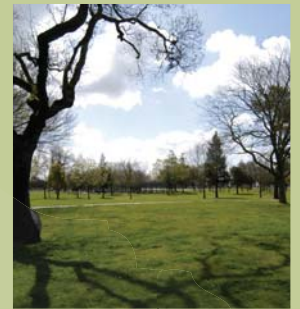




CITY OF  
**ELK GROVE**

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ANALYSIS OF IMPEDIMENTS TO  
FAIR HOUSING & FAIR HOUSING PLAN

2008-2009

MAY 15, 2009



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CITY OF ELK GROVE  
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING  
CHOICE  
FAIR HOUSING PLAN 2008-09

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CITY OF ELK GROVE  
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**MAY 15, 2009**



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## EXECUTIVE SUMMARY

As a recipient of federal housing and community development funds, the City of Elk Grove is required to conduct an Analysis of Impediments to Fair Housing Choice (AI) and to periodically review that analysis and update it as necessary. The last AI relevant to Elk Grove was conducted by Sacramento County in 2004.

The AI is one of the several ways in which a grantee must meet its obligation to affirmatively further fair housing. This obligation applies to the City of Elk Grove as a recipient of federal CDBG funds.

The analysis summarizes the state of fair housing and the conditions which might effect the ability of a household to access the housing of its choice. This analysis is organized into several sections providing an introduction to the document, a review of the previous analysis, information on the character of the community, and housing market trends. It then has several sections that discuss specific elements of fair housing choice. It concludes with a summary analysis and the identification of impediments to fair housing choice with recommended actions to address them.

Throughout the document there are tables, charts and maps to display and illustrate the data included in the report.

This analysis does not reveal the City of Elk Grove to have a significant fair housing problem. It does point to some areas of concern that should be addressed to assure continued fair housing. These areas specifically concern the continued supply of affordable housing, equal access to mortgage credit for all racial and ethnic groups, reasonable accommodation, continued fair housing education and enforcement, and building accessibility standards.



## 1 INTRODUCTION

As a recipient of federal housing and community development funds, the City of Elk Grove is required to conduct an Analysis of Impediments to Fair Housing Choice (AI) and to periodically review that analysis and update it as necessary.

The AI is one of the several ways in which a grantee must meet its obligation to affirmatively further fair housing. The others are to take actions to address the impediments identified in the analysis and to generally assure equal access to services and programs provided by the grantee and its sub-grantees and equal treatment of persons without regard to protected status.

Federal law prohibits discrimination in the provision of housing or access to housing based on membership in certain protected classes of persons or personal status. These are race, color, national origin or ancestry, sex, religion, familial status, mental and physical handicap (disability). These classes and status are "protected" by federal law.

California state law codifies the federal protections and adds protection to marital status. State law also prohibits discrimination based on any arbitrary status.

### 1.1 PURPOSE OF THE ANALYSIS

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

An AI also examines the affordability of housing in the jurisdiction with an emphasis on housing affordable to households with annual incomes classified as low-income and less. (Low-income is defined as equal to or less than 80% of the adjusted Area Median Family Income as most-recently published by the federal Department of Housing and Urban Development.)

The document has three major goals:

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

### 1.2 BACKGROUND

In June of 2004 the Sacramento Housing and Redevelopment Agency published an Analysis of Impediments to Fair Housing Choice (AI). This AI was County-wide in its scope but offered limited analysis of the recently incorporated communities of Citrus Heights (1997) and Elk Grove (2000).

This AI will be specific to issues affecting the residents of City of Elk Grove, impediments to fair housing in Elk Grove and programs that affect housing choice in Elk Grove. The county-wide AI published in 2004 will be used as a guide to identify possible historical impediments. The current effort will examine only those programs adopted County-wide that currently effect the City of Elk Grove.

### **1.3 PREPARATION OF THE AI**

This AI was prepared by PMC, Inc under contract with the City of Elk Grove and under the direction of the City. PMC is also under contract to administer the City's federally-funded housing and community development programs including CDBG, HOME and NSP.

The preparation of the AI was funded from the City's annual CDBG entitlement. The preparation of the AI is eligible as a planning and administrative activity under 24 CFR 570.205. The City is limited to expending no more than 20% of its annual entitlement for such activities as stated at 24 CFR 570.200(g).

PMC reviewed the policies and practices of Elk Grove as they relate to fair housing choice. The City's adopted Zoning Code was reviewed as were maps of vacant land and the zoning district and general plan maps. This document relies heavily on the data and analysis included in the City's 2008-2013 Consolidated Plan and 2008 General Plan Housing Element update. Both of these documents were prepared by PMC.

The analysis also relies on reports provided by the Sacramento Human Rights and Fair Housing Commission and on 2007 HMDA loan reporting data from the Federal Financial Institutions Examination Council (LAR and TS Raw data).

Demographic data sources include the US Decennial Census, the American Community Survey, and the California state Dept. Finance. Estimates and projections have also been provided by the Sacramento Area Council of Governments and ESRI.

**2 REVIEW OF PREVIOUS ANALYSIS OF IMPEDIMENTS**

The County-wide 2004 Analysis of Impediments to Fair Housing Choice (AI) conducted by the Sacramento Housing and Redevelopment Agency had several observations and recommendations.

The 2004 AI specifically noted the absence of zoning and land use regulations that would constitute a clear impediment to fair housing. The factors analyzed were:

- restrictions on group homes of 6 or fewer;
- family definition;
- household size; and
- exclusionary zoning.

The 2004 AI did note the following County-wide impediments. They are not numbered in the 2004 AI. They are numbered here for ease of reference.

**TABLE 2-1  
2004 IDENTIFIED COUNTY-WIDE IMPEDIMENTS**

#	Description
CW1	High mortgage loan denial rates to minorities.
CW2	Excessive sub-prime lending to minorities.
CW3	Weak fair housing enforcement activity.
CW4	Weak outreach and education to persons with Limited English Proficiency.
CW5	Weak outreach and education to the housing industry.
CW6	The un-even enforcement of 1988 FHA housing accessibility standards in new construction.

The following actions were recommended to address the identified impediments.

**TABLE 2-2  
2004 ACTIONS TO ADDRESS IMPEDIMENTS**

#	Description
CW1, CW2	<ul style="list-style-type: none"> <li>▪ Conduct educational campaign.</li> <li>▪ Consider predatory lending ordinance.</li> </ul>
CW3, CW4, CW5	<ul style="list-style-type: none"> <li>▪ Expand use of fair housing testing.</li> <li>▪ Conduct outreach and educational campaign.</li> <li>▪ Train housing industry.</li> <li>▪ Track and report final resolution of housing complaints.</li> <li>▪ Advertise the settlement of litigated fair housing complaints.</li> </ul>
CW6	<ul style="list-style-type: none"> <li>▪ Create an accessibility checklist for the local building industry.</li> </ul>

## **ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09**

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The City of Elk Grove currently contracts with the Sacramento Human Rights/Fair Housing Commission (HR/FHC) to provide fair housing education and fair housing enforcement. The 2004 AI was critical of HR/FHCs efforts. This AI will examine how well HR/FHC meets the needs of the City of Elk Grove.

### 3 COMMUNITY SETTING

The City of Elk Grove is situated in the southern end of Sacramento County, approximately 15 miles from the Capitol. The North is bounded by the urbanized areas of the City and County of Sacramento. The City is bounded to the South and East by the floodplains of the Cosumnes River (a tributary of the Sacramento River) and un-incorporated agricultural lands. The western limit is Interstate 5. The city is 15.1 square miles.

Having incorporated in 2000, it is one of four recently incorporated cities in the Sacramento metropolitan area. The others include West Sacramento, Citrus Heights and Rancho Cordova.

During the early part of the Gold Rush, the City of Elk Grove was established as stagecoach stop. It soon became a crossroads for business, entertainment, mail service and agriculture. As time passed, a close-knit community evolved with a distinctly rural and western lifestyle.

Today, Elk Grove is a rapidly developing suburb of 140,242 people (2005-2007 ACS) offering relatively reasonable housing prices and a relatively short commute to jobs in downtown Sacramento.

#### 3.1 POPULATION AND RACIAL/ETHNIC CHARACTERISTICS

Elk Grove has one of the highest population growth rates in the state. Between 2000 and 2005, the population of the City increased 67% from 72,665 to 121,470. The population in 2007 is estimated to be 140,242. Projections are for the population to be nearly 150,000 by 2015 and over 180,000 by 2035. Please see the following table.

**TABLE 3-1  
POPULATION GROWTH**

Year	Population	Change	% Change
<sup>1</sup> 1990	42,626		
<sup>1</sup> 2000	72,665	30,039	70.47%
<sup>2</sup> 2005	121,470	48,805	67.16%
<sup>3</sup> 2007	140,242	18,772	15.45%
<sup>4</sup> 2015	149,430	9,188	6.55%
<sup>4</sup> 2035	183,070	33,640	22.51%

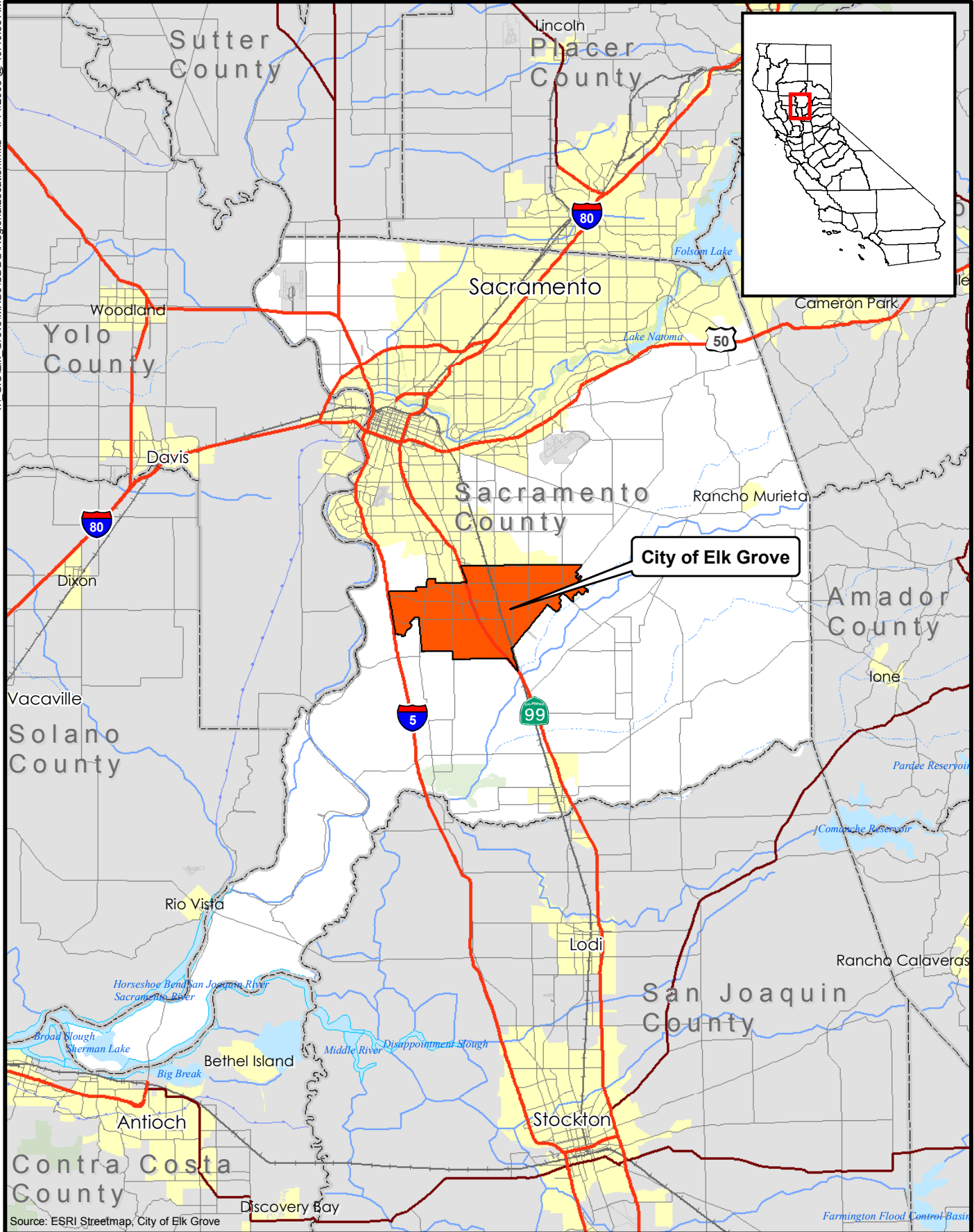
*US Decennial Census, (2) California State Department of Finance, (3) 2005-2007 American Community Survey, and (4) SACOG Projections. SACOG Projections based on Laguna and Elk Grove Regional Analysis Districts (RADs). A RAD is an area defined by SACOG. RADs may have the same name as community planning areas or city names but the boundaries are not the same.*

Elk Grove is a relatively young city in terms of age with the median age of 32.6 in a County with a median age of 34.1 and a state median age of 43.5. Youth (under age 18) account for 33% of the population. Six percent are seniors (age 65 or over). The largest age cohort is middle-aged adults

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Source: ESRI Streetmap, City of Elk Grove

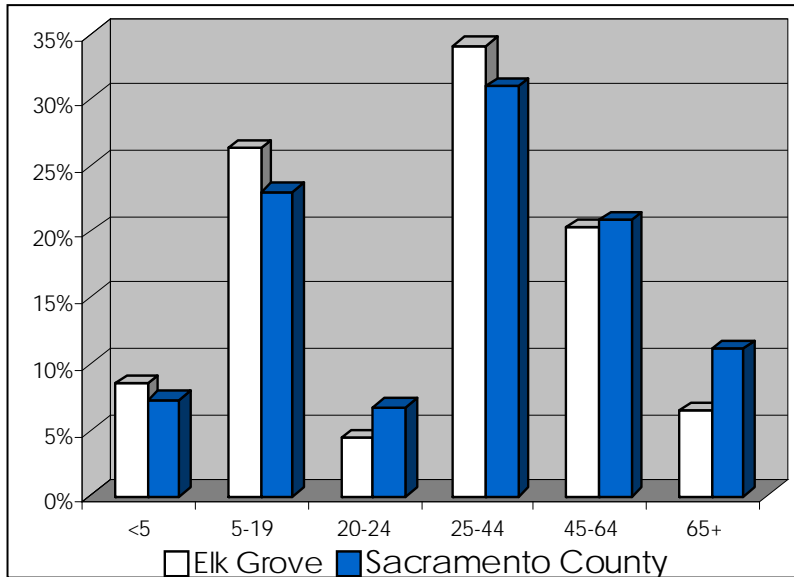


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**Figure 3.1**  
**Regional Location Map**



**FIGURE 3-2  
POPULATION BY AGE**



The population of Elk Grove is diverse in terms of race and ethnicity. Over half of Elk Grove's residents are members of minority racial groups, almost 1/3 are Asian, 11% Black/African-American, 11% Other and 4% multi-racial. Those identifying as Hispanic are only 16% of Elk Grove's population. This is below the County-wide 19% and significantly below the state-wide 36%. Please see the following tables.

**TABLE 3-2  
RACE**

	California		Sacramento County		Elk Grove	
	Count	Percentage	Count	Percentage	Count	Percentage
White alone	21,892,718	60.37%	842,858	61.35%	65,037	46.37%
Black or African American alone	2,273,292	6.27%	138,501	10.08%	15,141	10.80%
American Indian and Alaska Native alone	263,496	0.73%	12,680	0.92%	591	0.42%
Asian alone	4,432,445	12.22%	184,209	13.41%	37,008	26.39%
Native Hawaiian and Other Pacific Islander alone	128,245	0.35%	10,731	0.78%	910	0.65%
Some other race alone	6,082,353	16.77%	126,769	9.23%	15,720	11.21%
Two or more races	1,191,918	3.29%	58,025	4.22%	5,835	4.16%
Total	36,264,467	100.00%	1,373,773	100.00%	140,242	100.00%
Total "minority" population	14,371,749	39.63%	530,915	38.65%	75,205	53.63%

**TABLE 3-3  
HISPANIC/LATINO**

	California		Sacramento County		Elk Grove	
Not Hispanic or Latino:	23,309,932	64.28%	1,110,163	80.81%	117,529	83.80%
Hispanic or Latino	12,954,535	35.72%	263,610	19.19%	22,713	16.20%
Total	36,264,467	100.00%	1,373,773	100.00%	140,242	100.00%

**3.2 HOUSEHOLD INCOME AND POVERTY**

The City of Elk Grove as a whole has a higher median income in comparison to Sacramento County. In 2006, Elk Grove’s estimated median income was \$81,893 while the County’s median income was \$55,822. (U.S. Census Bureau, 2005-2007 American Community Survey)

In 2006, 5.72% of Elk Grove’s population had incomes that fell below the poverty line. This is compared to 14.3% County-wide. Children and the elderly were particularly effected by poverty with 8.12% and 6.6% living in poverty respectively. (U.S. Census Bureau, 2005-2007 American Community Survey)

**3.3 HOUSEHOLD SIZE AND FORMATION**

As of 2007, Elk Grove had a total of 45,325 households. This is projected to increase to nearly 58,000 by 2020. The average household size for the City is 3.22 persons.

The majority of households in Elk Grove are family households (82%) and the City has a low percentage of single adult households (14%). The households that have children under the age of 18 make up 52 percent of all households. Of those households 16 percent are headed by single parents with children. A majority of these are headed by women.

**TABLE 3-4  
HOUSEHOLDS**

	House holds	Change	% Change	Annual % Change
<sup>1</sup> 2000	23,766			
<sup>2</sup> 2005	39,991	16,225	68.3%	13.7%
<sup>2</sup> 2007	45,325	5,334	13.3%	6.7%
<sup>1</sup> 2015	51,633	6,308	13.9%	1.7%
<sup>1</sup> 2020	57,955	6,322	12.2%	2.5%
<sup>1</sup> 2022	59,214	1,259	2.2%	1.8%
<sup>3</sup> 2035	67,188	7,974	13.5%	1.0%

Source: <sup>1</sup> SACOG, 2002; <sup>2</sup> Department of Finance 2007 Estimates; <sup>3</sup> SACOG Draft 2035 Projections SACOG Projections based on Laguna and Elk Grove RADs

### 3.4 AREAS OF RACIAL, ETHNIC AND LOW-INCOME CONCENTRATION

Maps illustrating areas of racial, ethnic and low-income concentration within Elk Grove were derived from the 2000 US Decennial Census SF3 data set and custom tabulations of 2000 US Census data provided by the federal Dept. Housing and Urban Development (HUD). These maps are included in the report. APPENDED?

#### **Areas of racial and ethnic concentration**

To illustrate possible segregation of households, maps were created that show US Census block group areas where the percentage of households of a particular racial or ethnic group are at or above the County-wide percentage (concentrated) and where the percentage is at or above twice the County-wide percentage (highly concentrated).

There were only three minority racial groups that showed areas of significant concentration: Black/African-American, American Indian/Alaskan Native, and Asian.

#### Black/African-American

There are twelve block group areas in the City that have a concentration of Black/African American households. A relatively contiguous cluster of areas in the north and northeast of the City show concentration. An area in the southern portion of Elk Grove representing half of census tract 96.04 shows a high concentration.

#### American Indian and Alaska Native

There are nine block group areas throughout the City that have a concentration of American Indian and Alaska Native households. There is one area that has a high concentration.

#### Asian

There are 23 block group areas in the City that have a concentration of Asian households. 9 of these have a high concentrations. A majority of the Asian population is highly concentrated in a contiguous area west of Highway 99, east of Interstate 5 and north of Laguna Boulevard. The many areas of Asian household concentration are expected given Elk Grove's relatively high percentage of Asian households when compared to the County.

#### Hispanic

There are 10 block group areas in the City that have a concentration of Hispanic households. No block group areas have a high concentration. There is a contiguous area of six block groups that have a concentration of Hispanic households between Bruceville Rd and Highway 99.

#### General patterns

In general, minority households are concentrated in the Northwest area of the City, west of Highway 99 and north of Elk Grove Boulevard. These are generally new growth areas, significant portions of them annexed by the City from the County.

The area south of Elk Grove Boulevard between Highway 99 and Bruceville Road also has a generally high concentration of minority households. This area is sparsely developed. The low overall number of households in this area may make the household percentages not as indicative of a concentration in absolute numbers of households as they would in more densely populated areas.

### 3.5 AREAS OF LOW-INCOME AND POVERTY CONCENTRATION

Two maps were created to find areas of the City where there may be a concentration of low-income household and households living in poverty. These were created using the US Census 2000 Low and Moderate Income Summary Data provided by HUD and the US Census 2000 SF3 data set (Table P37).

The Low and Moderate Income Summary Data provided by HUD was used to create a map showing areas that represent the upper quartile of area percentage households at or below 80% of the Area Median Family Income (AMI). In Elk Grove, areas that have 27.3% or more of households at or below 80% AMI are in the upper quartile of low-income percentage. (<http://www.hud.gov/offices/cpd/systems/census/lowmod/exception.cfm>)

These low-income areas are relatively disbursed throughout the City with one area of concentration centered on the intersection of Elk Grove Boulevard and Elk Grove-Florin Boulevard.






The poverty concentration map shows US Census block group areas of the City that have a percentage of households with incomes below the poverty level above the city-wide poverty level of 4.06% and areas that that have a percentage of households above the County-wide poverty level of 12.18%.

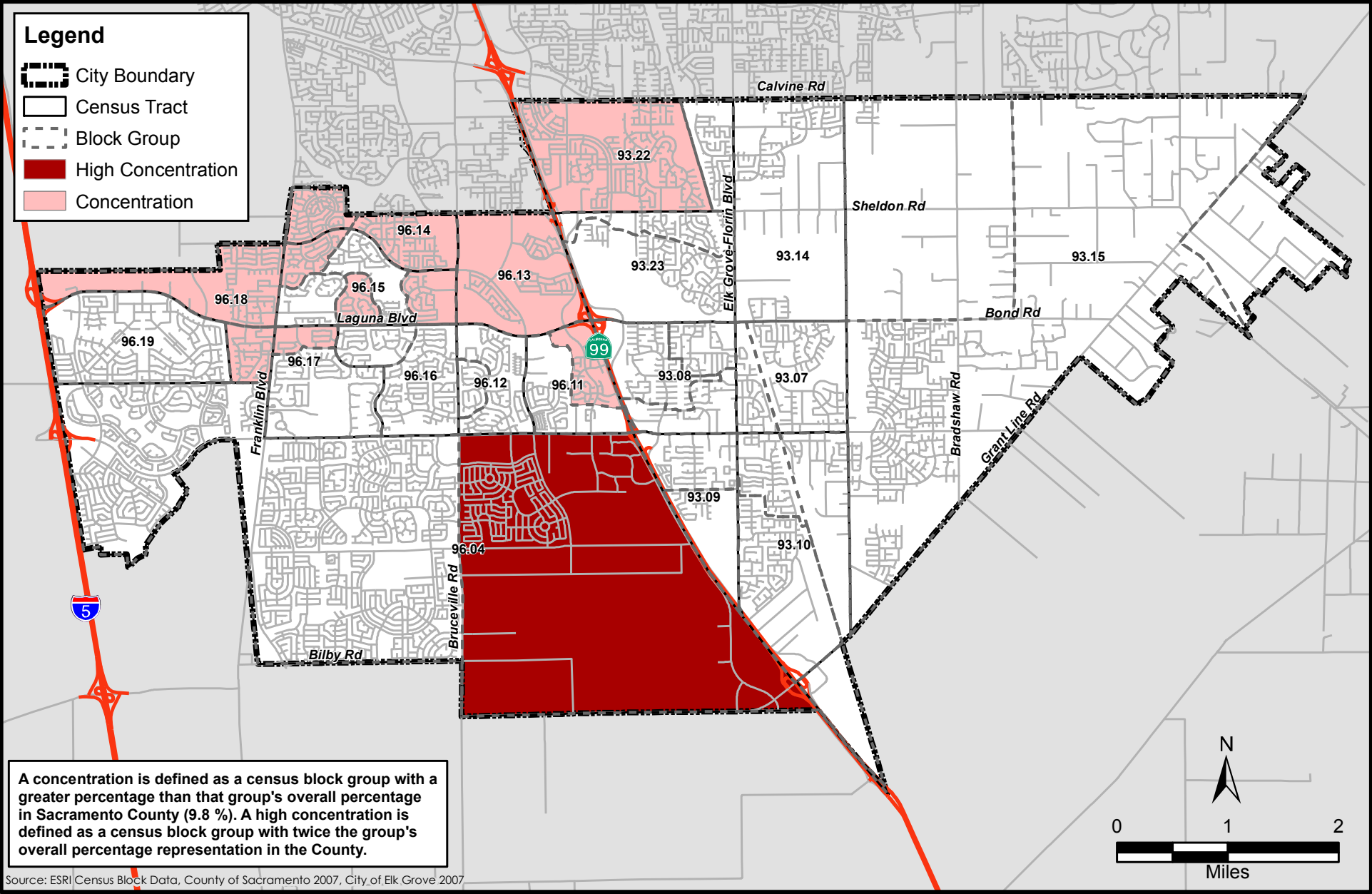
Areas where the percentage is over the city-wide level are relatively disbursed across the City. One area of note is a cluster in the northwest that is north of Laguna Boulevard between Bruceville Road and Franklin Boulevard. There are two areas where the percentage exceeds the County-wide poverty level. One is the aforementioned area south of Elk Grove Boulevard between Highway 99 and Bruceville. Being sparsely developed, household percentages may not be indicative of a concentration.

Areas of poverty and low-income areas generally overlap with few exceptions.

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**Legend**

-  City Boundary
-  Census Tract
-  Block Group
-  High Concentration
-  Concentration



A concentration is defined as a census block group with a greater percentage than that group's overall percentage in Sacramento County (9.8 %). A high concentration is defined as a census block group with twice the group's overall percentage representation in the County.

Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



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
**Figure 3.3**  
**Areas of African American Concentration**

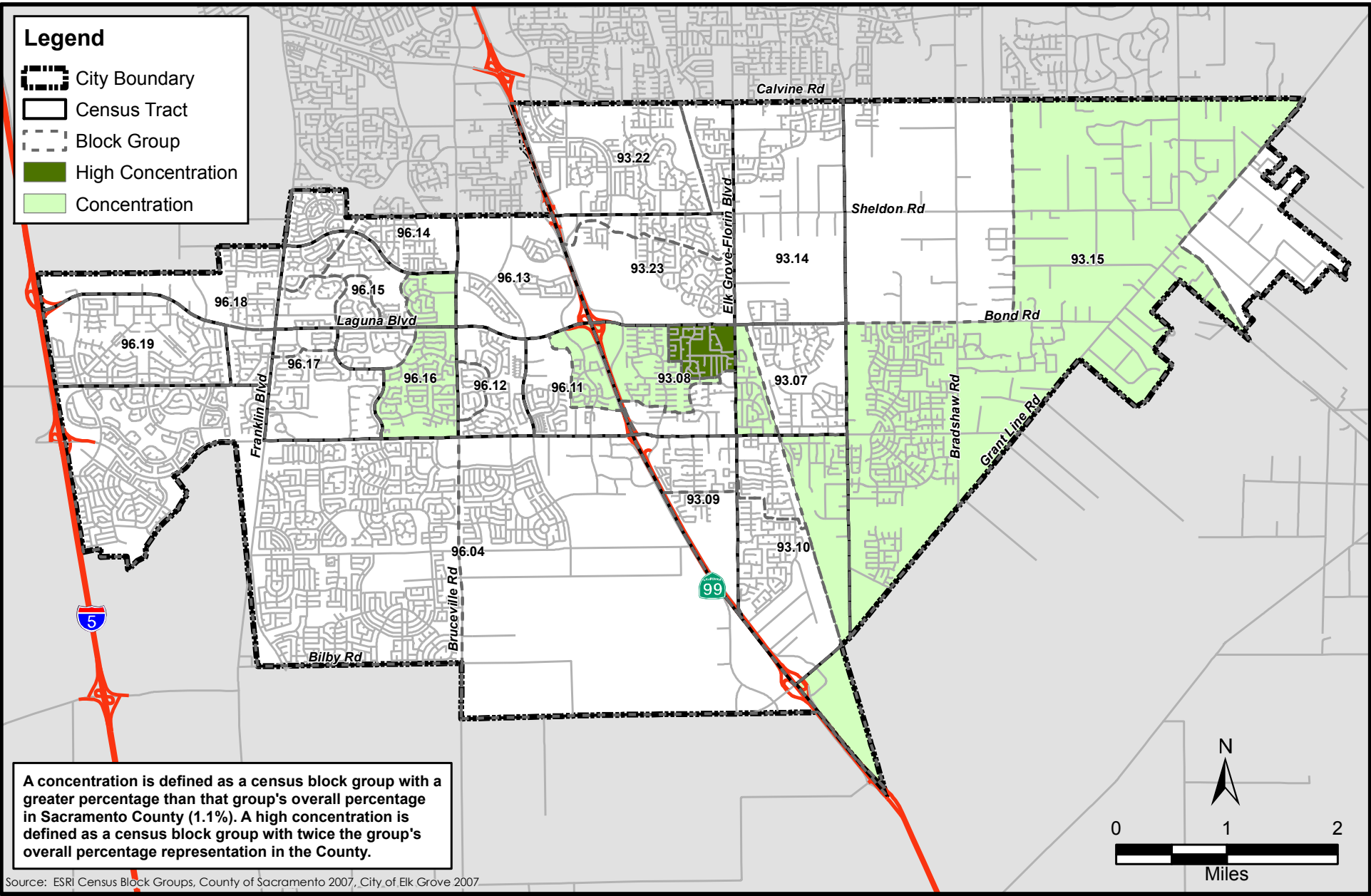




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**Legend**

-  City Boundary
-  Census Tract
-  Block Group
-  High Concentration
-  Concentration



A concentration is defined as a census block group with a greater percentage than that group's overall percentage in Sacramento County (1.1%). A high concentration is defined as a census block group with twice the group's overall percentage representation in the County.

Source: ESRI Census Block Groups, County of Sacramento 2007, City of Elk Grove 2007








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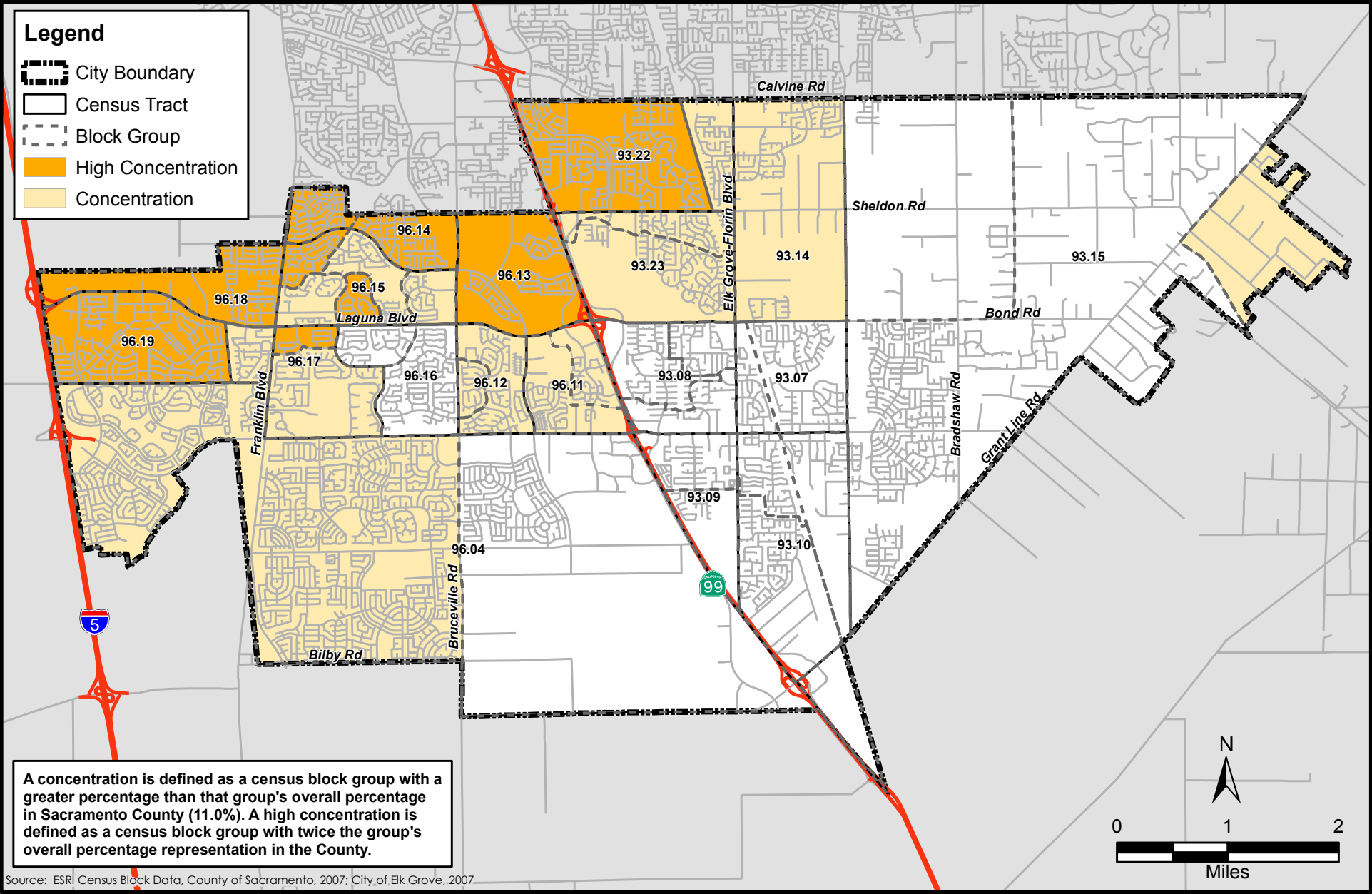
**Figure 3.4**  
**Areas of American Indian**  
**and Alaska Native Concentration**



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**Legend**

-  City Boundary
-  Census Tract
-  Block Group
-  High Concentration
-  Concentration



Source: ESRI Census Block Data, County of Sacramento, 2007; City of Elk Grove, 2007

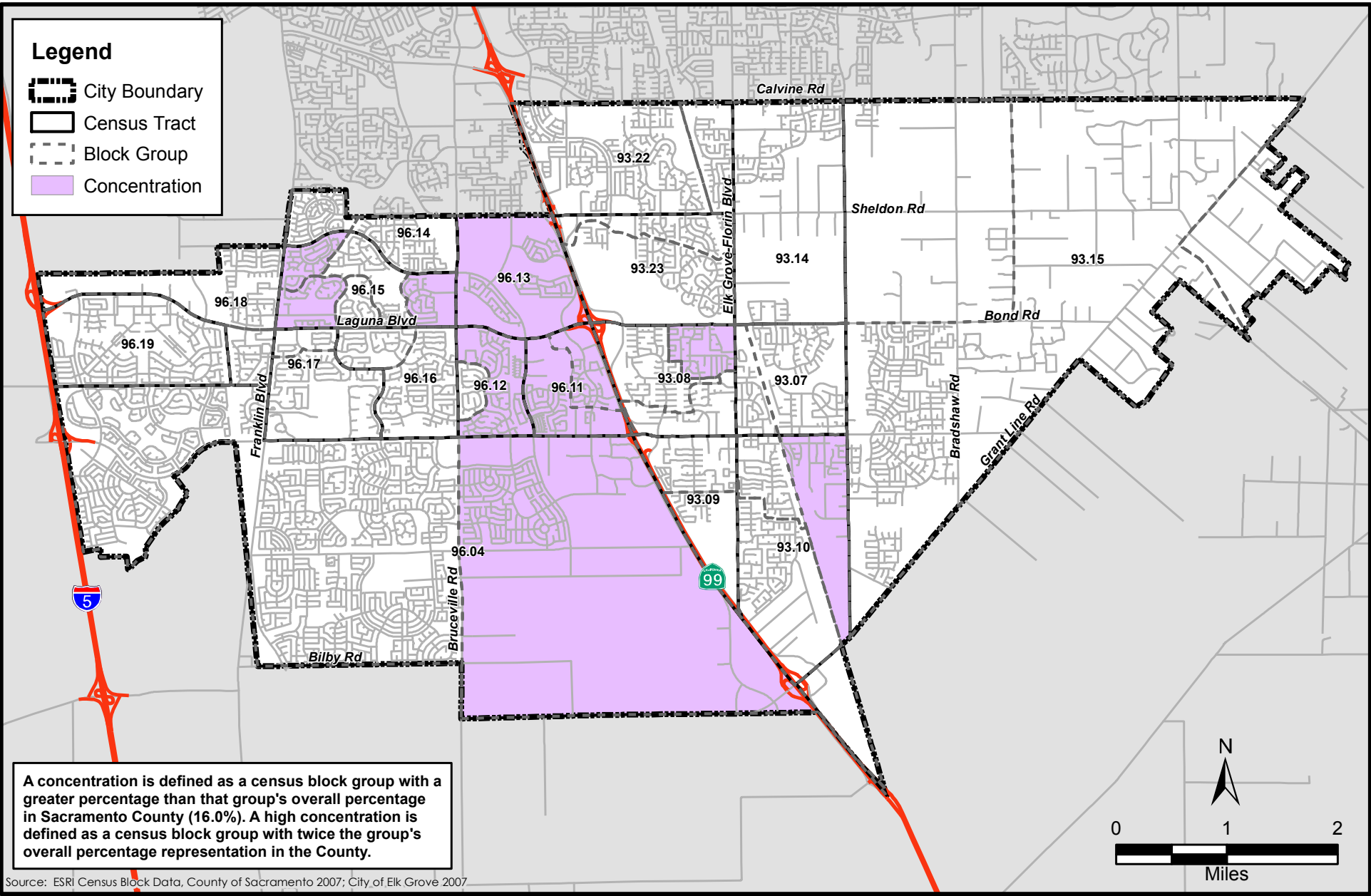


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**Figure 3.5**  
**Areas of Asian Concentration**



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A concentration is defined as a census block group with a greater percentage than that group's overall percentage in Sacramento County (16.0%). A high concentration is defined as a census block group with twice the group's overall percentage representation in the County.

Source: ESRI Census Block Data, County of Sacramento 2007; City of Elk Grove 2007

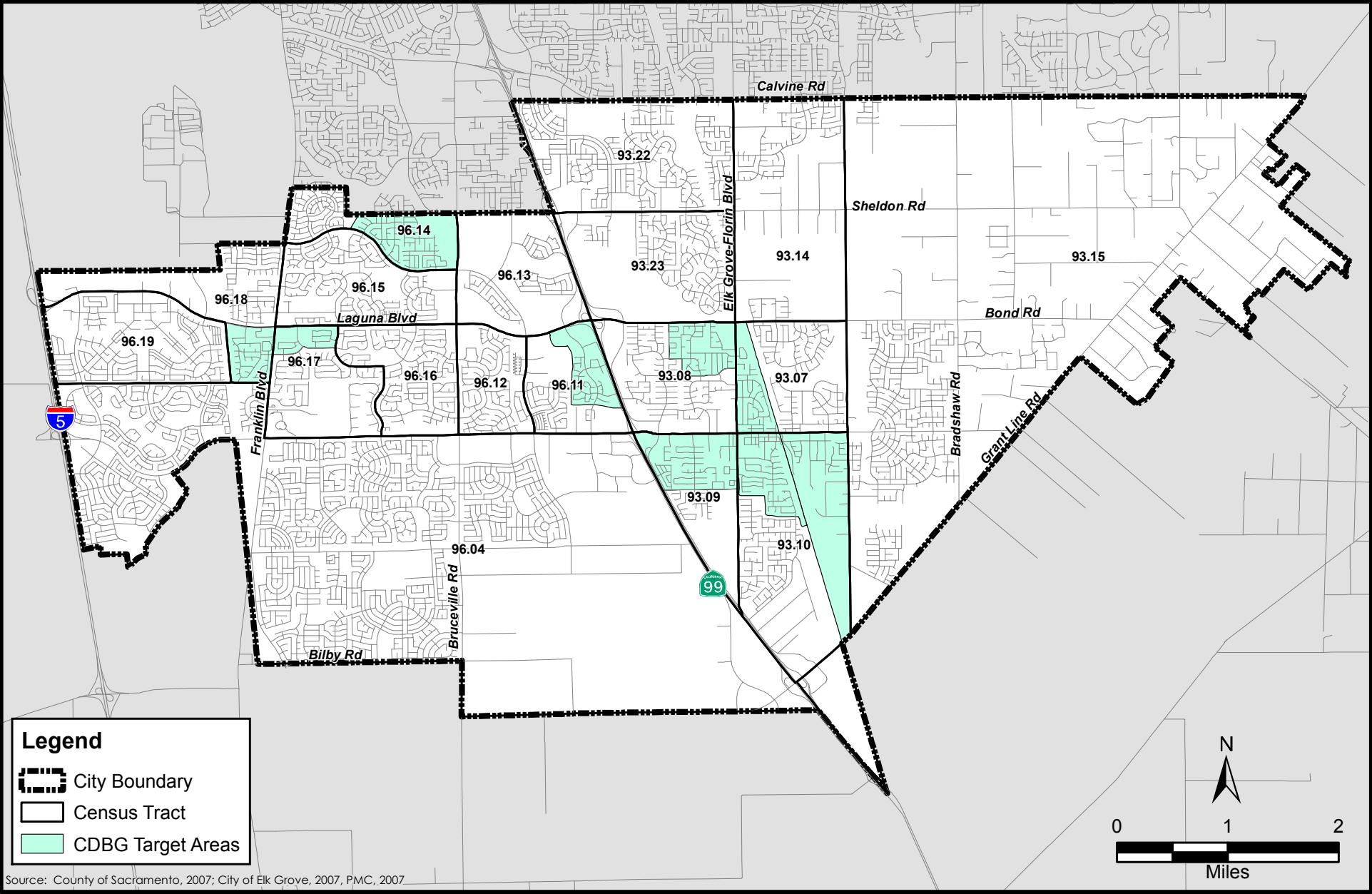


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**Figure 3-6**  
**Areas of Hispanic Concentration**



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Source: County of Sacramento, 2007; City of Elk Grove, 2007, PMC, 2007

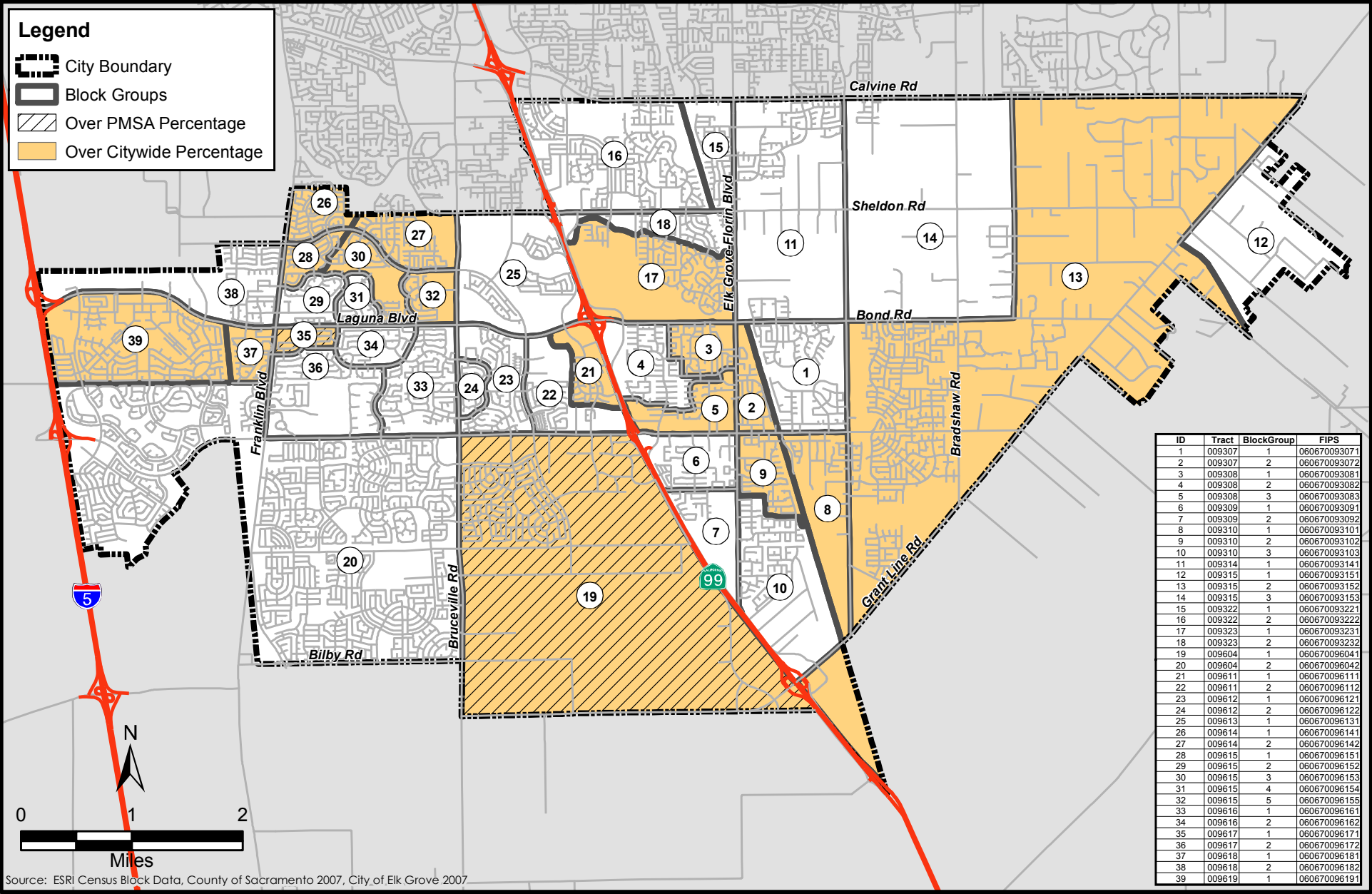


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**Figure 3.7**  
**Elk Grove CDBG Target Areas**







ID	Tract	BlockGroup	FIPS
1	009307	1	060670093071
2	009307	2	060670093072
3	009308	1	060670093081
4	009308	2	060670093082
5	009308	3	060670093083
6	009309	1	060670093091
7	009309	2	060670093092
8	009310	1	060670093101
9	009310	2	060670093102
10	009310	3	060670093103
11	009314	1	060670093141
12	009315	1	060670093151
13	009315	2	060670093152
14	009315	3	060670093153
15	009322	1	060670093221
16	009322	2	060670093222
17	009323	1	060670093231
18	009323	2	060670093232
19	009604	1	060670096041
20	009604	2	060670096042
21	009611	1	060670096111
22	009611	2	060670096112
23	009612	1	060670096121
24	009612	2	060670096122
25	009613	1	060670096131
26	009614	1	060670096141
27	009614	2	060670096142
28	009615	1	060670096151
29	009615	2	060670096152
30	009615	3	060670096153
31	009615	4	060670096154
32	009615	5	060670096155
33	009616	1	060670096161
34	009616	2	060670096162
35	009617	1	060670096171
36	009617	2	060670096172
37	009618	1	060670096181
38	009618	2	060670096182
39	009619	1	060670096191

Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



City of Elk Grove  
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**Figure 3-8**  
**Area of Poverty Concentrations**



**4 HOUSING MARKET CONDITIONS**

Elk Grove will likely continue to experience an increase in population, and modest retail and business growth above the regional average through the first two decades of this century.

Elk Grove is an easy commute via Highway 99 and Interstate 5 to Sacramento for local workers. Elk Grove offers housing for families who are looking for a comfortable, affordable lifestyle, close enough to metropolitan living, yet without the congestion, density and expense.

**4.1 HOUSING SUPPLY**

The City of Elk Grove has an estimated 46,908 housing units in 2006 (2006 ACS) 43,582 of those are occupied. Between 2000 and 2006, Elk Grove experienced a large amount (37 percent) of new homes built.

Accordingly to the California Department of Finance as of December 2008, the pace of new home construction slowed in the State which is the fifth consecutive month-to-month decline. Residential permits in California were down at the lowest level since 1973. Recently, the construction of new homes has all but halted.

**4.2 HOUSING CONDITION**

Since most housing units in Elk Grove are fairly new, it is not surprising that a housing conditions survey conducted in July 2001 found the majority of units to be in good condition. The survey found that 57.5 percent of the City's units to be "sound" and 36.6% "sound with minor improvements needed." Only 1.9 percent of the units surveyed were found to be "clearly dilapidated" or "deteriorated and in need of major repair."

**4.3 HOUSING TYPE**

The majority of the housing types in Elk Grove are single family. The following table illustrates housing by units in structure.

**TABLE 4-1  
HOUSING TYPE**

Units in structure	Housing Units	Percentage
1, detached or attached	40,611	93.2%
2 to 9 units	1,460	3.4%
10 or more units	1,296	3.0%
Mobile home and all other types of units	215	0.5%
Total	43,582	100.0%

*Source: U.S. Census Bureau, 2005-2007 American Community Survey*

**4.4 HOUSING TENURE**

The City of Elk Grove has a high homeownership rate. Approximately 81% of homes are owner-occupied in the city compared to 61% County-wide.

**TABLE 4-2  
HOUSING TENURE**

Housing Tenure	Sacramento County, California		Elk Grove city, California	
Owner occupied	305,523	61.0%	35,283	81.0%
Renter occupied	195,254	39.0%	8,299	19.0%
Total	500,777	100.0%	43,582	100.0%

Source: U.S. Census Bureau, 2005-2007 American Community Survey

**4.5 VACANCY**

Approximately 7% of all housing units in Elk Grove are vacant. This is roughly the same rate as the County. This is considered to indicate an adequate supply of housing. At this rate renters and homebuyers are considered to have a price advantage.

Looking closer at vacant housing units by for-sale and rental shows that half of all vacant units in Elk Grove are for-sale and ¼ for-rent. This is the reverse of the County proportions. Renters are more likely to have a difficult time finding adequate housing in Elk Grove than County-wide.

**TABLE 4-3  
VACANCY**

Occupancy Status	Sacramento County, California		Elk Grove city, California	
Occupied	500,777	92.5%	43,582	92.9%
Vacant	40,329	7.5%	3,326	7.1%
Total	541,106	100.0%	46,908	100.0%

Source: U.S. Census Bureau, 2005-2007 American Community Survey

**TABLE 4-4  
VACANCY STATUS**

Vacant housing units	Sacramento County, California		Elk Grove city, California	
Rentals	18774	46.6%	817	24.6%
For-sale	10,351	25.7%	1,663	50.0%
Other	11204	27.8%	846	25.4%
Total	40,329	100.0%	3,326	100.0%

Source: U.S. Census Bureau, 2005-2007 American Community Survey

**4.6 HOUSING COST**

Historically Elk Grove has been a relatively affordable area. Recent growth has focused on the development of relatively large single-family homes. This growth has shifted the balance of housing types in the City. As the following section discusses, the City does however still provide relatively affordable housing for sale and for rent.

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

**4.7 HOME PURCHASE COST**

The sales prices of homes as well as the cost and availability of mortgage credit have changed significantly over the past four years across the nation. This trend was particularly dramatic in the last year (2008).

Home prices in Elk Grove followed the state and national trend of increasing in a nearly vertical fashion from the mid 1990's until they reached their zenith between 2004 – 2006. They have since declined precipitously with the combination of mortgage credit drying up and an over-supply of for-sale homes. The increase in for-sale inventory resulted from a glut of new construction in the pipeline and a flood of bank-owned properties.

The median sales price for all homes sold in Elk Grove in 2007 (averaged across the three ZIP code areas that encompass Elk Grove, not adjusted for volume) was \$371, 083. The same value for sales in December of 2008 was \$250,667. A similar pattern has been seen across the region but Elk Grove has been particularly hard-hit. Year-to-year 2006-2007 Elk Grove saw sales prices drop by one third and volume cut in half. Please see the following tables.

**TABLE 4-5  
ANNUAL MEDIAN SALES PRICE**

2007 Annual		Sales	Yr/Yr % Chg	Median (\$)	Yr/Yr % Chg
95624	East – "Old Elk Grove"	587	-51.2%	\$370,000	-32.8%
95757	Southwest	401	-41.0%	405,000	-37.7%
95758	Northwest	717	-41.8%	338,250	-32.1%
Average				371,083	

**TABLE 4-6  
DECEMBER 2008 MEDIAN SALES PRICE**

December 2008		Sales	Median (\$)
95624	East – "Old Elk Grove"	75	\$250,000
95757	Southwest	99	294,000
95758	Northwest	111	208,000
Average			250,667

The year 2008 saw the million dollar home market vanish in Elk Grove. By the end of 2008 the new growth areas of Elk Grove (95757,95758) saw per square foot prices at half of what they were in 2007. Sales volume picked up at the end of the year as bargain hunters and well-financed homebuyers with small cash down-payments (<20%) re-entered the market at least partially stimulated by an increase in the FHA sales price limit. The overall decline in median sales price

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slowed but per square foot prices continued to fall by 20 – 25%, suggesting the upper end of the market (large and pricey) continued to be high and dry.

Although the decline in home prices and falling interest rates have combined to make homeownership more affordable, mortgage credit has also become more difficult to obtain. Lenders are requiring higher down payments, greater debt coverage and better credit ratings.

The current economic situation has created another risk in which homeowners who over-leveraged their income or got into mortgages that assumed ever-increasing home values and ever-rising incomes find themselves unable to afford their monthly payment and with insufficient equity, un-able to re-finance.

### 4.8 RENTAL COST

The cost of rental housing has been relatively stable in the midst of the collapse of single-family home values.

“Fair Market Rents” published by HUD are an approximation of rental housing costs used in federal housing programs. The figures effective in 2008 for the greater Sacramento area (Sacramento—Arden-Arcade—Roseville HMFA) are shown in the table below.

**TABLE 4-7  
2008 FAIR MARKET RENT (FMR)**

Unit Size	2008 FMR
Studio	\$708
One-bedroom	\$805
Two-bedroom	\$982
Three-bedroom	\$1,417
Four-bedroom	\$1,624

A survey of Craigslist.com and Rent.com performed by PMC staff in the summer of 2008 found the median rental prices for apartments, single-family homes, and multifamily homes in Elk Grove shown in Table 1-20. Single-family homes made up the majority of the rental housing surveyed.

**TABLE 4-8  
RENTAL SURVEY RESULTS**

Bedroom Type	Median Gross Rent	Number of Units Surveyed
Apartments		
1 bed	\$917.50	10
2 bed	\$1,017.50	12
3 bed	\$1,275.00	9

## ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09

Bedroom Type	Median Gross Rent	Number of Units Surveyed
Single-Family Homes		
1 bed		0
2 bed	\$1,225.00	1
3 bed	\$1,437.00	20
4 bed	\$1,687.50	12
5 bed	\$2,075.00	16

Source: Craigslist.com December 2007, Rent.com December 2007

### 4.9 HOUSING AFFORDABILITY

Using the Median Family Income of \$81,893 and assuming 33% of monthly gross towards housing payment, taxes and insurance of \$260/mo, and \$150/mo in other debt, and an interest rate of 6.00%, and \$25,000 available for down payment, the typical Elk Grove family could afford a home priced at \$357,000. The median priced home of \$250,000 is well within reach assuming that the family can obtain financing. See the table below for other income categories.

**TABLE 4-9  
AFFORDABLE MORTGAGE AMOUNTS**

Income Category	Gross Annual Income	Monthly income	Monthly Payment (P&I)	Affordable Mortgage
Low-income (80%)	65,514	5460	1541	282062
Median-income	81,893	6824	1992	357189
Moderate-income (120%)	98,272	8189	2442	432316

<http://realestate.yahoo.com/calculators/>

Using the 2008 income limits calculated by HUD and assuming 30% of income available for cash rent (excluding costs of tenant-paid utilities), a low-income family can afford a monthly rent of \$1,420. The typical rental home (single-family or apartment) is affordable to the typical low income family.

**TABLE 4-10  
AFFORDABLE RENT AMOUNTS**

Income category		Annual income	Monthly income	30%
Extremely-low	30%	\$21,300.00	\$ 1,775.00	\$ 532.50
Very-low	50%	35,500.00	\$ 2,958.33	887.50
Low	80%	56,800.00	\$ 4,733.33	1,420.00
Median	100%	71,000.00	\$ 5,916.67	1,775.00

#### 4.10 HOUSING FOR PERSONS WITH SPECIAL NEEDS

Household groups with special needs include seniors, mentally and physically disabled persons, large family households, single parent households, agricultural workers and homeless persons. Households that have special needs have a more difficult time finding decent and affordable housing

#### 4.11 SENIORS

With approximately 4,476 seniors (65 or over) or 6 percent of the population in Elk Grove and a majority of them having some type of disability, requires them to have a special housing need. These special needs are primarily a result from physical disabilities and limitations, income and health care costs. Seniors households have additional needs as well that include preserving their independence, maintaining their health and safety, supporting services in-home regarding their daily activities, assisting with their financial affairs and managing their networks of care.

There are a number of residential care homes for the elderly in Elk Grove. These residential care facilities which are allowed under the City's zoning code, provide living assistance to person over the age of 60 years of age and older. In addition to care facilities, there are two senior apartment complexes providing 527 units for persons 55 and older in the City.

It has been reported in 2006 according to the American Community Survey, that the number of seniors has doubled since 2000 which may be a part result in the recent annexation of the Laguna West-Lakeside CDP. With the increased senior population and limited services for the elderly, community services and affordable housing must meet the increased demand.

#### 4.12 PERSONS WITH DISABILITIES

According to the 2000 Census 15,298 or 21 percent of the population have a disability. Affordable housing and services do not adequately support those in need. Persons with physical or mental disabilities require housing and support services that accommodate their special need yet encourage independent living. Like elderly, persons with disabilities frequently have low incomes. Many people with disabilities receive Supplemental Security Income from the Social Security Administration. Because of their low fixed incomes, it is a challenge finding affordable housing. Another challenge with lower and moderate physically disabled individuals is finding adequate (wheelchair) accessible units with the community.

For people with severe mental disabilities it is a challenge to find both affordable housing and supportive services because of the limited employment opportunities and barriers to live independently. Many of these people need consistent supportive services that include, counseling, support groups, job placement and social centers.

Another group that is faced with fixed incomes and have high medical needs are persons with HIV/AIDS. Adequate affordable housing and special services for persons with HIV/AIDS is recognized as a special needs population requiring appropriate living facilities especially as the disease progresses.



#### 4.13 LARGE FAMILIES

Large households are defined as households containing 5 or more persons. Large households are considered special needs since they require more bedrooms. Larger families typically cannot afford to buy or rent a larger home or unit to accommodate the household. For an example, a 6-person household would require four bedrooms and a 7-person household would require six bedrooms. Fifteen percent of the population of Elk Grove have more than five person household.



**5 MORTGAGE LENDING (HMDA DATA)**

The most recent Home Mortgage Disclosure Act (HMDA) data set was analyzed for lending patterns. (2007 Loan Application Register (LAR) & Transmittal Sheet (TS) Raw Data). The Home Mortgage Disclosure Act (HMDA), enacted by Congress in 1975 and implemented by the Federal Reserve Board's Regulation C, requires lending institutions to report public loan data.

Data were reviewed for applications for loan applications to purchase homes in the 2002 US Decennial Census tracts that fall within the current (2008) boundaries of Elk Grove. (Please see the HMDA maps for tract numbers and boundaries.) Only home purchase transactions by owner-occupants were included.

The resulting data set included 6,338 records. In the analysis, 1,608 loan purchase records and 11 "pre-approval" requests were excluded. The remaining 4,719 records represent actions reported by lenders in response to a request from a consumer for a new home loan to purchase a primary residence.

It should be noted that multiple applications by the same household may be present in the data set. Since the data set is anonymous, it does not contain a variable that can be used to filter out duplicates.

**5.1 MORTGAGE LENDING BY RACE AND ETHNICITY**

When compared to the general population of Elk Grove (projected 2008 population by ESRI), the data set is roughly representational. The notable exceptions being that persons reporting race as "White" are under-represented and those reporting as "Hawaiian or Pacific Islander" are over-represented. Please see the tables and pie charts below for comparison.

**TABLE 5-1  
LOAN ACTIONS BY RACE**

Race	Total applications	Denials	Failures	Originations
Am. Indian or Alaskan Native	60	20	26	34
Hawaiian or Pacific Islander	200	57	110	90
Black or African Am.	454	160	277	177
Other or No Info Provided	909	189	461	448
Asian	978	209	494	484
White	2,118	395	929	1,189
Total	4,719	1,030	2,297	2,422

**TABLE 5-2  
LOAN ACTIONS BY HISPANIC/LATINO**

Ethnicity	Total applications	Denials	Failures	Originations
Hisp/Latino	664	194	347	317
Not Hisp/Latino	3,252	662	1,525	1,727
Other or no info	803	174	425	378
Total	4,719	1,030	2,297	2,422

FIGURE 5-1  
2007 LOAN APPLICATIONS

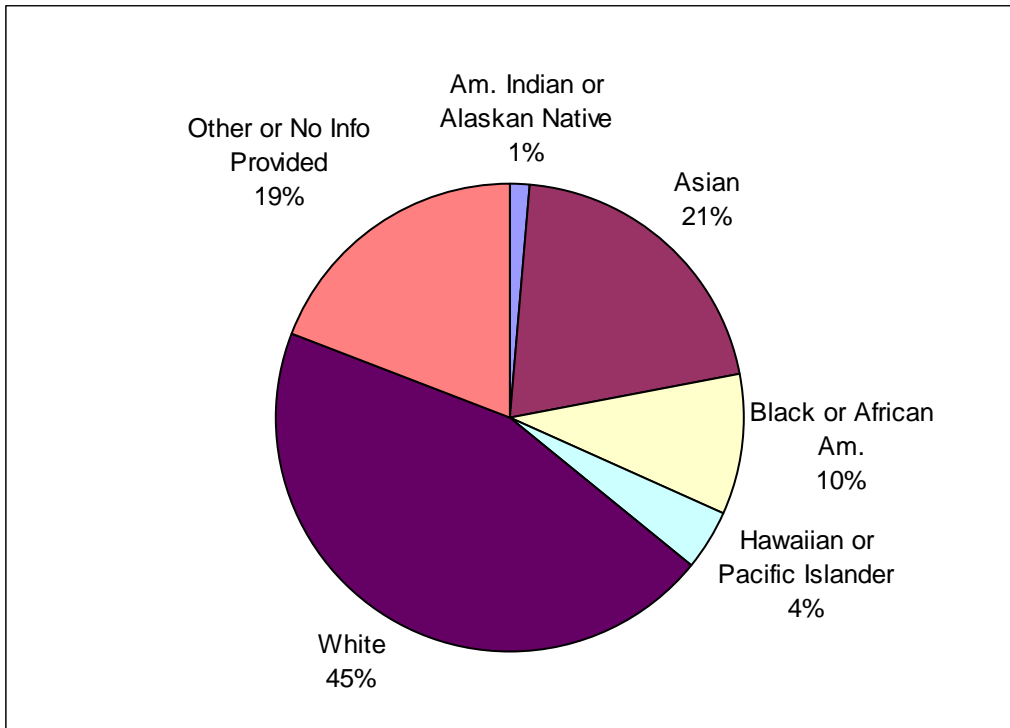
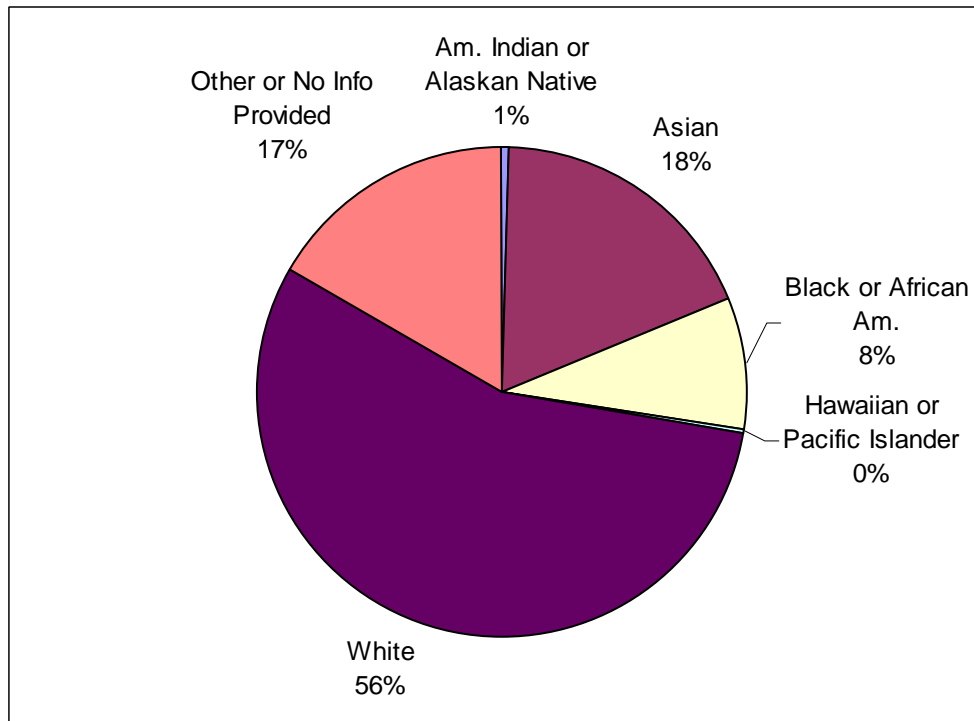


FIGURE 5-2  
2008 POPULATION ESTIMATE



The HMDA data report information on the location of the property being mortgaged; the type, purpose and intended use of the loan; characteristics of the lender and borrower; and the “action” the lender took. This final datum is of interest to analyze lending patterns. It tells us the result of the lenders’ decisions regarding applications for mortgage credit.

The “action types” reported in the HMDA data are shown below.

**TABLE 5-3  
HMDA ACTION TYPE CODES**

Action Code	Action Type
1	“loan originated”
2	“application approved but not accepted”
3	“application denied by a financial institution”
4	“application withdrawn by applicant”
5	“file closed for incompleteness”
6	“loan purchased by the institution”
7	“pre-approval request denied by financial institution”
8	“pre-approval request approved but not accepted”

As previously mentioned, the data being analyzed has been limited to certain action types that are relative to requests for new mortgage credit. Action types 6, 7 and 8 have been excluded.

The data set was then analyzed to create a histogram to illustrate actions aggregated and reported in the categories shown in the table below.

**TABLE 5-4  
LOAN ACTION CATEGORY BY HMDA ACTION TYPE CODE NUMBER**

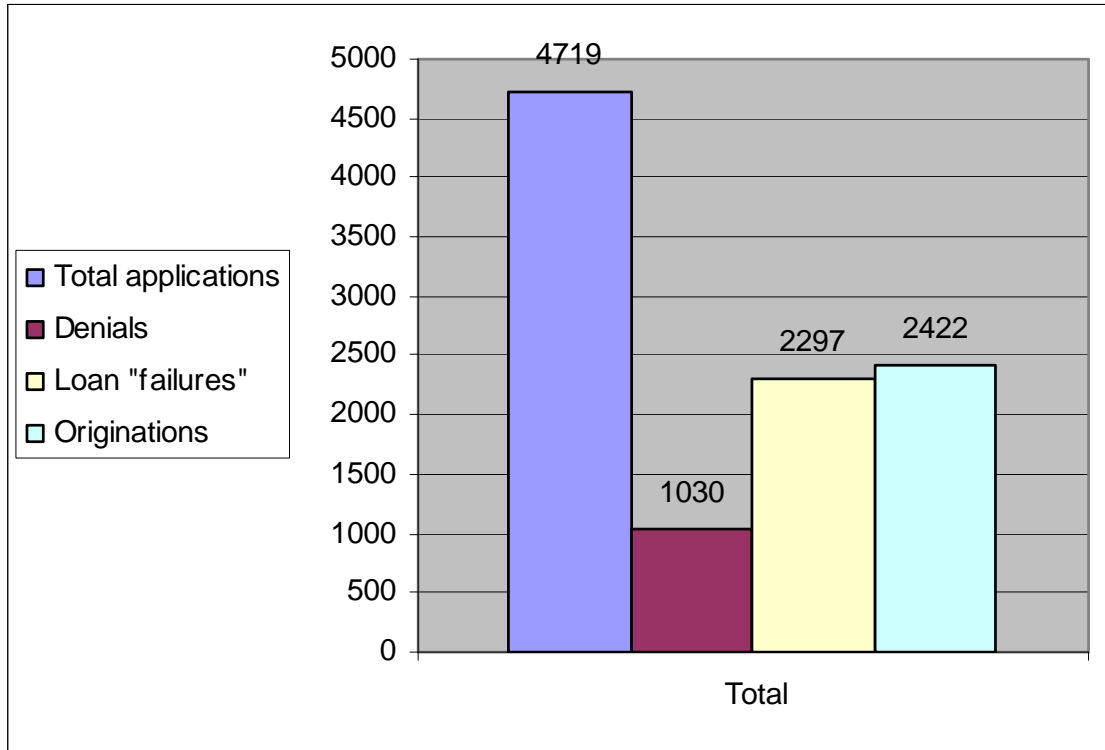
Action Type Category	Includes Action Type Codes
Total applications	Action types 1, 2, 3, 4, 5
Denials	Action type 3
Failures	Action types 2, 3, 4, 5
Originations	Action type 1

Histograms were then created for each reported racial category and whether or not the applicant reported themselves as Hispanic. It should be noted that the datum used to segregate the data by race and ethnicity was “Applicant Race 1” and “Applicant Ethnicity.” Co-applicant information and other races reported by the applicant were not considered.

Histograms are scaled to be roughly equal in size. They are then compared to reveal differences in lending patterns within the different groups.

In the overall data set approximately 1 in 5 of all applications are denied and half “ fail” – meaning that they do not result in a loan origination. Half of all applications do result in a loan origination. The following was found regarding ethnic and racial sub-groups within the data in order of the number of applications reported.

FIGURE 5-3  
LOAN ACTIONS, OVERALL



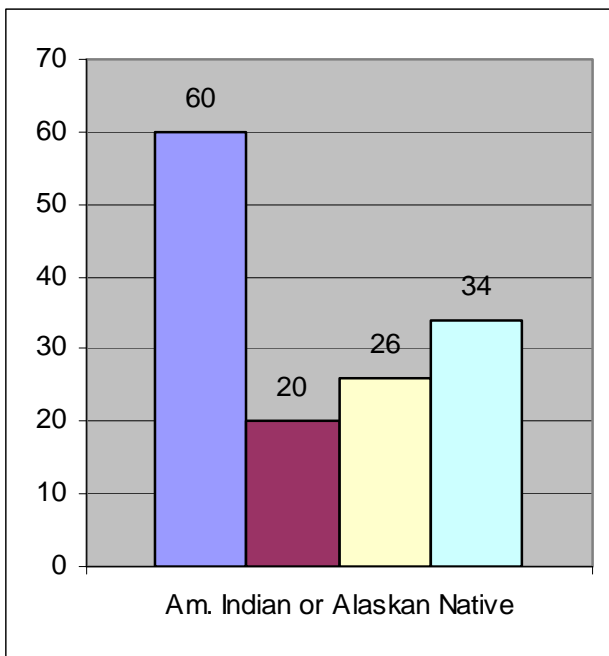
American Indian or Alaskan Native

The origination rate is roughly equal to the overall population and the failure rate is slightly lower. The denial rate is 1 in 3. Within this group, although loan origination is as likely or more likely than the population as a whole, failure to originate is more likely to be the result of denial by the lender.

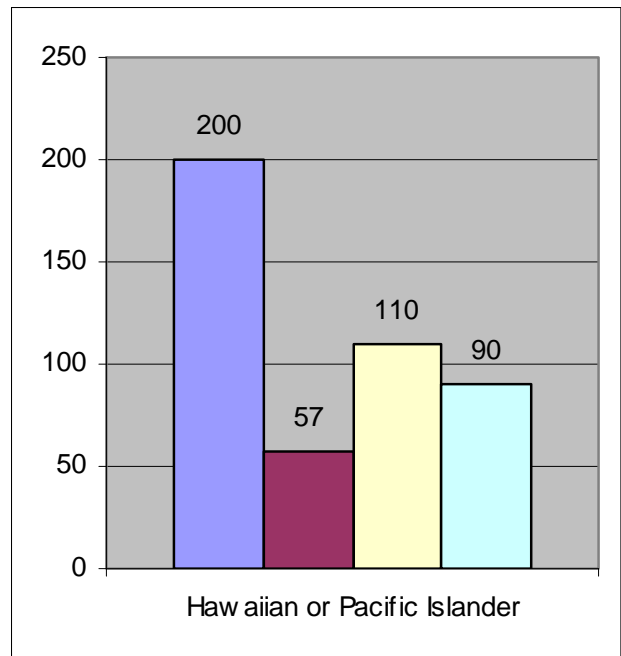
Hawaiian or Pacific Islander

The origination rate is slightly lower and the denial rate slightly higher than the overall population. The combined loan failure rate is slightly above that of the aggregate. Given that this racial group is significantly over-represented in the data, the analysis could be misleading.

**FIGURE 5-4**  
**LOAN ACTIONS, AMERICAN INDIAN OR ALASKAN NATIVE**



**FIGURE 5-5**  
**LOAN ACTIONS, HAWAIIAN OR PACIFIC ISLANDER**



## ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09

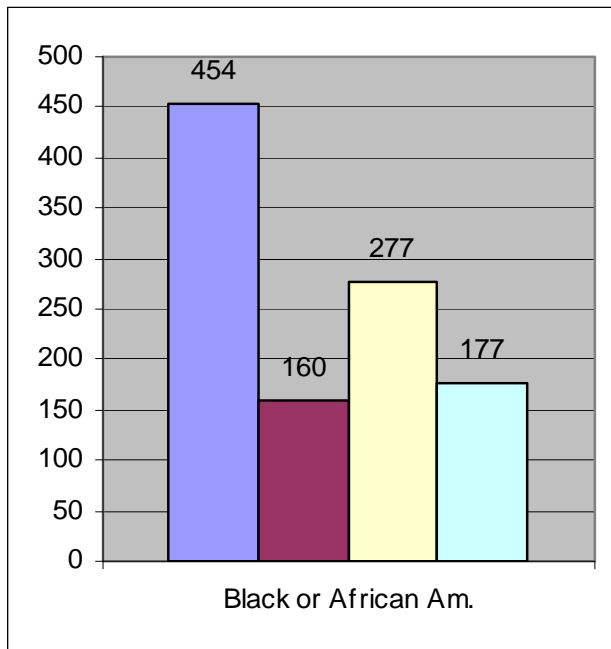
### Black or African American

The origination rate is significantly lower than the overall population as the denial rate is higher. The overall failure rate is 3 out of 5 applications. The difference between the failure rate and the origination rate is a dramatic 22%. It can be concluded that African-Americans face greater difficulty obtaining mortgage credit to purchase a home in Elk Grove than the population as a whole. The reasons for this disparity are not made apparent by this limited analysis.

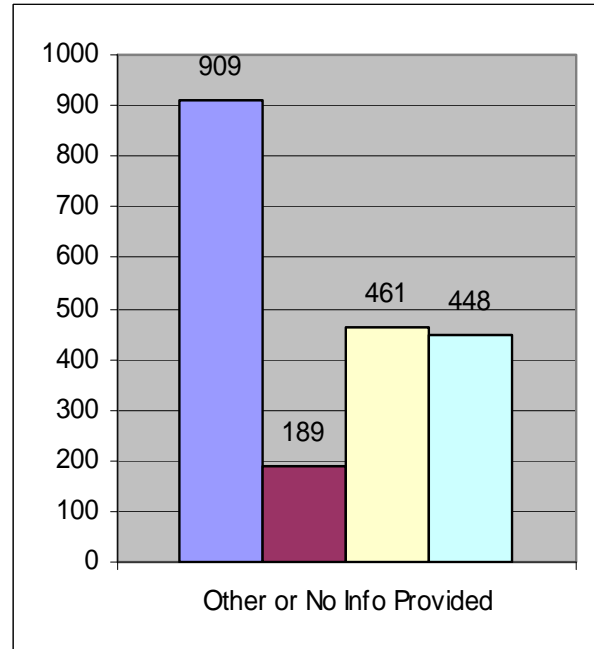
### Other or No Information

The records which indicated a race of "other" or where no race information was provided appear to have action rates similar to the overall population. This suggests that there is no obvious lending bias when applicants do not provide information on race.

**FIGURE 5-6**  
**LOAN ACTIONS, BLACK OR AFRICAN AMERICAN**



**FIGURE 5-7**  
**LOAN ACTIONS, OTHER RACE OR NO RACE INFORMATION PROVIDED**





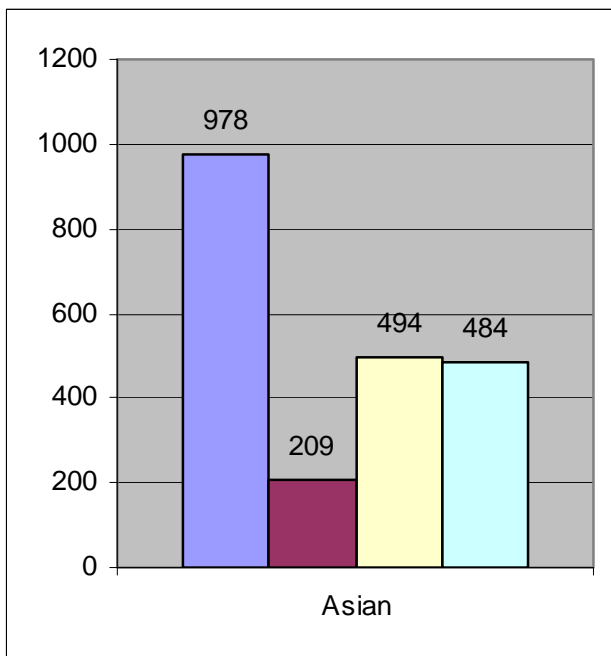
Asian

The distribution conforms closely to that of the overall population. Slightly fewer originate, slightly more fail and slightly fewer are denied outright. None of the variance appears to be significant.

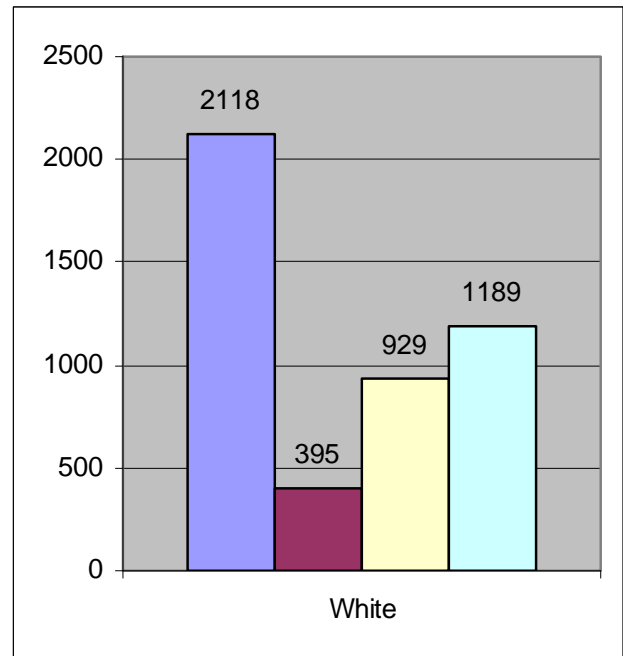
White

The origination rate is higher than the overall population and higher than all other sub-groups. Denials and failures are also lower than the aggregate and other sub-groups. The outstanding characteristic in the distribution of actions for this sub-group is what appears to be a favorable bias towards origination. Also interesting is that other than the very small racial sub-groups, the White sub-group is the only one (including "other/no info") to have a positive difference between failure and origination – plus 5.4%. The predominance of this apparent bias is enough to push the overall population to have a positive difference between failure and origination of 2.6%.

**FIGURE 5-8  
LOAN ACTIONS, ASIAN**



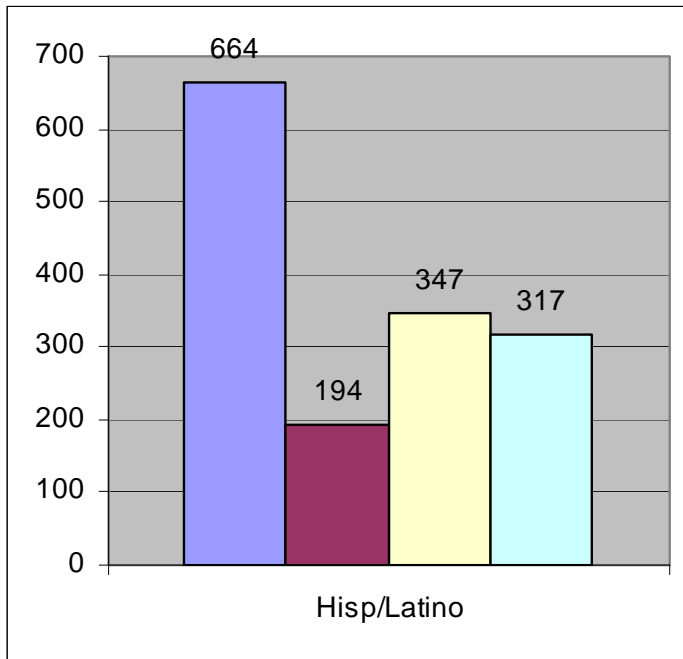
**FIGURE 5-9  
LOAN ACTIONS, WHITE**



Hispanic

When the data is grouped by applicants that responded as "Hispanic," "not Hispanic," and "No information provided" we find denial, failure and origination rates similar to the aggregate. Applicants who reported "Hispanic" or who did not provide a response showed a distribution of action types very similar to the aggregate. Applicants who reported "not Hispanic" have a distribution more like the "White" racial sub-group but not as distinctive.

**FIGURE 5-10  
LOAN ACTIONS, HISPANIC/LATINO**



**FIGURE 5-11  
LOAN ACTIONS, NOT HISPANIC/LATINO**

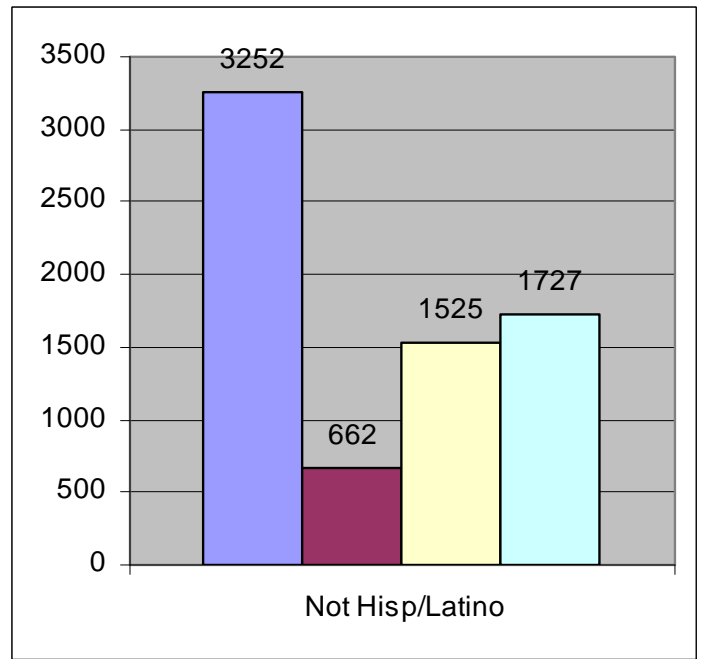
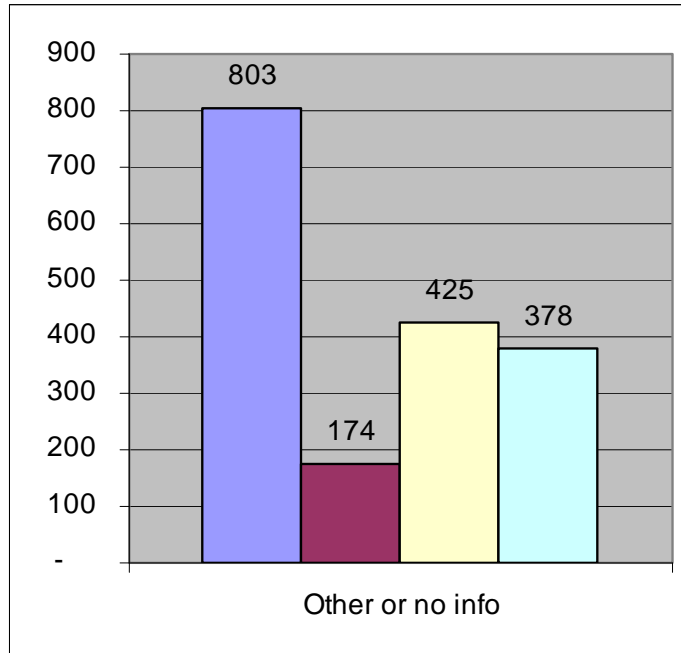


FIGURE 5-12  
LOAN ACTIONS, NO HISPANIC/LATINO INFORMATION PROVIDED



## 5.2 MORTGAGE LENDING BY AREA

The same data set used to analyze mortgage lending by race and ethnicity was used to analyze mortgage lending by area. The HMDA data reports loans by the US Census tract area of the home being purchased. The goal is to detect if there are geographic patterns of mortgage credit availability.

Loan applications were analyzed by Census tracts and mapped. Four areas were found to have lending patterns that fell outside what would be expected in a normal distribution of lending actions. (Volume of actions proportional to overall volume and percentage of actions proportional to percentage of total.) Three of these areas had either higher loan origination rates or lower denial rates than expected (CTs 96.12, 96.16 and 96.17). Only one had a lower origination rate and higher denial rate than expected (CT 93.10).

The lending patterns by area were then examined against the backdrop of ethnic, racial, low-income and poverty concentrations.

In general, there was no correspondence found between low-income areas or areas of poverty and loan actions. These areas did tend to be the areas of lowest loan application volume. The one area (CT 93.10) that had unexpectedly high denial and failure rates is a low-income area.

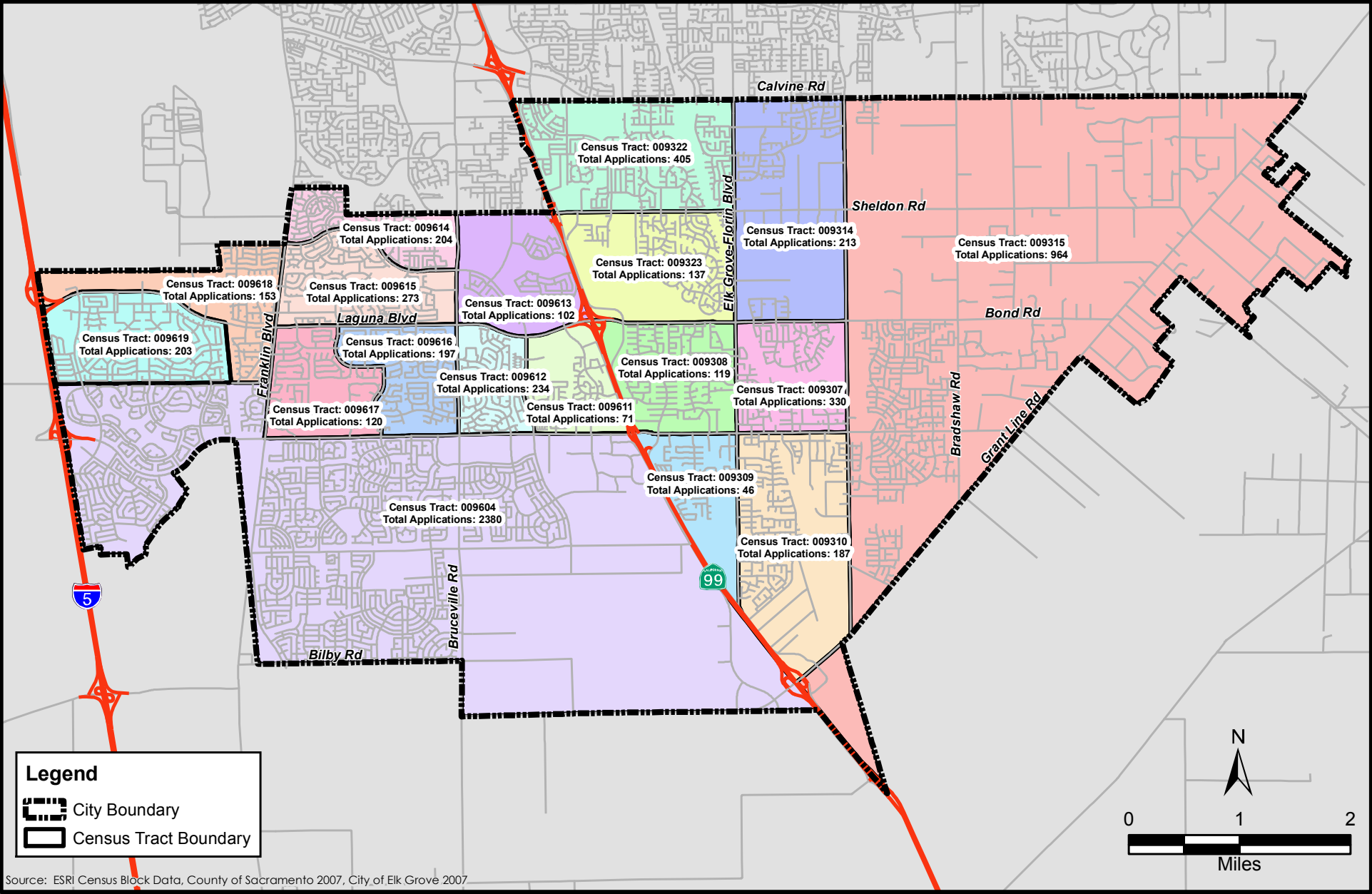
Areas of Black/African-American household concentration did not correspond to a difference in loan origination. These areas did tend to correspond to higher denial rates and somewhat higher loan "failure" rates. These areas did however tend to have higher loan application volume than other areas.

## **ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09**

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Areas of Hispanic household concentration had no general correspondence with rates of loan application or certain loan actions. The one area (CT 93.10) that had unexpectedly high denial and failure rates is an area of Hispanic concentration. One of the areas that fared better than the norm (96.12) is also an area of Hispanic concentration.

Areas of Asian household concentration had a pattern similar to that of Black/African-American areas. They had higher denial rates and somewhat higher loan "failure" rates matched with higher loan application volume. Two of the areas that were found to have slightly "favorable" rates of loan origination were areas of Asian concentration (96.12, 96.17).



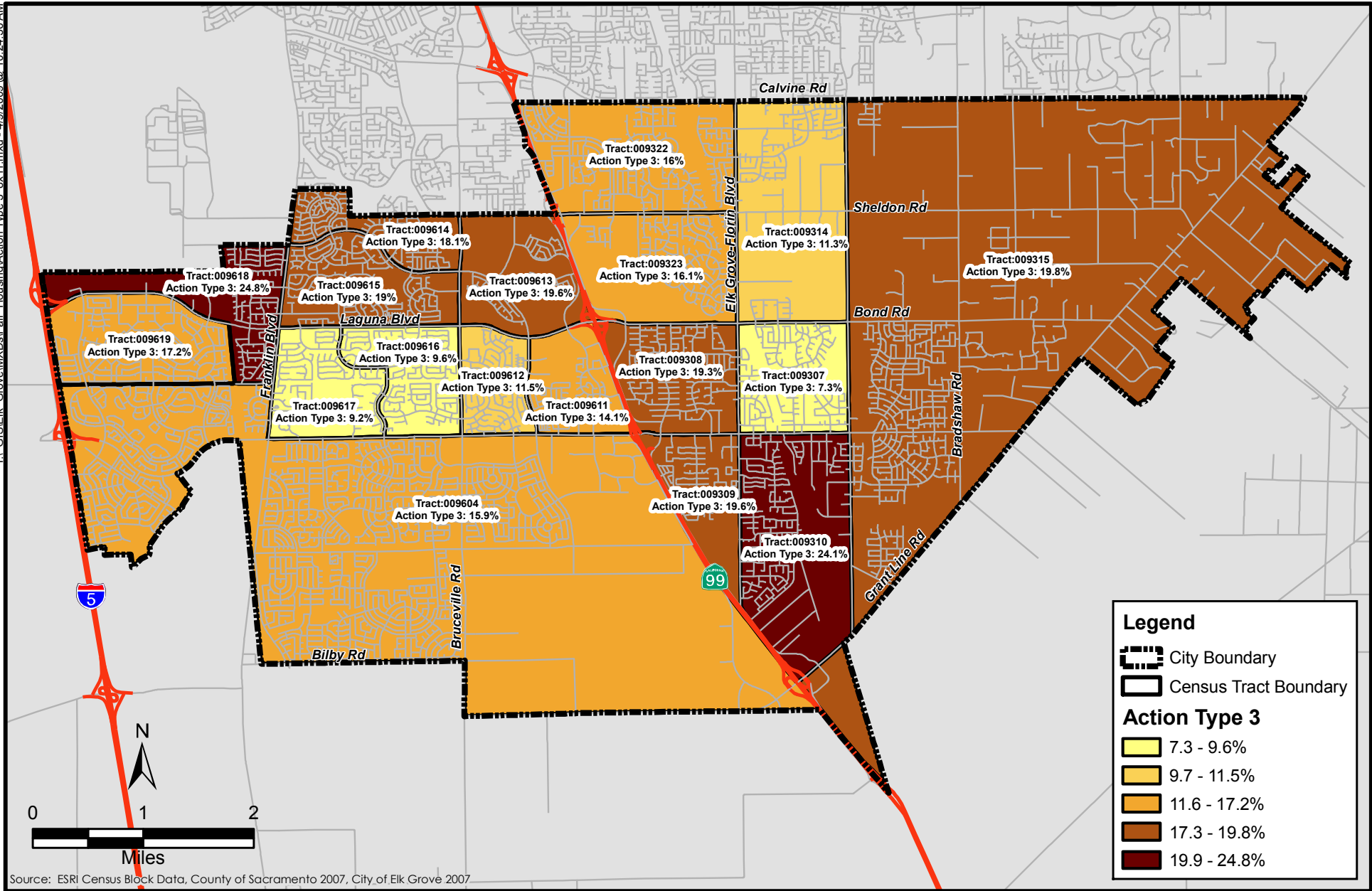
Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



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Figure 5-13  
Loan Applications by Census Tract





Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



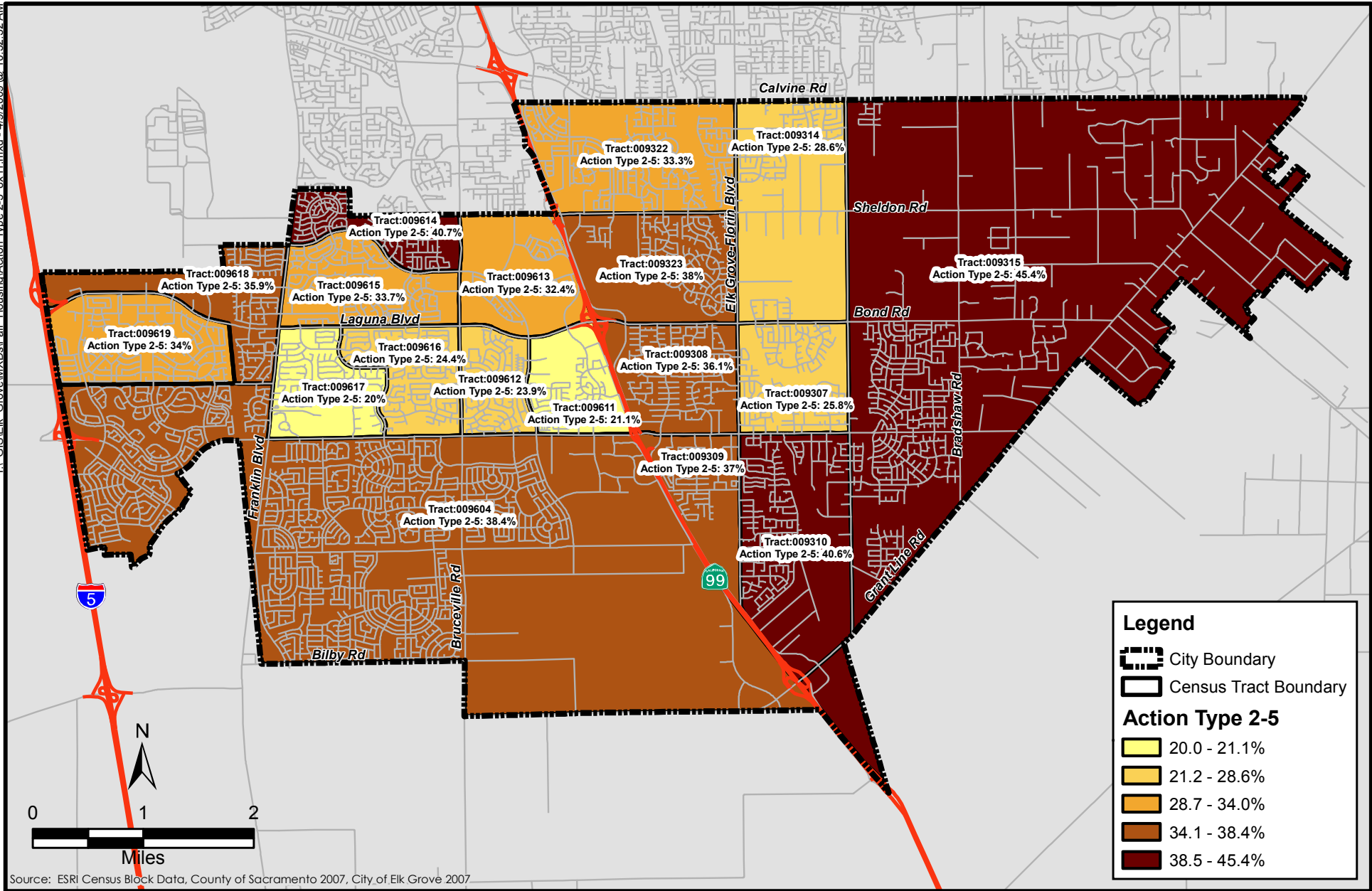
City of Elk Grove  
Development Services

**Figure 5-14**  
**Percent of Loan Denials by Census Tract**





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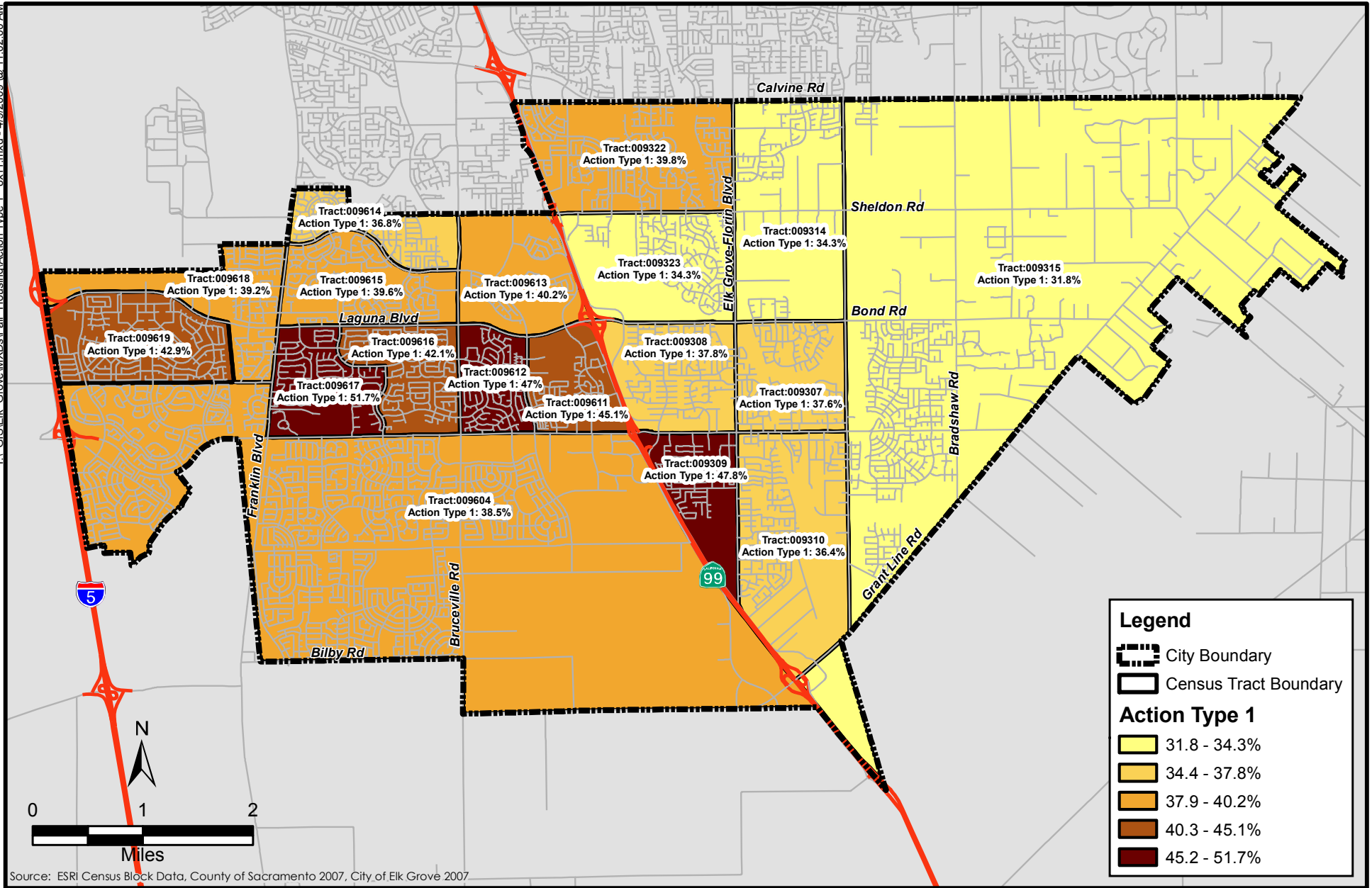
Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



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**Figure 5-15**  
**Percent of Loan Failures by Census Tract**





Source: ESRI Census Block Data, County of Sacramento 2007, City of Elk Grove 2007



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Development Services

**Figure 5-16**  
**Percent of Loan Originations by Census Tract**



## **6 GOVERNMENT BARRIERS TO FAIR HOUSING CHOICE**

The role of local government is critical to the assurance of fair housing choice. This is in its ability to advocate for fair housing, assure the enforcement of fair housing law, and to remove barriers to fair housing. Local government can also create obstacles to fair housing choice by having laws, codes, procedures or practices that limit fair housing choice, have an undue impact on the provision one or more housing types, or have an undue impact the ability of certain classes of persons.

There are also certain factors affecting fair housing choice over which local government has no control. These include market forces, the availability of land, environmental concerns, and the policies of higher jurisdictions. To ameliorate some of these factors, the local government will have programs to provide incentives that facilitate housing choice.

This section reviews the land use policies and practices of the City of Elk Grove as they relate to fair housing choice. A particular emphasis is placed on the City's efforts to remove barriers to the provision of affordable housing, emergency shelter and transitional housing. This section also analyzes constraints on the provision of a variety of housing types and the ability of the City to provide low cost housing.

### **6.1 LAND USE POLICIES AND PRACTICES**

#### **Residential Zones**

The Elk Grove General Plan has eight land use designations under which housing may be developed. These include five residential designations, three commercial and one agricultural. These allow housing densities of 0.1 to 30 dwelling units per acre (d.u.a.).

The City has 18 residential zoning districts. These allow a density of development from one unit per 80 acres to 30 units per acre. The City also has a multi-family overlay district that can be applied as supplemental designation to allow high density residential development (20 – 30 d.u.a) and a mobile home park combining district that can be combined with residential districts to permit the development of mobile home parks. There are three commercial/manufacturing zones that permit residential uses. Special Planning Area districts can also accommodate housing.

The residential districts are categorized into very-low-density, low-density, medium-density and high-density.

Very-low-density districts (RD1-RD3) are intended to accommodate single family residences in a "semi-rural" setting that serve as a "transition" from rural to urban uses. Maximum permitted residential densities are 1-3 d.u.a and minimum lot sizes 1 to 1/3 acre. Setback requirements, minimum lot dimensions and height limits are appropriate to very low density districts.

Low-density districts (RD4 – RD7) are intended to accommodate low density single-family residences in built-up areas of the city. Duplexes and cluster style homes are permitted. Maximum permitted residential densities are 4 – 7 d.u.a and minimum lot sizes are 8,500 s.f. to 4,000 s.f. with the RD7 district having no minimum lot size. Setback requirements, minimum lot dimensions and height limits are appropriate to low density districts.

Medium-density districts (RD10 – RD15) are intended to accommodate higher density single-family and lower density multi-family residences. A wide variety of housing types is permitted

including townhouses or row houses, cluster developments and garden apartments. Residences may be constructed up to three stories. Height limits are increased (35ft). Maximum residential densities range from 10 – 15 d.u.a and there are no minimum lot sizes. These districts also have minimum residential densities ranging from 7.1 – 10.1 d.u.a.

High-density districts (RD20 – RD30) are intended to accommodate high density multi-family residences, primarily apartments and condominiums. Single-family and detached housing types are permitted only with a use permit. Structures will tend to be two to three stories. Height limits are 40 ft. Maximum residential densities range from 20 – 30 d.u.a and there are no minimum lot sizes. These districts also have minimum residential densities ranging from 15.1 – 25.1 d.u.a. These districts also have a minimum “open space” requirement of 25%.

### **Architectural and Development Standards**

In addition to the requirements of a specific zoning district, the City of Elk Grove has overall architectural and development standards.

Development standards specify minimum building set-back, maximum building height, minimum parking spaces and a minimum amount of open space for all housing types. Multi-family housing must also comply with architectural and landscaping requirements. Accessory dwellings are limited in size and may only be placed on lots of 6,000 s.f. or more.

Architectural standards apply only to multi-family, mobile homes/manufactured housing, attached and semi-detached single-family housing, and to cluster developments. These standards specify roofing and siding types and elements of the exterior elevation. They also require mobile homes and manufactured housing to be affixed to a permanent foundation.

None of these standards were found to be overly restrictive. The standards were also found to offer flexibility in how the standards are met and are balanced by the benefit they provide in the form of pleasing design and quality of life.

**ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09**

**TABLE 6-1  
ZONING DISTRICTS PERMITTING HOUSING**

<b>Zoning District</b>	<b>Min. Lot Size</b>	<b>Min. Lot Width (feet)</b>	<b>Max. Density (units/acre)</b>	<b>Min. Density (units/acre)</b>	<b>Residential Types</b>
AG-80	80 acres	1000	1/80	None	Very low density single-family and agricultural labor housing.
AG-20	20 acres	500	1/20	None	Very low density single-family and agricultural labor housing.
AR-5/10	5/10 gross acres	250/300	1	None	Rural and agricultural detached single-family residences
AR-2	2 gross acres	150	1	None	Rural and agricultural detached single-family residences
AR-1	1 gross acres	75	1	None	Rural and agricultural detached single-family residences
RD-1	1 net acre	75	1	None	Detached single-family residences
RD-2	20,000 s.f.	75	2	None	Detached single-family residences
RD-3	10,000 s.f.	65	3	None	Detached single-family residences
RD-4	8,500 s.f.	65	4	None	Detached and attached single-family and two-family residences
RD-5	5,200 s.f.	52	5	None	Detached and attached single-family and two-family residences
RD-6	4,000 s.f.	40	6	None	Detached and attached single-family and two-family residences and cluster developments
RD-7	None	None	7	None	Detached and attached single-family and two-family residences and cluster developments
RD-10	None	None	10	7.1	Detached and attached single-family and two-family residences and low density multi-family
RD-15	None	None	15	10.1	Small lot attached or detached single-family, two-family and/or multifamily like townhomes, condos, row houses and garden apartments
RD-20 RD-25 RD-30	None	N/A	20 – 30	15.1 – 25.1	Multifamily developments and high density attached single-family homes. Apartments and condominiums are expected to be primary types in RD-30.
RM-1	5,200 s.f.	52	N/A		Mobile homes on individual lots

**TABLE 6-2  
DEVELOPMENT STANDARDS**

<b>Standard</b>	<b>Single-family</b>	<b>Duplexes</b>	<b>Habitable Accessory Structures</b>	<b>Multi-family</b>
Front Yard	20 feet	20 feet	Attached – comply with standards of primary unit; Detached – same as underlying zone for front and street-side yards	20 feet from street; 25 – 100 feet from single-family residential
Side Yard	5 feet	5 feet	5 feet (interior-side yard)	
Rear Yard	10 - 25 feet	10 - 25 feet	5 feet	
Height	30 feet or 2 stories	30 feet or 2 stories	Attached – no higher than primary structure; Detached - 16 feet	40 feet or 3 stories
Parking	2 off-street spaces	2 off-street spaces per dwelling unit	1 space per bedroom	1.5 – 2 off-street spaces per dwelling unit
Open Space	10% of net lot area	5% of net lot area for each dwelling unit	N/A	Perimeter of 1-story: 10 ft. 2-story: 15 ft. 3-story: 20 ft.
Other			Second units shall not exceed 1,200 square feet, excluding garage area. No more than one second unit is allowed per parcel. Minimum total lot area is 6,000 square feet (including primary structure).	Architectural standards and landscaping requirements apply



**TABLE 6-3  
ARCHITECTURAL STANDARDS**

<b>Dwelling Type</b>	<b>Item</b>	<b>Standard</b>
Apartments, condominiums, townhouses, row houses and cluster developments	Roofing	Pitched roofs; Roofing materials shall consist of a minimum of 20-year dimensional composition asphalt shingle, tile, concrete or similar material.
	Siding	T-111 or similar low-grade siding material is not permitted.
	Building Elevation – Unit Identity	Buildings with exterior entrances to the dwelling unit shall have covered and/or individual porches where feasible. Buildings shall be designed to create separate identity of units, including, but not limited to, varied setbacks, window treatments, building materials, and roofs. Continuous fascia gutters shall be provided.
Manufactured Homes	Roofing	Eaves and overhangs not less than twelve inches. Roofing material shall be shingle, shake, or tiles of either natural materials or simulated from such materials as metal, plastic or concrete. Built-up, roll roofs and corrugated, sheet or skin metal or plastic panels are not permitted.
	Siding	Material shall be wood, stucco, stone, masonry or wood/stone/masonry veneer.
	Foundation	Secured to a permanent foundation or a foundation system approved by the Chief Building Inspector.

**Residential Design Guidelines and Design Review**

The City of Elk Grove has adopted Residential Design Guidelines. Formal design review is required for single-family subdivision maps, master home plans for single-family subdivisions, multi-family development and non-residential development. The Planning Director may conduct a ministerial design review for single family master home plans, and multi-family developments under 150 units.

The Design Guidelines have not been found to constrain housing choice. They assure the application of specific desired design and planning principles while offering flexibility in how those principles are realized.

The Design Review process has not been found to impose an undue burden on the production of any one housing type. The Design Review process is can be conducted concurrently with other entitlement processing and discretionary review. Maximum design review timeframes have been established in the guidelines to assure timely processing.

Specific elements of the Design Guidelines and the Design Review process enhance affordability. These include the treatment of duplex and half-plex lots as a single lot when applying minimum lot sizes and relief from setback and minimum lot sizes in higher density districts (RD7, RD10, RD15).

**Barriers to Housing Types**

The residential zoning districts available in the City of Elk Grove permit a variety of housing types and housing densities. No significant barriers have been found to housing types. The availability

## **ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09**

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of the Special Planning Area district also allows flexibility in meeting the requirements of the Zoning Code and relief from conditions found to overly restrict the development of a particular area.

Because of their generally lower cost to produce and lower sales prices, the permission of several specific types of housing are considered essential to providing a full range of housing choice. These include mobile homes, manufactured housing, attached and semi-detached housing, apartments and condominiums, and second units.

Mobile homes and manufactured housing is an affordable form of housing. It is permitted in several agricultural and agricultural/residential districts. It is also permitted in low density residential districts as well as the mobile home districts.

Attached and semi-detached single family housing is permitted in low and medium density districts (RD7 – RD15) and mobile home districts (RM1, MHP).

Apartments and condominiums are permitted in medium to high density districts (RD7 – RD30) and one of the mobile home districts (RM-1). They are also permitted in the General Commercial district with a use permit.

Conforming second units are permitted in low to medium density districts (RD1 – RD15).

**TABLE 6-4  
SELECTED HOUSING TYPES PERMITTED BY ZONING DISTRICT**

District	Single-family	Duplex/ Half-plex	Apartments	Mobile home/ Manufactured	Group Home	Second Unit	Emergency Shelter	Transitional Housing
Agricultural districts permitting housing								
AG (all)	P	N	N	P	CUP	P	N	N
AR (all)	P	N	N	P	N	P	N	N
Residential districts permitting housing								
RD-1/2/3/4/5/6	P	P	N	P	N	P	N	N
RD-7/10/15	P	P	P	N	CUP	P	N	CUP
RD-20/25/30	P	P	P	N	CUP	N	N	CUP
Mobile home districts permitting housing								
RM-1	P	P	P	P	N	N	N	N
Commercial and Industrial districts permitting housing								
GC	N	N	CUP	N	CUP	N	P	P
M-1	N	N	N	N	N	N	P	P
Overlay and combining districts permitting housing								
MHP	P	P	N	P	--	--	--	--
MF	CUP	CUP	P	--	--	--	--	--

**Group care and housing for the homeless**

Permitting residential group care and housing that serves the homeless is essential to fair housing choice.

Group homes that provide care for up to six persons are permitted in low and medium density districts (RD1 – RD15) and in the General Commercial district with a use permit. Those that provide care for more than six persons are permitted in high density districts (RD20 – RD30) and the General Commercial district.

Emergency shelter is permitted in medium to high density residential districts (RD7 – RD30) with a use permit and by-right in the General Commercial and M1 “light industrial” districts.

Transitional housing is permitted with a use permit in medium to high density residential districts (RD7 – RD30).

The definition of group care homes and the requirements for group care homes serving over six persons conform to state law and are not found to be overly restrictive. Requirements are limited to required state licensing, separation of like homes, parking and signage.

The definition of emergency shelter and transitional housing, permit requirements and development and operational standards are not found to be overly restrictive. Requirements are

limited to required state licensing, separation, parking, and development and operational standards to assure the safety of the occupants and orderly operation of such facilities.

**Barriers to Affordable Housing**

The permitted uses in residential zoning districts available in the City of Elk Grove do not contain specific limits applicable to affordable housing or “low-rent” housing.

**Conditional Use Permitting**

A Conditional Use Permit is required to permit some types of housing in certain districts. The process for obtaining a conditional use permit or other use permit or variances was reviewed. The process was not found to be overly burdensome, costly or restrictive.

**Available Vacant Land**

According to the City’s adopted 2008 General Plan Housing Element (Housing Element), the City of Elk Grove has adequate vacant land that is appropriately zoned to provide the types of housing anticipated to meet the needs of all income groups. A review of the Housing Element and the vacant lands map showing zoning district found that adequate land is available. It also found that the application of land use designations are disbursed throughout the City. No particular pattern of vacant land use designation was found to correspond to areas of poverty or racial concentration.

The City does have a significant amount of land designated as Agricultural Residential concentrated in the Northeast quadrant of the City. This designation is limited to very low residential use with large minimum lot sizes. This area was permitted to develop as an Agricultural Residential area by the County of Sacramento prior to incorporation of the City. The area lacks sufficient infrastructure to support higher density housing. The existence of a significant low density and presumably high cost area will likely persist. Given the availability of other vacant high density land that is adequately served by infrastructure, increasing the density of development in the Northeast is neither necessary nor practical.

**Reasonable Accommodation**

In order to assure fair housing choice, a local jurisdiction should provide an explicit means for a person with a permanent disability to request a deviation or variance from the Zoning Code in order to accommodate the disability. As a recipient of federal funds, the City of Elk Grove must comply with the requirements of Section 504 of the 1973 Rehabilitation Act. This section of the Act prohibits discrimination based on a person’s disability. This “reasonable accommodations” policy should provide relief from both application of standards and the burden of making such a request.

The City of Elk Grove Zoning Code does permit minor deviations and variances from the Code to be made by the Planning Director. This does provide a less-burdensome means of requesting an accommodation. The Zoning Code does not have an explicit policy or process for reasonable accommodations.

## 6.2 AFFORDABLE HOUSING RESOURCES IN ELK GROVE

### Assisted Housing Projects

There are two public housing developments with a total of 30 units located in Elk Grove managed and owned by the Sacramento Housing and Redevelopment Agency (SHRA). Assisted housing projects are listed along with the number of housing units in the table below. The term of affordability for these projects ranges between 30 and 55 years.

Funding for Housing Choice Voucher Assistance (formerly Section 8) originates from the federal Department of Housing and Urban Development (HUD). SHRA is responsible for administering the project-based properties. There are currently 810 housing units in Elk Grove that utilize Housing Choice Voucher Assistance (Section 8) to provide rental assistance. Persons using these vouchers are not restricted to the type or location of housing that they may chose to live in which includes, housing units in multifamily complexes and single-family detached housing units.

Twelve apartment complexes in Elk Grove provide 1,354 affordable housing units through SHRA's Housing Trust Fund Loans, City of Elk Grove Housing Fund Loans, and low-income housing tax credits. Since incorporation, the City has provided financial assistance to nine affordable multifamily developments that will result in the construction of 1,256 affordable units (821 are currently built).

The Department of Housing and Urban Development (HUD) also funds and administers various affordable housing opportunities for lower income persons which include Section 221(d)(3), Section 202, Section 236, and Section 811 housing. However, according to the local office of HUD, there are no HUD administered or subsidized affordable housing complexes or individual housing units located in the City of Elk Grove.

### Resources and Incentives for Affordable Housing

Efforts by the City to assist in the development, rehabilitation, and preservation of affordable housing would utilize organizational and financial types of resources. The following programs include local, state, and federal housing programs that are valuable resources in assisting in the development of affordable housing, preserving at-risk housing, and for housing rehabilitation.

#### Very Low Income Housing Trust Fund

The City of Elk Grove has established a Very Low Income Housing Trust Fund (VLIHTF) that provides a linkage between the demand for very low-income housing and the development of commercial, office, industrial, and other non-residential uses that create lower-paying employment opportunities that generate a demand for very low-income housing.

Non-residential developments in Elk Grove are required to pay into the VLIHTF on a square footage basis at the building permit stage. The fee varies depending on the type of use. **Table 1-32** illustrates the current fees.

The use of VLIHTF monies is restricted to providing housing types appropriate to working households and at levels affordable to very low-income households.

**TABLE 6-5  
RENT-RESTRICTED HOUSING**

<b>Name</b>	<b>Address</b>	<b>Assisted Units</b>	<b>Term of Affordability</b>
Ashley Apartments (Public Housing)	9205 Elk Grove Blvd.	16	No Ending Term Date
Not Applicable (Public Housing)	9353 Elk Grove-Florin Road	10	No Ending Term Date
Agave	10070 Willard Parkway	187	30-year term ends May 2035
The Crossings	8575 Elk Grove-Florin Road	115	55-year term ends October 2062
Geneva Pointe	8280 Geneva Point Dr.	151	55-year term ends July 2061
Renwick Square	3227 Renwick Ave.	149	55-year term
Terracina at Elk Grove	9440 West Stockton Blvd.	123	30-year term
Terracina at Laguna Creek	9274 Franklin Blvd.	135	30-year term
Terracina at Park Meadows	8875 Lewis Stein Road	116	55-year term ends January 2059
Village Crossing Apartments	9241 Bruceville Road	100	30-year term ends November 2031
Vintage at Laguna Senior Apartments	9210 Big Horn Blvd.	157	37-year term ends December 2042
Stoneridge	8515 Elk Grove-Florin Road	95	55-year term ends December 2062
<b>Total</b>		<b>1354</b>	

Source: City of Elk Grove December 2007

**TABLE 6-6  
VLIHTF DEVELOPMENT IMPACT FEE**

<b>Land Use</b>	
Office	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.97 per sq/ft.
Hotel	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.92 per sq/ft.
Research & Development	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.82 per sq/ft
Commercial	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.77 per sq/ft.
Manufacturing	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.61 per sq/ft.
Warehouse	\$30 per permit for new construction, or \$40 per permit for remodel/demo credit plus \$.26 sq/ft.

Affordable Housing Trust Fund

The City of Elk Grove has created an Affordable Housing Trust Fund (AHTF), funded by fees collected on market-rate residential development. The fee for single-family developments is \$4,335 per unit and the fee for multifamily developments is \$2,161 per unit. The fee is waived for very low-income and low-income housing developments. Affordable Housing Trust Fund money is used to provide funding for very low- and low-income housing developments.

City of Elk Grove Density Bonus Ordinance

The City of Elk Grove has instituted a housing density bonus for very low- and low-income and senior households in accordance with Government Code Sections 65915 and 65917.

A comprehensive update of the City's Zoning Ordinance was adopted in 2006 with additional updates in 2007. The City's density bonus provisions provide for incentives to units affordable to low- and very low-income and age-restricted projects up to a maximum density bonus of 35 percent. High density single-family uses that include affordable units are allowed by right within the multifamily overlay zone.

In accordance with California Government Code Section 65915, the City of Elk Grove provides density bonuses to qualified residential projects through the City's Density Bonus Ordinance. Cities are required to grant a density bonus of a minimum of 25 percent and maximum of 35 percent above the base zoning density and one additional concession or incentive, which include:

A reduction in site development standards or a modification of Zoning Code requirements or architectural design requirements that exceed the minimum building standards; or

Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing development and the existing or planned development in the area where the proposed housing project will be located; or

Other regulatory incentives or concessions proposed by the developer or the city... that results in identifiable cost reductions (California Government Code §65915(h), 2002).

Government Code Section 65915 also allows the City to "provide other incentives of equivalent financial value based upon the land cost per dwelling unit" in place of the density bonus and other incentives as detailed previously.

Public Housing Authority (PHA)

The local PHA is operated by SHRA, which manages housing and community development activities including conventional housing or low rent public housing, and the Housing Choice Voucher program (formerly known as Section 8).

The conventional housing program involves housing developments that are managed and maintained by the SHRA. The voucher program involves a tenant-based rental subsidy administered by the agency. Qualified families are selected and certified from a waiting list. A qualified family can utilize the certificate at any decent, sanitary, and safe housing unit (single-family or multifamily) that accepts the vouchers.

The tenant's portion of the rent is based on 30 percent of the adjusted family gross income. SHRA pays the landlord the difference between 30 percent of the family's adjusted gross income and either the payment standard or the gross rent for the unit, whichever is lower. The

payment standard is based on local fair market rents (FMRs). The family may choose a unit with a higher rent and pay the landlord the difference.

### Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted by Congress in 1977, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions.

### Low Income Housing Tax Credit Program (LIHTC)

In 1986, Congress created the federal low income housing tax credit to encourage private investment in the acquisition, rehabilitation, and construction of low-income rental housing.

Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the California Legislature created a state low-income housing tax credit program to supplement the federal credit.

The state credit is essentially identical to the federal credit, the Tax Credit Allocation Committee allocates both, and state credits are only available to projects receiving federal credits. Twenty percent of federal credits are reserved for rural areas and 10 percent for non-profit sponsors. To compete for the credit, rental housing developments have to reserve units at affordable rents to households at or below 46 percent of area median income. The targeted units must be reserved for the target population for 55 years.

The federal tax credit provides a subsidy over 10 years toward the cost of producing a unit. Developers sell these tax benefits to investors for their net present value and thus provide up-front capital to build the units.

Credits can be used to fund the hard and soft costs (excluding land costs) of the acquisition, rehabilitation, or new construction of rental housing. Projects not receiving other federal subsidy receive a federal credit of 9 percent per year for 10 years and a state credit of 30 percent over 4 years (high cost areas and qualified census tracts get increased federal credits). Projects with a federal subsidy receive a 4 percent federal credit each year for 10 years and a 13 percent state credit over 4 years.



## **7 FAIR HOUSING ENFORCEMENT AND EDUCATION**

### **7.1 SACRAMENTO HUMAN RIGHTS FAIR HOUSING COMMISSION (HRFHC)**

The Human Rights Fair Housing Commission (HRFHC) is a non-profit, public benefit corporation funded through the City of Elk Grove's CDBG funds. The HRFHC provides: investigation and mediation, or litigation of complaints of housing discrimination; fair housing testing; training in the areas of fair housing practices, sexual harassment, ADA, and employment discrimination; a tenant/landlord information hotline; and investigation of habitability complaints in the City of Elk Grove. The HRFHC also performs public outreach through forums, distribution of fair housing brochures and newspaper articles.

In 2007-2008 FY HRFHC provided fair housing services to 424 households in Elk Gove, investigated eight fair housing complaints, and attended 13 community and affiliate meetings. As part of the public outreach effort, HRFHC conducted three fair housing education forums with a total of 221 attendees; distributed 3,508 printed materials; sponsored three public services announcements (PSAs) on television and two on the radio; and published eight newspaper articles. HRFHC staff responded to 665 issues and according to HRFHC estimates saved tenants and landlords approximately \$12,700 in costs.

### **7.2 FAIR HOUSING TESTING**

In addition to providing the fair housing services listed above, HRFHC conducts annual testing in the City of Elk grove and Sacramento County to assure that fair housing needs are being met. HRFHC determines what the focus of the audit will be based on the number of complaints received around a certain issue.

In some instances, HRFHC's testing concludes that only one property owner is not complying with fair housing laws while other instances suggest that there are numerous counts of discrimination. The results of the tests are limited due to the number of housing units tested as well as the scope of the audit for that particular year.

HRFHC concludes the testing by notifying the property owner that they have been tested and how they complied or did not comply with fair housing law. The letter also invites the property owner to attend a fair housing training. The annual testing serves as both a test of fair housing in the City of Elk Grove as well as an educational experience for property owners.

#### **2005 Testing – Companion Animals**

In 2005, the HRFHC conducted an test in Sacramento County that investigated the availability of rental housing for individuals with companion animals. Elk Grove was one of the five cities within Sacramento County to be included in the test. Test results revealed clear evidence of discrimination. Because the test in 2005 focused on Sacramento County as a whole, it is unknown how many of the 49 cases of housing discrimination happened within the City of Elk Grove. Nonetheless, testers prepared reports that revealed the discrimination and educated property mangers and tenants in all five of the cities on fair housing laws, regulations, and legal rights.

**2006-07 Testing – Familial Status**

In 2006 and 2007 the HRFHC conducted tests for compliance with fair housing laws specifically in the city limits of Elk Grove. In 2006, the test focused on discrimination based on familial status. Of the ten properties tested in Elk Grove, the HRFHC identified one property where the testers reported a difference in treatment based on familial status.

**2007 Testing – Wheelchairs and Service Animals**

The 2007 study inquired into the availability of rental housing for individuals in Elk Grove who use wheel chairs and have service animals. Of the ten properties tested, one property revealed clear evidence of discrimination when it asked for a \$500 pet deposit for a service animal. As in the previous tests, HRFHC informed the property managers of all of the projects that were tested and educated both the property managers and tenants on fair housing laws.

## **8 SUMMARY ANALYSIS**

This Analysis of Impediments has not revealed any significant or troubling trends in fair housing choice within the City of Elk Grove. The City is relatively diverse both in its overall population and distribution of households by race, ethnicity and income. It does have areas that have noticeably lower minority populations than others. These are in the older areas of the City. As home ownership turns over it is likely that they will more closely reflect the 'complexion' of the balance of Elk Grove.

Elk Grove is adequately meeting its housing needs by assuring the production of a variety of housing types and subsidizing the production of affordable housing. Overall housing costs are affordable and housing supply is more than adequate.

Analysis of mortgage lending data suggested that Black/African-American households faced an undue level of difficulty with obtaining mortgage credit. The data also suggested that White and non-Hispanic households experienced a positive bias. The analysis of lending patterns by area failed to reveal any geographic patterns of discrimination.

The 2004 analysis noted high mortgage loan denial rates to minorities and "excessive sub-prime lending" to minorities. This analysis did not find an overall pattern of mortgage lending bias against minorities in general, it was limited to the Black/African-American sub-group. The 2007 HMDA data was not analyzed for sub-prime lending. The most recent listing of "sub-prime lenders" was published by HUD in 2004. It was felt that this list was not accurate enough to make conclusions regarding sub-prime lending from the 2007 data set.

The City's land use policies and practices were not found to unduly impact the production of certain housing types or the production of affordable housing. The Zoning Code was not found to contain language that would lead to an application of the Code based on protected status or in an arbitrary manner so as to impact fair housing choice.

The analysis did not find that the City has a policy or procedure for granting persons reasonable accommodations in the form of relief from the requirements of land use policy or practices. The analysis also did not find that the City has an overall policy to assure equal access to services and programs by persons without regard to disability.

Efforts to promote fair housing awareness and enforcement of fair housing law were found to be adequate. The City contracts with the Sacramento Human Rights/Fair Housing Commission to perform these activities. The Commission has been active and its efforts substantial.

The 2004 analysis cited "weak fair housing enforcement activity" an impediment. The review of that previous analysis found that this conclusion was based on a presumption that the broad-based educational and conciliatory methods of the Commission were inherently less effective than more confrontational and litigious methods. This is a conclusion that this analysis does not make.

Through the Sacramento Human Rights/Fair Housing Commission the City conducts fair housing testing. Testing has revealed general awareness of fair housing requirements.

The 2004 analysis cited "un-even enforcement" of the housing accessibility standards of the federal Fair Housing Act. The methodology to make this conclusion involved site visits to nine "residential buildings" located in the County. The jurisdiction where these buildings were located was not revealed, making it impossible to determine if this issue was of concern to Elk Grove.

## **ANALYSIS OF IMPEDIMENTS AND FAIR HOUSING PLAN, 2008-09**

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The City of Elk Grove has adopted the 2007 California Building Code. This code includes requirements for accessibility of structures. These standards are applied uniformly to all residential construction and rehabilitation.

**9 IDENTIFICATION OF IMPEDIMENTS AND ACTIONS**

**9.1 SUPPLY OF AFFORDABLE HOUSING**

Although the recent Housing Element update concluded that the City is addressing the need for affordable housing and no significant impediments were identified to the production of affordable housing, the cost of producing affordable housing compared to the income it produces will continue to require incentives and local subsidy. The opposition to siting of affordable housing should also be a concern as the City produces more housing.

**Actions**

Continue to provide incentives for affordable housing.

Continue to provide subsidy for the production of affordable housing.

Monitor opposition to the siting of affordable housing and provide for mitigation as possible.

**9.2 ACCESS TO MORTGAGE CREDIT**

Households reporting as Black/African-American appear to have difficulty obtaining mortgage credit. Those who report as White and non-Hispanic appear to have less difficulty.

**Actions**

Participate in efforts to educate consumers about their right to equal treatment in lending decisions.

Participate in efforts to educate lenders about their obligation to equal treatment in lending decisions.

Demonstrate the City's commitment to equal lending by the use and display of the Equal Housing Lender logo.

Require lenders and builders participating in City programs to collect and report HMDA data and to commit to equal lending.

Monitor lending patterns over time with the release of subsequent annual HMDA data sets.

**9.3 REASONABLE ACCOMMODATION**

The City does not have a formal policy or procedure for granting reasonable accommodation. It also lacks a formal policy on assistance to persons with limited English language proficiency.

**Actions**

Develop a reasonable accommodations policy and procedure for building and planning permits.

Develop a reasonable accommodations policy for access to City operated and City-funded programs and services.

Develop a policy on assistance to persons with limited English language proficiency.

**9.4 FAIR HOUSING ENFORCEMENT**

Given the limited resources available for fair housing education and enforcement relative to the number of housing units in the City, it can be presumed that the effort will be inadequate. It is critical to effectively target those resources.

**Actions**

Continue to support the work of the Sacramento Human Rights/Fair Housing Commission.

Work with HRFHC to identify the highest priority fair housing issues in Elk Grove, determine the appropriate method(s) to address and implement an annual fair housing action plan.

**9.5 BUILDING ACCESSIBILITY STANDARDS**

Building accessibility is critical to fair housing. The City requires that builders comply with accessibility standards at the time of construction. There is no current means of assessing long-term compliance.

**Actions**

Consider randomly surveying recently-constructed buildings to determine the level of compliance.

Educate building owners on the requirement to continue to comply with original accessibility standards and to comply with retro-fitting and rehabilitation standards as required.

**9.6 APPENDICES**