. The Fair features more than 50 educational seminars, including sessions on fixing credit, qualifying for a home loan, and how to purchase foreclosures, short sales and REOs. Several of the sessions are offered in Spanish.

CAR has developed diversity-related initiatives that now serve as models for associations across the country. In 2000, the Association inaugurated a Leadership Summit for the state’s ethnic real estate associations to discuss current issues such as subprime loans, predatory lending, and pending legislation. The Leadership Summit occurs bi-annually and has been instrumental in developing the HOPE (Home Ownership Participation for Everyone) Awards program, which awards a \$10,000 honorarium to individuals and organizations for success in promoting minority homeownership. C.A.R.’s Leadership Summit also resulted in establishment of the “Diversity Toolkit” designed to assist associations with a wide variety of diversity programs.

c. California Department of Real Estate (DRE)

The California Department of Real Estate (DRE) serves as the licensing authority for real estate brokers and salespersons in the State. DRE has adopted education requirements that include courses in ethics and in fair housing. State real estate licenses are issued for a four year period, with renewals requiring continuing education courses in each of the four mandated areas: agency, ethics, trust fund, and fair housing. The fair housing course contains information to enable real estate agents to identify and avoid discriminatory practices when providing real estate services to clients.



DRE is responsible for investigation of written complaints received from the public and other real estate agents/brokerages regarding alleged violations of real estate law among licensed real estate brokers and salespersons. Complaints may involve fair housing issues. If DRE determines a violation has occurred, they have the authority to revoke the real estate license. Violations may result in civil injunctions, criminal prosecutions or fines.

d. Beverly Hills/Greater Los Angeles Association of Realtors

The Beverly Hills/Greater Los Angeles Association of Realtors (BHGLAAR) represents over 5,600 Realtors and Affiliate members in the cities of Beverly Hills, Culver City, Los Angeles, Santa Monica, West Hollywood, and unincorporated areas of Los Angeles County. Members automatically become members of the California Association of Realtors (CAR) and the National Association of Realtors (NAR), providing access to the resources and trainings offered through these organizations. In addition, BHGLAAR is involved with the following activities in support of fair housing:



- Ongoing educational seminars on a variety of timely topics, including the Annual Real Estate Mediation Institute that addresses issues of fraud, landlord/tenant and real estate “crisis” issues such as foreclosure, short sales, loan modifications and bankruptcy. The Santa Monica City Attorney’s Office has worked closely with BHGLAAR in co-sponsoring the City’s annual Fair Housing workshop.
- An Equal Opportunities/Cultural Diversity Committee dedicated to developing policy to promote equal opportunity in housing and diversity within the real estate industry.
- Weekly updates from California Association of Realtors (CAR) on property scams/frauds for realtors to be aware of. BHGLAAR reports any scams directly to the Department of Real Estate.
- BHGLAAR’s C.A.R.E Project sponsors a different social service agency each month, providing donations of food, clothing and other necessities; monetary contributions; and volunteering at the agency. C.A.R.E. has assisted several agencies that serve Santa Monica’s homeless and at-risk populations, including OPCC, PATH, Westside Homeless Outreach, and A Place Called Home.

The Grievance Committee serves as the local body for the public, other real estate agents, and brokerages to register complaints about member realtors. If the Committee determines the grievance is in potential violation of real estate law, the decision is scheduled for a hearing before the Professional Standards Committee, who in turn makes a determination whether the issue should be referred to the State Department of Real Estate (DRE).



2. Apartment Association of Greater Los Angeles

The California Apartment Association (CAA) is a trade association for rental property owners and managers. Under this umbrella agency, the Apartment Association of Greater Los Angeles (AAGLA) serves Santa Monica. Members of the CAA agree to abide by provisions of the 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.*

AAGLA holds meetings on a regular basis in Santa Monica. Through a variety of workshops and educational courses, AAGLA provides members with information and training on such topics as fair housing laws/regulations, landlord/tenant law, ethics, credit checks, addressing code enforcement violations, and lead based paint and mold hazards. The Association offers a Registered Residential Manager certification that provides training in landlord/tenant issues, ethics, marketing, property management, fair housing, and other issues. AAGLA publishes a monthly magazine, *Apartment Age*, which periodically features articles that aim at educating its members regarding fair housing laws; the *Santa Monica Report* edition is specifically targeted to issues in the local community, such as rent control, relocation and tenant harassment.

While AAGLA's membership base of approximately 30,000 apartment owners have excellent access to fair housing training, many of the smaller "mom and pop" property managers are not members of this organization. The Housing Rights Center (HRC) - the largest fair housing provider in Los Angeles - confirms that the majority of tenant complaints they receive are in smaller buildings where property managers have not likely undergone specialized training. The Consumer Protection Unit of the Santa Monica City Attorney's Office reports similar findings, albeit on a much smaller scale. The HRC offers free property manager certificate training in its offices, and periodically conducts workshops for rental property owners, leasing agents, and managers. Through its annual fair housing seminar alternately co-sponsored with AAGLA and BHGLAAR, Santa Monica's Consumer Protection Unit provides information to local landlords on fair housing laws and current issues, such as reasonable accommodation and the rights of families with children.



3. Mortgage Lending Practices

Equal access to credit for home purchase, home refinance and home improvements is one of the central tenets of fair housing. The following review of mortgage lending practices in Santa Monica analyzes the following issues: 1) existing lending laws; 2) availability of financing; 3) practices of active lenders; 4) subprime and predatory lending activity; 5) foreclosures and loan modifications; and 6) regulations aimed at curbing discriminatory/predatory practices.

a. Lending Laws and Regulations

Though equal access to lending is critical to homeownership, lending discrimination against minorities or persons of color has been a serious problem in the United States. As a result of past discriminatory lending practices by financial institutions, the federal government enacted a series of laws aimed at protecting persons from discriminatory lending. Title VIII of the Civil Rights Act of 1968 and the Equal Credit Opportunity Act of 1976, commonly called the “Fair Lending Laws,” prohibit discrimination against mortgage applicants on the basis of race or national origin.

In 1975 the federal government passed the **Home Mortgage Disclosure Act (HMDA)**, which requires mortgage lenders to report information annually about applications for home purchase, refinancing and home improvement loans, including information on race, income, geographic area, and loan pricing. This information allows both the public and federal regulators to determine responsiveness to the home financing needs of communities in which business is conducted.

HMDA data cannot conclusively identify redlining or discrimination because many factors, such as income, income-to-debt ratio, credit rating, and employment history, affect approval and denial rates. However, analysis of the data may reveal trends that could indicate a pattern of discriminatory lending practices.

Following the passage of HMDA, Congress passed the **Community Reinvestment Act (CRA)** of 1977. CRA is a federal law that requires banks to make loans and investments, and open branches in the communities where they are taking deposits, and is aimed at ensuring banks are meeting the credit needs of low- and moderate-income neighborhoods. CRA performance is measured and rated against the amount of bank lending activity in low and moderate income markets, relative to bank lending in non-low and moderate income markets and to the opportunities that exist in such markets.

The mortgage meltdown has spurred a national debate over the effectiveness of CRA. Legislation stemming from the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act has been proposed to significantly strengthen the law, broadening its scope to apply to non-bank lending institutions and increasing the rigor of CRA performance exams.



b. Availability of Financing

Table IV-4 summarizes Home Mortgage Disclosure Act (HMDA) data for both Santa Monica and Los Angeles County, providing information on the approval status of all conventional home purchase, refinance and home improvement loan applications during 2010.

- Of the total 560 completed applications for home purchase loans in Santa Monica, 83 percent were approved and 17 percent were denied, consistent with County-wide averages.
- The volume of applications for refinance loans in Santa Monica was over four times that of home purchase loans, with 75 percent of the total 2,517 applications receiving approval and 25 percent denied, again similar to the regional average.
- The number of applications for home improvement loans in Santa Monica was very limited at just 61, with 67 percent of applications receiving approval and 33 percent being denied, slightly better than the 36 percent denial rate County-wide. Home improvement loans typically have higher denial rates because homeowners may already have high debt-to-income ratios on their home mortgage or refinance loans.

Table IV-4: Status of Home Purchase, Refinance and Home Improvement Loans 2010

Loan Type	Completed Loan Applications	Loans Approved		Loans Denied	
		Santa Monica	L.A. County	Santa Monica	L.A. County
Conventional Home Purchase Loans					
# Applications	560	465		95	
% Approval/Denial		83%	83%	17%	17%
Refinancings					
# Applications	2,517	1,884		633	
% Approval/Denial		75%	76%	25%	24%
Home Improvement Loans					
# Applications	61	41		20	
% Approval/Denial		67%	64%	33%	36%

Source: Home Mortgage Disclosure Act Data, 2010. Compiled by Karen Warner Associates, Inc.
 Note: Approved loans include: loans originated and applications approved but not accepted. Denial rate based on applications that went through complete underwriting process, and exclude applications withdrawn or files closed for incompleteness.

POTENTIAL IMPEDIMENTS



The continued economic recession, combined with stagnant home prices and tighter lending standards has resulted in a significant slowdown in mortgage lending activity over the past five years. In Los Angeles County, the volume of completed home mortgage loan applications declined 67 percent between 2006-2010; Santa Monica evidenced a 59 percent decrease during this same period. In conjunction with the decline in mortgage lending has been an increase in the number of lower cost, government-backed loans made available through FHA, VA, and FSA/RHS (Farm Service Agency/Rural Housing Service) as stimulated by the 2008 federal Housing and Economic Recovery Act (HERA). Such loans comprised 40 percent of all home purchase loan applications in Los Angeles County in 2010, up from 18 percent in 2008, and less than one percent in 2007 and 2006.

In contrast to the County, government-backed loans comprise a very small proportion of mortgage loan applications in Santa Monica (just 6% in 2009 and 5% in 2010). In 2010, the maximum conforming loan limit under the FHA program was \$729,750, whereas HMDA documents an average home purchase loan size in Santa Monica of \$709,000 (refer to Table IV-9 later in this section). FHA loans are often preferable to consumers as they offer low downpayment options (currently 3.5%); provide more flexible income, debt and credit requirements; and allow co-applicants to help with loan qualification. However, FHA loans do typically require and up-front as well as a monthly FHA mortgage insurance premium.

POTENTIAL IMPEDIMENTS



Table IV-5 compares the number of loan applications for home purchase, refinance and home improvement loans in Santa Monica for the years 2006 to 2010 and the associated loan denial rates.

- For conventional home purchase loans, while the volume of applications declined from approximately 1,400 in 2006 to 550 in 2010, the percent of loan denials also decreased slightly from 18 percent to 17 percent.
- For refinance loans, historic low interest rates have spawned a flurry of refinance activity, with the number of applications increasing from approximately 1,700 in 2006 to 2,500 in 2010. The denial rate on refinance applications, however, is noticeably higher than that of home purchase loans, and has increased from 23 percent to 25 percent during this period. Many homeowners are unable to take advantage of low refinance rates due to a lack of equity in their properties.
- Applications for home improvement loans have declined from 230 in 2006 to just 61 in 2010, a drop of over 70 percent. The sluggish economy and soft housing market have served to dampen home improvement activity, and with loan denial rates increasing from 26 to 33 percent over the past five years, the number of private home improvement loans initiated is that much more limited.

Table IV-5: Home Purchase, Refinance and Home Improvement Loans 2006-2010

Loan Type	Completed Loan Applications					% Loans Denied				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Conventional Home Purchase	1,436	1,104	660	559	560	18%	15%	22%	17%	17%
Refinancing	1,736	1,624	1,244	2,616	2,517	23%	24%	25%	23%	25%
Home Improvement	230	166	92	88	61	26%	22%	31%	18%	33%

Source: Home Mortgage Disclosure Act Data, 2006-2010. Compiled by Karen Warner Associates, Inc.

To mitigate potential financing constraints and expand home improvement opportunities, the City of Santa Monica offers an Owner-Occupied Rehabilitation Grant Program for low and moderate income seniors, persons with disabilities, and mobilehome owner occupants. The City also offers a Multi-Family Rental Rehabilitation Program which provides matching rehabilitation grants for property owners with a majority of low and moderate income tenants. The Mobile Home Improvement Program provides financial assistance to low and moderate income owners who wish to substantially repair or replace their mobile home with new models that meet current standards.

The City of Santa Monica helps to extend home ownership opportunities to low and moderate income tenants in buildings being converted to condominium ownership through its TORCA Shared Appreciation Loan Program. Revenues from the TORCA Trust Fund have also been used to support the new construction of affordable homeownership units in the community.

POTENTIAL IMPEDIMENTS



Table IV-6 presents information on 2010 home purchase and refinance loan applications in Santa Monica by applicant race/ethnicity and income, and compares loan denial rates with Los Angeles County as a whole.

- Loan denial rates were fairly consistent among applicants of different race and ethnic groups, with the exception of Hispanic applicants which evidenced a denial rate of 31%, 10% above other racial groups in Santa Monica, and 6% above Hispanics Countywide. This data does not however control for applicant income, and given the limited number of loan applications completed by Hispanics in Santa Monica, may not be entirely representative with such a small sample size.
- As sufficient debt-to-income ratio is one of the primary mortgage lending criteria, Table IV-6 illustrates how loan denial rates increase significantly as applicant income decreases. Among low, moderate and middle income applicants, loan denial rates in Santa Monica are well above County averages, indicative of the City's high housing costs which preclude most of these households from homeownership without some form of assistance.

Table IV-6: Status of Home Purchase and Refinance Loans by Applicant Characteristics 2010

Applicant Characteristics	# Completed Loan Applications	% Loans Denied	
		Santa Monica	L.A. County
Applicant Race/Ethnicity			
White (non-Hispanic)	1,791	21%	21%
Asian	215	21%	18%
Hispanic	70	31%	25%
African American	15	20%	29%
Applicant Income			
Low (<50% AMI)	34	68%	40%
Moderate (50–79% AMI)	66	45%	28%
Middle (80–119% AMI)	223	28%	23%
Upper (>120% AMI)	2,390	21%	19%

Source: Home Mortgage Disclosure Act Data, 2010.

Compiled by California Reinvestment Coalition and Karen Warner Associates, Inc.

Notes: Includes conventional & gov'n-assisted (FHA, FSA/RHS and VA) home purchase applications. Denial rate based on applications that went through complete underwriting process, and excludes applications withdrawn or files closed for incompleteness.

POTENTIAL IMPEDIMENTS



Loan denial rates can also be evaluated by the racial and income characteristics of the census tract in which the prospective home is located. Table IV-7 presents the status of 2010 home purchase and refinance loan applications in Santa Monica and Los Angeles County by census tract minority population and tract income.

- No correlation exists in Santa Monica between loan denial rates and census tracts with higher minority populations. In fact, the highest aggregate loan denial rate of 24% was in tracts with the lowest percentage of minorities (10-19%).
- Similarly, no relationship exists between loan denials and census tract income when evaluated in the aggregate.

Table IV-7: Status of Home Purchase and Refinance Loans by Census Tract Characteristics 2010

Census Tract Characteristics	# Completed Loan Applications	% Loans Denied	
		Santa Monica	L.A. County
Tract Race/Ethnicity			
<10% Minority	0	n/a	20%
10-19% Minority	1,320	24%	22%
20-49% Minority	1,325	21%	19%
50-79% Minority	144	22%	21%
80-100% Minority	0	n/a	26%
Tract Income			
Low (<50% AMI)	0	n/a	31%
Moderate (50–79% AMI)	56	23%	28%
Middle (80–119% AMI)	154	27%	23%
Upper (>120% AMI)	2,579	22%	20%

Source: Home Mortgage Disclosure Act Data, 2010.

Compiled by California Reinvestment Coalition and Karen Warner Associates, Inc.

Notes: Includes conventional & gov'n-assisted (FHA, FSA/RHS and VA) home purchase applications.

Denial rate based on applications that went through complete underwriting process, and excludes applications withdrawn or files closed for incompleteness.

A more detailed analysis of loan denial rates by individual census tract over the past five year period is presented in section that follows.

POTENTIAL IMPEDIMENTS



Geographic Analysis of Mortgage Loan Denials

An analysis of loan denial rates by individual census tract can be used to assess whether there is any correlation between areas with high minority and/or lower income concentrations and a ccess to mortgage financing. Table IV-8 presents 2006-2010 mortgage loan denial rates for each of Santa Monica's 19 census tracts listed in order of % minority population. Census tract loan denial rates five percent or above the Citywide average for that particular year are highlighted.

Table IV-8: Conventional Home Loan Denial Rates by Census Tract 2006-2010

Census Tract	% Minority (2010 Census)	% Low/Mod (2000 Census)	Denial Rate - Conventional Home Purchase Loans				
			2006	2007	2008	2009	2010
7018.01	64%	52%	25%	14%	40%	20%	10%
7018.02	58%	54%	31%	10%	27%	n/a	n/a
7017.02	41%	37%	18%	19%	9%	8%	14%
7017.01	36%	30%	7%	19%	35%	26%	25%
7023	33%	26%	18%	11%	16%	12%	12%
7019.02*	32%	55%	8%	18%	47%	n/a	n/a
7016.02	32%	29%	23%	11%	22%	16%	0%
7022.01	31%	25%	23%	14%	17%	23%	11%
7022.02	28%	23%	16%	11%	17%	11%	10%
7015.02	27%	34%	13%	11%	13%	12%	13%
7020.02*	26%	27%	20%	13%	28%	34%	20%
7016.01	23%	17%	19%	8%	12%	3%	22%
7012.02	23%	16%	14%	11%	19%	14%	19%
7021.02*	22%	30%	25%	13%	16%	8%	26%
7014.02*	22%	40%	23%	23%	36%	26%	19%
7015.01	22%	25%	12%	13%	21%	29%	19%
7013.02	19%	25%	9%	29%	34%	15%	7%
7013.04*	18%	13%	14%	18%	19%	24%	19%
7012.01	15%	8%	13%	13%	13%	15%	17%
City Average	30%	30%	18%	15%	22%	17%	17%
Total Conventional Home Loan Applications			1,436	1,104	660	559	560

Source: Home Mortgage Disclosure Act Data, 2006-2010. Compiled by Karen Warner Associates, Inc.

Note: Denial rate based on applications that went through complete underwriting process, and excludes applications withdrawn or files closed for incompleteness.

n/a - not applicable. Denial rates not presented as census tract had less than 10 loan applications.

*The following 5 census tracts were renumbered in the 2010 census: 7013.04 (was 7013.01), 7014.02 (was 7014), 7019.02 (was 7019), 7020.02 (was 7020), and 7021.02 (was 7021). Census tract boundaries, however, remained unchanged between 2000 and 2010.

POTENTIAL IMPEDIMENTS



The following conclusions can be drawn from Table IV-8 regarding census tracts with high minority and/or low and moderate income populations, and higher than average mortgage loan denial rates in two or more of the past five years:

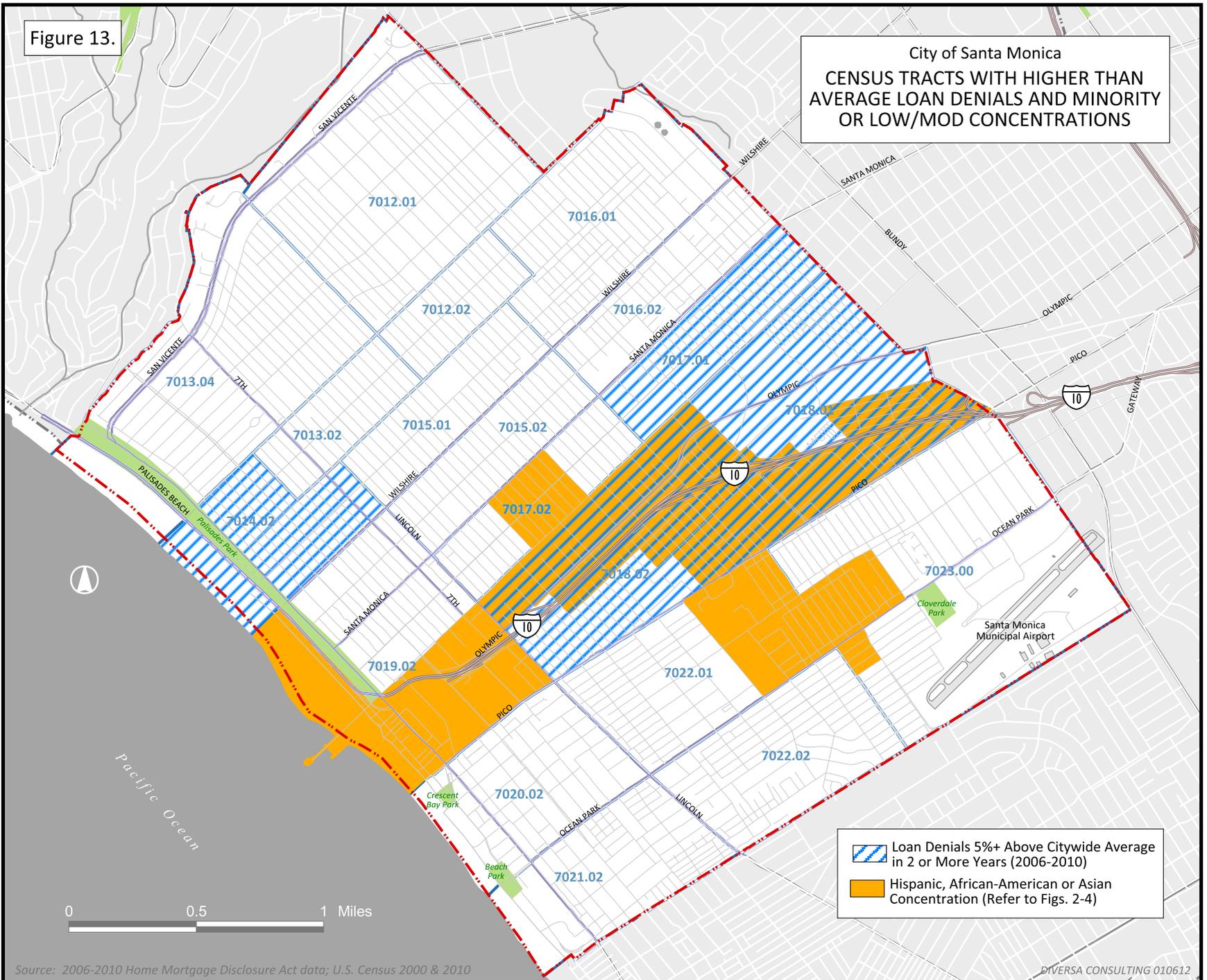
- The census tract with the highest minority population percentage (tract 7018.01) evidenced two years of higher than average loan denials, although this pattern has not continued in the two most recent years HMDA data is available (2009 and 2010).
- The census tract with the second highest percentage of minorities (tract 7018.02) evidenced high loan denials in 2006 and again in 2008. Mortgage loan activity in this tract has been minimal for the past two years, with less than ten applications annually.
- Census tract 7017.01 experienced higher than average loan denial rates in 2008, 2009 and 2010. However, the percent minority population in this tract is not significantly above the City average (36% vs 30% Citywide), and the percentage of low and moderate income households mirrors that of the City (30%).
- Census tract 7014.02 evidenced higher than average loan denials in 2006, 2007, 2008 and 2009. While this tract has a relatively low percentage of minorities, 40 percent of its households are low and moderate income, compared to the Citywide average of 30 percent.

Figure 13 presents a composite map of census block groups with Hispanic, African American and Asian concentrations (compiled from Figures, 2, 3 and 4) and overlays the four census tracts identified above with higher than average loan denials and high minority and/or low and moderate income populations. Census tracts 7018.01 and 7018.02 (located adjacent one another between Pico Blvd and Colorado Ave, extending inland from Lincoln Blvd to the City's northeastern boundary) both contain several census block groups identified as having concentrations of one or more minority groups; comparison with Figure 7 also shows overlap with several HUD designated low and moderate income block groups. Census tract 7017.01 (located between Colorado Ave and Santa Monica Blvd, and extending inland from 20th Street to the City's northeastern boundary) does not correspond to any areas of identified minority concentration, although approximately one-third of the tract falls within a HUD designated low and moderate income area. Census tract 7014.02 (located between Wilshire Blvd and Montana Ave, and extending from Lincoln Blvd southwest to the beach), contains no minority concentrations and two low/mod census block groups; this area has a large number of seniors and affordable housing developments (refer to Figures 6 and 7), thus contributing to its high percentage of low and moderate income households.

In summary, census tracts 7018.01, 7018.02, 7017.01 and 7014.02 exhibit recent trends of higher than average loan denials and are characterized by high minority and/or low/mod populations. The City should continue to monitor loan denial rates in these census tracts and discuss concerns with the community's major mortgage lenders.

Figure 13.

City of Santa Monica
CENSUS TRACTS WITH HIGHER THAN
AVERAGE LOAN DENIALS AND MINORITY
OR LOW/MOD CONCENTRATIONS



 Loan Denials 5%+ Above Citywide Average in 2 or More Years (2006-2010)
 Hispanic, African-American or Asian Concentration (Refer to Figs. 2-4)

Source: 2006-2010 Home Mortgage Disclosure Act data; U.S. Census 2000 & 2010



c. Availability of Private Mortgage Insurance

Private mortgage insurance, or PMI, is the additional insurance that lenders typically require from homebuyers seeking a mortgage with less than a 20 percent down payment. PMI enables borrowers with less cash to have greater access to homeownership, while protecting the lender against loss if a borrower defaults. With this type of insurance, it is possible for a qualified purchaser to buy a home with as little as a three to five percent down payment. Government-backed mortgages, such as FHA, VA and USDA, provide for low downpayment levels without requiring PMI.

Similar to Home Mortgage Disclosure Act (HMDA) data, the Federal Financial Institutions Examination Council (FFIEC) tracks the status of Private Mortgage Insurance applications made to lending institutions. The following summarizes the status of PMI applications both countywide and within the City of Santa Monica during 2010:

- Of the 56,868 applications for conventional home purchase loans in Los Angeles County in 2010, the FFIEC recorded only six percent that also applied for PMI (3,129 PMI applications).
- 79 percent of these PMI applications were approved, fifteen percent were denied, and six percent were withdrawn or closed.
- Within Santa Monica, the FFEIC identified only 17 PMI applications during 2010, representing just three percent of the total 666 conventional home loan applications in the City.
- Of Santa Monica's 17 PMI applications, eleven were approved and six denied, representing a 65 percent rate of approval.

In summary, PMI is involved in an extremely limited segment of the homebuyer market in Santa Monica and has thus not served to limit access to homeownership.

POTENTIAL IMPEDIMENTS



d. Major Lenders in Santa Monica

Santa Monica's top ten residential lenders, as measured by the aggregate number of home purchase and refinance loans originated in 2010, are identified in Table IV-9. These lenders accounted for 63 percent of all mortgage and refinance loans originated in the City, with the top four - Wells Fargo Bank, Bank of America, CitiMortgage and JP Morgan Chase - accounting just under half of all loans. Bank of America had the largest market share of home purchase loans (25%), whereas Wells Fargo was the predominant refinance lender (20%). The average loan size in Santa Monica among all 71 mortgage lenders for home purchase loans was \$709,000, whereas the average refinance loan among the 145 lenders who originated refinance loans in Santa Monica was \$567,000.

Table IV-9: Ten Most Active Mortgage Lenders in Santa Monica 2010

Rank (based on activity in Santa Monica)	Name	Total Loans Originated	Loan Type	
			Conventional Home Purchase	Refinance
1	WELLS FARGO BANK, NA	370	69	301
2	BANK OF AMERICA, N.A.	355	97	258
3	CITIMORTGAGE, INC	107	9	98
4	JP MORGAN CHASE BANK, N.A.	101	0	101
5	UNION BANK, N.A.	71	27	44
6	MORTGAGE CAPITAL ASSOC, INC	47	14	33
7	METLIFE BANK, N.A.	45	13	32
8	PROVIDENT FUNDING ASSOC.	38	6	32
9	US BANK, N.A.	37	7	30
10	QUICKEN LOANS	29	0	29
Subtotal – Top 10 Lending Institutions		1,200	242	958
Market Share of Top 10 Lenders		63%	62%	63%
TOTAL – All Lenders		1,914	389	1,525
Average Loan Size – All Lenders			\$709,000	\$561,000

Source: Home Mortgage Disclosure Act Data, 2010. Compiled by California Reinvestment Coalition.

POTENTIAL IMPEDIMENTS



Table IV-10 examines the disposition of home purchase and refinance loan applications among those top ten lending institutions in Santa Monica most active in each area. For home purchase loans, the three most active banks – Bank of America, Wells Fargo and Union Bank – all evidenced lower mortgage loan denial rates than the Citywide average of 17 percent, with Wells Fargo exhibiting the lowest rate at 12 percent. For refinance loans, Wells Fargo’s loan denial rate of 18 percent was well below the Citywide average of 25 percent, whereas CitiMortgage was slightly below the average at 23 percent and Bank of America was slightly above at 27 percent. JP Morgan Chase evidenced a refinance loan denial rate of 43 percent, nearly 20 percent above the Citywide average.

**Table IV-10: Residential Loan Applications
From Select Banking Institutions – Santa Monica 2010**

Lending Institution	Total Completed Applications	% Loans Approved	% Loans Denied
Home Purchase Loans			
BANK OF AMERICA, NA	124	85%	15%
WELLS FARGO BANK, NA	106	88%	12%
UNION BANK, NA	35	86%	14%
All Lending Institutions	560	83%	17%
Refinance Loans			
WELLS FARGO BANK, NA	456	82%	18%
BANK OF AMERICA, NA	397	73%	27%
JP MORGAN CHASE, NA	197	57%	43%
CITIMORTGAGE, INC	142	77%	23%
All Lending Institutions	2,517	75%	25%

Source: Home Mortgage Disclosure Act Data, 2010. Compiled by Karen Warner Associates, Inc.

Note: Approved loans include loans originated and applications approved but not accepted. Denial rate based on applications that went through complete underwriting process, and exclude applications withdrawn or files closed for incompleteness.

POTENTIAL IMPEDIMENTS



CRA Ratings

The Community Reinvestment Act (CRA) requires that each lending institution's record be evaluated periodically in order to help determine if it is meeting its obligations under the Act to address the credit needs of the community in which it is located, including low and moderate income neighborhoods. Ratings range from Outstanding, Satisfactory, Needs to Improve, and Substantial Non-Compliance. As illustrated in Table IV-11, seven of the ten most active mortgage lenders in Santa Monica fall under the purview of CRA, and six of these received an outstanding rating for lending and community development activities. Metlife Bank received a rating of satisfactory.

Table IV-11: CRA Ratings for Major Lending Institutions Active in Santa Monica

Rank (based on 2010 activity in Santa Monica)	Name	CRA Rating	Exam Year
1	WELLS FARGO BANK, N.A.	Outstanding	2009
2	BANK OF AMERICA, N.A.	Outstanding	2009
3	CTITIMORTGAGE	Outstanding	2009
4	JP MORGAN CHASE	Outstanding	2007
5	UNION BANK	Outstanding	2009
7	METLIFE BANK, N.A.	Satisfactory	2009
9	US BANK, N.A.	Outstanding	2008

Source: <http://www.ffiec.gov/craratings>

The California Reinvestment Coalition has negotiated Community Reinvestment Act (CRA) commitments with California's major financial institutions for 20 years, including:

- Bank of America
- Bank of the West
- Citibank
- City National Bank
- Comerica Bank
- Union Bank of California
- U.S. Bank
- Wells Fargo Bank

A goal of these CRA commitments is to focus the attention of these financial institutions on the opportunities and needs of California's low and moderate income communities and communities of color. In conjunction with these CRA commitments, the CRC conducts monitoring meetings at these banks to discuss the bank's CRA commitment, review home mortgage lending activities, consumer lending, affordable housing, subprime lending, advertising, and the bank's overall plans to reach underserved and minority communities.



CRA and Loan Modification Activities of Santa Monica's Major Lenders

In order to gain a better understanding of the specific CRA-related activities and foreclosure prevention efforts of lenders, interviews were conducted with the five most active mortgage lenders in Santa Monica, as identified in Table IV-9.

Each lender was asked to provide information on the following:

- Mortgage lending policies or activities the bank is undertaking to reach out to people of color and/or lower income populations
- Any focused marketing in lower income and/or minority neighborhoods
- Training of mortgage lenders on fair housing
- Foreclosure prevention policies/activities for existing borrowers

The following staff were interviewed at each of the banks, and served as the liaisons in compiling the requested information:

- J.P. Morgan Chase Bank - *Peter Villegas, Vice President/Senior Manager
Office of Corporate Responsibility*
- Union Bank – *Jan Woolsey, CRCM, Senior Vice President/Manager
Corporate Social Responsibility Data Center*
- CitiMortgage - *Camille Hendrix, Senior Vice President, Regulatory Manager
CRA/Fair Lending Unit*
- Bank of America - *Michael Manigault, Community Relations Manager
Community Development Division*
- Wells Fargo Bank - *Katy Fitzsimmons, Client Services Consultant
Home Mortgage Division*

The results of the lender interviews and supplemental information provided by the banks are summarized in the following section.



J.P. Morgan Chase Bank

Mortgage Lending to Low/Mod and Minority Households and Neighborhoods

- 10 year pledge (2004-2013) to invest \$800 billion in low and moderate income communities. Seven years into pledge (through Dec 2010), invested over \$650 billion, including \$517 billion in mortgages for both minority and lower income borrowers and communities.
- National community mortgage lending unit that works with community groups to help minority and lower income households purchase their first home.
- Expansion of credit and mortgage counseling programs in low/moderate income communities, frequently in partnership with community-based organizations. Goal is to provide financial education and credit repair to help borrowers lower their risk profile to qualify for a mortgage.
- Extensive homebuyer seminars to outreach to first time homebuyers and lower income households. Conducted at local branches or in partnership with community based organizations (including Neighborhood Housing Services, West Angeles CDC) and realtor associations, including those representing minority groups (National Association of Hispanic Real Estate Professionals, Asian Real Estate Association of America).
- No specialized first time homebuyer mortgages, though majority of mortgages are currently FHA which provide a variety of low downpayment options.

Fair Lending Training

- All Chase loan officers and employees receive regular training on fair lending. Fair lending extends to every aspect of credit transactions, from advertising and pre-application inquiries to loan disbursement and ongoing servicing. The CHASE website includes information concerning fair lending regulations and enforcement, including examples of overt discrimination, disparate treatment, and disparate impact.

Foreclosure Prevention

- Opening of Chase Homeownership Centers in communities hardest hit by foreclosures, including 18 in California. Customers meet face-to-face with trained home loan advisors about their financial situation and mortgage modification options, and maintain a single point of contact throughout the process.
- Chase is one of the leading participants in the federal HAMP program. Active participation in CalHFA Keep Your Home Affordable Programs.
- Enhancements to Chase.com "my home" website to allow borrowers to securely view up-to-date information any time during the loan modification process.
- Partner in HOPE NOW, an alliance between counselors, mortgage lenders and non-profits to coordinate and maximize outreach efforts to homeowners in distress.
- Homeownership Preservation Office that serves as a single point of contact for non-profit counselors, housing advocates, legal services and others who help Chase mortgage customers to keep their homes.
- Through its Community Revitalization Program, Chase sells at a discount or donates Chase-owned residential properties (REOs) to non-profit agencies or local municipalities for restoration and resale to new homeowners. In California, 1,300 homes were transferred to non-profit agencies in 2011. Chase has established ongoing relationships with numerous major non-profits throughout the state, including LISC and Habitat for Humanity.



Union Bank

Mortgage Lending to Low/Mod and Minority Households and Neighborhoods

- In 2005, the bank renewed its 10 Year Commitment, pledging a minimum of 6.5% of average annual assets towards CRA related loans and activities. Between 2005-2010, the bank surpassed this goal, contributing an average of 7.25% in annual assets and totaling over \$21.8 billion.
- The bank's "Economic Opportunity Mortgage" (EOM) is specifically structured to provide mortgage financing to low and moderate income households (up to 80% AMI) with limited credit history, and to extend financing within low and moderate income census tracts. (In defined high cost areas, including Los Angeles County, EOM financing is extended to middle income – up to 119% AMI – census tracts). Features of the EOM include up to 95% financing with no Private Mortgage Insurance (PMI) required, consideration of alternative forms of credit, and optional credit counseling.
- In 2011, Union revamped the EOM to make it more competitive with FHA mortgage financing. The bank's analysis on a "typical" mortgage loan shows the average monthly payment is \$250 less under an EOM vs an FHA loan.
- Union has conducted extensive marketing of EOM loans in low and moderate income areas throughout the State, and in 2009 funded 802 EOM loans, plus an additional 150 non-EOM loans that qualified for CRA credits; in 2010, 761 EOM loans were funded with an additional 313 CRA eligible mortgage loans.
- As a smaller lender, Union Bank doesn't offer FHA, VA or other government insured loan products.
- In 2011, Union Bank was awarded \$300,000 in WISH (Workforce Initiative Subsidy for Homeownership) Downpayment Assistance Funds through the Federal Home Loan Bank (FHLB). Through this program, Union partners with local non-profits to provide up to \$15,000 in downpayment assistance to low and moderate income households, matching up to \$3 for every dollar contributed by the household.
- Union also participates in the FHLB's IDEA (Individual Development and Retirement Account) Downpayment Assistance Program. This program is similar to the WISH program, but targeted towards households participating in either the Family Self-Sufficiency (FSS) program, Individual Development Account (IDA) program, or lease-to-own program.

Fair Lending Training

- All loan officers and contractors undergo annual training on fair lending practices, and are required to pass an annual certification.
- Community lenders dedicated to the low and moderate income mortgage segment undergo specialized training to better serve this population with tailored products such as the FHLB's WISH and IDEA downpayment assistance programs.

Foreclosure Prevention

- Union Bank did not receive TARP money from the federal government, and therefore does not have access to foreclosure prevention solutions under the federal *Making Your Home Affordable* program, such as HARP and HAMP.
- Union reports that less than 2% of borrowers are currently identified as "in trouble" on their mortgage payments, compared to an industry average of greater than 10%. Because Union owns its own loan portfolio, it requires greater creditworthiness at the front end, thus resulting in fewer loan defaults.



CitiBank

Mortgage Lending to Low/Mod and Minority Households and Neighborhoods

- 10 year pledge (2003-2012) of \$120 billion lending and investment commitment to minority and low and moderate income individuals, small businesses and communities in California and Nevada, representing approximately four times the combined deposits of Citi and Cal Fed (acquired by Citi) in these two states. The 10 year commitment includes a target of \$80 billion in HMDA lending and \$3.5 billion in community development lending in California and Nevada.
- Array of tailored products for first time homebuyers with flexible credit criteria, such as:
 - ✓ No minimum loan amount
 - ✓ Low downpayment requirements
 - ✓ Citibank Closing Cost Assistance
 - ✓ Expanded housing and debt-to-income ratios
 - ✓ Recognition of alternative sources of income
 - ✓ Non-traditional sources of furnishing credit history
- Offers both FHA and VA government-insured loans, allowing borrowers who may not qualify for a conventional mortgage to obtain financing.
- Citi's Homerun Program is designed to meet the needs of low and moderate income borrowers by providing greater underwriting flexibility and lower downpayment options.
- In 2011, every Citi bank branch held a series of first time homebuyer and refinance seminars.

Fair Lending Training

- Citimortgage requires Fair Lending Training for all mortgage employees, encompassing both the Fair Housing Act and Equal Credit Opportunity Act, with recertification required every 2 years.
- Wholesale lenders receive in-field training for marketing to LMI and minority communities.

Foreclosure Prevention

- Assists borrowers having difficulty meeting mortgage payments by:
 - ✓ Providing workout arrangements where possible so borrowers can remain in their homes
 - ✓ Offering free credit counseling to borrowers who miss payments
 - ✓ Making loss mitigation staff available to borrowers and the nonprofit counseling agencies acting on behalf of borrowers
 - ✓ Assigning borrowers a single point of contact with Citi
- Participates in the federal HAMP program, and the Second Lien Modification program under the federal Making Home Affordable program, and will be implementing the recently announced Attorney General programs. Citi also offers other modification products to help keep borrowers in their homes.
- In 2007, initiated Office of Homeownership Preservation (OHP) to work with national and local partners to conduct outreach in communities hardest hit by foreclosures. OHP's loss mitigation specialists participate in outreach events and work closely with nonprofit foreclosure prevention counselors.
- HomeownerSupport.com website launched Dec 2011 to help struggling homeowners understand options, including refinancing, payment plans, loan modifications, and other alternatives to foreclosure.



Bank of America

Mortgage Lending to Low/Mod and Minority Households and Neighborhoods

- In 2009, established 10-year, \$1.5 trillion community development goal to lend and invest in underserved communities. Invested \$168.5 billion in community development activities in 2010, achieving 11% of goal.

2010 Accomplishments

- \$70 billion in mortgages to 452,000 low/mod income households (1 in 3 loans to low/mod household)
- Assisted 90,000 first-time homebuyers through federal government homebuyer tax credit
- Within Santa Monica (zip codes 90401-90405), \$39.7 million in “community development” home purchase and refinance loans. BofA criteria for community development loans include:
 - ✓ Loans in LMI census tracts and to LMI borrowers as defined under CRA
 - ✓ Borrowers <100% AMI in middle and upper income census tracts
 - ✓ Minority borrowers – all income levels, all census tracts
 - ✓ Loans to borrowers with income adjustments in markets designated as High Cost by FNMA

Fair Lending Training

- Employees involved in any phase of the lending process are required to take Fair Lending training, both as new hires and annually thereafter. This customized web based training provides an overview of Fair Lending laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, together with Fair Lending requirements and best practices during all phases of a credit transaction from marketing/advertising and sales, through processing, underwriting, servicing and loss mitigation.
- A Fair Treatment video, developed in partnership with the National Fair Housing Alliance is required for all new hires and bi-annually for associates involved in residential mortgage sales processes.

Foreclosure Prevention

- Development of proprietary BofA modification programs, including National Homeownership Retention Program, Earned Principal Forgiveness Program, and Principal Forgiveness for Active Military.
- Working with United Way and other community partners, created the *Home Transition Guide* to educate customers about alternatives to foreclosure and provide tools to assist customers.
- Expanded community outreach including a doubling of outreach staffing, establishment of 50+ regional Customer Assistance Centers, and increased coordination with nonprofit housing counselors.

2010 Accomplishments

- 285,000 loan modifications, including 109,000 modifications under federal HAMP program (10% increase in loan modifications from 2009 levels).
- Expansion of mortgage default management staffing to 30,000 (200% increase from 2009 levels)
- 188,000 mortgages refinanced through federal HARP program, assisting homeowners who owe more on their homes than the home's value (loan-to-value ratios up to 125%)
- Within Santa Monica zip codes, \$33.5 million in mortgage loan modifications.



Wells Fargo Bank

Mortgage Lending to Low/Mod and Minority Households and Neighborhoods

- \$70 billion, 10-year goal for affordable mortgage lending, encompassing lending in low and moderate income (LMI) neighborhoods and to LMI borrowers. Includes mortgage lending as well as home improvement and multi-family loans.
- Achieved 50% of goal during first four years (2007-2010), investing a total of \$35 billion in affordable mortgages, including \$22.3 billion in LMI neighborhoods and \$12.6 billion to LMI households.
- #1 originator of home loans to African Americans, Asians, Hispanics, Native Americans and low and moderate income borrowers in 2010.
- In February, 2012, launched Neighborhood LIFT as a pilot in City of Los Angeles to help stabilize neighborhoods hard hit by foreclosures, providing approximately \$15 million in downpayment assistance and programmatic support for first-time homebuyers and “ready-again” homebuyers.
- Partners with City of Los Angeles’ home ownership program for low- and moderate-income buyers seeking to purchase a home from Restore Neighborhoods Los Angeles (RNLA) a non-profit organization formed by the City to manage the disposition of REO properties. Wells offers mortgage financing to buyers in the program who complete home buyer education classes.

Fair Lending Training

- Wells Fargo Home Mortgage Team members required to take Fair and Responsible Lending course annually. Course reviews fair and responsible lending principles and key concepts including Fair Lending Laws and Wells Fair & Responsible Lending Policies.

Foreclosure Prevention

- Between 2009-2011, Wells Fargo participated in 148 home preservation events throughout California, including nine Wells-organized home preservation workshops to work one-on-one with mortgage customers facing financial hardships.
- Continued sponsorship of large scale homeownership preservation events, such as those at the Los Angeles and Pasadena Convention Centers where thousands of Wells customer’s loans are reviewed and loan modifications and other workout options are provided on-the-spot. Events also involve participation of local nonprofit organizations to offer additional support to customers in such areas as credit counseling and budgeting.
- Establishment of Wells Fargo Home Preservation Centers in the country’s most distressed markets, including 16 Centers in California. Customers meet face-to-face with home loan advisors about their financial situation and mortgage modification options.
- Adoption of an enhanced Single Point of Contact model for distressed homeowners. Designed to provide greater continuity to customers throughout the process and help avoid confusion for those who may be pursuing a modification or other option while at risk of foreclosure.
- Active participant in HOPE NOW, an alliance between mortgage servicers, investors, HUD approved counselors, and other mortgage market participants established to coordinate and maximize outreach efforts to help as many distressed homeowners as possible to stay in their homes.



e. Subprime and Prime Lending

Financial institutions that provide loans to customers are divided into two major categories: prime lenders, which provide loans to applicants with good credit, and subprime lenders. Subprime lenders serve a legitimate role in the market by providing credit to persons who are considered a higher credit risk due to such factors as employment history, debt-to-income ratio, or a troubled credit history. Legitimate and fairly priced subprime lending can enable some families who would not qualify for a bank loan to purchase a house or access home equity.

While the definition of subprime lending varies somewhat among agencies, subprime loans are generally associated with higher interest rates, higher points, larger fees, and often pre-payment penalties compared to loans in the so-called prime market. Given the greater risk associated with lending to higher-risk applicants, interest rates on subprime loans may be anywhere from a couple of points to as much as 10 percentage points above the prime rate for persons with “less-than-perfect” credit. Abuses occur when subprime lending goes beyond reasonably compensating the lender for taking on the added risk of lending to a person with a poor credit history. Fannie Mae and Freddie Mac have estimated that 30 to 50 percent of all borrowers with higher cost subprime loans could have qualified for a lower-cost prime loan.

Between 2001-2005, HUD published a *Subprime and Manufactured Home Lender List* which identified lenders with a predominance of subprime loans. However, once HMDA began requiring lenders to report on loan pricing data, it became possible to identify how many actual “subprime” or “high cost” loans were made, no longer having to rely on how many loans were made by lenders that seemed to specialize in subprime loans. In fact, most of the lenders on the early HUD subprime lender lists are now out of business for making too many bad loans.

The California Reinvestment Coalition (CRC) has access to the raw HMDA data, and has evaluated all mortgage and refinance loan applications in Santa Monica in 2010 to identify high cost/subprime loans (defined as 1.5% above prevailing prime interest rates as defined by Freddie Mac). CRC’s review of all conventional home purchase and refinance lending on single-family homes that were owner-occupied, first lien originated loans revealed the following:

- None of the home purchase loans made in Santa Monica during 2010 were high cost loans
- Of the 1,525 refinance loans made, only two met the “high cost” threshold.

In summary, the issue of subprime/high cost loans in Santa Monica is fairly non-existent.



Predatory Lending: Predatory mortgage lending is defined as the practice of making high-cost home loans to borrowers without regard to the borrower's ability to repay the loan. Predatory lending is primarily targeted to low-income people, the elderly, and people of color, and has emerged from the subprime market due to several factors:²

- The characteristics of many subprime borrowers make them more easily manipulated and misled by unscrupulous actors. Many are unfamiliar with the lending process, have less education, limited English skills, or may be recent immigrants;
- Many subprime borrowers live in low-income and minority communities that have been and in some cases continue to be underserved by traditional prime lenders; and
- The finance and mortgage companies that dominate lending in many low-income and minority communities are not subject to the same level of oversight as their counterparts in federally supervised banks, thrifts, and credit unions.

Predatory lending encompasses a wide variety of practices, such as:

- ✓ **Excessive Charges:** Charging excessive rates and fees to a borrower who qualifies for lower rates and/or fees offered by the lender.
- ✓ **Exploding Interest Rates:** Adjustable rate mortgages that rise quickly.
- ✓ **Prepayment Penalties:** Locking borrowers into bad loans or requiring payment of thousands of dollars in penalties.
- ✓ **Flipping:** Repeatedly refinancing a loan within a short period of time and charging higher points and fees with each refinance.
- ✓ **Packing:** A loan with single premium credit insurance products, such as credit life insurance, and not adequately disclosing the inclusion, cost or any additional fees associated with the insurance.
- ✓ **Mandatory Arbitration:** Denying borrowers access to the court system.

As predatory lending has increased, many states as well as local governments have enacted regulations in an effort to curtail predatory practices. Efforts in California have included the passage of AB 489, which includes restrictions on a variety of practices considered predatory. For high cost loans, this legislation bans flipping, making loans people can't repay, balloon payments, and a host of other practices. The law establishes remedies available to victims (borrowers) for a violation of its provisions and enables regulatory agencies to take disciplinary action.

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

² HUD-Treasury Task Force on Predatory Lending, the report, "Curbing Predatory Home Mortgage Lending," June 2000.

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Based on information gathered at five field forums conducted by the joint HUD-Treasury Task Force on Predatory Lending, the resulting *Curbing Predatory Home Mortgage Lending* report proposes the following four point plan:

- *Improve Consumer Literacy and Disclosures.* Creditors should be required to recommend that high-cost loan applicants avail themselves to home mortgage counseling, disclose credit scores to all borrowers upon request, and give borrowers more timely and more accurate information as to loan costs and terms.
- *Prohibit Harmful Sales Practices in the Mortgage Market.* Practices such as loan flipping and lending to borrowers without regard to their ability to repay the loan should be banned. New requirements should be imposed on mortgage brokers to document the appropriateness of a loan for high-cost loan applicants, and lenders who report to credit bureaus should be required to provide “full-file” payment history for their mortgage customers.
- *Restrict Abusive Terms and Conditions on High-Cost Loans.* Congress should increase the number of borrowers in the subprime market covered by legislative protections; further restrict balloon payments on high-cost loans; restrict prepayment penalties and the financing of points and fees; prohibit mandatory arbitration agreements on high-cost loans; and ban lump-sum credit life insurance and similar products.
- *Improve Market Structure.* Award CRA credit to banks and thrifts that promote borrowers from the subprime to prime mortgage market, and deny CRA credit to banks and thrifts for the origination or purchase of loans that violate the applicable lending laws.

The California Department of Real Estate has prepared information to help borrowers avoid predatory lending. The information bulletin titled *Avoiding Predatory Lending – Protect Yourself in the Loan Process* defines predatory lending, gives examples of predatory lending practices, and provides other information helpful to borrowers such as explaining the loan application process.

The City of Santa Monica supports these actions to help low income and minority borrowers to avoid the pitfalls of predatory lending. Although the incidence of predatory lending in Santa Monica is likely not as extensive as in many parts of Los Angeles County, the City will take actions to protect low income and minority borrowers from its adverse impacts. These actions will include, but not be limited to including information on the dangers of subprime/predatory lending at workshops conducted by the City and the Beverly Hills/Greater Los Angeles Board of Realtors.

f. Foreclosures and Loan Modifications

Approximately 1.2 million Californians lost their homes to foreclosure between 2008 and mid-2011, with the number expected to increase to over 2 million by the end of 2012. While the number of mortgage default notices in the State has been consistently declining since its peak in 2010, the level of foreclosure activity remains significant. According to RealtyTrac, the slowdown in foreclosure activity during 2011 was in large part due to lenders re-evaluating foreclosure processes in light of ongoing legal issues

POTENTIAL IMPEDIMENTS



stemming from the “robo-signing” controversy and mortgage servicing abuses.³ By the later half of 2011, however, RealtyTrac reports that lenders were beginning to push through delayed foreclosures, with foreclosure activity projected to increase again in 2012.

Within Santa Monica, www.Realtytrac.com identifies 196 residential properties in various states of foreclosure (July 2012): 31 percent in “pre-foreclosure” having received a notice of mortgage default; 35 percent undergoing foreclosure with notice of a trustee sale; and 34 percent with ownership taken over by the bank. In May 2012, RealtyTrac recorded a total of 28 new foreclosure filings in Santa Monica, representing 1 filing for every 1,858 residential units in the City. In comparison, the ratio of foreclosure filings to total housing units in other Westside jurisdictions was much higher than in Santa Monica:

City of Los Angeles	1 : 511
West Hollywood	1 : 672
Culver City	1 : 882
Beverly Hills	1 : 942
Santa Monica	1 : 1,858

Of Santa Monica’s 28 May foreclosure filings, 11 were in zip code 90405 (south of Pico); 7 were in 90404 (between Pico and Wilshire, east of Lincoln); 6 were in 90403 (between Wilshire and Montana); 3 were in 90402 (north of Montana); and 1 was in 90401 (downtown west of Lincoln).

The California Reinvestment Coalition (CRC) has tracked the cost impacts of foreclosures in select zip codes throughout the State. By way of example, information for zip code 90402 in Santa Monica (generally located south of 26th St and north of Montana Ave and extending west to Chatautqua Blvd into Pacific Palisades) is presented in Table IV-12 below. A total of 171 ownership units are projected to be foreclosed upon in this zip code during the 2008-2012 period. CRC estimates that homes in foreclosure experience an average 22% decline in property value, translating to a total loss in home value of \$22 million on the 171 foreclosed units. In addition, each foreclosed property is estimated to cause the value of neighboring homes within an eighth of a mile to drop 0.9%, triggering an additional loss of \$45 million in home value and further eroding the local property tax base. Local governments have to spend money and staff time on blighted foreclosed properties, providing maintenance, inspections, trash removal and other code enforcement services, estimated at \$19,229 per foreclosure and totaling \$980,000 for the 171 foreclosed units.

Table IV-12: The Cost of Foreclosures

Zip Code	# Foreclosures 2008-2012	Foreclosed Home Value Loss	Impacted Homes Value Lost	Local Government Cost
90402	171	\$22,000,000	\$45,000,000	\$980,000

Source: www.calreinvest.org/publications/crc-reports, *The Wall Street Wrecking Ball: What Foreclosures are Costing Los Angeles Neighborhoods*, Sept 15, 2011.

³www.realtytrac.com, *2011 Year End Foreclosure Report:Foreclosures on the Retreat*, Jan 2012.



Federal Programs: In order to stem the number of foreclosures and help stabilize the housing market, in 2010 the Obama Administration launched the \$75 billion *Making Your Home Affordable* as a partnership between HUD and the U.S. Treasury. The program includes several components, including:

- **Home Affordable Modification Program (HAMP)** – reduces monthly mortgage payments to 31% gross income
- **Second Lien Modification Program (2MP)** – offers a way to lower payments on a second mortgage
- **Home Affordable Refinance Program (HARP)** – assists homeowners whose mortgages are held by Fannie Mae or Freddie Mac to refinance into a more affordable mortgage
- **Unemployment Program** – Requires mortgage servicers participating in the Making Home Affordable Program to provide minimum three month forbearance period during which mortgage payments are reduced or suspended while the homeowner is seeking re-employment
- **Principal Reduction Alternatives for Homeowners Underwater** - Beginning September 2010, mortgage servicers are required to evaluate every homeowner with high negative equity (owe more than 115% value of their home) for a HAMP reduction of at least 10% on the primary mortgage.
- **Home Affordable Foreclosure Alternatives Program (HAFA)** – Provides options for homeowners who can no longer afford their home and are interested in a short sale or deed-in-lieu of foreclosure.

Many of the *Making Your Home Affordable* programs have had a slow start. Roughly \$29.9 billion in TARP funds have been allocated for **HAMP** (Home Affordable Modification Program) and other foreclosure prevention programs, but as of December 2011, only \$2.3 billion has been spent. Just over 900,000 permanent HAMP modifications have been granted and will likely fall well short of the 3 million to 4 million originally estimated. In 2011 a U.S. Treasury compliance team evaluated how participating HAMP lenders were performing when contacting homeowners, and as a result have withheld HAMP repayments from several major banks until procedural improvements are implemented. In an effort to broaden eligibility under **HARP** (Home Affordable Refinance Program) for pre-June 2009 mortgages backed by Freddie Mac or Fannie Mae, the federal government revamped the program, including elimination of the maximum 125% loan-to-value ratio, and extended the program end date to December 2013.

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

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

State Programs: In February 2011, CalHFA launched the *Keep Your Home California* program using \$2 billion in federal funds from the 2008 rescue of the financial system. State officials hope to fend off foreclosure for about 95,000 borrowers and provide moving assistance to about 6,500 people who do lose their homes. As of January 2012, 10,000 households had received financial assistance, with 55 mortgage servicers participating in the program, representing 90 percent of the mortgages in California. The program is limited to low and moderate income households (up to 120% AMI), and the maximum benefit is \$50,000 for any household. The *Keep Your Home California* program includes the following four parts:

- **Unemployment Mortgage Assistance** - Mortgage assistance of up to \$3,000 per month for homeowners collecting unemployment benefits and in imminent danger of defaulting on their home loans. Homeowners can receive help for a maximum of nine months, and a total of \$27,000.
- **Mortgage Reinstatement Assistance Program** - As much as \$20,000 per household to reinstate mortgages to prevent foreclosure. The funds are available to homeowners who have fallen behind on their mortgage payments due to a temporary change in household income, such as reduced pay or work furloughs.
- **Principal Reduction Program** - Lowers the principal owed on a mortgage by as much as \$50,000 when the homeowner is facing a serious financial hardship and owes significantly more than the home is worth. Lenders must match any assistance provided through Keep Your Home California.
- **Transition Assistance Program** - Provides up to \$5,000 in relocation assistance for homeowners who can no longer afford their home when their lender agrees to a short sale or deed-in-lieu of foreclosure. Homeowners must occupy and maintain the property until the home is sold or returned to the servicer.

National Mortgage Settlement: After many months of negotiation, in February 2012, 49 state attorneys general and the federal government reached agreement on a joint state-federal settlement with the country's five largest mortgage lenders over "robo-signing" and other deceptive foreclosure practices. The settlement will provide up to \$25 billion in relief to distressed borrowers and direct payments to states and the federal government, and involves the following banks:

- Wells Fargo
- Bank of America
- JP Morgan Chase
- Citibank
- Ally/GMAC

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Benefits to eligible homeowners whose mortgages are owned or serviced by one of the five lenders include: payments to borrowers who were wrongly foreclosed upon; reduction of unpaid principal balances; refinancing for borrowers whose homes are worth less than the money they owe; and the opportunity for short sales and other relocation assistance. As the state hardest hit by the foreclosure crisis, up to \$18 billion of the settlement will be directed to California homeowners, allocated among the following activities:

- \$12 billion is guaranteed to reduce the principal on loans or offer short sales to approximately 250,000 California homeowners who are underwater on their loans and behind or almost behind in their payments.
- \$849 million is estimated to be dedicated to refinancing the loans of 28,000 homeowners who are current on their payments but underwater on their loans.
- \$279 million will be provided as restitution to approximately 140,000 California homeowners who were foreclosed upon between 2008 and December 31, 2011.
- \$1.1 billion is estimated to be distributed to homeowners for unemployed payment forbearance and transition assistance as well as to communities to repair the blight and devastation left by waves of foreclosures, targeted at 16,000 recent foreclosures.
- \$3.5 billion will be dedicated to relieving 32,000 homeowners of unpaid balances remaining when their homes are foreclosed.
- \$430 million in costs, fees and penalty payments.

Loan Modification Scams: Foreclosure rescue and loan modification scams are a growing problem. Scammers might promise “guaranteed” or “immediate” relief from foreclosure, and they might charge very high fees for little or no services. HUD provides free resources through the Homeowner’s HOPE™ Hotline at 1-888-995-HOPE and maintains a list of HUD-approved housing counselors. The following tips to avoid loan modification scams are listed on HUD’s website:

- Beware of anyone who asks you to pay a fee in exchange for a counseling service or modification of a delinquent loan.
- Scam artists often target homeowners who are struggling to meet their mortgage commitment or anxious to sell their homes.
- Recognize and avoid common scams. Beware of people who pressure you to sign papers immediately, or who try to convince you that they can “save” your home if you sign or transfer over the deed to your house.
- Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company to forgive your debt.
- Never make a mortgage payment to anyone other than your mortgage company without their approval.

Independent Review of 2009-2010 Home Foreclosures: As part of the consent orders entered into with the Federal Reserve System and the Office of the Comptroller



of the Currency in April 2011, fourteen U.S. mortgage servicers⁴ are making available free, impartial Independent Foreclosure Reviews to borrowers who faced a foreclosure action on their primary residence during January 2009 through December 2010. If eligible borrowers believe that they were financially injured as a result of deficiencies in the foreclosure process, they can request a review of their foreclosure file to verify that their foreclosure process was handled properly. If financial injury is found, borrowers will receive compensation or other remedy.

Foreclosure actions that may be eligible for a review include:

- Property sold due to a foreclosure judgment
- Mortgage loans referred into the foreclosure process but removed from the process because payments were brought up-to-date or the borrower entered a payment plan or modification program.
- Mortgage loans referred into the foreclosure process, but the home was sold or the borrower participated in a short sale, or chose a deed-in-lieu or other program to avoid foreclosure.
- Mortgage loans referred into the foreclosure process and remains delinquent but the foreclosure sale has not yet taken place

Beginning in November 2011, an estimated 4.5 million borrowers potentially eligible for the Independent Foreclosure Reviews will be notified by a letter explaining the review process and a Request for Review Form. In addition, a national advertising campaign will direct borrowers to www.IndependentForeclosureReview.com for information.

Consumer Financial Protection Bureau (CFPB): The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) established the federal Consumer Financial Protection Bureau (CFPB), and in January 2012, President Obama appointed its first Director. The goal of the CFPB is to give consumers the information they need to understand the terms of their agreements with financial companies, including mortgages, credit cards and other financial services. The Bureau's functions include:

- Rule-making and enforcement of Federal consumer financial protection laws
- Restricting unfair, deceptive, or abusive acts or practices
- Taking consumer complaints
- Promoting financial education
- Researching consumer behavior
- Monitoring financial markets for new risks to consumers
- Enforcing laws to outlaw discrimination and unfair treatment in consumer finance

The hope is that the CFPB will play an important role in stopping abusive lending and foreclosure practices in the future.

⁴ The 14 servicers participating in the program include: America's Servicing Company, Aurora Loan Services, BofA, Beneficial, Chase, Citibank, CitiFinancial, CitiMortgage, Countrywide, EMC, EverBank/Everhome Mortgage Company, First Horizon, GMAC Mortgage, HFC, HSBC, IndyMac Mortgage Services, MetLife Bank, National City, PNC, Sovereign Bank, SunTrust Mortgage, U.S. Bank, Wachovia, Washington Mutual and Wells Fargo.



4. Discriminatory Newspaper Advertising

Federal and State fair housing laws prohibit advertising in the sale or rental of housing that indicates any preference, limitation, or discrimination based on any arbitrary basis. More specifically, the federal Fair Housing Act prohibits the making, printing and publishing of advertisements which state a preference, limitation or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The prohibition applies to publishers, such as newspapers and directories, as well as persons and entities who place real estate advertisements. It also applies to advertisements where the underlying property may be exempt from the Act, but where the advertisement itself violates the Act.

The California Newspaper Publishing Association (CNPA) provides guidance on the advertising terms that violate fair housing laws. Appendix C provides examples of advertising words and terms that violate the Fair Housing Act.

The *Los Angeles Times* publishes the following “Live Free From Discrimination” fair housing notice in the classified section pertaining to for-sale and for-rent ads. Neither the *Santa Monica Daily Press* or the weekly *Santa Monica Mirror* currently publishes a fair housing disclaimer in its classified section. The City’s Consumer Protection Unit has contacted these two local newspapers on multiple occasions to request publication of the disclaimer, and while the *Daily Press* published it for a short time, it is no longer doing so.

LA Times
Live Free From Discrimination

Federal and State Fair Housing Laws make it illegal to indicate any preference, limitation, or discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or physical or mental disability. California Dept. of Fair Employment & Housing 800-884-1684

a. No “Pets” Limitations

Under Fair Housing law, landlords are required to make reasonable accommodations for people with disabilities. This includes making an exception to a no pet rule for persons with disabilities that require a companion animal. Many rental advertisements indicate a no pet policy. Neither the *LA Times*, *Santa Monica Daily Press*, or *Santa Monica Mirror* include any type of disclaimer regarding exceptions to no pets policies for persons requiring a companion animal.

b. Recommendations

- The City should continue to encourage the *Mirror* and *Daily Press* to publish a fair housing disclaimer such as that published by the LA Times. Reference to City fair housing services could be included in the disclaimer.
- Encourage all three newspapers to publish a no pets disclaimer for rental housing stating that “no pets allowed” may still be required to rent to disabled persons requiring a service or companion animal.



5. Covenants, Conditions, and Restrictions

In the past, Covenants, Conditions, and Restrictions (CC&Rs) sometimes included provisions to exclude certain groups such as minorities from equal access to housing in a residential development or neighborhood. Today, the California Department of Real Estate (DRE) reviews CC&Rs for all subdivisions of five or more lots, or condominiums of five or more units. The review includes a wide range of issues, including compliance with fair housing law.

The review must be completed and approved before the DRE will issue a final subdivision public report. This report is required before a real estate broker can sell the unit and each prospective buyer must be issued a copy of the report. If the CC&Rs are not approved, the DRE will issue a “deficiency notice”, requiring the real estate broker to revise the CC&Rs.

Communities with old subdivisions or condominium developments may still contain CC&Rs that do not comply with fair housing law. However, provisions in the CC&Rs that violate the fair housing law are not enforceable.



V. FINDINGS AND RECOMMENDATIONS

The Santa Monica AI evaluates a wide range of housing issues and potential barriers to fair housing. The following section builds upon this analysis, outlines conclusions, and provides recommended actions for the City and its community partners to address identified impediments to fair housing choice. The final section summarizes impediments identified in Santa Monica's prior 2007/08 AI, and identifies the actions taken by the City to address.

A. SUMMARY OF CONCLUSIONS/FINDINGS

The following summarizes the key findings from the AI:

1. Community Profile

- While Santa Monica's population remains predominately White (70% in 2010), different racial and ethnic groups evidence areas of concentration, defined as census block groups which exceed the countywide average of a particular group.
 - ✓ A small area of **Hispanic concentration** is located between Pico and the 10 freeway
 - ✓ **African American concentrations** are present along the Olympic corridor from 23rd street to Pacific Coast Highway.
 - ✓ **Concentrations of Asian households** exist in several census block groups located north and west of the Santa Monica Airport.
- An estimated 760 Spanish speaking households and 750 Asian speaking households in Santa Monica are **linguistically isolated**. Such households are defined as ones in which all members over the age of 14 have some difficulty in speaking or understanding the English language. Language barriers may prevent these residents from accessing services, information and housing, as well as impacting educational attainment and employment.
- An estimated 16 percent of Santa Monica's population has some type of **disability**, encompassing physical, mental and developmental disabilities. The living arrangements for persons with disabilities depends on the severity of the condition, and ranges from independent living to specialized care environments (group housing). Without an inventory of accessible units, it is often difficult for disabled individuals and organizations to locate suitable housing in the community.
- **Senior citizens** comprise 20 percent of Santa Monica's households. 60 percent of the City's senior households live alone, 58 percent are renters, and 40 percent of seniors have a disability. Seniors face housing needs related to housing maintenance, accessibility, and cost. Many elderly are on limited, fixed incomes and are particularly vulnerable to rent increases and other changes in living expenses.



- While Hispanics, African-Americans, persons with disabilities and seniors are all well represented in SMHA rental assistance programs, **Asians are underrepresented** relative to their presence in the community. With 1,400 households receiving rental assistance vouchers, approximately 18 per cent of Santa Monica's eligible renter population is served by rental assistance vouchers, compared with just two percent of the eligible Asian renter population..
- Since 1999 when Costa-Hawkins allowed vacancy decontrol of rent controlled units, 61 percent of Santa Monica's 28,000 units subject to Rent Control have undergone tenant turnover and re-rented at market rate. **Rents on decontrolled-recontrolled units** are roughly double that of long-term controlled units, and are well above the level affordable to even moderate income (80% AMI) households.
- Nearly 200 units in Santa Monica are in various states of **foreclosure** (July 2012), and with adjusting mortgage interest rates and a slow economic recovery, the level of foreclosure activity is projected to remain significant. However, new foreclosure filings in Santa Monica are well below the ratio evidenced in other Westside communities relative to each jurisdiction's total housing stock,
- An over-concentration of **residential care facilities** can be a fair housing concern if that over-concentration is limited to a certain area of the City. Residential care facilities are generally dispersed throughout Santa Monica, providing these types of supportive housing services in most areas of the community.
- Santa Monica is very well served by **public transit** provided by the Big Blue and Mini Blue bus lines. Major employers, community facilities, and assisted housing are located within close proximity to transit routes.

2. Fair Housing Profile

- The Consumer Protection Unit within the City Attorney's Office, the Rent Control Board, the Beverly Hills/Greater Los Angeles Association of Realtors, and the Apartment Association of Greater Los Angeles conduct extensive **fair housing education and outreach**. As the Consumer Protection Units reports that small property managers/owners are generally the major violators of fair housing laws, targeted outreach to this group remains critical.
- Due to their specific housing needs, **persons with disabilities** are vulnerable to discrimination by landlords who many not understand the reasonable accommodation protections contained in the Federal Fair Housing Act. Given the continued prevalence of discrimination complaints from disabled households, there is a continued need to educate landlords on reasonable accommodation.
- The race-based **rental housing audit** confirmed differential treatment to African Americans in one of four tests. An additional audit is being conducted to test differential treatment to families with children. The City will tailor its fair housing



education program to address the results of the audits and any identified patterns of discrimination.

3. Review of Potential Impediments

Public Sector Impediments

- While the City provides for **senior housing** in all its multi-family and most commercial zones, the age threshold for senior housing is identified as 60 years or older in the Zoning Code. In contrast, the Fair Housing Act and Unruh Civil Rights Act establish a threshold of 62 years of age for senior housing to be exempt from familial status protections, or 55 years of age in a senior citizen housing development (35+ dwelling units).
- The City does not currently have written procedures in place to allow for deviations from development standards, building codes, or permit procedures to provide a **reasonable accommodation** for persons with disabilities.
- The Zoning Code does not contain a **definition of disability**, although specific disabilities are mentioned as part of a use definition, such as “terminally ill (hospice definition) and chronic illness/infirmity (nursing home definition). Under the Fair Housing Act, persons with disabilities (or handicaps) are defined as “individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment.”
- With the **dissolution of the Redevelopment Agency**, redevelopment funds will no longer be available to support Santa Monica’s affordable housing activities, impeding the City’s efforts to expand housing choice among lower and moderate income households.
- Rent Control Board staff recognize that **Hispanic households are underrepresented** in the Rent Control program: the 2006 Santa Monica Tenant Survey identifies 6.3% of rent-controlled households as Hispanic, whereas the 2010 Census indicates Hispanic householders comprise 10.8% of the City’s renter households. In an effort to increase participation, the Rent Control Board has established a Spanish website and conducted targeted outreach to the Hispanic community.
- The **Section 8 payment standard** in Santa Monica is well below market rent levels, and as a consequence some landlords are not willing to accept the lower rents associated with Section 8 tenants. This has led to heightened competition for available Section 8 rentals and a longer time period for voucher holders to secure Section 8 units.



Private Sector Impediments

- While Santa Monica residents have good **access to financing** for home mortgage, refinance and home improvement loans, lower cost government-backed FHA loans continue to comprise a very small proportion of mortgage loan applications (5% FHA loans in Santa Monica in 2010, compared to 40% countywide).
- **Hispanic applicants** for mortgage and refinance loans evidenced a loan denial rate of 31% in Santa Monica, 10% above other racial groups in the City and 6% above Hispanics countywide.
- Review of **loan status by census tract** over the past five years identifies several areas with loan denial rates of five percent or above Citywide averages. Census tracts 7018.01, 7018.02, 7017.01 and 7014.02 all exhibit recent trends of higher than average loan denials and are characterized by high minority and/or low/mod populations.
- The issue of **subprime/high cost loans** in Santa Monica is fairly non-existent. None of the home purchase loans made in 200 were high cost loans, and just two of the 1,525 refinance loans met the “high cost” threshold.
- Similar to most communities, **home improvement loans** in Santa Monica had a relatively high loan denial rate (33%). Coordination with local lenders to direct loan applicants to the City’s rehabilitation programs could assist eligible households in making needed home improvements.
- **Predatory mortgage lending** refers to the practice of making high-cost home loans to borrowers without regard to the borrower’s ability to repay the loan. As predatory lending has increased, both the federal government and State of California, among others, have enacted regulations in an effort to curtail predatory practices. The City of Santa Monica supports these actions to help low income and minority borrowers to avoid the pitfalls of predatory lending.
- An area of lending currently subject to abuse is **loan modifications** for homeowners at-risk of foreclosure. The Housing Rights Center (HRC) – the largest fair housing provider in the county - reports a high volume of its calls are from homeowners reporting “mortgage rescue fraud,” having paid hundreds and even thousands of dollars to consultants who are often ineffective for a service provided free of charge through HUD-certified mortgage counseling agencies.
- Another area of concern is the plight of existing **tenants in properties undergoing foreclosure**. While Federal legislation now provides tenants the right to remain in their homes for 90 days after foreclosure, HRC reports that some realtors representing the lenders in bank-owned properties are not sufficiently well versed on tenant’s rights.



- Despite the City's continued urging, the *Santa Monica Daily Press* and the *Santa Monica Mirror* do not currently publish a **fair housing disclaimer** in their classified sections. Neither the LA Times or these two local newspapers include any type of disclaimer regarding exceptions to **no pet policies** in units advertised for rent for disabled persons requiring a service or companion animal.

B. RECOMMENDED ACTIONS TO ADDRESS IMPEDIMENTS

Recommendations are organized by activity type as outlined in HUD's 1998 *Fair Housing Planning Guide*. The actions listed below are primarily implemented through Santa Monica's Consumer Protection Unit within the City Attorney's Office.

1. Education and Outreach Activities

Action 1.1: Continue the proactive fair housing outreach to Santa Monica residents, apartment owners/managers and realtors conducted through the Consumer Protection Unit. Continue co-sponsorship of fair housing workshops with the Apartment Association of Greater Los Angeles, the Beverly Hills/Greater Los Angeles Association of Realtors, the Housing Rights Center and other community partners to maximize the effectiveness of fair housing education and outreach.

Action 1.2: Conduct focused outreach and education to small property owners/landlords on fair housing, and familial status and reasonable accommodation issues in particular. Conduct property manager workshops within Santa Monica on an annual basis, targeting managers of smaller properties and Section 8 landlords, and promote fair housing certification training offered through HRC.

Action 1.3: Coordinate with the Rent Control Board's outreach to tenants and landlords to incorporate information on fair housing.

Action 1.4: Conduct targeted outreach to Hispanic households to solicit participation in the Rent Control Program. Re-evaluate and expand previous outreach techniques with the goal of gaining greater involvement.

Action 1.5: Further evaluate the under-representation of Asian households in SMHA Rental Assistance Voucher Programs. As warranted, conduct targeted outreach as defined in the Administrative Plan.

Action 1.6: Designate a staff disability coordinator at City Hall to assist disabled residents in reasonable accommodation, locating accessible units, accessibility grants, etc.

2. Enforcement Activities

Action 2.1: Continue to provide investigation and response to allegations of illegal housing discrimination through the Consumer Protection Unit. For cases which cannot be conciliated, refer to the Department of Fair Housing and Employment



(DFEH), U.S. Department of Housing and Urban Development (HUD), small claims court, or to a private attorney, as warranted.

Action 2.2: On an annual basis, review discrimination complaints to assess Santa Monica trends and patterns over time, and tailor fair housing education and outreach accordingly.

Action 2.3: Continue to enforce (and make the public aware) of the City's anti-housing discrimination policies in the Municipal Code (Chapter 4.28, Families with Children; Chapter 4.40, Sexual Orientation or Domestic Partnership; and Chapter 4.52, Persons Living with AIDS).

Action 2.4: Continue to enforce and promote Santa Monica's just cause eviction and tenant harassment laws which offer protections to tenants in buildings regardless of rent control status.

Action 2.5: Continue to offer counsel to tenants and landlords regarding rights and responsibilities under State and City codes through the Consumer Protection Unit, and mediate disputes arising from rent control law through the Rent Control Board. Provide referrals to The Center for Civic Mediation, Legal Aid and other agencies for issues outside the City's purview.

Action 2.6: Coordinate review of hate crime data on an annual basis between the Santa Monica Police Department and City Attorney's Office, and evaluate as a potential fair housing issue. When appropriate, refer victims to the County Hate Crime Victim Assistance & Advocacy Initiative.

3. Monitoring Lending, Housing Providers, and Local Real Estate Practices

Action 3.1: Coordinate with the Beverly Hills/Greater Los Angeles Association of Realtors in conducting outreach on predatory mortgage lending practices, loan modification scams, and the rights of tenants in foreclosed properties. Disseminate a Fact Sheet via the City's website and in public locations throughout the community.

Action 3.2: Monitor mortgage loan denial rates among Hispanic households and in census tracts with higher than average loan denials and high minority and/or low/mod populations (tracts 7018.01, 7018.02, 7017.01 and 7014.02) through annual review of Home Mortgage Disclosure Act (HMDA) data. Contact the City's major mortgage lenders to discuss the City's concerns.

Action 3.3: Follow-up with Santa Monica's major mortgage lenders to discuss opportunities for expanded marketing of:

- ✓ Lower cost, government-backed mortgage products
- ✓ Available first-time homebuyer education and loan products
- ✓ Foreclosure prevention programs
- ✓ Transfer of REOs to non-profits for affordable housing



Action 3.4: Contact local lenders to request they direct applicants ineligible for privately financed home improvement loans to the City's rehabilitation loan program.

Action 3.5: Continue to encourage the Santa Monica Mirror and Santa Monica Daily Press to publish a fair housing disclaimer with reference to City fair housing services, and encourage these newspapers, as well as the LA Times, to publish a "no pets" disclaimer.

Action 3.6: Continue to include non-discriminatory and fair housing language in all City affordable housing contracts and agreements. Enforce the Affirmative Marketing Policies that are required as part of HOME-assisted rental developments.

4. Investigative Testing and Auditing Local Real Estate Markets

Action 4.1: Conduct rental audits and/or testing to evaluate apparent patterns of discrimination related to race, familial status and disability. To the extent such audits reveal significant discrimination, widely publicize the results and require remediation to serve as a deterrent to other property owners and landlords.

5. Land Use Policies to Affirmatively Further Fair Housing

Action 5.1: Amend the current 60 year age threshold for senior housing in the Zoning Code to be consistent with those in the Fair Housing Act and Unruh Civil Rights Act. These Acts reference a 62 year age threshold, or 55 year threshold in a senior citizen housing development (35+ dwelling units) for allowing a senior housing exemption to the law's familial status requirements.

Action 5.2: Incorporate the following definition of "disability" within the Zoning Code consistent with the Fair Housing Act: "individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment."

Action 5.3: Develop and adopt reasonable accommodation procedures to facilitate accessibility improvement requests through modifications in zoning (including use permissions and development standards), building codes, and permit processing procedures.

Action 5.4: Develop an inventory of publicly-assisted accessible units in Santa Monica and make available on the City's website for use by interested parties. Encourage apartment owners utilizing the Rent Control Board's Apartment Listing Service to identify accessible units.

6. Increasing Geographic Choice in Housing

Action 6.1: Continue to provide financial and regulatory incentives to facilitate the provision of affordable housing throughout the community, particularly in locations near transit and services that promote walkability. Provide affordable and accessible



housing to special needs populations, including the disabled, seniors and persons at-risk of homelessness.

Action 6.2: Support the integration of affordable units within market rate projects through implementation of the Affordable Housing Production (inclusionary) Program.

Action 6.3: Pursue alternative funding sources for affordable housing activities previously funded through the Santa Monica Redevelopment Agency, including replacement funding for the 70 families assisted under the former Redevelopment Agency's Rental Assistance Program.

Action 6.4: If eligible, apply to HUD for an increase in the Section 8 payment standard to provide greater parity with market rents. Evaluate adoption of an ordinance prohibiting discrimination against Section 8 voucher holders.



C. STATUS OF ADDRESSING IMPEDIMENTS IDENTIFIED IN 2007/08 AI

Santa Monica's 2007/08 Analysis of Impediments to Fair Housing Choice identified a number of private and public sector impediments and established recommended actions to address each of these impediments. The following Table V-1 summarizes the City's progress in implementing these actions.

Table V-1: Status of 2007/08 AI Impediments and Actions

Impediment	Recommended Actions to Address	Status
Private Sector Impediments		
A. Housing Discrimination		
An average of 18 discrimination complaints are filed each year with the City, HUD and DFEH.	Continue the efforts of the Consumer Protection Unit to process housing discrimination complaints.	<u>Completed</u> Ongoing program administered by city Attorney's Office.
B. Redlining		
Potential trend of redlining in census tracts 7018.01 and 7018.02 which have largest minority populations and rank 1 st and 3 rd for mortgage loan denials. However, no consistent correlation found when all census tracts evaluated.	Update the HMDA loan denial rates for conventional and home improvement loans. Future updates should monitor loan denial rates in areas with a concentration of minority and low income populations.	<u>Completed</u> City evaluates HMDA on an annual basis and has found no correlation between large minority population percentages and high loan denial rates.
C. Predatory Lending		
No available data.	Prepare and make available flyers that provide information on predatory lending and other fair housing issues.	<u>Pending</u> City Attorney's Office provides variety of Fact Sheets online regarding fair housing and disability rights, but does not provide info on predatory lending.
D. Discriminatory Advertising		
Santa Monica Mirror and Daily Press do not include a fair housing disclaimer with housing listings.	Encourage the Santa Monica Mirror and Daily Press to publish a fair housing disclaimer, which references City fair housing services.	<u>Pending</u> No disclaimer was found in the current editions.
"No pets" may discourage disabled persons who require a reasonable accommodation for a pet from applying for available rental housing.	Encourage all three newspapers (Santa Monica Mirror, Santa Monica Daily Press, LA Times) to publish a "no pets" disclaimer.	<u>Pending</u> No disclaimer was found in the current editions.
E. Hate Crimes		
The FBI reports 7 hate crimes in Santa Monica between 2005-2010: 4 based on a bias against race or ethnicity, 2 based on sexual orientation, and 1 based on religion.	As appropriate, City may refer victims to the County Human Relations Commission, Hate Crime Victim Assistance and Advocacy Initiative, and State Office of Victims' Services.	<u>Completed</u> Police Dept conducts thorough review of all hate crimes and refers victims to available services and resources.

FINDINGS/RECOMMENDATIONS



Impediment	Recommended Actions to Address	Status
Public Sector Impediments		
A. Housing Element		
	Implement the equal housing opportunity program adopted as part of the Housing Element.	<i>Completed</i> Ongoing Fair Housing Program administered by the City Attorney's Office (Goal 6.a of Housing Element)
B. Housing Discrimination Policies – Zoning Code Policies and Standards		
City zoning regulations do not contain a definition of disability, though specific disabilities are mentioned as part of a use definition.	Amend zoning regulations to include a disability definition consistent with the definition found in the Fair Housing Act.	<i>Pending</i> City initiated comprehensive Zoning Code update in 2011 and will include a disability definition as part of update.
Residential care facilities for 6 or fewer residents are currently only permitted in R1 districts and require conditional use permits in R2, R3 and R4 districts.	Amend the zoning regulation with respect to permitting residential care facilities for six or fewer persons in all zones that permit single-family homes (R1, R2, R3 and R4)	<i>Completed</i> Upon further analysis of the City's zoning it was discovered that residential care facilities with 6 or fewer persons are considered a family dwelling, and thus already permitted in all zones where single-family units are permitted.
Housing Element has not been amended to include the new SB 2 requirements.	Implement actions recommended in the Housing Element regarding SB 2 requirements to remove governmental constraints that hinder the City "from meeting the need for supportive housing and transitional housing."	<i>Completed</i> The City fully complies with SB 2, as confirmed by State HCD approval of the City's 2008-2014 Housing Element.
The City has not adopted a formal procedure for disabled applicants to request reasonable accommodations.	Adopt reasonable accommodation procedures for disabled applicants to request a modification from zoning, building and land use rules, standards and policies.	<i>Pending</i> City initiated comprehensive update of Zoning Code in 2011 and is developing reasonable accommodation procedures in conjunction with the update.
Senior age thresholds in Municipal Code are not consistent with those in the Fair Housing Act and Unruh Civil Rights.	Amend the senior age thresholds cited in the Municipal Code to be consistent with those of the Fair Housing Act and Unruh civil Rights. (62 years of age, or 55 in a senior citizen housing development).	<i>Pending</i> Will be incorporated with current update to Municipal Code.
C. Housing and Fair Housing Services		
	Upon adoption, implement actions to affirmatively further fair housing included in the SMHA's Public Housing Agency Plan.	<i>Completed</i> SMHA is furthering fair housing with the adoption of programs such as VAWA and LEP, among other programs.

APPENDIX A

INVENTORY OF ASSISTED AFFORDABLE RENTAL HOUSING

Inventory of Assisted Rental Housing

PROJECT/LOCATION	TOTAL UNITS	FUNDING PROGRAM/SOURCE	YEAR BUILT/ REHABBED	TYPE OF HOUSING	SPONSOR/OWNER	EARLIEST CONVERSION DATE(S)
Santa Monica Towers 1233 Sixth St.	163	Section 202	1964	Senior	Santa Monica Christian Towers, Inc.	10/1/2028
Westminster Towers 1112 Seventh St.	285	Section 202	1969	Senior	Westminster Towers; First Presbyterian Church of SM	2/1/2031
Neilson Villas 3100 Neilson Way	100	Section 236(j)(1)/Section 8	1977	Senior	Neilson Villas Limited Partnership	10/07/2017 / 2009
Geneva Plaza 1441 21st St.	100	Section 202/Section 8	1979	Senior	Westminster Towers	7/14/2020
Barnard Park Villas 3356 Barnard Way	60	HUD insured/Section 8	1981	Senior	Barnard Villas Ltd.	12/11/2026 - 2023
Ocean Park Villas 2019 & 2219 5th St.	24	Section 221 (d)(4)/Section 8	1982	Senior	Ocean Park Villas Limited Partnership	Not Applicable/ 2009
Wilshire House 1125 3rd St.	72	Section 202/RHF CHTF	1992	Senior	Retirement Housing Foundation	1/4/2046
Lincoln Court 2807 Lincoln Blvd.	40	Section 202 CHARP	1999	Senior	Volunteers of America	2052
Project New Hope 1637 Appian Way	25	Section 811 CHTF	1999	Special Needs	S.M. New Hope	2052
Upward Bound Senior Villa 1011 11th St.	70	Section 202 RHTF/CHTF	2000	Senior	Upward Bound Senior	2038
1116 4th St.	66	CHARP/CHTF	2002	Senior	Fourth Street Senior	1/9/2056
Colorado Place 1444 14th St.	18	Housing mitigation for construction of One Colorado Place office project.	1982	Family	Privately owned, 99-year lease to LA Co. Housing Authority which manages the facility; nominal lease rate of \$1/year. RJG/LP Corp. owns land and improvements purchased as part of mitigation agreement.	2081
Colorado Place 1855 9th St.	11					
Colorado Place 2006 20th St.	11					
175 Ocean Park Blvd.	22	Public Hsg./LA Co.	1985	Senior	Public Housing/LA Co.	Indefinite

Monica Manor 1901-07 11th St.	19	Public Hsg./LA Co.	1988	Family	Public Housing/LA Co.	Indefinite
2017-23 20th St.	12	PNHTF	1983	Family/Senior	CCSM	12/13/2008 +10 years
2625 Kansas Ave.	16	PNHTF	1984	Family	CCSM	7/5/2009 +10 years
724 Pacific Ave.	8	Rental Rehab/CHARP	1984	Family	CCSM	3/21/2009 +10 years
2525 Kansas Ave.	20	PNHTF	1984	Family	CCSM	6/14/2009 +10 years
1959 Cloverfield	62	CHARP	1985	Family	CCSM	11/30/2021 +15 years
1843 17th St.	8	PNHTF	1985	Family	CCSM	12/20/2009 +10 years
2302 5th st.	6	CHARP/Rental Rehab	1986	Family/Senior	CCSM	12/30/2020
1629 Michigan	4	PNHTF	1986	Family	CCSM	2/28/2021 + 10 years
1937 18th St.	6	PNHTF	1986	Family	CCSM	12/6/2020 +15 years
1827 19th St.	6	PNHTF	1986	Family	CCSM	8/13/2021 +15 years
1808 17th St.	6	PNHTF	1986	Family	CCSM	12/13/2021 +15 years
1943 17th St.	7	PNHTF	1987	Other	CCSM	3/31/2022 +15 years
2402 5th St. (OP 12)	6	LIHF	1987	Family/Senior	CCSM	12/30/2020 +15 years
2207 6th St. (OP 12)	6	LIHF	1987	Family/Senior	CCSM	12/30/2020 + 15 years
2405-2407 4th St.	10	Colorado Place Housing Mitigation	1982	Family	Owned by PJG/LP Corp., Leased to CCSM	2081
1917 17th St.	7	PNHTF	1987	Family	CCSM	12/18/2021 +15 years

1314 18th St.	6	CHARP	1988	Family	CCSM	8/6/2022 +15 years
1427 Berkeley	7	CHARP	1988	Family	CCSM	1/15/2021 + 15 years
2009-15 Cloverfield	10	PNHTF/CHARP	1988	Family	CCSM	5/25/2023 + 15 years
2323 4th St.	6	CHARP	1988	Senior	Alternative Living for Aging	3/18/2032 + 10 years
2121 Arizona	11	CHARP	1988	Family	CCSM	6/3/2023 + 15 years
Ocean Park 43 Coop: 504 Ashland; 536 Ashland; 3005 Highland; 642 Marine St.; 518 Pier Ave.	43	HODAG/Redev	1989	Family	CCSM	10/21/2021
3 Vicente Terrace	25	CHARP/Rental Rehab	1989	SRO	CCSM	4/4/2023 + 15 years
2020-30 Cloverfield	32	Rental Rehab/LIHTC	1989	Family/Senior	CCSM	4/25/2025
1038 2nd St.	15	CHTF	1991	Family	CCSM	5/15/2066
1952-56 Frank St.	5	PNTHF/CHARP	1992	Family	CCSM	7/16/2030 + 10 years
1434 Santa Monica	24	Rental Rehab	1992	Family		
1968 19th St. (Garcia)	7	LIHTC/RHCP/CHTF	1993	Family	CCSM	10/2031 + 10 years
1747 15th St. (Garcia)	7	LIHTC/RHCP/CHTF	1993	Family	CCSM	10/2031 + 10 years
1544 Berkeley St. (Garcia)	9	LIHTC/RHCP/CHTF	1993	Family	CCSM	10/2031 + 10 years
1828 17th St. (Garcia)	7	LIHTC/RHCP/CHTF	1993	Family	CCSM	10/2031 + 10 years
2423 Virginia Ave.	12	PNHTF	1993	Family	CCSM	6/2032 + 10 years
1423 2nd St.	44	CHTF	1994	SRO	CCSM	6/1/2043
1328 2nd St.	36	CHTF	1994	SRO	Step Up on Second	9/2043 + 25 years

1206 Pico Blvd.	26	HOME	1995	SRO	CCSM	11/2044 + 25 years
815 Ashland Ave.	45	CHTF/RHCP/LIHTC	1995	Family	CCSM	8/2049 + 25 years
1343 11th St.	8	CDBG (Rehab)	1996	Family	CCSM	2050
807 4th St.	17	CDBG (Rehab)	1996	Family	CCSM	2051
1144 12th St.	5	CDBG	1996	Family	1144 12th St. LLC	2028
931 Euclid St.	3	CDBG (Rehab)	1996	Family	Euclid LLC	2025
1422 7th St.	28	CDBG	1997	Family	JSM Ravenna	2026
1430 7th St.	28	CDBG	1997	Family	JSM Siena	2026
1422 6th St.	28	CDBG	1997	Family	JSM Firenze	2026
908 14th St.	3	CDBG	1997	Family	908 14th St. LLC	2026
937 11th St.	11	CDBG (Rehab)	1997	Family	CCSM	2051
205 Washington Ave.	22	CDBG (Rehab)	1997	Family	The Sovereign	2026
1117 3rd St.	4	CDBG	1997	Family	Edward James York	2026
1020 12th St.	22	HOME	1997	Special Needs	Upward Bound House	2046
11301 Wilshire Blvd.	12	HOME (Rehab)	1997	Disabled	New Directions, Inc.	2046
1002 Marine St.	30	CDBG (Rehab)	1998	Family	CCSM	2050
1128-1144 5th St.	32	CDBG/CHTF	1998	Family	CCSM	2051
1118 5th St.	10	CDBD (Rehab)	1998	Family	CCSM	2052
1423 6th St.	24	CDBG	1998	Family	JSM Napoli	2027
1425 6th St.	24	CDBG	1998	Family	JSM Cielo	2027
1143 12th St.	11	CDBG (Rehab)	1998	Family	CCSM	2052
1149 12th St.	14	CDBG (Rehab)	1999	Family	CCSM	2052
1438 16th St.	17	CDBG	1999	Family	CCSM	2053
1544 9th St.	3	CDBG	1999	Family	Pines LLC	2028
855 Bay St.	15	HOME/CHARP(Rehab)	1999	Family	CCSM	2048
1227 9th St.	10	HOME/RHTF (Rehab)	1999	Family	CCSM	2048
1017 4th St.	16	CDBG (Rehab)	1999	Family	CCSM	2054
911 2nd St.	16	CHTF/HOME (Rehab)	1999	Family	CCSM	2055
1925 20th St.	34	CHTF/TORCA(Rehab)	1999	Family	CCSM	2054
1514 14th St.	36	CHTF (Rehab)	2000	Family	CCSM	2055
821 11th St.	10	RHTF (Rehab)	2000	Family	CCSM	2055

1344 14th St.	11	RHTF/HOME (Rehab)	2000	Family	CCSM	20254
225 San Vicente Blvd.	36	RHTF (Rehab)	2000	Family	CCSM	2055
2112 Delaware Ave.	38	RHTF/THTF/CDBG (Rehab)	2000	Family	CCSM	2055
2120 4th St.	27	RHTF (Rehab)	2000	Family	CCSM	2055
2260 28th St.	12	RHTF (Rehab)	2001	Family	CCSM	2056
2608 28th St.	12	RHTF (Rehab)	2001	Family	CCSM	2056
1005 Pico Blvd.	7	CDBG	2000	Family	Art Colony LLC	2028
708 Pico Blvd.	20	CDBG/PNHTF/LIHTC	2000	Family	CCSM	2051
2428 34th St.	12	HOME/RHTF (Rehab)	2001	Family	CCSM	2056
813 9th St.	10	HOME/RHTF (Rehab)	2001	Family	CCSM	2056
1052 18th St.	15	RHTF (Rehab)	2001	Family	CCSM	2056
2243 28th St.	12	RHTF (Rehab)	2001	Family	CCSM	2056
2404 Kansas Ave.	10	CDBG (Rehab)	2002	Family	CCSM	2057
420 Pico Blvd.	25	HOME/RHTF (Rehab)	2002	Family	CCSM	2056
2449 Centinela Ave.	20	RHTF (Rehab)	2002	Family	CCSM	2056
502 Colorado Ave.	44	CHTF	2002	SRO	CCSM	2057
2028 14th St.	22	RHTF/THTF (Rehab)	2002	Family	CCSM	2055
1942 High Place	13	CDBG/THTF (Rehab)	2002	Family	CCSM	2057
1943 High Place	14	RHTF (Rehab)	2002	Family	CCSM	2057
2122 Pico Blvd.	8	RHTF (Rehab)	2003	Family	CCSM	2058
2907 3rd Street	11	RHTF (Rehab)	2003	Family	CCSM	2056
1525 Euclid St.	13	CDBG	2003	Special Needs	United Cerebral Palsy	2058
1944 20th St.	8	RHTF	2006	Family	CCSM	2061
2211 4th St.	22	RHTF	2006	Family	CCSM	2061
2900 4th St.	19	RHTF	2006	Family	CCSM	2061
2209 Main st.	44	CHTF/LIHTC/MHP	2007	Family	CCSM	2062
1424 Broadway	44	CHTF/RHTF/LIHTC	2007	Family	CCSM	2062
1329 26th St.	44	CDBG/RHTF/LIHTC	2007	Family	CCSM	2062
1751 Cloverfield Blvd.	51	HOME/RHTF/THTF	2007	Homeless	OPCC	2062
3031 Santa Monica Blvd.	47	RHTF	2007	Family	CCSM	2061
2411 Centinela	36	RHTF/LIHTC	2008	Family	CCSM	2063

1438 25th St.	12	RHTF	2008	Family	CCSM	2063
2320 34th St.	6	RHTF/HOME	2009	Family	CCSM	2063
1548 5th St.	46	HOME/RHTF/LIHTC	2009	Special Needs	Step Up on Fifth	2063
750 Marine St.	8	RHTF	2009	Family	CCSM	2063
2624 Santa Monica Blvd.	8	RHTF	2009	Special Needs	Step Up	2062
1458 14th St.	20	RHTF/LIHTC	2010	Senior	Simpson Housing	2063
2029 20th St.	12	RHTF	2010	Family	CCSM	2063
2418 5th St.	6	RHTF/HOME	2010	Family	CCSM	2063
1513 Centinela	8	RHTF	2010	Family	CCSM	2063
844 Lincoln Blvd.	10	RHTF	2010	Family	CCSM	2063
217-225 Bicknell Ave.	13	RHTF	2011	Family	CCSM	2064
914 4th St.	16	RHTF	2011	Family	CCSM	2063
2602 Broadway	33	RHTF	Est. 2012	Family	CCSM	2063
1930 Stewart St.	105	THTF/RHTF/HOME/CD BG/CHTF	Est. 2012	Family	City of Santa Monica	2055
2802 Pico Blvd.	33	RHTF	Est. 2013	Family	CCSM	2064
1754 19th St.	49	RHTF	Est. 2013	Senior	FAME	2064
1959 High Place	45	RHTF	Est. 2013	Family	CCSM	2064
1701 Ocean Ave.	324	RHTF	Est. 2014	Family	Related/S.M. Village LLC	2063
520 Colorado Ave.	26	RHTF	Est. 2014	SRO	Step Up	2065

Total Units 3,633

Source: City of Santa Monica and HUD Multifamily Assistance and Section 8 Contracts database

CCSM: Community Corporation of Santa Monica

RHTF: Redevelopment Housing Trust Fund

CDBG: Federal Community Development Block Grant

THTF: TORCA Housing Trust Fund

LIHTC: Federal Low Income Housing Tax Credits

PNHTF: Pico Neighborhood Housing Trust Fund

MHP: State of California Multifamily Housing Program

CHTF: Citywide Housing Trust Fund

CHARP: City Housing Acquisition and Rehabilitation Program

HODAG: Housing Development Action Grant

MERL: Multifamily Earthquake Repair Loan Program

APPENDIX B

HUD WORKSHEET: REVIEW OF ZONING AND PLANNING CODES, POLICIES AND PRACTICES THAT MAY POSE AN IMPEDIMENT TO FAIR HOUSING CHOICE

**Review of Santa Monica Zoning and Planning Codes, Policies and Practices
That May Pose an Impediment to Fair Housing Choice
HUD Worksheet**

1. Does the Code definition of “family” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement? Yes No

a. Background

Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act. For example, suppose a city’s zoning ordinance defines “family” to include up to six unrelated persons living together as a household unit, and gives such a group of unrelated persons the right to live in any zoning district without special permission. If that ordinance also disallows a group home for six or fewer people with disabilities in a certain district or requires this home to seek a use permit, such requirements would conflict with the Fair Housing Act. The ordinance treats persons with disabilities worse than persons without disabilities.

In 1980, the California Supreme Court in *City of Santa Barbara v. Adamson* struck down the City’s ordinance that permitted any number of *related* people to live in a house in a R1 zone, but limited the number of *unrelated* people who were allowed to do so to five. Under the Santa Barbara ordinance, a group home for individuals with disabilities that functions like a family could be excluded from the R1 zone solely because the residents are *unrelated* by blood, marriage or adoption.

Both State and Federal fair housing laws prohibit definitions of family that either *intentionally* discriminate against people with disabilities or *have the effect* of excluding such individuals from housing. Fair housing laws, for instance, prohibit definitions of family that limit the development and siting of group homes for individuals with disabilities (but not families similarly sized and situated). Such definitions are prohibited because they could have the effective of denying housing opportunities to those who, because of their disability, live in a group setting. The failure to modify the definition of family or make an exception for group homes for people with disabilities may also constitute a refusal to make a reasonable accommodation under the Fair Housing Act.

For example, one city – *not Santa Monica* – defines family as follows:

“Family” means a householder and one or more other people living in the same household who are *related* to the householder by birth, marriage or adoption.

A definition of family should look to whether the household functions as a cohesive unit instead of distinguishing between related and unrelated persons.

b. **City of Santa Monica Zoning Regulations**

The Zoning Regulations do not include a definition of “family”. Instead, the Zoning Regulations define the persons who occupy a housing unit as a “household”. A household is defined as follows:

9.04.02.030.415 Household

Persons living together in a single dwelling unit, with common access to, and common use of all living and eating areas and all areas and facilities for the preparation and storage of food within the dwelling unit. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

A dwelling unit is defined as follows:

9.04.02.030.270 Dwelling unit

One or more rooms designed, occupied or intended for occupancy as separate living quarters, with full cooking, sleeping, and bathroom facilities for the exclusive use of a single household. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

9.04.02.030.265 Dwelling, single family.

A building containing one dwelling unit which contains only one kitchen and which is located on a permanent foundation. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

c. **Conclusion**

The City of Santa Monica zoning regulations define the occupants of a housing unit as a “household”, not as a “family”. Furthermore, the zoning regulations do not refer to related or unrelated persons who may occupy a housing unit. Therefore, the zoning regulations do not discriminate against unrelated individuals with disabilities who reside together in a congregate or group living arrangement.

2. Is the Code definition of “disability” the same as the Fair Housing Act? Yes _____ No X

a. **Background**

The Fair Housing Act prohibits discrimination on the basis of handicap or disability, and defines persons with disabilities as: “individuals with physical or mental impairments that substantially limit one or more major life activities; has a record of such impairment; or is regarded as having such impairment.”

The term physical or mental impairments may include conditions such as blindness, hearing impairment, mobility impairment, HIV infections, AIDS, AIDS Related Complex, mental retardation, chronic alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness. The term major life activities may include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

b. City of Santa Monica Zoning Regulations

The City's zoning regulations do not contain a definition of disability. However, specific disabilities are mentioned as part of a use definition. For instance, terminally ill (hospice definition) and chronic illness/infirmity (nursing home definition).

c. Conclusion

In order to affirmatively further fair housing, the City will add to the zoning regulations a disability definition that is consistent with the one in the Fair Housing Act.

3. Are the personal characteristics of the (disabled) residents considered? Yes _____ No X

a. Background

Under the Fair Housing Act, cities may have reasonable restrictions on the maximum number of occupants permitted to occupy a dwelling; however, the restrictions cannot be based on the *characteristics* of the occupants; the restrictions must apply to all citizens, and are based upon health and safety standards. Similarly, a conditional use permit or variance requirement triggered by the number of people with certain *characteristics* (such as a disability) who will be living in a particular dwelling, is prohibited. Because licensed residential care facilities serve people with disabilities, imposing a variance requirement on family-like facilities of a certain size and not similarly sized housing for people without disabilities violates fair housing laws.

According to the DOJ and HUD, "group home" does not have a specific legal meaning. In the DOJ/HUD Joint Statement* -

"...the term *group home* refers to housing occupied by groups of unrelated individuals with disabilities. Sometimes, but not always, housing is provided by organizations that also offer services for individuals with disabilities living in the group home. Sometimes it is this group home operator, rather than the individuals who live in the home, that interacts with local government in seeking permits and making requests for reasonable accommodations on behalf of those individuals."

"The term *group home* is also sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children)."

"Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act."

[*Joint Statement of DOJ and HUD, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 3]

b. City of Santa Monica Zoning Regulations

The City’s zoning regulations explicitly permit group home housing in practically all single-family and multi-family residential districts. Specific examples are cited below.

9.03.02.030.405 Hospice

A facility that provides residential living quarters for up to six terminally ill persons. *A hospice is a permitted use in all residential districts.* (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95) [emphasis added]

9.04.02.030.710 Residential care facility for the elderly

A State-licensed housing arrangement chosen voluntarily by residents over sixty years of age where varying levels and intensities of care and supervision, protective supervision, personal care or health-related services are provided, based upon residents’ varying needs, as determined in order to be admitted and remain in the facility, as defined in Chapter 3.2 of the California Health and Safety Code, Section 1569 et. seq. *A residential care facility for the elderly serving six or fewer persons shall be considered a family dwelling for all zoning purposes.* (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95) [emphasis added]

c. Conclusion

Licensed residential care facilities providing housing for disabled persons are allowed in single and multi-family residential zone districts. Therefore, the City’s policies are consistent with the Fair Housing Act.

4. Does the zoning ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as “boarding or rooming house” or “hotel”?

Yes _____ No X _____

a. Background

Housing for disabled persons in some communities is limited to certain residential zones. Often, housing for disabled persons is included in how cities define a boarding house or hotel.

Under California state law, licensed facilities serving six persons or fewer receive special land use protection. California requires that many types of licensed facilities serving six persons or fewer be treated for zoning purposes like single-family homes. Except in extraordinary cases in which even single-family home requires a conditional use permit, these laws bar conditional use permits for facilities that serve six or fewer persons. The land use protection applies to –

- Intermediate care facilities for individuals who have developmental disabilities
- Residential facilities for persons with disabilities and for abused children
- Residential care facility for the elderly
- Alcoholism and drug treatment facilities
- Residential facilities for persons with chronic life threatening illness

For example, Health and Safety Code Section 11834.23 (Zoning Laws) states:

“Whether or not unrelated persons are living together, an alcoholism or drug abuse recovery or treatment facility, which serves six or fewer persons shall be considered a residential use of property for the purposes of this article. In addition, the residents and operators of such a facility shall be considered a family for the purposes of any law or zoning ordinance which relates to the residential use of property...”

Furthermore:

“No conditional use permit, zoning variance, or other zoning clearance shall be required of an alcoholism or drug abuse recovery or treatment facility which serves six or fewer persons that is not required of a *single – family residence in the same zone.*”

Essentially, identical provisions are stated with regard to a residential facility, which serves six or fewer persons. A residential facility

“...means any 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.”

Health and Safety Code Section 1566.3 states:

“No conditional use permit, zoning variance, or other zoning clearance shall be required of a residential facility which serves six or fewer persons which is not required of a family dwelling of the same type in the same zone.”

Further:

“‘family dwelling’ includes, but is not limited to, single-family dwellings, units in multi-family dwellings, including units in duplexes and units in apartment dwellings, mobile homes, including mobile homes located in mobile home parks, units in cooperatives, units in condominiums, units in townhouses, and units in planned developments.”

State law requires that residential care facilities not be defined within the meaning of boarding house, rooming house, institution or home for the care of minors, the aged, or the mentally infirm, foster care home, guest home, rest home, sanitarium, mental hygiene home, or other similar term *which implies that a residential facility is a business run for profit.*

b. City of Santa Monica Zoning Regulations

The City’s zoning regulations define Residential Facilities as follows:

9.04.02.030.715 Residential facility

A community care facility which consists of any family home, group care facility, or similar facility as determined by the Director of the State Department of Social Services, for twenty-four-hour non-medical 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, as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section 1500 et seq. A residential facility serving six or fewer persons shall be considered a family dwelling for all zoning purposes. (Added by Ord. No. 1826CCS § 1 (part), adopted 11/7/95)

Boardinghouse and Hotel are defined as follows:

9.04.02.030.145 Boardinghouse

A residential building with common cooking and eating facilities where a room or any portion of a room is rented for periods of generally at least thirty days, where meals are provided, and where there is on-site facility management. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

9.04.02.030.410 Hotel

A building, group of buildings or a portion of a building which is designed for or occupied as the temporary lodging place of individuals for generally less than thirty consecutive days including, but not limited to, an establishment held out to the public as an apartment hotel, hostel, inn, timeshare project, tourist court or other similar use. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

c. Conclusion

The City's zoning regulations facilitate the development of a complete range of housing opportunities for disabled persons. State-licensed residential facilities serving six or fewer persons are considered a family dwelling for all zoning purposes, and the definitions of boarding house and hotel do not mention housing for the disabled. Consequently, the City's zoning regulations are consistent with the State law.

5. Does the zoning ordinance deny housing opportunities for disabled individuals with on site housing supporting services ? Yes _____ No X

a. Background

Housing for disabled persons often must incorporate on-site supportive services. Zoning provisions that limit on-site supportive services will, in effect curtail the development of adequate housing for the disabled. As the joint statement by DOJ and HUD indicates:

“Sometimes, but not always, housing is provided by organizations that also offer services for Individuals with disabilities living in the group home.”

b. City of Santa Monica Zoning Regulations

The City's zoning regulations include “supportive services” within the definition of a residential care facility – that is, “care and supervision, protective supervision, personal care or health-related

services”. Likewise, supportive services are included in how a residential facility is defined – “non-medical care of persons in need of personal services, supervision or assistance essential for sustaining the activities of daily living”.

c. Conclusion

The City’s zoning regulations facilitate the provision of on site supportive services in housing for disabled persons. Therefore, the zoning regulations are consistent with the Fair Housing Act.

6. Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled? Yes _____ No X

a. Background

The joint statement by DOJ and HUD describes this issue as follows:

“A local government may generally restrict the ability of groups of unrelated persons to live together as long as the restrictions are imposed on all such groups. Thus, in the case where a family is defined to include up to six unrelated people, an ordinance would not, on its face, violate the Act if a group home of seven unrelated people with disabilities was not allowed to locate in single-family zoned neighborhood, because a group of seven unrelated people without disabilities would also not be allowed.”

b. City of Santa Monica Zoning Regulations

As previously explained, the City’s definition of a household does not mention the number of persons who may occupy a dwelling unit. The “household” definition is:

“Persons living together in a single dwelling unit, with common access to, and common use of all living and eating areas and all areas and facilities for the preparation and storage of food within the dwelling unit.”

The City’s zoning regulations also do not establish occupancy limits.

c. Conclusion

The City’s policy does not specify the number of unrelated persons that may reside together. Zoning Regulations follow the State licensing requirements for group housing for six or fewer people.

7. Does the jurisdiction policy not allow disabled persons to make reasonable modifications or provide reasonable accommodation for disabled people who live in municipal-supplied or managed residential housing? Yes _____ No X

a. Background

A joint statement by DOJ and HUD explains this issue as follows:

“As a general rule, the Fair Housing Act makes it unlawful to refuse to make ‘reasonable accommodations’ (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling.”

“Even though a zoning ordinance imposes on group homes the same restrictions it imposes on other groups of unrelated people, a local government may be required, in individual cases and when requested to do so, to grant a reasonable accommodation to a group home for persons with disabilities. For example, it may be a reasonable accommodation to waive a setback required so that a paved path of travel can be provided to residents who have mobility impairments. A similar waiver might not be required for a different type of group home where residents do not have difficulty negotiating steps and do not need a setback in order to have an equal opportunity to use and enjoy a dwelling.”

“Where a local zoning scheme specifies procedures for seeking a departure from the general rule, courts have decided, and the Department of Justice and HUD agree, that these procedures must ordinarily be followed. If no procedure is specified, persons with disabilities may, nevertheless, request a reasonable accommodation in some other way, and a local government is obligated to grant it if it meets the criteria discussed above. A local government’s failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the Act.”

“Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community.”*

[*Joint Statement of DOJ and HUD, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, pages 3 and 4]

The Fair Housing Act requires *housing providers* to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space. A housing provider should do everything s/he can to assist, but s/he is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden. Reasonable accommodations may be necessary at all stages of the housing process, including application, tenancy, or to prevent eviction.

Example: *A housing provider would make a reasonable accommodation for a tenant with mobility impairment by fulfilling the tenant’s request for a reserved parking space in front of the entrance to their unit, even though all parking is unreserved.*

b. City of Santa Monica Zoning Regulations

The City's zoning regulations do not currently describe a formal "reasonable accommodation procedure". Santa Monica Community Corporation, who owns and manages nearly 1,500 units of affordable rental housing, has adopted reasonable accommodation procedures for its units. The Santa Monica Housing Authority has also adopted policies and procedures for reasonable accommodation.

c. Conclusion

The City is in the process of a comprehensive update of its Zoning Code and will be developing reasonable accommodation procedures in conjunction with the update. The Zoning Code and reasonable accommodation procedures are projected to be adopted in mid 2012. One of the main reasons for a reasonable accommodation procedure is to provide a way – other than through a variance – for disabled applicants to request a modification from zoning, building and land use rules, standards, and policies.

8. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land use rules for disabled applicants and is the hearing only for disabled applicants rather than for all applicants? Yes _____ No X

a. Background

Persons with disabilities cannot be treated differently from non-disabled persons in the application, interpretation and enforcement of a community's land use and zoning policies.

b. City of Santa Monica Zoning Regulations

All applicants requesting exceptions from the zoning and land use rules must apply for a variance. The public hearing process is streamlined because the hearing is conducted before the Zoning Administrator. A notice of this hearing is mailed to all property owners and tenants located within 300 feet of the property. The decision of the Zoning Administrator can be appealed to the Planning Commission.

Variations from the terms of the zoning regulations shall be granted only when, because of special circumstances applicable to the *property* (not the user) in question, including site, shape, topography, location, or surroundings, or to the intended use or development of the property that do not apply to other properties in the vicinity and under identical zoning classification.

In approving a variance, the Zoning Administrator may impose reasonable conditions.

c. Conclusion

Reasonable accommodation procedures do not require public hearings before a planning commission or city council. Consequently, once adopted, the reasonable accommodation procedure

will enable the City to streamline the process for disabled applicants to request modifications from the development standards of the Zoning Regulations.

9. Does the zoning ordinance address mixed uses? Yes No
How are the residential land uses discussed? What standards apply?

a. **Background**

Housing for disabled persons in a mixed-use development that includes commercial and residential land uses in a multi-story building could be a challenge. In such a development, it is especially important to correctly interpret the Title 24 accessibility requirements.

b. **City of Santa Monica Zoning Regulations**

Section 9.04.02.030.500 defines a mixed-use development as follows:

The development of a parcel or building with two or more different land uses such as, but not limited to, a combination of residential, office, manufacturing, retail, public or entertainment in a single or physically integrated group of structures. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

The City also provides for development in the RVC Zone – Residential-Visitor Serving Commercial District. This district is defined as follows:

The RVC District is intended to protect the existing residential mix in the area while providing for the concentration and expansion of coastal-related lodging, dining, recreation, and shopping needs of tourists and others in the oceanfront area. The RVC District is designed to preserve and enhance the unique scale, character, and uses along the Promenade and on the Santa Monica Pier. Development intensity is intended accommodate new hotel and other desired uses. The RVC District is also intended to conditionally permit other uses such as office, new residential, and cultural uses to ensure consistency with the goals, objectives, and policies of the General Plan. (Prior code ss 9015.1)

Several housing uses are permitted in the RVC Zone District, including congregate housing, domestic violence shelters, single- and multi-family dwellings, senior housing, senior group housing, SRO and transitional housing.

c. **Conclusion**

The City's mixed-use policy is neutral with respect to housing for disabled persons. The policy may be clarified with respect to how accessibility requirements will be enforced in a mixed-use development.

10. Does the zoning ordinance describe any areas in this jurisdiction as exclusive?

Yes _____ No X

Are there exclusions or discussions of limiting housing to any of the following groups?

Yes _____ No X If yes, check any of the following that apply:

Race Color Sex Religion Age Disability

Marital or Familial Status Creed or National Origin

a. Background

Fair housing means the ability of persons of similar income levels to have available to them the same housing choices. The City's land use and zoning policies cannot exclude persons from living in the neighborhoods in which they want to reside.

b. City of Santa Monica Zoning Regulations

The City's planning and housing efforts focus on maintaining and improving the quality of life in all neighborhoods. Official neighborhood organizations include:

- Wilshire/Montana Neighborhood Coalition
- Ocean Park Association
- Pico Neighborhood Association
- Friends of Sunset Park
- North of Montana Association

The General Plan and Specific Plans guide development of land and do not exclude or limit housing choices because of the characteristics listed above. The Housing Element has policies to encourage the production of senior housing, housing for disabled persons and family housing.

The City's land use planning encourages safe, connected neighborhoods to help preserve "community character", which is viewed as a shared value among many Santa Monicans. Functional, healthy communities are the result of thoughtful planning that respects the existing neighborhood fabric, and that improves linkages to uses and activities that serve both the individual and the larger community. Through proper design, the City believes that public spaces (including parks, cultural centers, pathways and residential streets) can connect places and people using a variety of transportation modes, not just drivers. Some important neighborhood connections include:

- Pedestrian access to local parks
- Safe routes to school
- Transitions between neighborhoods
- Access to local goods and services

c. Conclusion

The City's land use policies do not designate certain areas as neighborhoods exclusively for one particular population. Rather, through land use planning, the City strives to connect people and neighborhood by enjoying shared spaces.

11. Are there any restrictions for Senior Housing in the zoning ordinance? Do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age or older and has significant facilities or services to meet the physical or social needs of older people?) Yes _____ No X

a. **Background**

According to HUD, the Fair Housing Act protects all citizens from discrimination on the basis of familial status – that is, families with children under the age of 18 living with parents or legal guardians; pregnant women; and people trying to secure custody of children under 18. However, housing that meets the Fair Housing Act’s definition of ‘housing for older persons’ is *exempt* from the law’s familial status requirements, provided that:

- o HUD has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program, or
- o It is occupied by persons who are 62 or older, or
- o It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

The Housing for Older Persons Act of 1995 eliminated the requirements for “significant services and facilities” (mentioned in Q. 11) within designated senior housing units or areas.

In California, Section 51 of the Unruh Civil Rights Act, also defines seniors as meaning persons 62 years of age or older, or 55 years of age and older in a senior citizen housing development. A senior citizen housing development is one for senior citizens that has at least 35 dwelling units.

b. **City of Santa Monica Zoning Regulations**

Section 9.04.02.030.770 of the Municipal Code defines senior housing as follows:

Multi-family residential housing, other than a residential care facility for the elderly or senior group housing, developed with *individual dwelling units*, in which each unit is restricted for occupancy by at least one person in each household who is *sixty years of age* or older. Without restriction as to age of occupant, units may also be occupied by management or maintenance personnel who are required to live on the premises. (Added by Ord. No. 1826CCS ss 1(part), adopted 11/7/95) [emphasis added]

Section 9.04.02.030.760 of the Municipal Code defines senior citizen as follows:

An individual sixty-two years of age or older. (Added by Ord. No. 1826CCS § 1 (part), adopted 11/7/95)

c. **Conclusion**

The City's land use and zoning policies promote housing for seniors, as well as families. The 60 year age threshold cited in the definition of senior housing in the Municipal Code should be modified to reference the 62 and 55 age thresholds in the Fair Housing Act.

12. Does the zoning ordinance contain any special provisions for making housing accessible to persons with disabilities? Yes X No _____

a. Background

Fair housing laws that require accessible units apply to "covered multifamily dwellings" constructed for first occupancy after March 13, 1991. First occupancy is defined as a "building that has never been used for any purpose".

There is no timetable for the production of accessible housing; as such housing is constructed when residential projects are built. The Fair Housing Act does not require any renovations to existing buildings. Its design requirements apply to new construction only.

Both privately owned and publicly assisted housing – including rental and for sale units – must meet the accessibility requirements when they are located in 1) buildings of four or more dwellings if such buildings have one or more elevators, and 2) all ground floor dwellings in other buildings containing four or more units.

b. City of Santa Monica Zoning Regulations

The accessibility regulations are found in the Building Code, not the zoning regulations. The City has adopted and enforces the 2010 California Building Code, which has been enhanced by the incorporation of the more restrictive building standards of the Federal Americans with Disabilities Act as well as the Fair Housing Amendments Act.

c. Conclusion

The City complies with State and Federal laws that require making housing accessible to persons with disabilities.

13. Does the ordinance establish occupancy standards or maximum occupancy limits?

Yes _____ No X

Do the restrictions exceed those imposed by state law? Yes _____ No X

a. Background

Occupancy standards sometimes can impede the development of housing for disabled persons. Some zoning regulations – not Santa Monica's – limit occupancy to five related persons occupying a single family home. Such regulations can prevent the development of housing for disabled persons.

The Fair Housing Act provides that nothing in the Act “limits the applicability of any reasonable local, State or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling”.

HUD implements section 589 of the QHWRA by adopting as its policy on occupancy standards for purposes of enforcement actions under the Fair Housing Act, the standards provided in the Memorandum of General Counsel Frank Keating to Regional Counsel dated March 20, 1991. Specifically, HUD believes that an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act. However, HUD has pointed out, that there is nothing in the legislative history which indicates any intent on the part of Congress to provide for the development of a national occupancy code.

Thus, HUD believes that in appropriate circumstances, owners and managers may develop and implement reasonable occupancy requirements based on factors such as the number and size of sleeping areas or bedrooms and the overall size of the dwelling unit.

In this regard, it must be noted, in connection with a complaint alleging discrimination on the basis of familial status, HUD will carefully examine any such nongovernmental restriction to determine whether it operates unreasonably to limit or exclude families with children.

b. City of Santa Monica Zoning Regulations

The City’s Zoning Regulations do not establish occupancy limits. The Uniform Housing Code – on the basis of square footage – establishes occupancy limits for all housing. Assisted housing - such as Section 8 rental assistance – establishes standards on the basis of the number of bedrooms.

c. Conclusion

The City’s regulations do not impede housing for disabled persons.

14. Does the zoning ordinance include a discussion of fair housing? Yes ___ No X

If yes, how does the jurisdiction propose to further fair housing?

a. Background

Affirmatively furthering fair housing is an important responsibility of local government. Although a city may have numerous plans, policies, and standards, fair housing is rarely discussed in a zoning ordinance. Other documents of a city may further fair housing.

b. City of Santa Monica Zoning Regulations

As required by under State Housing Element Law, Santa Monica’s 2008-2014 Housing Element includes the following policy and program to ensure equal housing opportunity for all persons:

Policy 6.1: Continue to enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing, on the basis of race, religion, national origin, sex, sexual preference, age, disability, family status, AIDS, or other such characteristics.

Program 6a: Maintain Fair Housing Programs. Continue to implement fair housing programs. Educate landlords about discrimination and educate the real estate community on the necessity of ensuring that their practices meet the objectives of the fair housing laws.

c. Conclusion

The City's Housing Element contributes to promoting and furthering fair housing in Santa Monica. The City's program involves the investigation of discrimination complaints, enforcement of fair housing laws, and education and programs to residents on their rights and responsibilities under fair housing laws.

15. Describe the minimum standards and amenities required by the ordinance for a multiple family project with respect to handicap parking?

a. Background

Federal and State laws require handicap parking. To further fair housing for disabled persons, a city's requirements should equal or exceed the minimum standards of Federal and State laws.

b. City of Santa Monica Zoning Regulations

The City requires the provision of handicapped parking spaces consistent with State and Federal standards. In addition, the City has provisions for establishment of disabled parking zones at the discretion of the City Parking and Traffic Engineer upon the request of any individual or upon the recommendation of the Parking and Traffic Engineer, if either of the following factors exist:

- (1) Curb parking is insufficient due to heavy area parking; or
- (2) Sufficient vehicular activity by disabled persons exists at the location.

c. Conclusion

The City's requirements for handicapped parking are consistent with state and federal requirements.

16. Does the zoning code distinguish senior citizen housing from other single- and multifamily residential uses by the application or a conditional use permit (CUP)? Yes ___ No X

a. Background

Senior housing is an important component of the community’s housing stock. As a population ages, seniors need a variety of housing opportunities.

b. City of Santa Monica Zoning Regulations

The Zoning Regulations permit “senior group housing” and “senior housing” in the R2, R3, and R4 residential districts.

c. Conclusion

The City’s land use and housing policies encourage and promote senior housing. There is no barrier - such as a CUP – requirement to the production of senior housing.

17. How are “special group residential housing units” defined in the jurisdiction’s zoning code?

a. Background

The term group home does not have a specific legal meaning. According to the DOJ/HUD Joint Statement the term ‘group home’ is sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Fair Housing Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children).

b. City of Santa Monica Zoning Regulations

The Zoning Regulations do not define group home or special group residential housing. However, the regulations do provide for “senior group housing” and establish performance standards for this housing use. The definition and performance standards are described below.

9.04.02.030.765 Senior group housing

A building or buildings, including a single family dwelling, that provides residence for a group of senior citizens with a central kitchen and dining facilities and a separate bedroom or private living quarters. (Added by Ord. No. 1826CCS ss 1 (part), adopted 11/7/95)

9.04.12.070 Senior group housing

The purpose of this section is to ensure that senior group housing developments in residential districts do not adversely impact either the adjacent residential parcels or the surrounding neighborhood and that they shall be developed in a manner which protects the health, safety, and general welfare of the nearby residents, while providing for the housing needs of an important segment of the community. The following performance standards shall apply to Senior Group Housing:

- (a) Property Development Standards.** The senior group housing facility shall conform to all

property development standards of the zoning district in which it is located. The senior group housing shall conform with all local, state, and federal requirements for senior group housing.

(b) Maximum Number of Dwelling Units. The number of dwelling units may exceed that which is permitted in the underlying zoning district if the dwelling units consist of individual rooms that contain full bathrooms and small, efficiency kitchens located in a building that also contains a common kitchen, dining and living space, adequate to serve all residents.

(c) Lighting. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the residential neighborhood.

(d) Laundry Facilities. The development shall provide laundry facilities adequate for the residents.

(e) Common Facilities. The development may provide one or more of the following specific common facilities for the exclusive use of the senior citizen residents:

- (1) Central cooking and dining rooms.
- (2) Beauty salon and barber shop.
- (3) Small pharmacy.
- (4) Recreation room.

(f) Security. Parking facilities shall be designed to provide security for residents, guests, and employees.

(g) Landscaping. On-site landscaping shall be installed and maintained pursuant to the standards outlined in Part 9.04.10.04.

(h) Minimum Age. Residential occupancy shall be limited to single persons over 62 years of age or to couples in which one is over 62 years of age.

(i) Minimum Unit Size. New units constructed shall not be less than 410 square feet in floor area. (Prior code ss 9050.7)

c. Conclusion

The City's response to Q. 17 is positive in that provisions are made to permit housing for seniors in a group living environment.

18. Do the jurisdiction's planning and building codes presently make a specific reference to the accessibility requirements contained in the 1988 amendments to the Fair Housing Act?

Yes X No _____

Is there any provision for monitoring compliance? Yes X No _____

a. Background

The Fair Housing Act establishes accessibility requirements for new housing. Title 24 of the California Code of Regulations, known as the California Building Standards Code or just 'Title 24', contains the regulations that govern the construction of buildings in California. Chapter 11A contains the regulations governing housing accessibility. The City enforces the Title 24 accessibility regulations.

b. City of Santa Monica Zoning Regulations

The living arrangements of disabled persons depend on the severity of the disability. Many disabled persons live at home in an independent fashion or in a semi-independent fashion with assistance from a caretaker or family member. To maintain independent living, the City funds the Westside Center for Independent Living, which provides home accessibility modifications and grants to make rental units accessible to disabled residents. The City also enforces the Federal Americans with Disabilities Act (ADA) provisions requiring new multi-family construction to be fully accessible.

The City's building code requires new residential construction to comply with the Americans with Disabilities Act (ADA). ADA requires minimum design standards for buildings of 4 or more units if such building has an elevator or if ground floor units in other buildings consist of four or more units. These requirements include the incorporation of the following: (1) adaptive design features for the interior of the units, (2) accessible public use and common use portions, and (3) sufficiently wider doors to allow wheelchairs access into the unit.

c. Conclusion

The accessibility regulations are found in the Building Code, not the Zoning Regulations. The City has adopted and enforces the 2010 California Building Code, which has been enhanced by the incorporation of the more restrictive building standards of the Federal Americans with Disabilities Act as well as the Fair Housing Amendments Act.

APPENDIX C

DISCRIMINATORY ADVERTISING – EXAMPLES OF WORDS AND TERMS

Discriminatory Advertising – Examples of Words and Terms

The California Newspaper Publishing Association (CNPA) guidance on terms and words that do and do not violate the Act is described below:

1. Race, color, national origin. Real estate advertisements should state no discriminatory preference or limitation on account of race, color or national origin. Use of words describing the housing, the current or potential residents, or the neighbors or neighborhood in racial or ethnic terms (i.e., white family home, no Irish) will create liability under this section.

However, advertisements, which are facially neutral, will not create liability. Thus, complaints over use of phrases such as master bedroom, rare find, or desirable neighborhood should not be filed.

2. Religion. Advertisements should not contain an explicit preference, limitation or discrimination on account of religion (i.e., no Jews, Christian home). Advertisements which use the legal name of an entity which contains a religious reference (for example, Roselawn Catholic Home), or those which contain a religious symbol (such as a cross), standing alone, may indicate a religious preference. However, if such an advertisement includes a disclaimer (such as the statement “This home does not discriminate on the basis of race, color, religion, national origin, sex, handicap or familial status”) it will not violate the Act. Advertisements containing descriptions of properties (apartment complex with chapel), or services (kosher meals available) do not on their face state a preference for persons likely to make use of those facilities, and are not violations of the Act.

The use of secularized terms or symbols relating to religious holidays such as Santa Claus, Easter Bunny or St. Valentine’s Day images, or phrases such as “Merry Christmas”, “Happy Easter”, or the like does not constitute a violation of the Act.

3. Sex. Advertisements for single-family dwellings or separate units in a multi-family dwelling should contain no explicit preference, limitation or discrimination based on sex. Use of the term master bedroom does not constitute a violation of either sex discrimination provisions or the race discrimination provisions. Terms such as “mother-in-law suite” and “bachelor apartment” are commonly used as physical descriptions of housing units and do not violate the Act.

4. Handicap. Real estate advertisements should not contain explicit exclusions, limitations, or other indications of discrimination based on handicap (i.e., no wheelchairs). Advertisements containing descriptions of properties (great view, fourth-floor walk-up, walk-in closets), services or facilities (jogging trails), or neighborhoods (walk to bus-stop) do not violate the Act. Advertisements describing the conduct required of residents (“non-smoking”, “sober”) do not violate the Act. Advertisements containing descriptions of accessibility features are lawful (wheelchair ramp).

5. Familial status. Advertisements may not state and explicit preference, limitation or discrimination based on familial status. Advertisements may not contain limitations on the number or ages of children, or state a preference for adults, couples or singles. Advertisements describing the properties (two bedroom, cozy, family room), services and facilities (no bicycles allowed) or neighborhoods (quiet streets) are not facially discriminatory and do not violate the Act.

APPENDIX D

FAIR HOUSING ACTION PLAN MATRIX

City of Santa Monica								
Fair Housing Action Plan								
FY 2012-16								
Fair Housing Activity	Recommendation/Action	Implementing Agency	Funding Resource	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Enforcement	2.1 Continue to provide investigation and response to allegations of illegal housing discrimination and refer as applicable.	City Attorney's Office	General Fund	x	x	x	x	x
	2.2 Review discrimination reports on an annual basis to assess trends and patterns over time, and tailor education and outreach accordingly.	City Attorney's Office; Housing Division	General Fund	x	x	x	x	x
	2.3: Continue to enforce and promote the City's anti-discrimination laws in the Municipal Code.	City Attorney's Office; Rent Control Board	General Fund Rent Control Registration Fees	x	x	x	x	x
	2.4: Continue to enforce and promote the City's just cause eviction and tenant harrassment laws.	City Attorney's Office; Rent Control Board	General Fund; Rent Control Registration Fees	x	x	x	x	x
	2.5: Continue to provide counsel to tenants and landlords through the Consumer Protection Unit and referral to outside agencies. Provide mediation services for rent controlled units.	City Attorney's Office; Rent Control Board [Tangential Groups: Center for Civic Mediation; Legal Aid]	General Fund; Rent Control Registration Fees	x	x	x	x	x
	2.6: Coordinate review of hate crime data annually between Police Dept. and City Attny's Office and evaluate as a fair housing issue.	City Attorney's Office; Santa Monica Police Dept	General Fund		x		x	
Monitoring Lending, Housing Providers, and Local Real Estate Practices	3.1: Coordinate with BHGLAAR in outreach on predatory mortgage lending/loan modification scams/tenant rights in foreclosures. Disseminate a fact sheet on City website and in public locations.	City Attorney's Office [Tangential Groups: BHGLAAR]	General Fund	x	x	x	x	x
	3.2: Monitor mortgage loan denial rates among Hispanic households and in census tracts 7018.01, 7018.02, 7017.01 and 7014.02. Contact the City's major mortgage lenders to discuss concerns.	Housing Division; City Attorney's Office	General Fund	x	x	x	x	x
	3.3: Follow-up with major mortgage lenders to discuss expanded marketing of government backed loans, first-time homebuyer loans, foreclosure prevention programs, and transfer of REO's to non-profits for affordable housing.	Housing Division; City Attorney's Office [Tangential Groups: CCSM]	General Fund	x	x	x	x	x
	3.4: Contact local lenders to request they direct applicants ineligible for privately financed home improvement loans to the City's rehabilitation loan program.	Housing Division; City Attorney's Office	General Fund	x	x	x	x	x
	3.5: Continue to encourage the Santa Monica Mirror and Santa Monica Daily Press to publish a fair housing disclaimer, and encourage these newspapers, as well as the L.A. Times, to publish a "no pets" disclaimer.	City Attorney's Office	General Fund	x				
	3.6: Continue to include non-discriminatory and fair housing language all City affordable housing contracts and agreements. Enforce Affirmative Marketing Policies that are required as part of HOME-assisted rental projects.	Housing Division	General Fund	x	x	x	x	x

City of Santa Monica Fair Housing Action Plan FY 2012-16								
Fair Housing Activity	Recommendation/Action	Implementing Agency	Funding Resource	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Investigative Testing and Auditing	4.1: Conduct rental audits and/or testing to evaluate apparent patterns of discrimination related to race, familial status and disability.	City Attorney's Office	General Fund	x		x		x
Local Real Estate Markets	Widely publicize results and require remediation.	[Tangential Groups: HRC]						
Land Use Policies to Affirmatively Further Fair Housing	5.1: Amend current 60 year age threshold for senior housing in the Zoning Code consistent with Fair Housing Act and Unruh Civil Rights Act.	Planning Division	General Fund	x				
	5.2: Incorporate definition of disability in Zoning Code consistent with Fair Housing Act.	Planning Division	General Fund	x				
	5.3: Develop and adopt Reasonable Accommodation procedures to facilitate accessibility improvement requests.	Planning Division	General Fund	x				
	5.4: Develop inventory of publicly-assisted accessible units and make available on City's website. Encourage apartment owners utilizing the Rent Control Apartment Listing Service to identify accessible units.	Housing Division; Rent Control Board; Planning Division [Tangential Groups: CCSM]	General Fund		x			
Increasing Geographic Choice	6.1: Provide financial and regulatory incentives for affordable housing throughout the community, particularly in locations near transit and that promote walkability. Provide affordable and accessible housing to special needs populations.	Housing Division; Planning Division [Tangential Groups: CCSM]	Variety of local, State, Federal and private resources	x	x	x	x	x
	6.2: Integrate affordable units within market rate projects through implementation of the Affordable Housing Production Program.	Planning Division; Housing Division	General Fund	x	x	x	x	x
	6.3: Pursue alternative funding sources for affordable housing activities previously funded through the Santa Monica Redevelopment Agency, including replacement funding for the 70 families assisted under the former Agency's Rental Assistance Program.	Housing Division; Planning Division [Tangential Groups: CCSM]	Variety of local, State, Federal and private resources	x	x	x	x	x
	6.4: If eligible, apply to HUD for an increase in the Section 8 payment standard to provide greater parity with market rents. Evaluate adoption of an ordinance prohibiting discrimination against Section 8 voucher holders.	Housing Division; City Attorney's Office	General Fund		x		x	