



# **CITY OF WESTMINSTER ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

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**DRAFT**

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# CITY OF WESTMINSTER

## ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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# 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, grantees such as Westminster 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 Westminster. The AI is a review of impediments to fair housing choice in the public and private sectors, and involves:

- A comprehensive review of Westminster'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 Westminster AI contains the following six chapters:

1. *Introduction.* This chapter defines “fair housing” and explains the purpose of the report.
2. *Community Profile.* This chapter presents the demographic, housing, and income characteristics of Westminster residents. An analysis of accessibility of transit to community facilities, assisted housing 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.
3. *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 Westminster. A summary is provided of public comments received from the City's community outreach efforts.



4. *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 real estate practices and an in-depth analysis of mortgage lending activity.
5. *Findings and Recommendations.* This chapter summarizes the major findings from the prior sections and provides recommendations to further fair housing in Westminster.
6. *Signature Page.* This page includes the signature of the Chief Elected Official, and a statement certifying that the AI represents Westminster's official conclusions regarding impediments to fair housing choice and the actions necessary to address identified impediments.

## **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.

- 2015-2020 Westminster Consolidated Plan
- City of Westminster General Plan
- City of Westminster Zoning and Building Codes
- Orange County Fair Housing Council Quarterly and Annual Reports to Westminster
- Orange County Housing Authority, Section 8 data
- State Dept. of Social Services, Community Care Licensing, 2015
- Home Mortgage Disclosure Act (HMDA) data on lending patterns in Westminster
- 2010 Census and 2008-2012 American Community Survey
- Realtytrac.com foreclosure data



## **E. COMMUNITY PARTICIPATION**

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

Numerous public and private agencies were contacted to provide input regarding fair housing issues in Westminster during development of the AI. A consultation workshop was conducted with the City's fair housing contractor and affordable housing providers, lenders, and groups representing special needs populations to discuss potential impediments to fair housing, and to brainstorm potential strategies for the City and its community partners to address. Approximately 25 agencies were invited to attend the workshop held on September 25, 2015 at City Hall. The following agencies were represented at the meeting: American Family Housing, Fair Housing Foundation, Boys & Girls Club of Westminster, City of Westminster Housing & Grants Division, City of Westminster Community Services Department. A summary of the comments received at this meeting is included in Section III.C of this report.

In addition to the workshop, numerous phone interviews were conducted with agencies such as the Fair Housing Foundation, the Fair Housing Council of Orange County, and the the Los Angeles County Housing Authority.

The Draft AI is made available for public review for a period of 30 days. Copies of the draft document are placed in key locations throughout Westminster, including City Hall, public libraries and the Westminster Family Center. The City Council public hearing provides 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 Westminster Community Development Department staff and Karen Warner Associates, Inc. under contract to the City of Westminster. The report has been funded using Community Development Block Grant (CDBG) administrative funds.



## II. COMMUNITY PROFILE

Section II provides background information of demographics, housing, employment, community facilities and transportation services in Westminster. All of these factors can affect housing choice, housing opportunities, and the type of fair housing issues a community may encounter. This section contains a variety of maps based on census tract and block group data. Figure 1 depicts the 2010 census tract and block group boundaries for Westminster.

### 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. This section provides an overview of Westminster's population, including age, race and ethnic characteristics.

#### 1. Population Growth and Trends

The population growth in the City of Westminster was slow between 2000 and 2010, adding only 1,817 new residents for a total population of 89,701 in 2010. Estimates from the Center for Demographic Research (CDR) show the City's projected 2020 population to be 92,908, a 3.6 percent increase since 2010. The CDR projects population growth to slow by 2020, as the City maximizes its land resources and reaches buildout. The City's growth rate is less than surrounding cities in the last decade yet is projected to be similar in 2010 to 2020 which may reflect the built out nature of north Orange County. Table II-1 presents a summary of population changes and projections in Westminster and surrounding cities from 2000–2020.

**Table II-1: Regional Population Growth Trends 2000 – 2020**

Jurisdiction	2000 <sup>1</sup>	2010 <sup>2</sup>	2020 <sup>3</sup>	2000-10 Growth		2010-20 Growth	
				Persons	%	Persons	%
<b>Westminster</b>	<b>87,884</b>	<b>89,701</b>	<b>92,908</b>	<b>1,817</b>	<b>2.1</b>	<b>3,207</b>	<b>3.6%</b>
Costa Mesa	96,357	109,960	113,742	13,603	14.1	3,782	3.4%
Fountain Valley	53,691	55,313	58,338	1,622	3.0	3,025	5.5%
Garden Grove	143,050	170,883	179,402	27,833	19.4	8,519	5.0%
Huntington Beach	181,519	189,992	199,824	8,473	4.7	9,832	5.2%
Santa Ana	293,742	324,528	337,568	30,786	10.5	13,040	4.0%
Orange County	2,846,289	3,010,232	3,266,107	163,943	5.8	255,875	8.5%

Source:

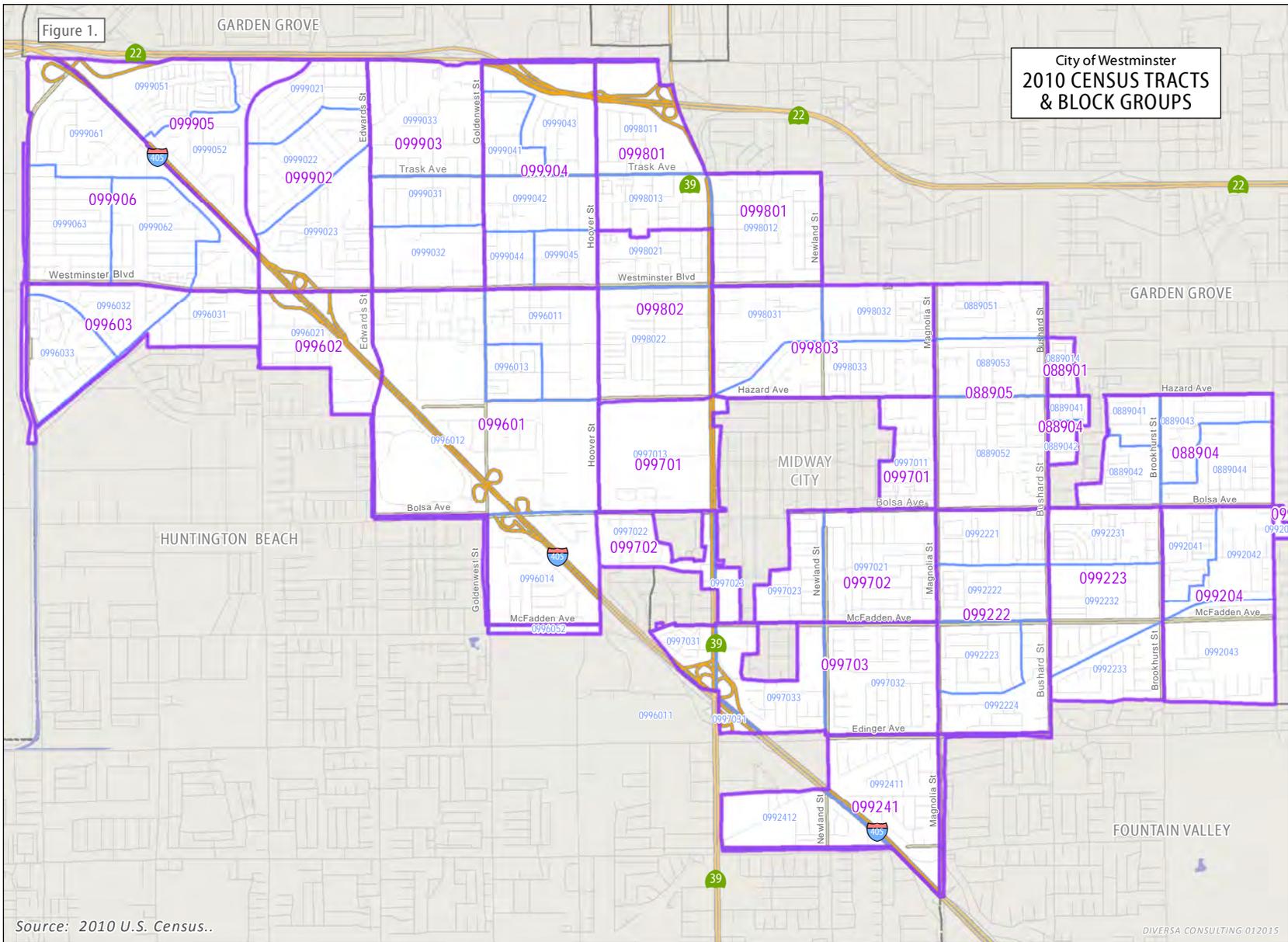
1: U.S. Bureau of the Census 2000.

2: U.S. Bureau of the Census 2010.

3: Center for Demographic Research, 2010 Orange County Population Estimates.

Figure 1.

City of Westminster  
2010 CENSUS TRACTS  
& BLOCK GROUPS



Source: 2010 U.S. Census..



## 2. Age Characteristics

Age distribution is an important factor in determining housing demands. During the decade from 2000 to 2010 the City of Westminster experienced increases in middle-age adults (45 to 64 years old), and seniors (65 years and over) with a very slight increase in college age adults (18-24). Reflective of the baby boom generation, the middle-age group was the fastest-growing group, increasing by 4.3% during the decade with the next largest increase of 3.3% in seniors. The largest decrease was seen in the family-forming group at 5.6%. Slight decreases were also seen in the preschool group and the school age population, which may reflect a growing trend of the inability of young families to obtain housing in Westminster and Orange County in general. Changes in age distribution are shown in Table II-2.

Still, over half of the City's population fell between the ages of 25 and 64 in 2010. The middle-age group accounted for a quarter of the population, while family-forming residents also comprised a quarter of the total population. The children of these family-forming and middle-aged groups (those aged 0–18) accounted for almost one-quarter of the City's residents. The 2010 median age in Westminster, 38.7 years, is older than the County median of 36.2 years. The area population appears to be aging as the 2000 census data reported a median age in Westminster of 34.1 years and 33.3 years for Orange County.

Westminster's age profile suggests the need for housing for an aging population, while at the same time meeting the needs for family housing. Traditional assumptions are that the family-forming and middle-age groups provide the major market for amenity-rich apartments and demand for ownership opportunities in single-family homes that can accommodate children. These are the prime working age groups, which tend to have higher incomes and larger household sizes than their younger and older cohorts. The senior population tends to generate demand for low maintenance and low to moderate cost apartments, condominiums, and small single-family homes. Some seniors may continue to reside in large homes in which they once raised a family. Maintenance assistance and accessibility improvements are important to independently living seniors.

**Table II-2: Age Distribution 2000 – 2010**

Age Group	2000		2010		2000-2010
	Persons	%	Persons	%	% Change
Preschool (<5 yrs)	6,288	7.2%	5,284	5.9%	-1.3%
School Age (5-17 yrs)	16,580	18.9%	15,616	17.4%	-1.5%
College Age (18-24 yrs)	7,703	8.8%	8,588	9.5%	+0.7%
Young Adults (25-44 yrs)	28,505	32.4%	24,065	26.8%	-5.6%
Middle Age (45-64 yrs)	19,174	21.8%	23,356	26.1%	+4.3%
Senior Adults (65+ yrs)	9,634	11.0%	12,792	14.3%	+3.3%
<b>TOTAL</b>	<b>87,884</b>	<b>100%</b>	<b>89,701</b>	<b>100%</b>	

Source: U.S. Bureau of the Census 2000 and 2010.



### 3. Race and Ethnicity

Race and ethnicity generally impact household size, housing demand, and types of housing programs needed. For example, family-oriented cultures associated with race or ethnicity may create demand for housing designed for multigenerational living. As affordability is a major obstacle to adequate housing, the ability of households to afford homes and support large or extended families may depend on financing opportunities designed to assist lower and moderate income households.

Since experiencing an influx of Vietnamese and other primarily Asian immigrants since the 1970s, Westminster has continued to diversify racially and ethnically. In 2000, non-Hispanic Whites and Asians were fairly equal as the City's two largest racial/ethnic groups, at approximately 36% and 38% respectively, followed by Hispanics who comprised 22% of the City's population. Between 2000 and 2010, Asian residents experienced a 26% increase while the number of White residents decreased by 28%, resulting in Asians far surpassing Whites as the predominant racial/ethnic group in the City (47.6%). During the ten-year period, Hispanic residents also increased by nearly 11%.

**Table II-3: Racial and Ethnic Composition 2000 – 2010**

Racial/Ethnic Group	2000		2010		2000-2010
	Persons	%	Persons	%	% Change
Asian and Pacific Islander	33,904	38.4%	42,738	47.6%	+26.1%
White (non-Hispanic)	31,962	36.2%	22,972	25.6%	-28.1%
Hispanic/Latino	19,138	21.7%	21,176	23.6%	+10.6%
African American	764	0.9%	700	0.8%	-8.4%
Other	2,439	2.8%	2,115	2.4%	-13.3%
TOTAL	88,207	100%	89,701	100%	--

Source: U.S. Bureau of the Census 2000 and 2010.

To show where different racial and ethnic groups are located in Westminster, Figures 2 and 3 depict the relative numbers of Asian and Hispanic residents by census block group. The following summarizes each map.

- The 2010 Census identifies approximately 42,700 Asian residents in Westminster, comprising 48% of the City's population. As illustrated in Figure 2, census block groups with the highest proportions of Asian residents are generally located in the eastern half of the City, east of Hoover Street. Some, but not all of census block groups with the highest Asian populations also correspond to low and moderate income areas, and areas with high levels of poverty.
- Hispanic residents comprise 24% of Westminster's population, totaling approximately 21,200 persons (2010 Census). As depicted in Figure 3, areas with the highest Hispanic populations are generally located in the



central and northern portions of the City, north of Bolsa Avenue between Edwards Street and Beach Boulevard. A comparison with Figures 5 and 6 indicates areas with the highest proportions Hispanic residents correspond to the City's low and moderate income census block groups, and block groups with the highest rates of poverty.

Overall, the non-White “minority” population represented 74.4% of Westminster's total population in 2010. For purposes of this report, a minority “concentration” is defined as a census block group which exceeds the countywide average of minorities, measured at 55.9% in the 2010 census. Figure 4 displays the census block groups in Westminster which have a concentration of minorities higher than the Orange County average of 55.9%. As evidenced by this map, the majority of Westminster's census block groups are considered to have a concentration of minorities, with 59 of the City's total 72 block groups exceeding the Countywide average of 55.9% minority population.

Figure 2.

City of Westminster  
2010 ASIAN  
POPULATION

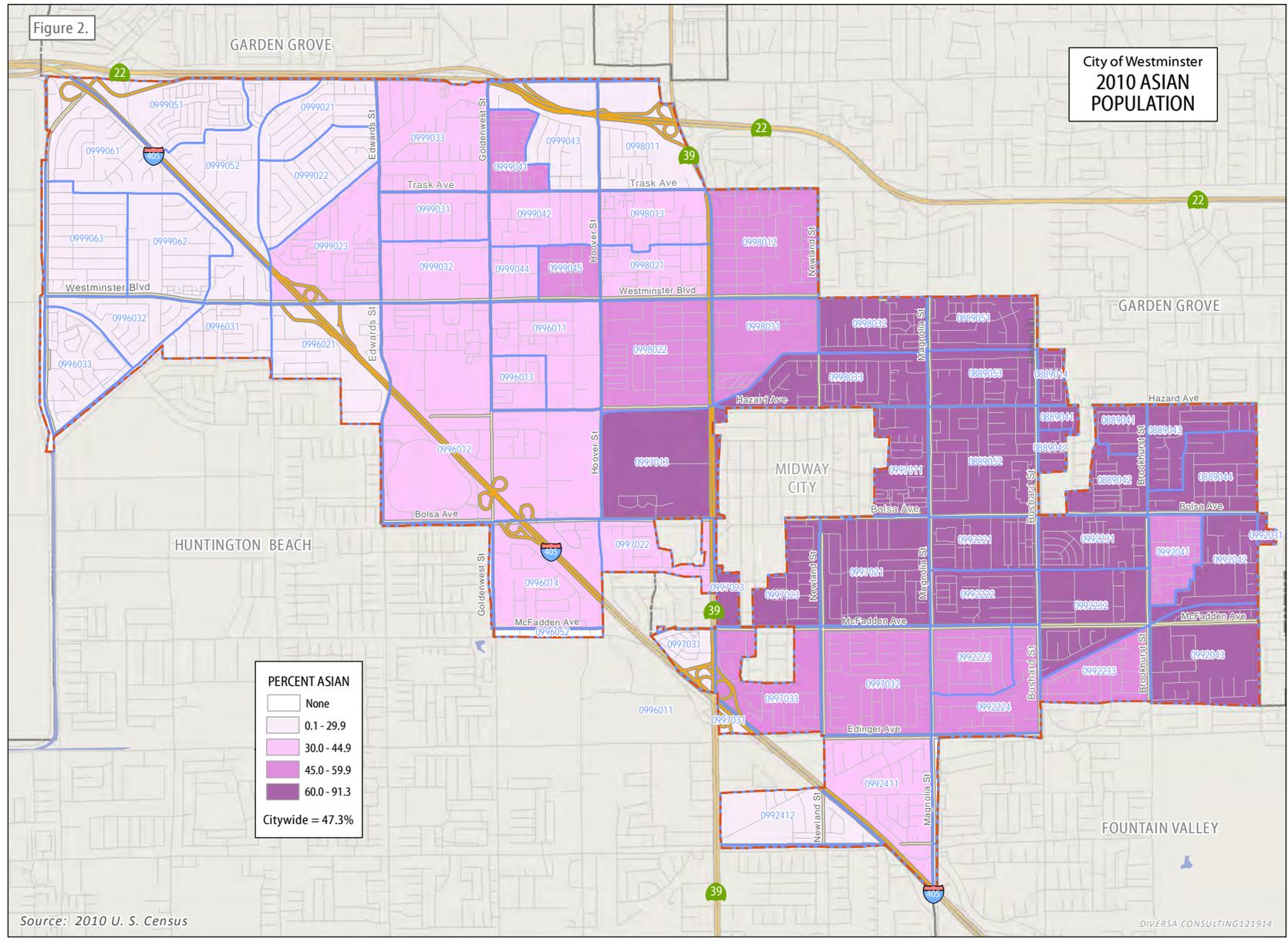
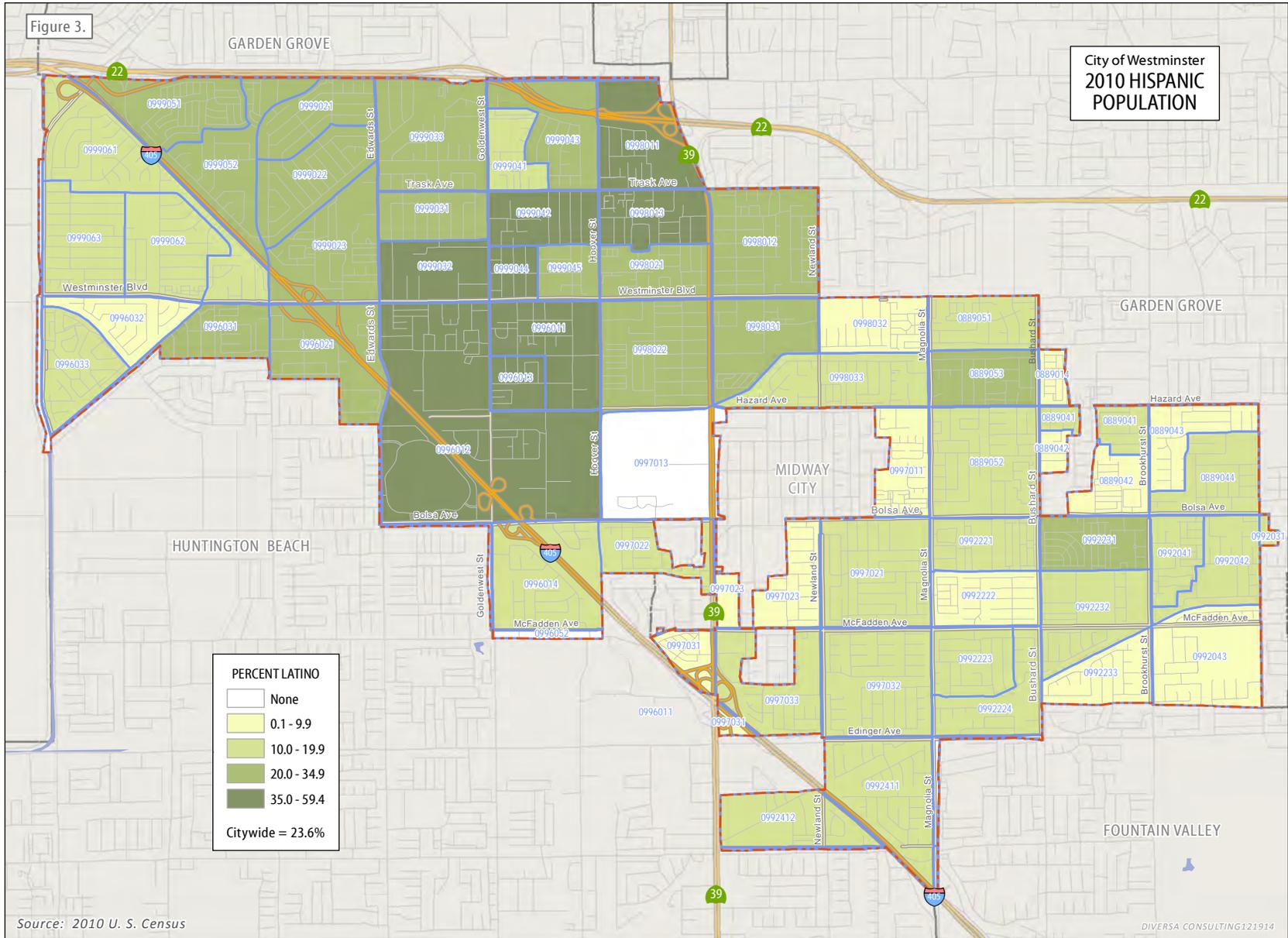


Figure 3.

City of Westminster  
2010 HISPANIC  
POPULATION







## **Household Language and Linguistic Isolation**

Reflecting its diverse cultural identity, Westminster has a significant proportion of foreign-born residents, with approximately 45% of residents born outside of the United States (source: 2008-2012 American Community Survey "ACS"). 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 Westminster, the ACS identifies 40% of the foreign-born population as linguistically isolated, translating to over 16,000 people.

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, Westminster 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 Westminster 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).



## 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 Westminster households.

### 1. Household Characteristics

A household is defined as all persons living in a housing unit. Families are a subset of households, and include all persons living together that are related by blood, marriage, or adoption. A single person living alone is also a household, but a household does not include persons in group quarters such as convalescent homes or dormitories. Other households are unrelated people residing in the same dwelling unit, such as roommates.

The 2010 Census identifies 26,164 households in Westminster, with families comprising the majority (78.3%) of these households. Families are divided among those with children (44.1%), and those without children (55.9%). As shown in Table II-4, during the last decade, families with children decreased by approximately 9%, whereas families without children increased by 9%. The proportion of single-person households and other non-families (roommates and other unrelated individuals) decreased by 5% and 6% respectively over the decade. Senior citizen households evidence significant growth, and now comprise nearly 35% of Westminster's households.

**Table II-4: Household Characteristics 2000 - 2010**

Household Type	2000		2010		2000-2010
	Households	%	Households	%	% Change
Families	20,403	77.3%	20,477	78.3%	+0.4%
With children	9,977	(48.9%)	9,035	(44.1%)	-9.4%
With no children	10,426	(51.1%)	11,442	(55.9%)	+9.7%
Singles	4,471	16.9%	4,247	16.2%	-5.0%
Other non-families	1,532	5.8%	1,440	5.5%	-6.0%
<b>Total Households</b>	<b>26,406</b>	<b>100%</b>	<b>26,164</b>	<b>100%</b>	<b>-0.9%</b>
Senior Households (65+)	7,131	27.0%	9,043	34.6%	+26.8%
Average Household Size	3.32		3.40		+2.4%
Average Family Size	3.71		3.74		+0.8%

Source: U.S. Bureau of the Census 2000 and 2010.

Families with children, especially lower income large families, often have difficulty finding adequate and affordable housing. They may also face greater discrimination by landlords, particularly small landlords who may be unfamiliar with fair housing laws and may be concerned about potential noise or property damage from children. In contrast to other households, family households with children have unique needs, including larger housing units and childcare services. These needs may affect their housing choices and access to housing services.



## 2. Special Needs Populations

Special needs populations include large households, the elderly, persons with disabilities, single-parent households, persons with HIV/AIDS, and the homeless. 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 Populations 2010**

Non-Homeless Special Needs Groups	Persons	Households	%
<b>Large Households</b>		5,358	22%
Renter		(2,324)	(43%)
Owner		(3,034)	(57%)
<b>Seniors (65+)</b>	12,792		14%
With a Disability	4,579		(36%)
Living Alone	2,170		(17%)
<b>Senior Households</b>		6,826	26%
Renter		(2,306)	(34%)
Owner		(4,520)	(66%)
<b>Persons with Disability</b>	8,678		10%
Percent Employed (age 18-64)			(34%)
<b>Single Parents with Children</b>		5,027	19%
<b>Total Persons/Households</b>	89,701	26,164	

Source: U.S. Census 2010, 2008-2012 ACS.

Note: Percentages in the Sub-Populations (such as Seniors with a Disability) represent its proportion of the larger Special Need Group, not the proportion relative to the entire population or household count.

### Large Households

Large households are defined as those with five or more persons residing in the home and are considered a special needs population due to the limited availability of affordable and adequately sized housing, particularly for lower income large households. Westminster has a total of 5,358 large households, and at 22%, represents a significant special needs group in the City. Of these large households, 43% are renters.

Large households generate the need for units with three or more bedrooms. With 30% of Westminster's rental stock consisting of units with three or more bedrooms (3,630 units), compared to 19% of renter households having five or more members (2,324 households), the supply of large rental units appears to be sufficient to accommodate renter households, though may not be affordable, particularly since many of these large rental units are likely single-family homes.



## **Elderly and Frail Elderly**

The elderly and frail elderly special needs population (age 65 and above) comprise 12,792 residents in Westminster (14%), reflecting a greater proportion of seniors in comparison with Orange County (12%) and California as a whole (11%). The number and proportion of elderly is projected to continue to increase over the coming decades due to the aging of the "Baby Boom" generation and longer life expectancies, increasing the demand for senior housing, both independent and assisted living. While more than half of Westminster's seniors own their own home (62%), a substantial proportion (38%) are renters, and thus are particularly vulnerable to rent increases due to their lower fixed incomes (source: 2010 Census). CHAS data compiled by HUD identifies 70% of senior renter households in Westminster as low income (<50% AMI), with nearly half extremely low income (<30% AMI). This population is particularly vulnerable to rent increases as the majority are on fixed incomes. Approximately 38% of elderly residents in Westminster have some type of disability, which may limit their abilities to live independently.

The housing needs of the elderly include affordable housing located near transportation and services, home maintenance assistance, and various levels of supportive housing. For seniors remaining in their homes, they may require ramps, handrails, lower cabinets, and counters to facilitate greater access and mobility, and a variety of services to support independent living.

## **Persons with Disabilities**

Approximately ten percent of Westminster's population, or 8,678 persons, report having some type of disability (source: 2008-12 American Community Survey). Of the City's disabled population, over half are senior citizens. Of the 4,087 remaining non-senior disabled persons:

- 52% have cognitive disabilities
- 45% have ambulatory disabilities
- 31% have difficulty living independently
- 16% have difficulty with self-care
- 15% have vision difficulty
- 14% have hearing difficulty

Depending on the nature and extent of the disability, the housing needs of persons living with disabilities include accessible housing, supportive housing, and community care facilities. Another serious problem that people with disabilities face is one of housing affordability. The Task Force on Family Diversity estimates that at least one-third of all persons with disabilities in the United States live in poverty. Persons with disabilities have the highest rate of unemployment relative to other groups: 73% of Westminster's population aged 16-64 was employed, compared to just 34% of disabled persons in the same age group (*Source: 2005-2007 American Community Survey*). With over 400 Westminster families with a disabled member on



the Orange County Housing Authority's Section 8 waiting list, the unmet housing needs of the disabled population are significant.

In addition to health care services, persons with disabilities need affordable and accessible housing as well as accessible transportation. In order to provide accessible housing, special designs and/or accommodations may be necessary. These may include ramps, holding bars, wider doorways, lower sinks and cabinets, and elevators. Housing should be accessible through the use of special design features to accommodate wheelchairs and persons with mobility limitations.

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.

For those persons who may not be able to live on their own or with family members and require additional care and supervision, licensed community care facilities offer special residential environments for persons with disabilities including physical, mental, and emotional disabilities. Several licensed community care facilities that serve disabled persons are located in Westminster. An inventory of residential care facilities is provided later in Table II-25, along with a map showing their geographic location (refer to Figure10).

### **Single-Parent Households**

Single-parent households face challenges in providing shelter and an income for their families. Single-parent households are often single-income households and are more likely to have lower incomes than two-parent households. According to the 2000 Census, the median income for a male single parent household was \$36,250, and for a female single parent household was \$27,466, or \$46,461 and \$35,203, respectively, when adjusted for inflation in 2008. These incomes are significantly lower than the median income of \$53,786 (\$68,937 adjusted) for a two-parent household. In 2000, the number of single-parent households with children under the age of 18 was 2,074, representing 7.4% of Westminster's households. The 1,327 female-headed households with children under the age of 18 represented 5% of the City's total households.

By 2010 the number of single parent households in the City had increased significantly. According to the 2011 American Community Survey, the number of single-parent households with children under 18 was 5,027, representing 26% of the City's households with children. Twenty-four percent of these single-parent households have incomes below the federal poverty line. Single parent households are particularly vulnerable to discrimination, as confirmed by the Fair Housing Foundation which identifies familial status as one of the top discrimination complaint issues within their 23 city service area.



## **Persons with HIV/AIDS**

Persons with HIV/AIDS are considered a special needs group due their need for affordable housing, health care, counseling and other supportive services. The Orange County Health Care Agency tracks AIDS cases, and reports that as of 12/31/13, there were 6,215 persons living with HIV disease (PLWHD) in Orange County, with an estimated additional 1,364 who are unaware of their HIV status. Orange County's "2010 HIV Disease Surveillance Report" provides information on the city of residence of persons with HIV at the time of diagnosis; within Westminster, the 2010 Surveillance Report identified 164 PLWHD.

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. 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 accommodation, or other factors.

## **Homeless Individuals and Families**

The transient nature of homeless persons in Westminster specifically poses a challenge to identifying the exact number of homeless persons and their specific needs. The Westminster Police Department estimates that the City's daytime homeless population consists of approximately 40-50 chronically homeless persons, peaking during the warm summer months (February 2015). The Police Department generally observes homeless persons congregating in large commercial areas and in the section of the Bolsa Avenue corridor known as Little Saigon. The majority of Westminster's visible homeless population is made up of single, adult males. Most appear to leave the City in the evening. Those who do reside in Westminster at night sleep in cars or in temporary structures behind commercial buildings and out of public view. According to the Police Department, many appear to suffer from mental health or substance abuse problems. Homeless individuals may be well served by SRO units and transitional housing. Transitional housing facilities offer personal development programs, often augmented with health maintenance and professional counseling. Personal skills must be developed if true self-sufficiency is to be achieved.

According to Westminster's 2014-2021 Housing Element, homeless families in Westminster are less visible because they may stay in a different home, motel, or shelter each day of the week. The Westminster School District (kindergarten through 8<sup>th</sup> grade) reported as part of their McKinney-Vento Homeless Education Funding a total of 1,722 homeless children in the District. The primary nighttime residency of these homeless children consists of temporary shelters (20), hotels/motels (10), temporarily doubled up (1,681) and temporarily unsheltered (3). Homeless families have special needs with regard to housing, such as size to accommodate adequate personal space, affordable child care, and various forms of counseling and life skills training.



## C. INCOME PROFILE

Income is a key factor affecting housing choice and one's access to housing. Income related issues such as access to credit, debt-to-income ratio, and one's credit history play a major role in housing choices and opportunities. This section presents a profile of the income of Westminster's residents. Credit issues and lending are analyzed in the Section entitled "Review of Potential Impediments."

### Income Definitions

Consistent with federal regulations, the income categories defined in Table II-6 are used throughout the AI. The associated 2015 Orange 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: HUD Income Categories**

Income Category	Percent Area Median Income (AMI)	2015 Orange Co Income Limits - 4 person hh
Extremely Low	0-30%	\$28,900
Low	31-50%	\$48,150
Moderate	51-80%	\$77,050
Above Moderate	>80%	\$77,050+

Source: [www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf](http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf)

### Income Characteristics

As shown in Table II-7, American Community Survey estimates show increases in Westminster's median household income from \$56,027 in 2007 to \$56,867 in 2011, whereas family median incomes decreased from \$65,178 to \$61,145. While Westminster households generally earn less than households countywide, incomes are similar to those in the nearby cities of Costa Mesa and Garden Grove.

**Table II-7: Household Income 2007 and 2011**

Household Income	2007		2011 Estimate		Difference	
	Households	%	Households	%	Households	%
Less than \$25,000	4,926	18.2%	5,851	21.6%	925	+18.8%
\$25,000 to \$49,999	5,961	22.0%	6,416	23.7%	455	+7.6%
\$50,000 to \$74,999	5,419	20.0%	4,415	16.3%	-1,004	-18.5%
\$75,000 to \$99,999	4,187	15.5%	3,737	13.8%	-450	-10.7%
\$100,000 to \$149,999	4,525	16.7%	4,026	14.9%	-499	-11.0%
≥ \$150,000	2,071	7.6%	2,647	9.7%	576	+27.8%
<b>TOTAL</b>	<b>27,089</b>	<b>100%</b>	<b>27,092</b>	<b>100%</b>	<b>+3</b>	<b>+14.0%</b>
Median HH Income	\$56,027	--	\$56,867	--	+840	+1.5%
Median Family Income	\$65,178	--	\$61,145	--	-4,033	+6.2%

Source: ESRI 2007 and 2007-2011 American Community Survey 5-Year Estimates  
Income forecasts expressed in current dollars and adjust for inflation.



An area of low to moderate income concentration is defined by HUD as a census tract or block group where 51 percent or more of the residents earn 80 percent or less of the area median income (AMI). Figure 5 depicts the census block groups in Westminster which meet this definition and are thus considered low and moderate-income concentrations. As reflected in this Figure, low and moderate income concentrations are generally located in the central and eastern portions of the City.

### Income by Household Type

Table II-8 details income distribution by household type in Westminster. Based on data from HUD, over 60% of elderly households had low or moderate-incomes. In particular, one-quarter of elderly households had extremely low-incomes. About 38% of small families and 42% of large families had low or moderate-incomes.

**Table II-8: Income Level by Household Type**

Income Level	Elderly	Small Family	Large Family
Extremely Low (0-30% MFI)	25%	12%	13%
Low (30-50% MFI)	17%	10%	17%
Moderate (50-80% MFI)	19%	16%	22%
Middle/Upper-Income (>80% MFI)	39%	62%	48%
TOTAL	100%	100%	100%

Source: HUD, CHAS Data Book.

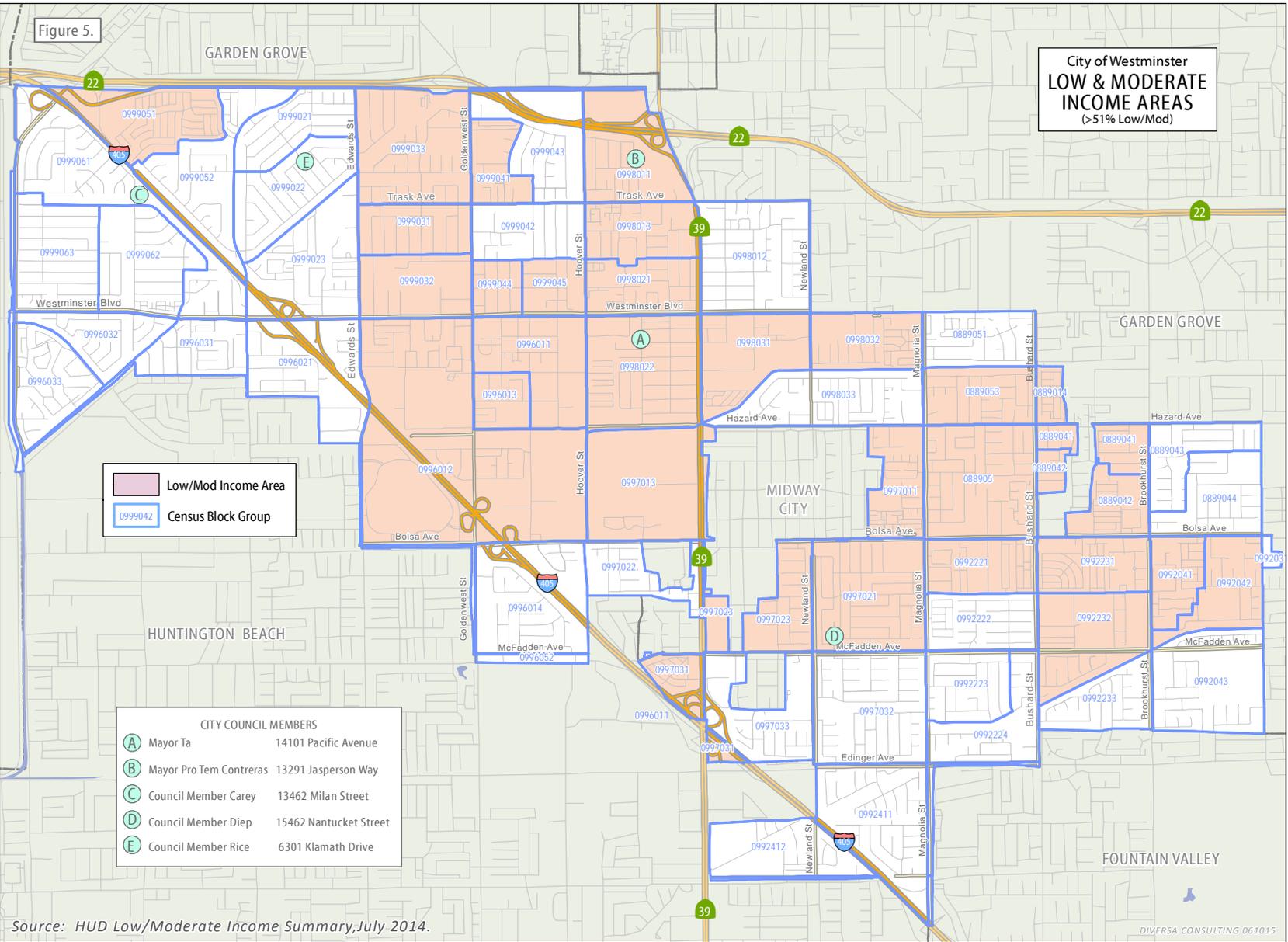
Figure 5.

City of Westminster  
LOW & MODERATE  
INCOME AREAS  
(>51% Low/Mod)

Low/Mod Income Area  
Census Block Group

CITY COUNCIL MEMBERS

A	Mayor Ta	14101 Pacific Avenue
B	Mayor Pro Tem Contreras	13291 Jasperson Way
C	Council Member Carey	13462 Milan Street
D	Council Member Diep	15462 Nantucket Street
E	Council Member Rice	6301 Klamath Drive



Source: HUD Low/Moderate Income Summary, July 2014.



## Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. For example, the 2015 U.S. poverty threshold for a four person household is \$24,250, whereas the poverty threshold for an individual is \$11,770. As indicated in Table II-9, approximately 14% of Westminster residents lived in poverty in 2010, fairly consistent with the level of poverty in 2000, though slightly higher than the 11% of individuals in poverty Countywide. As a group, female-headed households with children are most impacted by poverty, with 26% percent of this group living in poverty in Westminster in 2010.

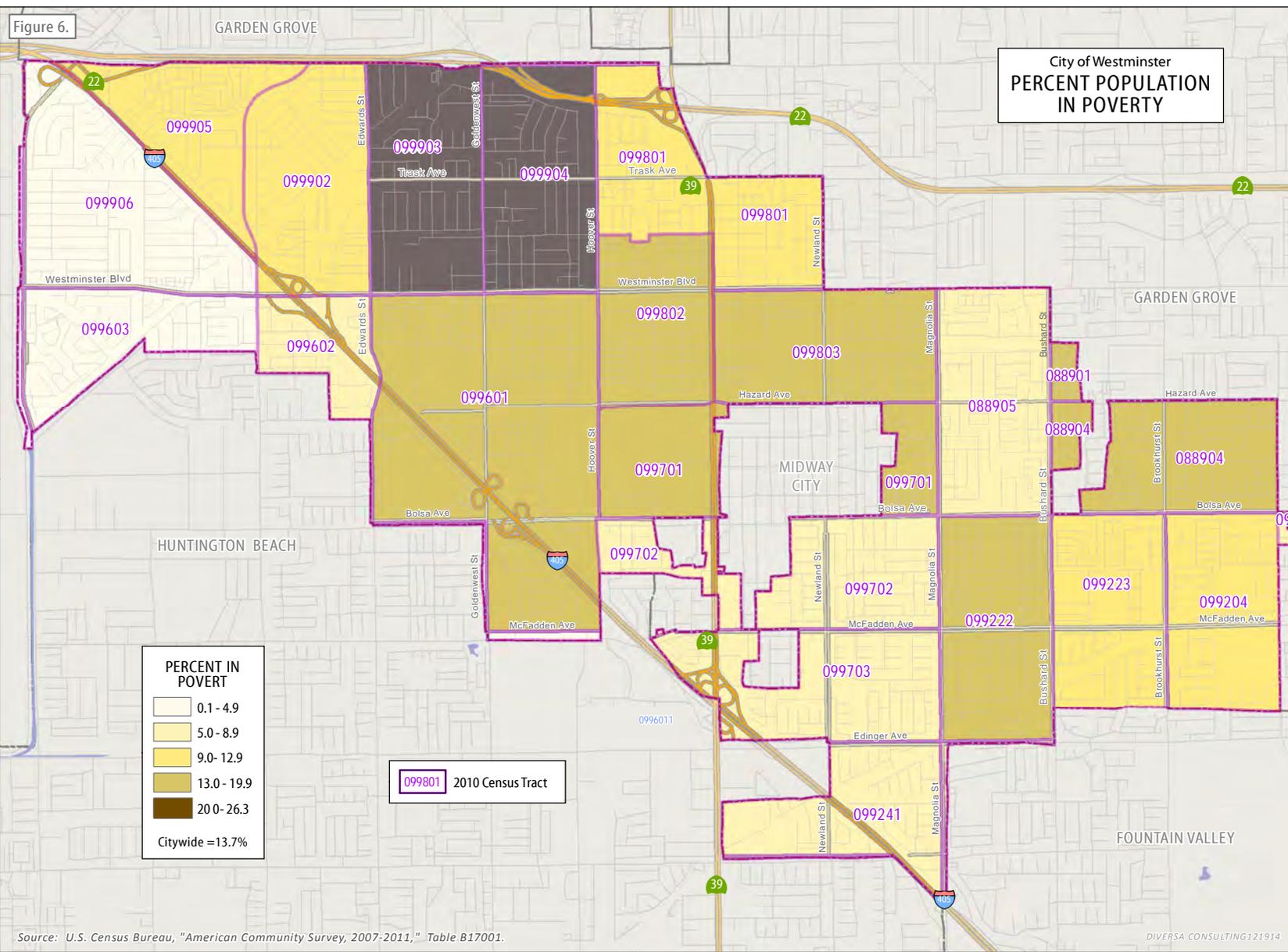
**Table II-9: Poverty Status**

Groups in Poverty	2000		2010	
	Persons/ Families	Percent	Persons/ Families	Percent
Individuals	11,757	13.5%	12,176	13.7%
Children (under 18)	4,005	(18.0%)	3,879	(18.8%)
Families	2,192	10.7%	2,484	11.7%
Female-Headed w/ Children	376	(23.1%)	483	(25.8%)

Source: U.S. Census, 2000. American Community Survey, 2007-2011.

Figure 6 illustrates levels of poverty in Westminster by census tract, with the darkest shade depicting areas where between 16-26.7% of the population is in poverty. These areas are primarily concentrated in the central portion of the City, along with several pockets on the eastern edge of the City, including Little Saigon. A comparison with Figure 3 which depicts areas with a high proportion of Hispanic residents illustrates a strong correlation with Westminster's highest levels of poverty. Some, but not all of census block groups with the highest Asian populations (as depicted in Figure 2), also correspond to areas with high levels of poverty.

Figure 6.





## D. HOUSING PROFILE

This section presents Westminster’s housing characteristics, conditions, market conditions, and housing affordability.

### 1. Housing Characteristics

Table II-10 presents the City's housing unit mix, as documented by the 2007-2011 American Community Survey (ACS). The City has approximately 28,400 housing units, with single-family detached homes remaining the predominant housing type. Over the past decade, most of the housing growth in Westminster occurred in multi-family units and multifamily developments of five or more units. The reduction in housing production and construction favoring attached housing types is a reflection of the increasingly limited availability of vacant land for new housing development. In recent years the City has engaged in infill development and recycling of lower density development to higher densities. (Source: 2014-2021 Housing Element)

**Table II-10: Housing Type 2010**

Unit Type	Units	Percent
Single-Family (SF) Detached	15,492	55%
SF Attached	2,368	8%
<b>Total Single-Family</b>	<b>17,860</b>	<b>63%</b>
2 - 4 Units	2,284	8%
5 - 19 Units	2,258	8%
20+ Units	2,831	10%
<b>Total Multi-Family</b>	<b>7,373</b>	<b>26%</b>
Mobile Homes & Other	3,128	11%
<b>Total Housing Units</b>	<b>28,361</b>	<b>100%</b>

Source: 2007-2011 American Community Survey.

Housing tenure refers to whether a housing unit is owned, rented or is vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities, and the ability of residents to afford housing. Tenure also influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. As indicated in Table II-11, the 2007-2011 ACS identifies 56% of Westminster's households as owners and 44% as renters. Over the past three decades, owner occupancy has been declining in Westminster. This shift in tenure may be attributed in part to the increasing cost of home ownership and the trend of developing multifamily housing to maximize use of the City’s residentially zoned lands.

Another important characteristic of the City's housing supply is the size of units with respect to the number of bedrooms. Large households, defined as households with five or more members, generate the need for units with three or more bedrooms.



With 30% of Westminster's rental stock consisting of units with three or more bedrooms, compared to 19% of renter households having five or more members, the supply of large rental units appears to be sufficient to accommodate renter households, though may not be affordable, particularly since many of these large rental units are likely single-family homes.

As for single-person households, approximately 19% of the City's renters consist of one person households, whereas only 4% of the rental stock consists of studio (no bedroom) units. While one-bedroom units comprise an additional 21% of Westminster's rental housing, high rental prices render these units unaffordable to the majority of single individuals. In summary, the need for small rental units exceeds that for units with three or more bedrooms.

**Table II-11: Unit Size by Tenure**

# of Bedrooms	Owners		Renters	
	Units	Percent	Units	Percent
Studio	21	0%	451	4%
1 Bedroom	179	1%	2,468	21%
2 Bedrooms	2,072	14%	5,419	45%
3 or more Bedrooms	12,851	85%	3,631	30%
<b>Total</b>	<b>15,123</b>	<b>100%</b>	<b>11,969</b>	<b>100%</b>

Source: 2007-2011 American Community Survey.

## Overpayment

Housing overpayment, as defined by the State and Federal government, refers to spending more than 30 percent of income on housing costs; severe overpayment refers to spending greater than 50 percent of income. Table II-12 shows the incidence of overpayment in Westminster.

**Table II-12: Housing Overpayment**

Overpayment	2010		2000
	Households	Percent	Percent
<b>Owners</b>			
>30% Household Income	6,052	40.0%	30.0%
<b>Renters</b>			
>30% Household Income	7,261	64.8%	50.8%
>50% Household Income	4,304	37.4%	25.0%
<b>Total Overpayment</b>			

Source: ACS 2007-2011, U.S; Census 2000.

Note: >50% Household Income is a subset of >30% Household Income.



According to the 2007-2011 American Community Survey, an estimated 65% of renters and 40% of homeowners in Westminster were "overpaying" in 2010. This level of overpayment represents a significant increase from 2000 when 51% of renters and 30% of owners were overpaying. Severe overpayment among renters has also increased, rising from 25% to 37%.

Table II-13 provides a breakdown of households that experienced overpayment by income level and household type. Among Westminster's approximately 8,795 low and moderate income (<80% AMI) renter households, 6,955 (79%) face a cost burden of spending greater than 30% of income on rent. Nearly half of the City's low and moderate income renters face a severe cost burden, with 4,175 spending more than 50% of income on rent.

**Table II-13: Housing Overpayment by Household Income and Type**

Household Type	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	1,520	1,285	615	3,420	370	410	910	1,690
Large Related	580	470	135	1,185	114	270	320	704
Elderly	1,065	345	200	1,610	480	365	205	1,050
Other	285	215	240	740	115	75	80	270
<b>Total</b>	<b>3,450</b>	<b>2,315</b>	<b>1,190</b>	<b>6,955</b>	<b>1,079</b>	<b>1,120</b>	<b>1,515</b>	<b>3,714</b>

Source: HUD, CHAS Data, 2007-2011 ACS

As depicted in Figure 7 on the following page, census block groups with the highest concentrations of severe renter overpayment (60-90% of all renters spending >50% income on rent) are located on the eastern edge of the City in Little Saigon; east of Goldenwest Street immediately south of the Garden Grove freeway; and south of Westminster Boulevard on the western edge of the City. Consultation with housing, homeless and public service providers identify the shortage of affordable rental housing as the most significant issue facing Westminster's low and moderate income residents.



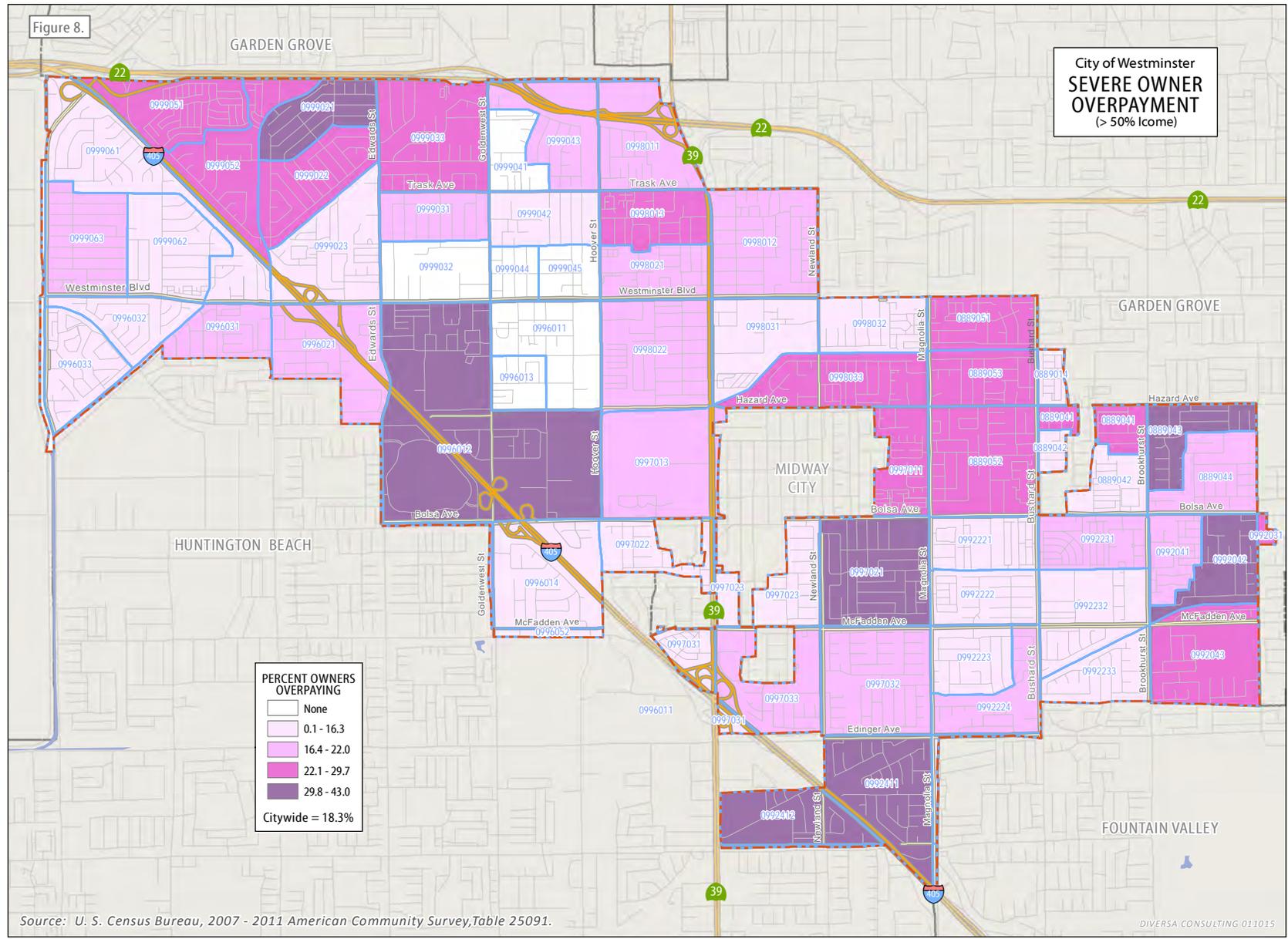
Figure 8.

City of Westminster  
SEVERE OWNER  
OVERPAYMENT  
(> 50% Income)

PERCENT OWNERS OVERPAYING

None
0.1 - 16.3
16.4 - 22.0
22.1 - 29.7
29.8 - 43.0

Citywide = 18.3%



Source: U. S. Census Bureau, 2007 - 2011 American Community Survey, Table 25091.



## Overcrowding

The Census defines overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways). The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units. Table II-14 shows the incidence of overcrowding in Westminster by tenure in both 2010 and 2000.

**Table II-14: Overcrowded Households**

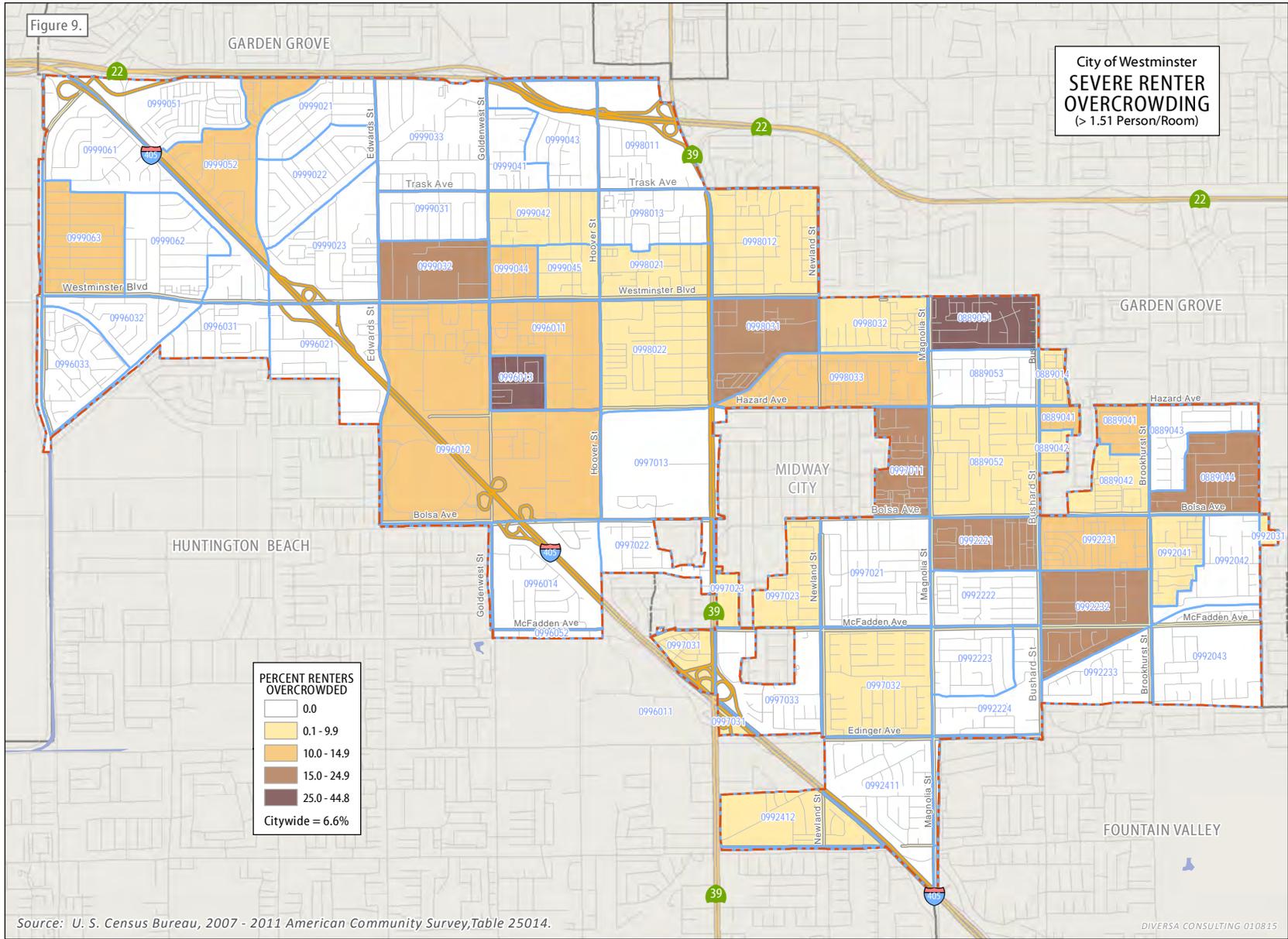
Overcrowding	2010		2000
	Households	Percent	Percent
<b>Owners</b>			
Overcrowding	996	6.6%	12.3%
Severe Overcrowding	198	1.3%	5.1%
<b>Renters</b>			
Overcrowding	2,344	19.6%	38.7%
Severe Overcrowding	976	8.2%	27.3%
<b>Total Overcrowding</b>	<b>3,340</b>	<b>12.3%</b>	<b>22.8%</b>

Source: ACS 2007-2011, U.S. Census 2000.

Note: Severe overcrowding is a subset of overcrowding.

As Table II-14 shows, the incidence of overcrowding in Westminster has fallen dramatically, from 39% of all renters in 2000 to 20% a decade later (as documented by the 2007-2011 ACS). Severe overcrowding (defined as more than 1.5 persons per room), impacts 8% of renters in Westminster, a significant decline from the 27% severe renter overcrowding in 2000. As depicted in Figure 9 on the following page, two census block groups in Westminster evidence severe renter overcrowding in excess of 25%: the neighborhood south of Westminster Boulevard and east of Magnolia Street; and the small neighborhood east of Goldenwest Street and north of Hazard Avenue.

Figure 9.





## 2. Housing Conditions

The age of a community's housing stock can provide an indicator of overall housing conditions. Typically housing over 30 years in age is likely to need rehabilitation work to major elements of the structure, such as roofing, siding, plumbing and electrical systems. As a mature community, the majority of Westminster's housing stock consists of units older than 30 years of age, as depicted in Table II-15. Among owner-occupied housing, 85% of units were constructed prior to 1980, reflective of post WWII building boom throughout much of Orange County. Similarly, a substantial proportion of Westminster's rental housing is greater than 30 years in age (75%); this housing typically suffers more wear-and-tear from tenants than owner-occupied housing.

**Table II-15: Age of Housing Stock**

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	658	4%	746	6%
1980-1999	1,606	11%	2,255	19%
1950-1979	12,395	82%	8,279	69%
Before 1950	464	3%	689	6%
<b>Total</b>	<b>15,123</b>	<b>100%</b>	<b>11,969</b>	<b>100%</b>

Source: ACS 2007-2011

The Condition of Units in Table II-16 presents the number of housing units in Westminster with one or more housing problems, including: 1) lacks complete plumbing facilities, 2) lacks complete kitchen facilities, 3) more than one person per room, and 4) cost burden greater than 30%. As presented, 43% of owner units have one or more of these problems (or "conditions"), and 69% of renter units have one or more problems. The vast majority of these problems are associated with housing cost burden, rather than household overcrowding or the physical condition of the unit, as confirmed by Westminster's 2015/16-2019/20 Consolidated Plan (Table 9 Housing Problems among households earning up to 100% AML) which identifies just 385 units in Westminster as lacking complete plumbing or kitchen facilities, and approximately 2,700 overcrowded households, in comparison to nearly 9,800 households experiencing overpayment.

**Table II-16: Condition of Units**

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	6,178	41%	6,680	56%
With two selected Conditions	377	2%	1,473	12%
With three selected Conditions	7	0%	33	0%
With four selected Conditions	0	0%	61	1%
No selected Conditions	8,561	57%	3,722	31%
<b>Total</b>	<b>15,123</b>	<b>100%</b>	<b>11,969</b>	<b>100%</b>

Source: 2007-2011 CHAS



As documented in Westminster's 2014-2021 Housing Element, a windshield survey was conducted of the City's housing stock to assess maintenance and rehabilitation needs. A ranking system with basic criteria was established for classifying various housing conditions. The ranking system designed guidelines for evaluating a combination of factors including the structural condition of the building, as well as the condition and age of building materials and fixtures, such as windows, painting and garages. The ranking system utilizes numerical values of 1 through 4:

- 1) Excellent: New or well-maintained housing requiring little or no rehabilitation
- 2) Good: Housing condition appropriate to age with minimal maintenance issues
- 3) Fair: Obvious deferred maintenance, potentially correctable
- 4) Poor: Significant deferred maintenance, uncorrectable; replacement required

Using these criteria, a citywide parcel-by-parcel windshield survey was performed, assigning a value to each housing unit or multifamily building based on its condition as viewed from the public right-of-way. Survey results indicate that an estimated 25.8% of the housing stock is in excellent condition and does not require any rehabilitation. As shown in Table II-17, the majority of units, 65.4%, are in good condition. An estimated 8% are in need of maintenance and rehabilitation. Approximately 151 units (0.6% of the housing stock) are in need of replacement.

**Table II-17: Housing Conditions Survey**

Rating	Single-family Units	Multi-family Units	Total Units	Percent
Excellent	4,699	1,397	6,096	25.8%
Good	9,125	6,239	15,364	65.4%
Fair	780	1,091	1,871	8.0%
Poor	37	114	151	0.6%
<b>Total</b>	<b>14,641</b>	<b>8,841</b>	<b>23,482</b>	<b>100%</b>

Source: City of Westminster 2014-2021 Housing Element

The survey results indicate that additional rehabilitation efforts should concentrate on multi-family housing. More multi-family properties appear to need rehabilitation and demolition than single-family properties. An estimated 13.6% of multi-family properties exhibited signs of fair or poor condition opposed to 5.6% of single-family properties. Approximately three-quarters of the properties in need of replacement and one-half of properties in need of repair are multi-family.



### 3. Housing Market Analysis

#### Home Ownership Market

Table II-18 documents all new and existing single-family home and condominium sales in Westminster and nearby communities during the month of July 2015. As documented by CoreLogic, the median sales price for the 57 single-family and condominium units sold in Westminster during this one month period was \$549,000, reflecting a 4.8% over the prior year. Sales prices in Westminster were on average slightly below the Countywide median of \$615,000. All communities evidenced an increase in the median sales price, with the exception of Huntington Beach which evidenced a slight decrease in price, in part a reflection of the greater incidence of condominium vs single-family sales in the City.

**Table II-18: Single-Family Home and Condominium Sales: July 2015**

Community	# Units Sold	Median Sales Price	% Change July 2014
<b>Westminster</b>	<b>57</b>	<b>\$549,000</b>	<b>4.8%</b>
Costa Mesa	86	\$700,000	7.3%
Fountain Valley	63	\$710,000	6.2%
Garden Grove	118	\$472,500	8.6%
Huntington Beach	255	\$640,000	-1.2%
Santa Ana	186	\$440,000	6.0%
Orange County	3,685	\$615,000	5.3%

Source: [www.corelogic.com/downloadable-docs/dqnews\\_ca-home-sales\\_july2015](http://www.corelogic.com/downloadable-docs/dqnews_ca-home-sales_july2015)

#### Rental Housing Market

With over 40% of the City’s housing comprised of rentals, Westminster has a very active rental market. Table II-19 presents the results of an February 2015 survey of apartments advertised as available for rent in Westminster. One and two-bedroom units were the predominant units available, renting for a median of \$1,360 and \$1,625 respectively. A far more limited number of studio units, renting for a median of \$1,090, and three-bedroom units, renting for a median of \$1,920, were available.

**Table II-19: Westminster Apartment Rents 2015**

# Bedrooms	Median Rent
Studio	\$1,090
One Bedroom	\$1,360
Two Bedroom	\$1,625
Three Bedroom	\$1,920

Source: Craigslist.com, February 2015.



## 4. Housing Affordability

The affordability of housing in Westminster 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. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

### Homeowner Affordability

Housing sales price statistics reported by Core Logic for July 2015 documented a median sales price of \$549,000 in Westminster during the one month period. By way of example, Table 40 presents the maximum affordable purchase price for a four person, middle income household earning 120% of the Orange County median income (\$104,650). As illustrated below, the maximum affordable purchase price for a four person household is \$492,000, reflecting a "gap" of about \$57,000 between the median market sales price of \$549,000 in Westminster. While there are some older, lower priced units, it is unlikely that few, if any, market rate homes or condos would be affordable to lower- or moderate-income residents (up to 80% AMI).

**Table II-20: Orange County Maximum Affordable Housing Cost (120% AMI)**

<b>Affordable Housing Cost</b>	<b>4 person household</b>
Household Income @ 120% Median	\$104,650
Income Towards Housing @ 35% Income	\$36,628
Maximum Monthly Housing Cost	\$3,052
Less Ongoing Monthly Expenses:	
Utilities	\$124
Property Taxes (1.1% affordable sales price)	\$450
Insurance	\$130
HOA Fees, Maintenance & Other	\$200
Monthly Income Available for Mortgage	\$2,148
Supportable 30 yr Mortgage @ 4.125% interest	\$443,000
Homebuyer Downpayment (10% of affordable hsg price)	\$49,000
<b>Maximum Affordable Purchase Price</b>	<b>\$492,000</b>
<b>Westminster Median Sales Price</b>	<b>\$549,000</b>

Notes:

1. 35% affordability based on H&S Code Section 50052.5.
2. Household income based on 2014 State HCD income limits for Orange County.
3. Utilities based on OCHA utility allowance schedule for gas, electricity, water and trash.
4. Supportable mortgage based on 30 year fixed at 4.15% APR interest.

Table prepared by Karen Warner Associates, Inc.



## Renter Affordability

Table II-21 presents the maximum affordable rents for extremely low, low and moderate income households by household size, and compares with average apartment rents in Westminster (as documented previously in Table 36). As the table below indicates, citywide median rents are above the level of affordability for all extremely low and low income households. Small one and two person moderate income households (earning up to 80% area median income) are able to afford market rents in Westminster, but as household size increases, so does the affordability gap.

**Table II-21: Comparison of Market and Affordable Rents**

Income Level	Maximum Affordable Rent After Utilities Allowance*			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Extremely Low Income (0 - 30% AMI)	\$416	\$471	\$531	\$559
Low Income (31 - 50% AMI)	\$755	\$856	\$964	\$1,040
Moderate Income (51 - 80% AMI)	\$1,260	\$1,433	\$1,614	\$1,762
<b>Westminster Median Apt Rents</b>	<b>\$1,090</b>	<b>\$1,360</b>	<b>\$1,625</b>	<b>\$1,920</b>

**Table 39 – Comparison of Market and Affordable Rents**

\*For comparability with advertised rentals, affordable rent calculations subtract the following utility expenses based on the Orange County Housing Authority utility allowance schedule: \$89 for studios, \$108 for 1 bdrms, \$120 for 2 bdrms, and \$164 for 3 bdrms  
Source: Karen Warner Associates, Inc.



## E. PUBLIC AND ASSISTED HOUSING

This section provides an overview of assisted housing projects in Westminster, as well as tenant-based Section 8 rental assistance; no publicly owned housing is located in Westminster.

### 1. Assisted Rental Housing

As presented in the Assisted Rental Housing Inventory (Table II-22), Westminster has 483 deed-restricted affordable units within eleven projects serving very low, low and moderate income households. Approximately three-quarters (357 units) of these affordable units are for senior citizens, with one-quarter available to family households. Figure 10 on the following page presents the geographic location of affordable rental housing in Westminster.

The City's affordable projects are financed through a variety of funding sources, including tax credits, HOME and former Redevelopment Housing funds, which require long-term affordability controls. Upon expiration of a project's affordability controls, the affordable units are at risk of being sold or converted to market rate housing. Based on review of the City's database records, none of Westminster's affordable rental housing projects have affordability controls eligible to expire during the next 10 years (2015 through 2025).

**Table II-22: Publicly Assisted Rental Housing**

Project Name	Location	Project Type	Affordable Units	Earliest Expiration Date
<b>Locust Street Affordable Housing Solutions<sup>1</sup></b>	13811 Locus St	Family	3 low income (60% AMI)	2036
<b>American Family Hsg-Triplex</b>	13942 Cedar St	Family	3 very low	2060
<b>American Family Hsg-Single-family</b>	8022 Worthy Dr	Family	1 low income	2055
<b>Windsor Court</b>	8140 13th St	Senior	22 very low, 36 low	2060
<b>Straford Place</b>	8144-8158 13th St	Family	27 very low	2060
<b>Coventry Heights</b>	7521 Wyoming St	Senior	76 very low	2058
<b>AMCAL Royale Apartments</b>	280 Hospital Circle	Family	26 very low, 9 low	2065
<b>Newland Street SRO</b>	14041 Newland St	Family	53 very low	2061
<b>Westminster Senior Apartments</b>	7632 21st St	Senior	28 very low, 63 low	2058
<b>Rose Gardens</b>	8190 13th St	Senior	132 low	2026
<b>Village Way</b>	14282 Village Way	Family	4 moderate	2027
<b>Total</b>			<b>483 units</b>	

Source: Westminster Housing Authority Annual Report, FY 2013-2014; Westminster 2014-2021 Housing Element.

<sup>1</sup>Project currently under construction, with expected opening in 2016.





## 2. Tenant-Based Housing Assistance

Tenant-based rental assistance provides a portable form of housing assistance. The Housing Choice (Section 8) Voucher Program is funded by HUD and administered by the Orange County Housing Authority (OCHA) within Westminster. With this program, an income-qualified household can use the voucher at a variety of rental dwellings and locations with any property owner who is willing to participate in the program.. Section 8 tenants pay a minimum of 30 percent of their income for rent and OCHA pays the difference, up to the payment standard established by OCHA. OCHA establishes payment standards based on HUD-established Fair Market Rents (FMR). The owner's asking price must be supported by asking rents in the area, and any rental amount in excess of the payment standard is paid for by the tenant. Based on current HUD regulations, of those new households admitted to the Section 8 program, three-fourths must have incomes of less than 30 percent of the area median, while one-quarter may have incomes up to 80 percent of the median.

Table II-23 presents the current Section 8 rent payment standards in the Orange County Housing Authority jurisdiction. In comparison to Westminster market rents presented earlier in Table II-19, Section 8 rents are fairly comparable. Consistency between market rents and Section 8 payment standards facilitates the participation of private landlords in the Housing Choice Voucher Program, as evidenced by over 2,000 active Section 8 leases in Westminster.

**Table II-23: Orange County Section 8 Rent Payment Standards**

<b>Bedroom Size</b>	<b>0-bdr</b>	<b>1-bdr</b>	<b>2-bdr</b>	<b>3-bdr</b>	<b>4-bdr</b>
Basic Rent Payment Standard (including utilities) Effective 2/1/15	\$1,119	\$1,312	\$1,610	\$2,254	\$2,509

Source: Orange County Housing Authority, September 2015.

### Patterns of Occupancy

As of August 2015, OCHA reports a total of 2,001 Westminster households are receiving Section 8 housing vouchers. Table II-24 identifies the distribution of vouchers by race/ethnicity and household type for current voucher holders. The vast majority of households receiving vouchers in Westminster are Asian/Pacific Islander (1,761 vouchers), followed by Whites (125 vouchers), Hispanic/Latinos (83 vouchers), and African Americans (21 vouchers).



According to HUDs Comprehensive Housing Affordability (CHAS) database, there were an estimated 6,590 low income (50% AMI) renter households in Westminster in 2010, generally the eligible population for rental assistance vouchers. With 2,001 households receiving rent vouchers from OCHA, approximately 30% of Westminster's eligible renter population is served by rental assistance vouchers. As illustrated in Table II-24, Asian households are well represented in that 35% of income eligible Asian renter households hold a voucher. In contrast, just 8% of eligible Hispanic renters and 7% of eligible White renters hold a voucher.

**Table II-24: Characteristics of Westminster Section 8 Voucher Recipients**

Household Characteristics	Number of Households with Vouchers	Estimate of Eligible Population (Renters <50% AMI)	Percent of Eligible Population with Vouchers
<b>Race/Ethnicity</b>			
Hispanic or Latino	83	990	8%
Non-Hispanic:			
Asian/Pacific Islander	1,761	5,010	35%
White	125	1,820	7%
African American	21	--	
Native American	13	--	
<b>Total Vouchers</b>	<b>2,001</b>	<b>6,590</b>	<b>30%</b>
<b>Special Needs Households</b>			
Disabled (non-elderly)	167	--	--
Elderly (non-disabled)	657	--	--
Elderly and Disabled	656	--	--

Source: Orange County Housing Authority, August 2015. 2007-2011 CHAS.

The reasons for the disparity in representation is not fully understood. Lower income Hispanic populations may face language barriers, may be unfamiliar with the Section 8 program, or may be reluctant to interface with government officials. As stated in OCHA's Administrative Plan (2015), "OCHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in OCHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved." According to OCHA's 2015/16 Annual Plan, 22% of applicants on the waiting list for Housing Choice Vouchers are Hispanic. In contrast, 2010 census data identifies 46% of the County's 1.2 million renters as Hispanic/Latino, indicating this ethnic group is underserved both in Westminster and on a county-wide basis.

Pursuant to OCHA's Administrative Plan (2015), OCHA will take affirmative steps to communicate with people who need services or information in a language other than English. OCHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. Where feasible, OCHA will train and hire bilingual staff to be available to act as interpreters



and translators, will pool resources with other PHAs, and will standardize documents. Where feasible and possible, OCHA will encourage the use of qualified community volunteers.

Figure 11 illustrates the distribution of these 2,000 rental assistance vouchers by census tract. The highest numbers of vouchers (150-360 per census tract) are located in the central part of the City. 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 2), although not all low and moderate income areas evidence high levels of rental assistance and many voucher holders reside outside these areas. Areas in Westminster with the highest numbers of Hispanic residents (refer to Figure 7) also correspond to census tracts with the greatest numbers of rent vouchers.

## **Section 8 Admission Policies**

OCHA last opened its Housing Choice Voucher waiting list in February 2012, during which it received 48,298 applications for assistance. A total of 3,932 applicants living in Westminster are on the waiting list (including 1,334 elderly and 436 disabled households), second only to Santa Ana in the number of applicants by jurisdiction. Waiting list statistics highlight both the tremendous need for affordable housing in Westminster, and the need to assist a variety of family needs from differing demographics. The data indicates the need to serve special needs populations that are disabled and/or homeless, as well as the growing need to serve the expanding senior citizen population.

Since the demand for housing assistance far exceeds the limited resources available, long waiting periods are common. The amount of time on the wait list can disproportionately impact the elderly, who may be frail and have health problems.

HUD allows Housing Authorities to apply a system of local preferences in determining admissions to the Section 8 program. For waiting list openings after 2005, OCHA applies the following preferences to all pre-applicants, weighted in descending order:

### Members (living or working in OCHA's jurisdiction)

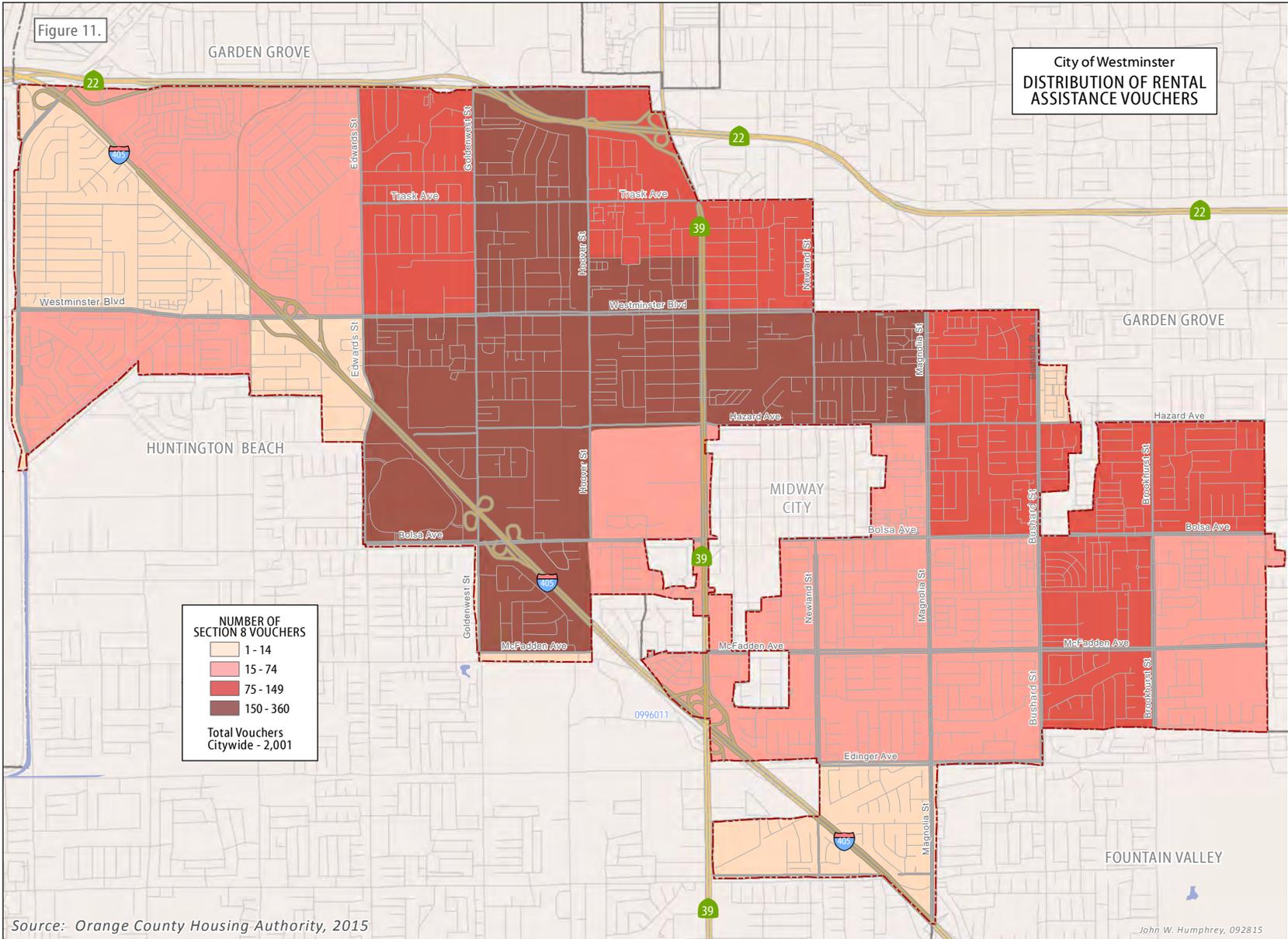
1. Families transitioning from Shelter + Care
2. U.S. Veterans – All
3. Non-Veterans - Elderly, Disabled, or Working Families
4. Non-Working Families

### Non-Members (not living or working in OCHA's jurisdiction)

5. U.S. Veterans – All
6. Non-Veterans - Elderly, Disabled, or Working Families
7. Non-Working Families

Figure 11.

City of Westminster  
DISTRIBUTION OF RENTAL  
ASSISTANCE VOUCHERS



Source: Orange County Housing Authority, 2015

John W. Humphrey, 092815



## 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. Facilities are licensed and monitored by the State Community Care Licensing Division. A description of each of the facility types located in Westminster is provided below:

- *Adult Residential Facilities:* provide 24-hour non-medical care for adults ages 18 through 59, including those with physical, developmental, and/or mental disabilities, who are unable to provide for their own daily needs.
- *Residential Care Facilities for the Elderly:* provide care, supervision and assistance to persons 60 years of age and over.
- *Adult Day Care:* A community-based less than 24-hour program that provides activities and services to persons 18 years of age or older who need or prefer a supervised setting.

As depicted in Table II-25, Westminster has five adult residential facilities, ten residential care facilities for the elderly, and one adult day care. 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. As depicted in Figure 10 in the prior section, residential care facilities are well dispersed throughout various neighborhoods in Westminster, and located both in and outside low and moderate income areas.

**Table II-25: Residential Care Facilities in Westminster**

Licensed Facilities	Facilities	Capacity (beds)
Adult Residential Facility	5	30
Assisted Residential Care for the Elderly	10	511
Adult Day Care	1	60

Source: California Dept. of Social Services, Community Licensing Division, September 2015.



## **G. ACCESSIBILITY TO PUBLIC TRANSIT**

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. Westminster is well served by public transit and there are many transportation choices for lower-income residents as well as the elderly and persons with disabilities who may not be able to drive.

Westminster has adequate transportation infrastructure to support its residential and business community. The City is served by two major freeways, Interstate 405 and California State Route 22, and the following transit systems:

- Amtrak - regional and nationwide rail service.
- Orange County Transportation Authority (OCTA) - regional and local bus service.
- Metrolink Light Rail - Orange County Line and Inland Empire/Orange County Line with stations in nearby Anaheim, Orange, and Santa Ana
- Westminster on Wheels (WOW) Senior Transportation Program - pre-scheduled door-to-door service for the elderly and disabled individuals.
- Private bus and taxi operators.
- School bus systems.

The City recognizes the importance of providing a transportation system that supports the economic vitality of the City. In fact, the City has made the provision of an efficient transit system offering residents, workers, and visitors of Westminster a viable alternative to the automobile a goal in the City's Transportation/Circulation Element. Policies and implementation strategies to meet this goal include the following:

- Coordinate and assist Little Saigon business associations in the provision of remote parking areas and shuttle services wherever feasible.
- Work closely with the Orange County Transportation Authority (OCTA), AMTRAK, the Southern California Association of Governments (SCAG), and private businesses to expand and improve the public transit service within and adjacent to the City.
- Encourage the possibility of developing rail transit service in or near the City of Westminster.



## H. EMPLOYMENT PROFILE

As depicted in Table II-26, the majority of jobs in Westminster fall within the following primary industries:

- Retail trade (32% of jobs)
- Health care, social assistance and education (26% of jobs)
- Accommodations and food services (14% of jobs)
- Other services (9% of jobs)

Jobs in retail comprise nearly one-third of all jobs in Westminster, which is indicative of the City's position as the internationally recognized social, cultural, and retail hub of the Vietnamese American community. With the continued development of Little Saigon into a destination retail attraction, the City expects to increase its amount of captured retail sales. This national and international marketplace serves as an important economic engine and is bolstered by the fact that it is an authentic cultural retail center, which is unique in Orange County. Coupled with the real estate demands in the area, retailers are provided with the opportunity to reach a broad demographic base that is actively looking for variety in shopping and entertainment choices, from large, well-established brands to emerging and specialty boutiques.

Jobs in education and health care represent over one-quarter of all jobs. The high concentration of jobs in this industry is the result of Westminster being the home of 13 elementary schools, two middle schools, one intermediate school, three high schools, Coastline Community College, as well as several medical and beauty schools.

**Table II-26: Westminster Jobs by Industry**

Industry	Number of Jobs	Percent
Retail Trade	6,101	31.6%
Health Care, Social Assistance and Education	5,117	25.5%
Accommodation and Food Services	2,780	14.2%
Other Services (excluding Public Administration)	1,762	9.0%
Professional, Scientific, and Technical Services	1,334	6.8%
Manufacturing	1,104	5.6%
Wholesale Trade	487	2.6%
Administration & Support, Waste Management and Remediation	482	2.5%
Real Estate and Rental and Leasing	425	2.2%
<b>Total Jobs</b>	<b>19,592</b>	<b>100%</b>

Source: US Bureau of the Census 2010



Table II-27 identifies major employers in Westminster with more than 100 employees, and further illustrates the dominance of retail, education and health services in the local economy. Westminster is home to many national retailers including: Lexus, Honda, Wal-Mart, Home Depot, Best Buy and Target. Figure 12 shows the location of these top employers and their proximity to public transportation. A clustering of the City's largest employers are located in the Westminster Mall, with most other employers located on or adjacent to the City's major arterial roadways. Because the City is well served by public transit, all these employment centers are within 1-3 blocks of a bus line. Adequate public transit is particularly critical for those households with low and moderate-incomes, which may be unable to afford the costs of an automobile. Thus, transit links between housing and jobs are essential.

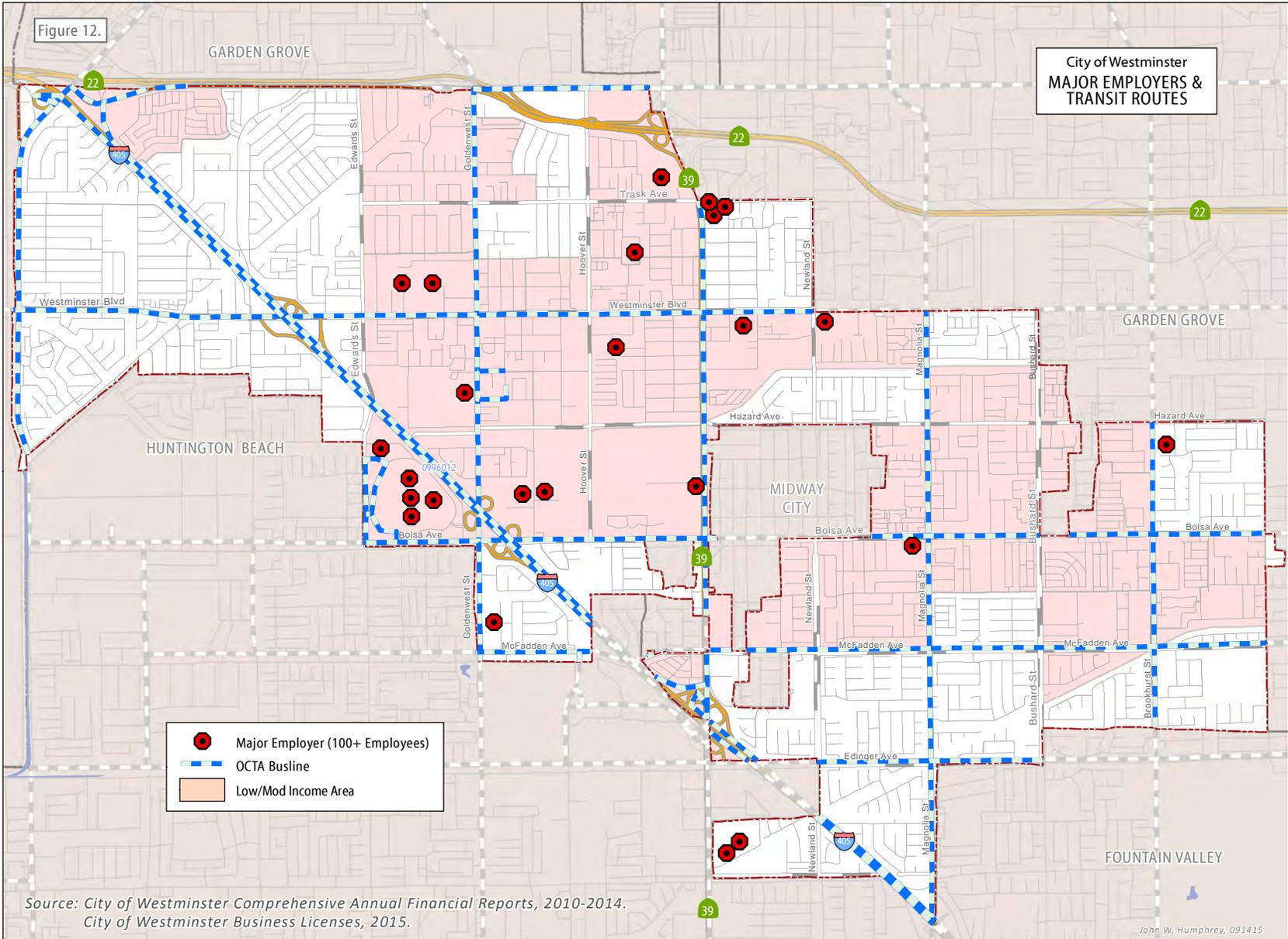
**Table II-27: Major Employers in Westminster**

<b>Employer</b>	<b>Industry</b>
Honda World	Auto Dealer
Lexus	Auto Dealer
Piercey Automotive	Automotive
Westminster High School	Education
Westminster School District	Education
City of Westminster (Civic Center)	Government
Kindred Hospital Westminster	Health Services
BE Aerospace Machined Products	Manufacturing
Westminster Memorial Park	Mortuary
Best Buy	Retail
Home Depot	Retail
JC Penny Co	Retail
Macy's	Retail
Sears	Retail
Target (2 stores)	Retail
Walmart	Retail
ABC Supermarket	Supermarket
Albertson's	Supermarket
Jons International Marketplace	Supermarket
Stater Brothers (2 stores)	Supermarket
Vons Pavilions	Supermarket
Southern California Edison	Utility

Source: City of Westminster Comprehensive Annual Financial Reports: 2010-2014;  
City of Westminster Business Licenses, 2015.

Figure 12.

City of Westminster  
MAJOR EMPLOYERS &  
TRANSIT ROUTES





### **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 Westminster 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 consultation workshop on fair housing issues in Westminster.

#### **A. FAIR HOUSING SERVICES**

All entitlement communities are required by HUD to have a reactive and pro-active fair housing program with specific actions and procedures that will have significant impact on preventing, reducing and eliminating housing discrimination and barriers to equal housing choice for all.

As of fiscal year 2015/2016, Westminster began contracting with the Fair Housing Foundation (FHF) to provide fair housing services to the community, replacing the City's prior contract with the Fair Housing Council of Orange County. The FHF is a private, non-profit educational agency established in 1964 dedicated to promoting fair housing laws and encouraging an atmosphere of open housing. FHF assists residents, housing professional and community service providers in Westminster, and other communities throughout Orange and Los Angeles County, with fair housing and general housing concerns through education, enforcement activities, counseling services and outreach.

Specifically, the City of Westminster contracts with FHF to provide fair housing services that include:

- General Housing counseling, mediations, unlawful detainer assistance, and referrals to tenants, managers, and rental property owners;
- Discrimination counseling, complaint intake, in-depth testing, and resolution;
- Audits of housing practices based on areas of concern uncovered through counseling and testing;
- Education and Outreach services targeted to specific areas and concerns;
- Workshops and presentations designed to educate the public on fair housing laws and issues;
- Tester and other volunteer training;
- Promoting media interest in eliminating housing violations.



## 1. Education and Outreach

The FHF conducts extensive community outreach to promote fair housing choice awareness and knowledge. This includes outreach to educate Westminster tenants, landlords, owners, realtors, and property management companies on fair housing laws; to promote media and consumer interest; and to establish grass roots community involvement. Education and outreach involves the following components:

- **Conducting Training Sessions for Consumers** - Tenant Workshops, Staffing of Booths, Walk-In Fair Housing Service Clinics at City Hall, and Presentations to Community-Based Organizations
- **Conducting Training Sessions for Housing Providers** - Landlord Workshops, Certificate Management Trainings (geared towards property owners, managers, management companies and real estate professionals), and Realtor Workshops
- **Increasing Public Awareness** - Public Service Announcements (PSA's), Distributing Fair Housing Literature, Paid Advertisements, and Publishing Articles. All literature is produced in English, Spanish, Vietnamese, Khmer, Korean, and most recently, Braille.
- **Providing City Services** - Trainings to City Staff, Walk-In Clinics, Presentations to City Council and Commissions.

As a new fair housing provider to Westminster (July 2015), the FHF has coordinated with City staff to implement an aggressive marketing campaign to promote City-wide awareness of services available. More specifically, during 2015/2016, the FHF is providing the following education and outreach services within Westminster:

**Table III-1: 2015/2016 Fair Housing Education and Outreach**

Activity	# Activities per Year	Timeline
Booths - selecting, organizing, staffing	4	1 per quarter
<b>Community Relations</b>		
Agency/Community Contacts	6	1-2 per quarter
Agency/Community Meetings	4	1 per quarter
Literature Distribution (multi-lingual)	4,000 pieces	1,000 per quarter
Certificate Management Trainings	2	1 semi-annually
<b>Presentations</b>		
Community Based Organizations	4	1 per quarter
City or Council	1	1 per year
<b>Workshops</b>		
Community (tenants)	3	1 in 3 of 4 quarters
Housing Industry (Landlords & Owners)	3	1 in 3 of 4 quarters
City Staff	1	1 per year
City Cable PSA's announcing activities	10	ongoing
Walk-In Clinics at City Hall	12	monthly

Source: FY 2015-2016 Subrecipient Agreement between City of Westminster and FHF.



## 2. Investigative Testing and Auditing

The FHF conducts investigative testing in response to allegations of discrimination in the rental or sale of housing. Once sufficient information is gathered that warrants further action, the FHF opens a Fair Housing Case and an Investigation Plan is implemented. FHF maintains a current list of 86 trained and qualified testers. Upon completion of the investigation, each case is given a finding. Cases with no evidence to sustain the allegation are closed without further action. When evidence is found that substantiates the allegation, FHF assists the complainant in pursuing their chosen course of resolution through a variety of options, including conciliation, filing with the State Department of Fair Employment and Housing (DFEH), filing with the Federal Department of Housing and Urban Development (HUD), or referral to a private outside attorney.

In addition to testing in specific properties, the FHF conducts random investigations, or “audits” without a bonafide complainant. Audits are an educational tool used to reveal potential discrimination against a certain protected class of residents, or to address deficiencies revealed during general housing and discrimination counseling.

## 3. Fair Housing Statistics and Cases

For purposes of this Study, we have reviewed housing discrimination cases for the City of Westminster provided by Orange County Fair Housing Council (FHCO) for the most recent three year period (FY 2012/13-2014/15).<sup>1</sup> Table III-2 displays the number and nature of fair housing cases in Westminster during the last three years, as well the findings and outcome of the cases.

**Table III-2: Discrimination Cases – City of Westminster**

Discrimination Cases	2012/13	2013/14	2014/15	Total
<b>Protected Classification</b>				
Disability		2	1	3
Race	1	1	1	3
National Origin		1		1
Familial Status	1			1
<b>Total</b>	<b>1*</b>	<b>4</b>	<b>2</b>	<b>7</b>
<b>Case Disposition</b>				
Case Referred to HUD/DFEH	1	2		3
Successful Conciliation		1	1	2
No Enforcement Action Possible		1		1
Still under Investigation			1	1
<b>Total</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>7</b>

Source: Fair Housing Council of Orange County, FY 2012/13-2014/15 Annual Reports and Case Summaries.

\*Fair housing case involved 2 protected classes.

<sup>1</sup> The Fair Housing Foundation began providing services to Westminster in 2015/2016, and therefore statistics on past discrimination cases during 2012/2013 - 2014/2015 are provided by the City's prior fair housing service provider, the Orange County Fair Housing Council.



A total of seven discrimination cases were opened by the FHCOC in Westminister during the 2012/2013 - 2014/2015 period. Issues related to disability and race comprised the largest number of fair housing cases (3 cases each), followed by national origin and familial status (1 case each). Of the seven cases, three were referred to HUD/DFEH, two were conciliated, one had no enforcement action possible, and one was still under investigation. The discussion below provides a summary of these seven fair housing cases, and how each case was resolved.

**Allegation: Familial Status/Race**

Complainant alleged she was being discriminated because she was pregnant and because of her Race (Caucasian). Investigation revealed that the complainant was renting a room within a single family home. Complainant stated she complained to the property owner about a neighbor smoking medicinal marijuana and was allegedly told to “perhaps look for another house to live in”. After completing a detailed intake, it was also revealed that the complainant had also not paid her rent and the owner was in the process of evicting her. Complainant was referred to DFEH and HUD and counseled on the eviction process and case file was closed.

**Allegation: Disability (Mental)**

Complainant stated she was disabled and needed assistance in securing a Reasonable Accommodation for a companion animal from her landlord. Complainant was counseled on reasonable accommodations and was asked to submit from health care provider the necessary documentation to proceed with her request. The complainant did not comply with FHCOC’s request and case file was closed with no action possible

**Allegation: Disability (Physical)**

Complainant stated he was being discriminated because of his association to a disabled person. Investigation revealed that the complainant’s ex-wife is deaf and that the property management told the complainant his ex-wife could not visit him because she allegedly “caused a nuisance because she was loud.” Complainant was counseled on his fair housing rights and an intake was completed. Subsequently the complainant informed FHCOC he had filed a complaint with HUD and his complaint had been accepted and elected to continue his complaint with HUD. FHCOC closed the case file with no action possible.

**Allegation: National Origin (Hispanic)**

Complainant stated he was treated differently and harassed because of his National Origin. FHCOC completed an intake, and conducted an on-site test. Testing conducted did not sustain the complainant’s allegations and complainant was counseled on his options. Complainant was referred to DFEH and HUD should he wish to pursue his complaint. Case file was closed.

**Allegation: Race (Caucasian)**

Complainant stated he was being discriminated because of Race and Source of Income. Complainant stated he was being denied the opportunity to apply for housing because he was white and because his source of income was the recent sale of his home after his divorce. Investigation revealed the complainant had over \$90,000 in his savings



account and had FICO score that would meet the requirement for application. FHCO mediated the complaint and the complainant was subsequently able to apply for this housing using his savings as his verifiable source of income. Case file was closed.

**Allegation: Disability (Physical)**

Complainant stated she needed assistance in securing a reasonable accommodation for a live-in-care provider. Complainant stated she needed to have her son continue to live with her as her live-care-provider without incurring any additional fees and costs. FHCO assisted in having the landlord grant the reasonable accommodation and the case file was closed.

**Allegation: Race (Black)**

Complainant stated she was denied housing based on her Race. Complainant stated the landlord told her she did not qualify for housing based on her credit score. FHCO completed an intake, and conducted an on-site test. Testing conducted sustained the complainant's allegations and has been counseled on her options. Case file is still under investigation.

**Discrimination Suits**

There have been no fair housing complaints in Westminster in which the Secretary of Housing and Urban Development (HUD) has issued a charge of discrimination, nor any housing discrimination suit filed by the Department of Justice (DOJ).

**B. LANDLORD-TENANT SERVICES**

In addition to fair housing complaints, the Fair Housing Foundation (FHF) receives calls from Westminster residents requesting assistance with landlord/tenant issues. Clients, both landlords and tenants, contact FHF regarding a multitude of reasons. They include evictions, lease terms, harassment, illegal entry, late fees, notices, parking, refusal to rent, rent control, rent increases, Section 8, security deposits and unlawful detainers. The FHF Housing Counselors resolve general housing inquiries through a variety of methods:

Counsel and resolve: Well over 80% of all landlord or tenant calls are resolved without further referrals. Many client issues can be resolved through counseling by informing them of the law, civil codes, rights and responsibilities, and the remedies available to them. For instance, if a tenant calls regarding rent increases, the FHF ensures that the owner/manager is following the proper procedures of providing either a 30 or 60 day notice, informs the client that the City does not have rent control, and provides them with alternatives such as moving or possible negotiations with the owner/manager. In cases where the owner/manager is the client, the FHF provides them with the proper procedures to follow for requesting the rent increases. In the event a tenant is being evicted, FHF verifies that it is not based on discriminatory factors, and the owner/manager is following the



proper procedure, and then informs them what the eviction process is and counsels them that it is in their best interest to conform to the eviction as required in order to not have an unlawful detainer filed and affect their future ability to rent.

Unlawful Detainer Assistance: Clients receiving Unlawful Detainers can contact FHF, make appointments and receive assistance with completing their paperwork. Although FHF staff will not represent the client in court, FHF staff will attend the Unlawful Detainer hearing and speak as a witness when requested.

Mediations: FHF also uses mediations to resolve disputes. In mediation, FHF staff acts as a neutral third party to facilitate dispute resolution between two disagreeing parties. In order to mediate, both parties must want the mediation and agree to enter into good faith resolution agreements.

Referrals: Many clients contact FHF for problems not related to fair housing or general housing issues or require services not provided by FHF such as on-site health department reviews. In these cases FHF provides referrals to other resources for assistance. FHF maintains an extensive and well maintained referral list. Referrals include City and County housing departments, building and safety departments, health and sanitation departments, police departments, the County Assessor's office, and city council members' offices. Referrals to DFEH and HUD are also included on the list. Multiple landlord/tenant calls also are directed to the County and State departments of Consumer Affairs. Additionally, FHF often refers to legal aid offices, bar associations, tenant advocacy groups, apartment owner associations, civil rights organizations, housing authorities, and other resources.

Table III-3 presents information on Westminster residents provided with general housing counseling, mediation, unlawful detainer assistance and referral services over the past three years (2012/2013 - 2014/2015). During this three year period, the FHCOC served as the City's fair housing provider, and handled complaints or requests for assistance involving over 1,100 Westminster tenants or landlords. Of these complaints, nearly one-third were related to lease terms, and 20% related to notices. Other significant housing issues included security deposits (8%), repairs (8%), substandard conditions (6%), unlawful detainers (5%), and harassment/retaliation (4%). The majority of landlord/tenant calls were received from Whites (36%) and Hispanics (34%), with Asians representing just 25% of all calls. Given that Asians comprise 48% of Westminster's population, Asians are underrepresented in their incidence of landlord/tenant calls. In order to ensure the City's Asian population is fully aware of the landlord/tenant services available to them, the Fair Housing Foundation provides all education and outreach materials in Vietnamese, and offers Vietnamese translation at all fair housing functions conducted in the City.



**Table III-3: Landlord/Tenant Statistics - City of Westminster**

	7/2012 - 6/2013	7/2013 - 6/2014	7/2014 - 6/2015	Total	Percent
<b>Total Landlord/Tenant Calls</b>	<b>154</b>	<b>138</b>	<b>153</b>	<b>445</b>	<b>100%</b>
<b><i>Income Level</i></b>					
Extremely Low	117	126	132	375	84%
Very Low	25	7	9	41	9%
Low	5	4	7	16	4%
Moderate	7	1	5	13	3%
<b>Total</b>	<b>154</b>	<b>138</b>	<b>153</b>	<b>445</b>	<b>100%</b>
<b><i>Race/Ethnicity</i></b>					
White	48	61	52	161	36%
Hispanic	63	35	54	152	34%
Asian	40	33	38	111	25%
Black	2	3	5	10	2%
Other	1	6	4	11	3%
<b>Total</b>	<b>154</b>	<b>138</b>	<b>153</b>	<b>445</b>	<b>100%</b>
<b><i>Age Group</i></b>					
Under 65	122	110	128	360	81%
65 and Over	32	28	25	85	19%
<b><i>Issue<sup>1</sup></i></b>					
Lease Terms	117	99	131	347	30.8%
Notices	83	70	68	221	19.6%
Security Deposit	32	38	22	92	8.2%
Repairs	40	16	36	92	8.2%
Substandard Conditions	25	22	25	72	6.4%
Other	9	21	25	55	4.9%
Unlawful Detainer	20	16	16	52	4.6%
Harassment/Retaliation	13	22	15	50	4.4%
Reimbursement/Receipts	14	7	3	24	2.1%
Nuisance	10	7	5	22	2.0%
Rent Increase	6	2	7	15	1.3%
Lockout	7	3	3	13	1.2%
Entry by Landlord	6	0	8	14	1.2%
Discrimination	1	4	4	9	0.8%
Self-Help Eviction	3	0	5	8	0.7%
Disability Accommodation	0	5	3	8	0.7%
Housing Assistance Info	3	3	1	7	0.6%
Parking	0	5	2	7	0.6%
Personal Belongings	4	1	0	5	0.4%
Guests and Subtenants	1	1	2	4	0.4%
Late Fees	2	2	0	4	0.4%
Utilities	2	1	0	3	0.3%
Abandonment	1	1	0	2	0.2%
Pets	0	1	1	2	0.2%
<b>Total</b>	<b>399</b>	<b>347</b>	<b>382</b>	<b>1,128</b>	<b>100%</b>

Source: Fair Housing Council of Orange County Quarterly Reports. Compiled by Karen Warner Associates, Inc.

<sup>1</sup> Each landlord/tenant call may address multiple issue areas.



## C. HATE CRIMES

Hate crimes are crimes that are committed because of a bias against race, religion, sexual orientation, ethnicity, disability, or gender identity. In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program collects and publishes data on hate crimes.

Table III-4 presents FBI hate crime statistics for 2009-2013 in Westminster and surrounding communities. Twenty-five hate crimes were recorded in Westminster during this five year period, the highest among the comparison cities, with the exception of Huntington Beach which recorded 37 hate crimes. The majority of hate crimes in Westminster were motivated by a bias against race (14 crimes) and religion (7 crimes), followed by ethnicity (2 crimes), disability (1 crime), and sexual orientation (1 crime). The Orange County Human Relations Commission reports that race/ethnicity continue to be the most common motivation for hate crimes (37%), followed by religion (29%).

**Table III-4: FBI Hate Crime Statistics 2009-2013**

Year/ Jurisdiction	Total Hate Crimes	Motivation of Hate Crime					Gender Identity*
		Race	Religion	Sexual Orientation	Ethnicity	Disability	
<b>2013</b>							
<b>Westminster</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	
Costa Mesa	1	1					
Fountain Valley	Not reported						
Garden Grove	4	1			3		
Huntington Beach	1						1
<b>2012</b>							
<b>Westminster</b>	<b>Not reported</b>						
Costa Mesa	Not reported						
Fountain Valley	1			1			
Garden Grove	2		1	1			
Huntington Beach	10	4	2	2	2		
<b>2011</b>							
<b>Westminster</b>	<b>7</b>	<b>5</b>	<b>1</b>		<b>1</b>		
Costa Mesa	2			1	1		
Fountain Valley	3	2		1			
Garden Grove	4	3	1				
Huntington Beach	12	8	1	1	2		
<b>2010</b>							
<b>Westminster</b>	<b>7</b>	<b>6</b>	<b>1</b>				
Costa Mesa	5	1	2	1	1		
Fountain Valley	2		1			1	
Garden Grove	3	2			1	1	
Huntington Beach	10	2	5	1	2		
<b>2009</b>							
<b>Westminster</b>	<b>6</b>	<b>2</b>	<b>4</b>				
Costa Mesa	2			1	1		
Fountain Valley	3	1	1	1			
Garden Grove	6	4	1		1		
Huntington Beach	4	2			2		

Source: www.fbi.gov/ucr/ucr.htm \*2013 was the 1st year FBI began tracking hates crimes based on gender identity.



The Westminster 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.

## **1. 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.

In 1991 the Orange County Human Relations Commission formed the Hate Crime Network to bring together representatives from law enforcement, community organizations, and the Orange County District Attorney, California Attorney General and the United States Attorney General's offices to facilitate the sharing of current hate crime issues. The Network is dedicated to creating a united voice against hate, developing resources for victims of hate, and building an appreciation of diversity in the community. Some of its objectives are:

- To increase immediate and effective assistance to victims of hate.
- To address the under-reporting of hate crimes and hate incidents in our communities
- To build and develop collaborations between community organizations and law enforcement
- To educate communities about roots and trends of hate crimes and hate incidents

Periodic meetings of the Network are held and open to the public, listed on the OC Human Relations Calendar of Events <http://www.ochumanrelations.org/hatecrime/hate-crime-victim-assistance-partnership/#sthash.0il5GUKh.dpuf>

The Orange County Human Relations Commission collects hate crime and incident data from law enforcement agencies, prosecutors, community organizations, and hate crime and incident victims. The data is then analyzed and compiled into an annual report, which is broadly disseminated to policy-makers, law enforcement agencies, community groups and educators throughout Orange County. The information presented in these reports allows all parties to better understand hate crime and incident trends; measure the outcome of their work; and, direct prevention campaigns in their communities or schools. The reports also serve to advise policy decisions and inform the development of services for victims of hate.



## **D. COMMUNITY FAIR HOUSING WORKSHOP**

Numerous public and private agencies were contacted to provide input regarding fair housing issues in Westminster during development of the AI. A consultation workshop was conducted with the City's fair housing contractor and affordable housing providers, lenders, and groups representing special needs populations to discuss potential impediments to fair housing, and to brainstorm potential strategies for the City and its community partners to address. Approximately 25 agencies were invited to attend the workshop held on September 25, 2015 at City Hall. The following agencies were represented at the meeting: American Family Housing, Fair Housing Foundation, Boys & Girls Club of Westminster, City of Westminster Housing & Grants Division, City of Westminster Community Services Department.

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

- The Fair Housing Foundation (FHF) provided an overview of fair housing and general tenant/landlord services for the attendees. Clarified that FHF serves not only tenants, but landlords with fair housing issues and concerns. FHF has two offices – Santa Ana and Long Beach - and contracts with 23 cities in Orange and Los Angeles County.
  - In the little over two months since FHF began its contract in Westminster (July 2015), two new fair housing cases have been opened.
  - 80% of fair housing issues originate with a tenant/landlord problem
  - Housing affordability is the biggest complaint
  - Conciliation and resolution is the primary goal to resolve landlord/tenant issues. If litigation is necessary, FHF refers to outside counsel.
  - FHF's outreach coordinator for Westminster is fluent in Vietnamese.
  - The California Landlord & Tenant Rights Handbook is an excellent resource to become informed about fair housing, and is downloadable on the Consumer Affairs website.
- The City's Housing Coordinator inquired about what to do about calls concerning rent increases. FHF responded that all calls can be directed to them. And although rent increases may not be considered an impediment, FHF can still assist with mediation, education, and outreach services.
- The City's Community Services Director questioned whether mobile home tenants are covered by fair housing law? FHF responded that yes, they are covered under FH law, however, CC&R's also govern mobile home parks.



- The City's Housing Coordinator questioned if mobile home renters can call FHF for assistance with rent increases, to which the FHF replied yes. FHF will counsel and in many cases uncovers underlying discrimination. FHF also explained that there is frequently a misunderstanding among mobile home park tenants that even if they own their mobile home, they are technically still renters because they don't own the land and pay mobile home park space rents. Owners of mobile home parks have a right to increase rent as long as they give 90-days' notice.
- FHF will be coordinating monthly Walk-In Clinics at City Hall, and will hold one specifically for mobile home occupants with the goal of educating both tenants and owners on their rights.

### **What are Westminster's Most Important Issues?**

- American Family Housing reported that familial status is a big issue. There are also a lot of requests for reasonable accommodations, and because AFH has their own maintenance crew, they usually perform all the work requested – such as handrails, ramps, lifts, etc. Lastly, there are many requests for service animals. AFH has a no pet policy, except for medical or therapeutic pets. However, an issue with service animals is that the property manager is not permitted to collect a security deposit.
- The Boys & Girls Club of Westminster commented that they observe a lot of children living with extended families. AFH confirms that this is the case.



## IV. REVIEW OF POTENTIAL IMPEDIMENTS

This section evaluates potential public and private sector impediments to fair housing choice in Westminster. Public sector impediments discussed include planning and zoning regulations, building and accessibility codes, development fees, and representation on City Commissions and Committees. Private sector impediments discussed include real estate practices and an analysis of mortgage lending practices.

### A. PUBLIC SECTOR IMPEDIMENTS

Public policies may affect the pattern of housing development, availability of housing choices, as well as access to housing. This section of the AI reviews the various public policies that may impact fair housing choice in Westminster, including:

- Local zoning, building and occupancy codes;
- Provision for a variety of housing types;
- Public and administrative policies affecting housing activities;
- Moratoriums or growth management plans;
- Residential development review process and fees;
- Community representation on planning and housing commissions.

#### 1. Local Zoning, Building and Occupancy Codes

##### Land Use and Zoning Controls

The City's policies for development are set forth in the Land Use Element of the City's General Plan. The Land Use Element identifies the location, distribution, and density of land uses throughout the City. As presented in Table IV-1, Westminster's Land Use Element establishes three residential land uses ranging in density from 4 to 25 dwelling units per acre, providing for a variety of housing types to accommodate a range of owner and rental housing opportunities. In addition, the City is considering establishing a new Mixed Use land use designation as part of the General Plan Update.

**Table IV-1: General Plan Residential Land Use Designations**

General Plan Land Use Category	Density (units/acre)	Description
Low Density Residential	0 - 7	Single-family detached units
Medium Density Residential	8 - 14	Single-family attached and multi-family units
High Density Residential	15 - 25	Multi-family units with increased development density

Source: City of Westminster General Plan Land Use Element 1996.



Zoning regulations control development by establishing requirements related to height, density, lot coverage, setbacks, and parking. Westminster updated its zoning code in 2010 (Ordinance 2456). The zoning code update increased the allowable residential uses within the City to match the maximum allowable density (25 units/acre) from the General Plan’s High Density Residential land use. Residential development standards are summarized in Table IV-2 below.

**Table IV-2: Residential Development Standards**

Zoning or Overlay District	Minimum Lot Area (sq ft)	Density (du/ac)	Max. Lot Coverage	Max. Building Height (ft)	Front Yard (ft)	Min. Interior Side Yard (ft)	Rear Yard
R1 Single-Family Residence	6–6,500	1–7	40%	35	Max. 50 feet from centerline	5	Min. 20% average lot depth
R2 Multiple-Family Residence	6–6,500	8–12	40%.	35	Max. 50 feet from centerline	5–7	Min. 20% average lot depth
R3 Multiple-Family Residence	6–6,500	13–14	50%	35	Max. 50 feet from centerline	5–7	Min. 20% average lot depth
R4 Multiple-Family Residence	6–6,500	15–18	60%.	35.	Max. 50 feet from centerline	5–7	Min. 20% average lot depth
R5 Multiple-Family Residence	10,000	19–24	60%	Varies <sup>1</sup>	Max. 50 feet from centerline	5–7	Min. 20% average lot depth
Planned Development Overlay	Permits variations from zoning	Base Zoning	Permits variations from zoning	No est reqmt	Permits variations from zoning	Permits variations from zoning	Permits variations from zoning
Comprehensive Plan <sup>2</sup>	Per approved comp. plan	Per approved comp. plan	Per approved comp. plan	Per approved comp. plan	Per approved comp. plan	Per approved comp. plan	Per approved comp. plan

Source: City of Westminster Municipal Code

<sup>1</sup> Height restrictions for development within the R5 district are context-sensitive. If the proposed building abuts an R1 property the building height is limited to 35 feet. If the proposed building does not abut R1 property the maximum height is equal to the width of the adjoining street. The R5 zone provides potential for housing development of three to five stories tall or higher, depending on the width of the adjoining street.

<sup>2</sup> Comprehensive Plan is similar to Site Plan Review for projects located in the Planned Development Overlay zoning district.



**Parking Standards:** Westminster's requirements are generally more liberal than those imposed by other cities in Orange County. Parking facilities are required to be located on the same lot and reduce the amount of available lot area for housing. This can increase the cost of developing housing, as fewer, smaller units are constructed on the remaining developable land.

Parking requirements generally relate to the housing type and number of bedrooms or units. Some uses, however, require fewer parking spaces, such as student housing and residential care facilities. Existing parking standards are listed by residential development type in Table IV-3. These parking standards are not considered a constraint to development. The parking standard for second units, which require an additional garage space, has not constrained the development of second units. The City entitled six second units in the previous planning period. In addition there are 5,808 R-1 zoned parcels within the City that are at least 7,000 square feet in area, and therefore eligible to construct a second unit. There are a total of 11,917 R-1 zoned lots in the City. Thus, nearly one-half of all R-1 lots within the City are eligible for a second unit.

**Table IV-3: Residential Parking Requirements**

<b>Development Type</b>	<b>Parking Requirement</b>
Single-Family Dwellings	For dwellings with 4 or fewer bedrooms – two-car enclosed garage having minimum interior dimensions of 20 feet in width and 20 feet in depth
	For dwellings with 5 or more bedrooms – 3 enclosed garage spaces with minimum interior dimensions of 10 feet by 20 feet (for each space) and 3 open parking spaces with minimum dimensions of 9 feet by 19 feet
Multifamily Dwellings	For units with 1 or fewer bedrooms – 1 enclosed garage space per unit and 0.5 off-street, open parking space per unit
	For units with 2 bedrooms – 1 enclosed garage space per unit and 1 off-street, open parking space per unit
	For units with 3 or more bedrooms – 2 enclosed garage spaces per unit and 0.5 off-street, open parking spaces per unit
Senior Housing	Determined on a case-by-case basis to provide flexibility
Second Units	1 garage space in addition to garage spaces required for the primary dwelling
Single Resident Occupancy (Motel Conversion)	1 parking space (uncovered) per dwelling unit
Residential Care Facilities	6 or fewer clients – as required for the type of dwelling, typically a single-family home
	7 or more clients – 1 parking space for every 3 beds
Boardinghouses, Lodging houses, Fraternity or Sorority Houses, Student Dormitories, Student Housing Facilities	1 parking space for every 2 guest rooms, dwelling units, or living units
Emergency Shelters	1 parking space for each staff member, plus 1 parking space for each 5 beds, and 1/2 space for each room designated for families and children.

Source: City of Westminster Municipal Code



**Density Bonus:** Chapter 17.570 of the Westminster Municipal Code – Affordable Housing Density Bonuses, implements State law which requires jurisdictions to grant a density bonus in exchange for the provision of affordable housing. In summary, applicants of residential projects of five or more units may apply for a density bonus and additional concession/incentive(s) if the project provides for construction of one of the following:

- 10% of units in a housing project for lower income households; or
- 5% of units in a housing project for very low income households; or
- A senior citizen housing development, or mobile home park that limits residency based on age requirements for housing for older persons; or
- 10% of units in a common interest development for moderate income households, provided that all units in the development are offered to the public for purchase.

The amount of density bonus to which the applicant is entitled ranges from 20-35% above the specified General Plan density, based on the percentage and affordability of units provided. In addition, eligible projects may receive one to three additional development concessions/incentives, based on the applicant demonstrating that it is not financially feasible to build the project without the concessions. The number of concessions a project may be eligible for is based upon the proportion of affordable units and level of income targeting, as illustrated in Table IV-4:

**Table IV-4: Density Bonus Concessions**

Income Level	% Affordable Units	Number of Concessions
Very Low Income	5%	1
	10%	2
	15%	3
Low Income	10%	1
	20%	2
	30%	3
Moderate Income (for-sale condo or planned development)	10%	1
	20%	2
	30%	3

State density bonus law also provides for reduced parking standards for the entire development project for projects eligible for a density bonus. These standards are inclusive of guest parking and handicapped parking. Spaces may be tandem and/or uncovered.

- Zero to one bedroom: one on-site parking space
- Two to three bedrooms: two on-site parking spaces
- Four or more bedrooms: two and one-half on-site parking spaces



## **Building Codes and Enforcement**

The City of Westminster adopts building and safety codes to protect public health, safety, and welfare. However, these codes have the potential to increase the cost of housing construction and rehabilitation. Westminster has adopted the State of California Building Code, 2010 Edition, including all Appendix Chapters, based on the 2009 International Building Code, as published by the International Code Council, and the 1997 edition of the Uniform Housing Code as published by the International Conference of Building Officials. The City has not made any local amendments to the building codes that would impact housing.

Code enforcement is a critical component of retaining quality neighborhoods and residential structures. Unfortunately with the loss of Redevelopment Agency funds, code enforcement staff was reduced to three full-time positions. Building Inspectors were reduced to one full-time inspector. Code enforcement officers examine properties in response to complaints or as part of ongoing proactive programs. Identifying and prescribing solutions to code violations improves the community's appearance as well as resident safety.

The most common housing-related code enforcement violations in Westminster are illegal construction and deferred exterior maintenance. Residents seeking to expand their homes for relatives or renters often try to do so without adequate permits, particularly those attempting to convert a garage into living space. Violators are referred to the City's home improvement and rehabilitation loan programs.

The City has adopted the latest editions of the State Uniform Building and Housing Codes which establish minimum construction standards necessary to protect the public health, safety and welfare. The local enforcement of this code does not unduly constrain the development of housing. One of the most effective ways for reducing time delays and ensuring a smooth operation of the application process is the pre-submittal exchange of information and problem solving that takes place on most projects.

## **Occupancy Standards**

Local occupancy standards more stringent than those established by the State have been deemed unconstitutional by the courts; the Westminster 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.



## 2. Provision for a Variety of Housing Types

Through its zoning powers, Westminster provides development opportunities for a variety of housing types to promote diversity in housing price and style to meet the needs of its residents. Table IV-5 summarizes the housing types permitted in each of the Westminster zoning districts where residential uses are permitted.

**Table IV-5  
Housing Types by Residential Zone Category**

Housing Types Permitted	Zoning District						
	R1	R2	R3, R4, R5	P/SP	CR, C1	C2, CM	M1, M2
<b>Conventional Housing</b>							
Single-Family Detached	P	P	P				
Mobile Home Park (max 10 acres)	C	C	C	C	C	C	C
Mobile Home (outside of park)	P						
Modular/Manufactured Housing	P	P					
Multiple-Family Dwelling <sup>1</sup>		P	P				
<b>Special Needs Housing</b>							
Emergency Shelters				P		C	
Residential Care (6 or fewer clients)	P	P	P				
Residential Care (7 or more clients)	C	C	C		C	C	
Second Units	P						
Residential with commercial (mixed use)					PD/C	PD/C	
Senior Housing <sup>2</sup>	C	C	C		C	C	C
Single Resident Occupancy <sup>3</sup> (motel conversion)		C	C				
Transitional Housing <sup>4</sup>	P	P	P				
Supportive Housing <sup>4</sup>	P	P	P				

P=Permitted C=Conditional Use Permit PD=Planned Development Permit

Source: City of Westminster Municipal Code

<sup>1</sup> Multiple-Family Dwellings include single-family attached units and two-family dwellings.

<sup>2</sup> Senior housing (multifamily) is conditionally permitted in every zoning district in the City. The CUP is necessary to provide design review because no maximum density is set for this form of development.

<sup>3</sup> Single Resident Occupancy units are housing units created through motel conversions.

<sup>4</sup> Transitional and supportive housing were added to the City's zoning code as permitted uses in 2013.



Westminster's Zoning Code allows both traditional and supportive housing types. With the exception of senior housing and motel conversions to SRO units, the existing zoning code permits all residential uses by right in the residential zone appropriate to their density.

A conditional use permit is required for senior housing (which is conditionally permitted in every zoning district in the City) to provide an opportunity for flexible design standards and thorough review of each project. To facilitate senior housing, the City did not establish a maximum density or other development standards for senior-restricted units. Rather, the conditional use permit process allows the City to review each senior housing project to ensure the site plan and project design are appropriate. This process provides greater freedom in project design and higher density development. The City's positive track record demonstrates that the requirement of a conditional use permit provides opportunities for flexible and site-specific design without a specific plan.

The existing zoning code defines and permits transitional and supportive housing subject to the same regulations and development standards that apply to other residential uses in the same zone. The zoning code update also now permits emergency shelters by right in the Public/Semi-Public (P/SP) zone and the Emergency Shelter (ES) overlay zone and allows for the location of emergency shelters in the C2 and CM zones with a Conditional Use Permit. In 2013, a 21.4 acre area was rezoned to include the ES overlay zone so that additional shelter capacity and opportunities could be provided.

The Planned Development (PD) overlay district applies to areas of existing large-scale, multiple-family residential and commercial complexes developed as a planned district, and sites suitable for similar large-scale development. The PD zoning district may also be applied to sites within commercial districts suitable for combined commercial, residential, and/or live-work uses within a physically integrated and contiguous area. The PD overlay district allows for variances from development standards. In exchange for allowing development standards beyond those permitted by the zoning code a developer includes on-site amenities and superior design. This zone was established to improve the quality of projects constructed in the City. A project applicant requests a zone change to achieve the PD overlay. The City processes the zone change and development application and the PD district is determined by the Council through the rezoning of the site to apply the PD Overlay zoning district, and through the approval of a Comprehensive Plan. Even though the PD overlay requires a zone change to be approved by the City Council, the overlay has been utilized in the majority of residential projects since the 1980s. The PD overlay is an opportunity for site-specific, high-quality residential project design and is not a constraint to affordable housing.



## Zoning Definition of a Family

The California courts have invalidated the following definition of “family” within a jurisdiction's zoning ordinance: (a) an individual, (b) two or more persons related by blood, marriage or adoption, or (c) a group of not more than a certain number of unrelated persons as a single housekeeping unit. Court rulings state that defining a family does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the city, and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discrimination between biologically related and unrelated persons.

The Westminster Municipal Code contains the following definition of family:

**“Family”** means an individual or two or more persons living together in compliance with the occupancy limits of Section 503(b) of the Uniform Housing Code, or any successor provision thereto as adopted by the city, as a domestic unit in a relationship based upon birth, marriage, or other domestic bond of social, economic, and psychological commitment to each other. (Ord. 2069 § 1, 1987)

With the presence of 15 state licensed residential care facilities in Westminster, the narrow definition of family in the Municipal Code has not been used to limit unrelated persons from residing together in single-family zones. Nonetheless, in order to provide greater clarity and eliminate any potential constraint to non-family households, a recommendation is included in the AI to develop a definition of family consistent with State law and incorporate within the Municipal Code.

## Zoning Provisions for Second Units

Second units are capable of providing housing below market prices and often meet the special population needs of the elderly, disabled, and low-income young persons. In accordance with AB 1866 (Government Code Section 65852.2), the City amended the zoning code to make permitting a second unit a ministerial action; an action that does not require public notice, public hearing or discretionary approval.

The zoning code defines a second unit is an accessory residential unit, including complete and independent living facilities for one or two persons (maximum size of 640 square feet), attached to the primary residence. Second units are permitted in the R1 zone with a minimum parcel size of 7,000 square feet, and meeting existing setback requirements for development in the R1 zone. One garaged parking space for the second unit is required. The intent of this definition is to ensure that secondary units do not adversely impact single-family neighborhoods.

Between 2008-2013, when the City updated its Housing Element, the City has approved for construction eight second dwelling units using the standards described above. The existing design and setback requirements facilitate the development of second units without changing the nature of Westminster’s single-family neighborhoods.



## Accessibility for Persons with Disabilities

**Reasonable Accommodation:** Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

In compliance with federal and state fair housing laws, it is the City's policy to provide reasonable accommodation in its zoning and land use regulations, policies, and practices when needed to provide an individual with a disability an equal opportunity to use and enjoy a residence or to avoid discrimination on the basis of disability. In 2010 the City adopted Ord. 2456 § 2 which added Chapter 17.585 – Reasonable Accommodation to the zoning code which provides a process for disabled individuals (or those acting on their behalf) to make requests for reasonable accommodation for relief from the various land use, zoning, or building laws, rules, policies, practices, and/or procedures of the City (see Program IIB5.4). The City will make reasonable accommodation information available at City Hall and on the City's website.

**Residential Accessibility Requirements:** The City of Westminster has adopted the 2010 edition of the most recent California Building Standards Code which 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 State Building 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*:

**Requirement #1. An accessible building entrance on an accessible route.** All covered multifamily dwellings must have at least one building entrance on an accessible route unless it is impractical due to terrain or unusual site characteristics.

- ✓ An accessible route means a continuous, unobstructed path connecting accessible elements and spaces within a building or site that can be negotiated by a person with a disability who uses a wheelchair, and that is also safe for and usable by people with other disabilities.
- ✓ An accessible entrance is a building entrance connected by an accessible route to public transit stops, accessible parking and passenger loading zones, or public streets and sidewalks.



**Requirement #2. Accessible and usable public and common-use areas.** Public and common-use areas encompass all parts of the housing outside individual units, including - for example - building-wide fire alarms, parking lots, storage areas, indoor and outdoor recreational areas, lobbies, mailboxes, and laundry areas.

**Requirement #3. Usable doors (usable by a person in a wheelchair).** All doors that allow passage into and within all premises must be wide enough to allow passage by persons using wheelchairs.

**Requirement #4. Accessible route into and through the dwelling unit.**

**Requirement #5. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.**

**Requirement #6. Reinforced bathroom walls for later installation of grab bars.**

**Requirement #7. Usable kitchens and bathrooms.** Kitchens and bathrooms must be designed so an individual in a wheelchair can maneuver in the space provided.

The above accessibility requirements pertain to new construction only, and not renovations or remodels. However, Chapter 11B of 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 projects 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.

The City of Westminster 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.



### **3. Public and Administrative Policies Concerning Community Development and Housing Activities**

Important criteria of the State Department of Housing and Community Development (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. HCD has reviewed Westminster's 2013-2021 Housing Element and determined the City's residential land use regulations and procedures do not serve as a constraint, and have certified the City's Housing Element as in compliance with State law.

The City's Housing Element establishes the following goals and policies:

#### **Goal 1: Identify adequate sites to meet Westminster's current and projected housing needs.**

*Policy 1.1: Identify adequate sites to accommodate a variety of dwelling unit types and affordability levels to provide housing for all household types, lifestyles, and income levels.*

*Policy 1.2: Pursue opportunities to construct housing beyond the RHNA*

*Policy 1.3: Identify City resources to acquire or subsidize potential housing development opportunities*

#### **Goal 2: Assist in the development of affordable and market-rate housing.**

*Policy 2.1: Increase housing opportunities and choices for lower and moderate-income Westminster households, as funding is available.*

*Policy 2.2: Support innovative public, private, and nonprofit efforts in the development and financing of affordable housing, particularly for lower and moderate income and/or special needs households.*

#### **Goal 3: Remove governmental constraints to the maintenance, improvement, and development of housing.**

*Policy 3.1: Remove regulatory constraints as necessary to provide quality housing that meets the needs of Westminster residents.*

*Policy 3.2: Incentivize the development of affordable housing, as funding is available, to facilitate the development of housing for the City's lower and moderate income households.*

#### **Goal 4: Conserve and improve the condition of the existing housing stock.**

*Policy 4.1: Protect the quality of Westminster neighborhoods through the conservation and rehabilitation of the existing market rate and affordable housing stock.*

*Policy 4.2: Promote financial and technical assistance to Westminster households to maintain and improve their homes.*



## **Goal 5: Promote equal housing opportunities for all persons.**

*Policy 5.1: Provide a regulatory environment in which housing opportunity is equal for all.*

*Policy 5.2: Create a continuum of care for Westminster's homeless population, including provisions for emergency shelter, transition housing, and permanent supportive housing.*

*Policy 5.3: Improve quality of life for disabled persons by facilitating relief from regulatory barriers to housing that meets their particular needs.*

*Policy 5.4: Encourage the inclusion of universal design features in new housing.*

## **Goal 6: Preserve the assisted affordable housing stock.**

*Policy 6.1: Protect the quality and quantity of the City's affordable housing developments through code enforcement efforts.*

*Policy 6.2: Maintain affordable housing opportunities by monitoring the existing stock for potential risks of conversion to market rate.*

*Policy 6.3: Regulate the conversion of relatively affordable housing types to other forms of housing through reporting requirements and monitoring the potential loss of affordable housing.*

## **Goal 7: Facilitate energy conservation.**

*Policy 7.1: Promote cost-effective energy conservation measures in new construction and rehabilitated housing projects.*

*Policy 7.2: Pursue partnerships with utilities, developers, and nonprofits to educate the public and incorporate energy conservation measures.*

*Policy 7.3: Pursue financial resources to subsidize energy conservation activities.*

## **4. Moratoriums/Growth Management**

Westminster does not have building moratoriums or growth management plans that limit housing construction.

## **5. Residential Development Review Process and Fees**

The City of Westminster's development review process is designed to accommodate development while ensuring public safety and aesthetic quality. As part of the City's 2010 zoning code update, the prior site plan review process and design review process were combined into a single streamlined process called "Development Review," for the purpose of streamlining the project review process. Furthermore, the City's adopted design standards, which established codified and mandatory



design requirements, were changed to guidelines, which establish design principles while also providing flexibility in design. The guidelines also apply to single-family detached units that are constructed in the R2 through R5 zones. The design guidelines do not apply to the construction or modification of single-family residences in a single-family tract that are not in the R2 through R5 zone districts. Guidelines typically employ the words “should” or “encourage.” In 2012, the City’s development review process was further streamlined to so that residential projects could be processed administratively. The administrative level development review is required for all new residential projects with three or more units. Planning commission review is only required for projects that are not exempt from the California Environmental Quality Act (CEQA), such as a subdivision or in cases where there are other entitlements associated with the project, such as a variance or a conditional use permit for senior housing. Residential projects with two or less units are processed through a zoning clearance process. Pursuant to the Westminster Municipal Code Section 17.520.010, the following types of projects are among the types of projects exempt from development review, but subject to zoning clearance:

- Any construction, addition, or alteration to an individual single-family or two-family dwelling or appurtenant structure, or 2 single-family dwellings on a single parcel.
- The addition of up to two new units to an existing residential development.
- Additions to multi-family residential projects not resulting in three or more new units.

Because much of the residential development within the City includes units added to existing single family homes located within multi-family zoning districts, the zoning clearance process provides an efficient and timely method for processing smaller residential projects.

The 2010 Zoning Code update also clarified the three decision-making bodies in the City that govern the development review process: the Community Development Director, the Planning Commission, and the City Council. The zoning code includes new processing guidelines that specify that development reviews, which are exempt from CEQA, are subject to review by the Community Development Director with appeals to the Commission or City Council. Development reviews for projects subject to CEQA or deferred to the Commission are subject to approval by the Planning Commission with appeal to the City Council.

Westminster first gives the applicant an opportunity to discuss the proposed project with staff prior to submitting for either zoning clearance or development review, either at the public counter or through a more in-depth preliminary review process that provides a detailed assessment of a potential project. This optional Preliminary Plan Review allows City staff to go over the application and give input to the applicant before entering in the formal review process. Once an application is filed,



the City of Westminster has 30 days to deem a project application complete or incomplete, per the Permit Streamlining Act. Once a project is deemed complete, it is distributed to various city departments for review and comment. After staff comments have been addressed by the applicant, the use is approved by the Community Development Director (senior units are an exception).

A zoning clearance application (ministerial review) does not require staff discretion and a decision is typically made concurrent with the Building Division plan check process, or at the counter, prior to submitting for Building Division plan check. For example, a room addition project is typically submitted for Building Division plan check and a set of plans are sent to a planner to review while the Building Division also completes their review of the project. For more complex projects, staff may require that the zoning clearance be submitted prior to the Building Division plan check, since the zoning clearance review may result in substantial changes that require structural modifications. Once a zoning clearance has been approved by the Planning Department, the next step is to submit to the Building Department (unless such zoning clearance was concurrent with the plan check) for plan check review if a building permit is required. Examples of ministerial projects include new single-family homes and duplexes. All residential uses, with the exception of senior housing, residential care facilities for more than 6 clients, and mobile home parks, are permitted by right in the residential zone appropriate for the project density.

A discretionary project requires staff's discretion and therefore, would be processed through the submittal of a Development Review application. All such projects are processed administratively, unless the project is not exempt from CEQA, or there are other entitlements associated with the project to require planning commission review. Development Review applications subject to staff approval typically require 4-6 weeks to process. A project requiring Planning Commission review (non-public hearing review or a public-hearing review) typically has a processing time of approximately 8-12 weeks. Projects requiring an environmental review may take longer. Examples of discretionary projects include projects requiring conditional use permits, variances or zone changes.

Applicants may refer to the development standards in the City's adopted zoning code and the adopted Design Guidelines Manual. As a community with aging neighborhoods design review is an opportunity for Westminster to ensure that new development has façade articulation and appropriate massing to improve the aesthetic quality of the built environment. The Design Guidelines Manual provides suggested examples through text and illustrations to highlight a variety of product types, architectural styles, façade treatments, site planning, and landscape ideas to improve quality of housing design. The high cost of housing development is often attributed, in part, to governmental delays in the entitlement process. A lengthy permitting process delays the construction and ultimately the occupation of new homes. One way the City reduces development cost and review periods is to process multiple entitlements concurrently. For example, a residential development requiring discretionary approval may also require a zone change, and both



entitlements would be processed at the same time by the same staff member. To facilitate the development review process for all types of development, the City has developed a standard application, which specifies the information necessary for creating a complete application. There are other submittal documents tailored for specific types of projects, however this universal form is used for all housing submittals. The City’s development standards are posted on the City’s website to inform developers prior to plan creation.

Table IV-6 provides current processing times in Westminster. The City’s processing times and permit procedures do not unduly constrain housing development, as confirmed by the State Department of Housing and Community Development (HCD), in their review of the City’s 2013-2021 Housing Element.

**Table IV-6: Average Processing Times and Application Fees**

Type of Application <sup>1</sup>	Average No. of Weeks <sup>3</sup>	Application Fee
Zone Change <sup>2</sup>	10–12	\$3,475
Tentative Tract Map <sup>2</sup>	8	\$3,505 + \$37/lot > 10 lots, or \$2,335 + \$37/lot > 10 lots with other hearing
Tentative Parcel Map	6	\$2,720; \$1,700 with other hearing
Lot Line Adjustment	6	\$1,195
Development Review-Level I (Administrative Review)	4	\$500
Development Review-Level II (Planning Commission Review)	6	\$2,250
Variance (Planning Commission Hearing)	6	\$1,630
Conditional Use Permit	6	\$2,875; \$1,655 with other hearing
Zoning (Administrative) Clearance	2	\$0

Source: Westminster Community Development Department

<sup>1</sup> Items not automatically reviewed by the City Council are subject to be requested for review by the Council. When this occurs, it adds two to four weeks to the processing time.

<sup>2</sup> Requires City Council review and approval.

<sup>3</sup> The processing time begins when the project is deemed to be complete. The time it takes the City to review for completeness is approximately 10-15 days. The applicant may take up to six months to deliver application material.

The City’s permit processing procedure includes the state-mandated California Environmental Quality Act (CEQA) procedures. Mandatory CEQA review timeframes are established by the state to ensure the environmental integrity of development and to protect the health, safety, and welfare of the public. Therefore, the City cannot streamline CEQA implementation. Fortunately, a large portion of the existing and likely future development potential in Westminster will be of an infill nature, which may qualify for categorical exemption from the CEQA process.

A variety of fees and assessments are charged by the City and other agencies to cover the cost of processing development permits and providing local services. Development fees are necessary to ensure quality development review and



adequate services. These fees are passed on to the homebuyer or renter, therefore increasing the local cost of housing.

Development fees in Westminster are established to cover the actual servicing and regulating necessary for quality development. Table IV-7 shows the typical fees assessed by the City for three common residential project types. Discussions with developers indicate that these City fees are not a constraint to the production of housing.

**Table IV-7: Residential Development Fees by Project Type**

<b>Fees</b>	<b>Single-Family Housing Project<sup>1</sup></b>	<b>Condominium 20-Unit Project<sup>2</sup></b>	<b>Apartment 50-Unit Project<sup>3</sup></b>
<b>City Fees – Per Unit/Total Project</b>			
Planning Fees <sup>4</sup>	\$525	\$350/ \$7,000	\$140/ \$7,000
Engineering Fees	\$760	\$910/ \$18,210	\$418/ \$20,900
Building Fees	\$4,500	\$1,600/ \$32,000	\$1,240/ \$62,000
Park In-lieu (Quimby) <sup>5</sup>	n/a	\$6,472.8/ \$129,456	n/a
Traffic Impact Fees	\$880	\$580/ \$11,600	\$540/ \$27,000
<b>Other Governmental Agency Fees – Per Unit/Total Project</b>			
School Fees	\$4,480	\$2,800/ \$56,000	\$2,520/ \$126,000
Water/Sewer Fees	\$730	\$730/ \$14,600	\$730/ \$36,500
OC Fire Authority	\$580	\$184/ \$3,680	\$84.6/ \$4,230
<b>TOTAL – Per Unit</b>	<b>\$20,375</b>	<b>\$13,627</b>	<b>\$5,676</b>
<b>TOTAL – Project</b>	<b>\$20,375</b>	<b>\$272,546</b>	<b>\$283,630</b>

Source: City of Westminster 2013-2021 Housing Element

<sup>1</sup> Single-family home assumed at 2,000 sq ft, 4 bedrooms and 400 sq ft garage in R-1 zone.

<sup>2</sup> Condominium unit assumed at 1,250 square feet, 3 bedrooms, with a 400 square feet garage in R-3 zone.

<sup>3</sup> Apartment unit assumed at 1,050 sq ft, 3 bedrooms, with a 400 sq ft garage in R-5 zone.

<sup>4</sup> Planning fees include both application submittal fees and plan check fees.

<sup>5</sup> Park fees apply solely to subdivided projects and are based upon a formula which multiplies 108.9 sq ft of parkland/ person by the number of units in the development, then by persons/ household for the City to determine the total land area needed for park dedication. The total land area is then multiplied times the land cost (based upon a land appraisal of the site) to determine the gross park fee. The current value of vacant residential land in the City, based upon a recent park fee appraisal, is \$27.84 per square foot. In addition, 40% of a project's open space can be credited towards the total land area needed for dedication. The example above includes the 40% open space credit.



## 6. Community Representation

An important way to further fair housing is to provide a variety of opportunities for residents to express their concerns about housing and related community development issues. Westminster has established several Commissions addressing a broad range of issues and comprised of community representatives. The role of the three Commissions addressing community development issues are discussed below.

**Planning Commission:** The Westminster Planning Commission reviews and makes decisions on a variety of land use matters such as subdivisions, conditional use permits, design reviews, and variances. The Commission also makes recommendations to the City Council on issues pertaining to the General Plan, Specific Plans, zone changes, annexations, ordinances such as the Zoning Code and policy issues regarding development. Decisions are reached at advertised public hearings conducted on the second and fourth Tuesdays of each month, and residents, business community members, and concerned citizens are encouraged to attend and participate in the discussion and decision process. The Planning Commission consists of seven members and two alternates appointed by City Council.

**Parks, Arts, Recreation and Culture Commission (PARC):** The purpose of this five member Commission is to: advise City Council on matters pertaining to the acquisition and development of parks, recreational and human service facilities; the beautification and improvement of the environment of the city; the promotion of recreational programs within the city; plan and coordinate all activities and human service needs and programs for the community; solicit to the fullest extent possible the cooperation of the school authorities and public and private agencies interested in youth program activities; and to perform such other duties as may be prescribed by the City Council. (WMC Chapter 2.56)

**Commission on Aging:** The purpose of this seven member Commission is as follows: to identify the needs of Westminster seniors within the City and to create a citizen awareness of these needs; to encourage improved standards of services to Westminster seniors and to encourage establishment of needed new services for seniors, both public and private; to encourage coordination among organizations providing services to seniors within the City and Orange County, and to provide advice and assistance where appropriate; and to advise the City Council on all matters affecting senior services within the City. (WMC Chapter 2.62). The Commission on Aging meets at least six times per year, or at the pleasure of the City Council.



## **B. PRIVATE SECTOR IMPEDIMENTS**

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

### **1. Real Estate Associations and Practices**

A variety of real estate associations at the national, state and local level promote fair housing practices among realtors. Organizations relevant to Westminster include the National Association of Realtors, the California Association of Realtors, the California Department of Real Estate, and the Orange County Association of Realtors, and the Pacific West Association of Realtors.

#### **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). As part of this partnership, HUD and NAR have developed a Model Affirmative Fair Housing Action Plan for use by members of NAR to satisfy HUD's Affirmative Fair Housing Marketing regulations. 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.*
- *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.*
- *Refuse to tolerate non-compliance.*
- *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.*

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. Realtors completing the course can display the HUD One America logo and NAR At Home With Diversity logo in their advertising, signaling to prospective buyers that the realtor is knowledgeable about working with diverse populations. 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.”

### **California Association of Realtors**

The California Association of Realtors (CAR) is an arm of NAR, and represents nearly 170,000 realtors statewide. Members are required to adhere to the NAR Code of Ethics and sign the Fair Housing Pledge. Westminister realtors are served by CAR’s Los Angeles office, and have access to numerous services and programs including legislative advocacy, legal programs, and educational training. CAR offers a variety of professional development courses, including training realtors in working with foreclosed properties.

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<sup>1</sup> 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. CAR’s Leadership Summit also resulted in establishment of the “Diversity Toolkit” designed to assist associations with a wide variety of diversity programs.

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<sup>1</sup> According to a message from CAR’s 2015 President, the Leadership Summit has grown to include the following organizations: the African American Economic Development Association of REALTORS and Affiliates (AAEDARA), California Association of Real Estate Brokers (CAREB), National Association of Hispanic Real Estate Professionals (NAHREP), Asian Real Estate Association of America (AREAA), Chinese-American Real Estate Association (CAREA), Chinese Real Estate Association of America (CREAA), Chinese American Real Estate Professionals Association (CAREPA), Filipino American Real Estate Professionals Association (FAREPA), South Asian Real Estate Association of America (SAREAA), Korean Real Estate Brokers Association of Southern California (KREBA), Korean Association of REALTORS® and Lenders (KARL) and the Multicultural Alliance. (source: <http://www.car.org/members/international/culturaldiversity/>)



## **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.

## **Orange County Association of Realtors, Pacific West Association of Realtors**

Two local real estate associations serve realtors in the City of Westminster: the Orange County Association of Realtors (OCAR), with offices in Huntington Beach and Laguna Hills; and the Pacific West Association of Realtors (PWAR), with offices in Anaheim and Long Beach. The mission of these organizations is to promote the REALTOR® Code of Ethics; to provide education, services and resources to members; and to advocate the protection of real property rights.

The local real estate associations periodically host fair housing seminars to update members on fair housing laws. In addition, each offers several DRE approved courses every month aimed at assisting realtors in better serving the minority community.

Both associations provide mediation and professional standards hearings for issues arising between realtors and the public. The associations serve as the local body for the public, other real estate agents, and brokerages to register complaints about member realtors. If the Association determines the grievance is in potential violation of real estate law, the decision is referred to a 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

The California Apartment Association is the country's largest statewide trade association for rental property owners and managers. Under this umbrella agency, the Apartment Association of Orange County (AAOC) serves Westminster.

The CAA supports the intent of all local, state, and federal fair housing laws for all residents without regard to color, race, religion, sex, marital status, mental or physical disability, age, familial status, sexual orientation, or national origin. Members of the California Apartment Association agree to abide by 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.*

The Apartment Association of Orange County (AAOC) serves all of Orange County including Westminster. Through a variety of seminars, workshops, and educational courses, the Association provides members with information and training on such topics as fair housing laws/regulations, landlord/tenant law, ethics, credit checks, addressing code enforcement violations, lead based paint and mold hazards, etc. AAOC's fair housing seminar provides current information on state and federal Fair Housing laws, including: information on: how Fair Housing laws apply to tenants with disabilities and families with children; how to update management policies and property rules to comply with Fair Housing Laws; and how Fair Housing can serve as a resource for owners and managers.

The majority of the larger property management firms in Orange County are members of AAOC and have excellent access to fair housing training. However, given the characteristics of Westminster's apartment stock as predominately older and in smaller complexes, a large segment of the City's rentals are not managed by professional management companies, and are not members of AAOC. These "mom and pop" property managers are more likely to be reached through the landlord workshops offered by the Fair Housing Foundation.



### **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 Westminster 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.

#### **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.



## Availability of Financing

Table IV-8 summarizes Home Mortgage Disclosure Act (HMDA) data for both Westminster and Orange County, providing information on the approval status of all home purchase, refinance and home improvement loan applications during 2013.

- Of the total 910 completed applications for home purchase loans in Westminster, 78% were approved and 22% were denied. In comparison, Countywide 85% of mortgage application were approved and 15% denied. The higher approval rates in the County is largely a reflection of the greater incidence of upper income applicants, where 61% of applicants for home purchase loans in 2013 earned upper incomes (>120% AMI), compared to 41% upper income applicants in Westminster. Average loan amounts were \$394,000 and \$500,000 in Westminster and Orange County respectively.
- The volume of applications for refinance loans in Westminster was nearly four times that of home purchase loans, with 77% of the total 3,386 applications receiving approval and 23% denied. At 20%, the denial rate on refinance loan applications in Orange County was slightly below that in Westminster.
- The number of applications for home improvement loans in Westminster was limited at just 179, with 72% of applications receiving approval and 28% being denied, just slightly higher than the 26% 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-8: Status of Home Purchase, Refinance and Home Improvement Loans 2013**

Loan Type	Completed Loan Applications	Loans Approved		Loans Denied	
		Westminster	Orange County	Westminster	Orange County
<b>Home Purchase Loans</b>					
# Applications	910	711		199	
% Approval/Denial		78%	85%	22%	15%
<b>Refinancings</b>					
# Applications	3,386	2,614		772	
% Approval/Denial		77%	80%	23%	20%
<b>Home Improvement Loans</b>					
# Applications	179	128		51	
% Approval/Denial		72%	74%	28%	26%

Source: [www.lendingpatterns.com](http://www.lendingpatterns.com), 2015.

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.



Table IV-9 presents information on 2013 home purchase loan applications in Westminster by applicant race/ethnicity and income, and compares loan denial rates with Orange County as a whole.

- Loan denial rates were lowest among Whites in Westminster (10%), followed by Hispanics (20%), and Asians (26%). Similarly, Countywide loan denial rates were higher among Hispanic and Asian applicants than for Whites. However, this data does not control for applicant income, with Whites in both Westminster and Orange County having a greater incidence of upper income applicants. Similarly, the greater frequency of mortgage loan denials among Asians in Westminster (26%) compared to the County (16%) can largely be attributed the lower percentage of upper income Asian applicants (39%) in Westminster than in Orange County (56%).
- Table IV-9 clearly depicts the relationship between loan denial rates and applicant incomes, with denial rates increasing significantly as applicant income decreases. An exception is the slightly higher denial rate among middle versus moderate income applicants in Westminster; one factor contributing to these results is the higher incidence of FHA/VA loan applications among Westminster's middle income households, which generally have more stringent underwriting criteria than conventional loans. Also worth noting is the significantly greater incidence of loan denials among low income applicants in Westminster (52%) compared to the Orange County average (37%).

**Table IV-9: Status of Home Purchase Loans by Applicant Characteristics 2013**

Applicant Characteristics	# Completed Loan Applications	% Loans Denied	
		Westminster	Orange County
<b>Applicant Race/Ethnicity</b>			
White ( <i>non-Hispanic</i> )	231	10%	12%
Asian ( <i>non-Hispanic</i> )	520	26%	16%
Hispanic	61	20%	19%
<b>Applicant Income</b>			
Low (<50% AMI)	50	52%	37%
Moderate (50–79% AMI)	172	23%	20%
Middle (80–119% AMI)	262	25%	15%
Upper (>120% AMI)	375	16%	12%

Source: www.lendingpatterns.com, 2015.

<sup>1</sup> Includes conventional & government-assisted (FHA, FSA/RHS and VA) home purchase applications.

<sup>2</sup> Denial rate based on applications that went through complete underwriting process, and excludes applications withdrawn or files closed for incompleteness.

<sup>3</sup> Income data wasn't available for 51 applicants, and race data wasn't available for 73 applicants (or racial category had less than 10 applicants), and therefore the total number of applications by income and race/ethnicity do not equal the overall total of 910 applicants that completed mortgage loan applications in Westminster in 2013.



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-10 presents the status of 2013 home purchase loan applications in Westminster and Orange County by census tract minority population and tract income.

- In both the City and County, as the minority population increases within a census tract, there is a corresponding increase in mortgage loan denials. For tracts with the highest proportions of minorities (60% and above), loan denial rates were substantially greater in Westminster than Orange County. This data does not however control for applicant income.
- Census tract income is directly related to mortgage loan denial rates, with lower income tracts evidencing higher denial rates compared with upper income tracts. One exception is the slightly higher denial rate among moderate income versus low income census tracts in Westminster.

**Table IV-10: Status of Home Purchase Loans by Census Tract Characteristics 2013**

Census Tract Characteristics	# Completed Loan Applications	% Loans Denied	
		Westminster	Orange County
<b>Tract Race/Ethnicity</b>			
30-40% Minority	164	12%	13%
40-50% Minority	24	13%	14%
50-60% Minority	81	17%	15%
60-70% Minority	107	21%	15%
70-80% Minority	181	24%	17%
80-90% Minority	353	28%	21%
<b>Total Loan Applications</b>	<b>910</b>		
<b>Tract Income</b>			
	<b>Westminster</b>		<b>Orange County</b>
Low (<50% AMI)	94	24%	22%
Moderate (50–79% AMI)	291	26%	19%
Middle (80–119% AMI)	379	21%	15%
Upper (>120% AMI)	146	14%	13%
<b>Total Loan Applications</b>	<b>910</b>		

Source: www.lendingpatterns.com, 2015.

<sup>1</sup> Includes conventional & government-assisted (FHA, FSA/RHS and VA) home purchase applications.

<sup>2</sup> Denial rate based on applications that went through complete underwriting process, and excludes applications withdrawn or files closed for incompleteness.

### ***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 access to mortgage financing. Table IV-11 presents 2010-2013 mortgage loan denial rates for each of Westminster's census tracts listed in order of % minority population. Census tract loan denial rates exceeding 5% above the Citywide average for that particular year are highlighted; tracts with high loan denial rates in two or more years are identified in bold.



**Table IV-11: Home Loan Denial Rates by Census Tract 2010-2013**

Census Tract	% Minority	Tract Income <sup>1</sup>	2010		2011		2012		2013	
			# Apps	% Denial						
889.01	80-90%	Mod	36	22%	35	34%	40	30%	45	31%
889.04	80-90%	Mod	35	14%	28	18%	19	26%	17	47%
889.05	80-90%	Mod	35	26%	28	25%	26	31%	38	21%
992.03	80-90%	Middle	50	18%	38	26%	36	11%	36	33%
992.23	80-90%	Mod	20	10%	13	15%	14	21%	26	23%
996.01	80-90%	Low	58	31%	52	27%	37	27%	40	20%
997.01	80-90%	Mod	36	22%	25	24%	32	22%	31	29%
998.02	80-90%	Low	16	19%	14	21%	31	19%	23	26%
998.03	80-90%	Mod	32	19%	21	29%	32	28%	31	45%
999.03	80-90%	Mod	26	15%	34	24%	42	14%	35	11%
999.04	80-90%	Low	30	13%	21	14%	38	13%	31	29%
881.06	70-80%	Mod	41	17%	41	20%	53	9%	42	17%
992.04	70-80%	Middle	25	16%	14	7%	21	14%	25	44%
992.22	70-80%	Middle	39	28%	25	24%	30	13%	30	13%
997.02	70-80%	Middle	51	18%	48	13%	42	19%	58	28%
998.01	70-80%	Mod	27	30%	35	23%	46	28%	26	19%
881.01	60-70%	Middle	43	12%	22	27%	35	20%	38	16%
997.03	60-70%	Middle	53	13%	39	18%	41	20%	32	34%
999.02	60-70%	Middle	45	9%	28	7%	31	16%	37	14%
992.24	50-60%	Upper	26	23%	26	27%	35	20%	21	24%
992.41	50-60%	Middle	23	13%	17	24%	29	21%	23	22%
992.42	50-60%	Middle	23	9%	27	11%	23	4%	27	11%
999.05	50-60%	Middle	14	14%	23	17%	19	16%	10	10%
996.02	40-50%	Middle	32	12%	28	14%	27	11%	24	13%
996.03	30-40%	Upper	52	8%	57	11%	67	12%	67	12%
996.05	30-40%	Middle	26	15%	24	8%	40	8%	39	10%
999.06	30-40%	Upper	40	8%	46	4%	47	17%	58	12%
<b>Total Home Loan Applications</b>			<b>935</b>		<b>812</b>		<b>934</b>		<b>910</b>	
<b>City Average Loan Denial Rate</b>			<b>17%</b>		<b>19%</b>		<b>18%</b>		<b>22%</b>	

Source: www.lendingpatterns.com, 2015. 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 in census tracts with fewer than 10 loan applications.

<sup>1</sup>HMDA defines income level based on median tract income as follows: Low income (<50% AMI), Moderate income (50-79% AMI), Middle income (80-119% AMI), Upper income (>120% AMI). These definitions differ from those used by HUD to determine Low and Moderate Income Areas.



The following conclusions can be drawn from Table IV-11 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 four years (2010-2013):

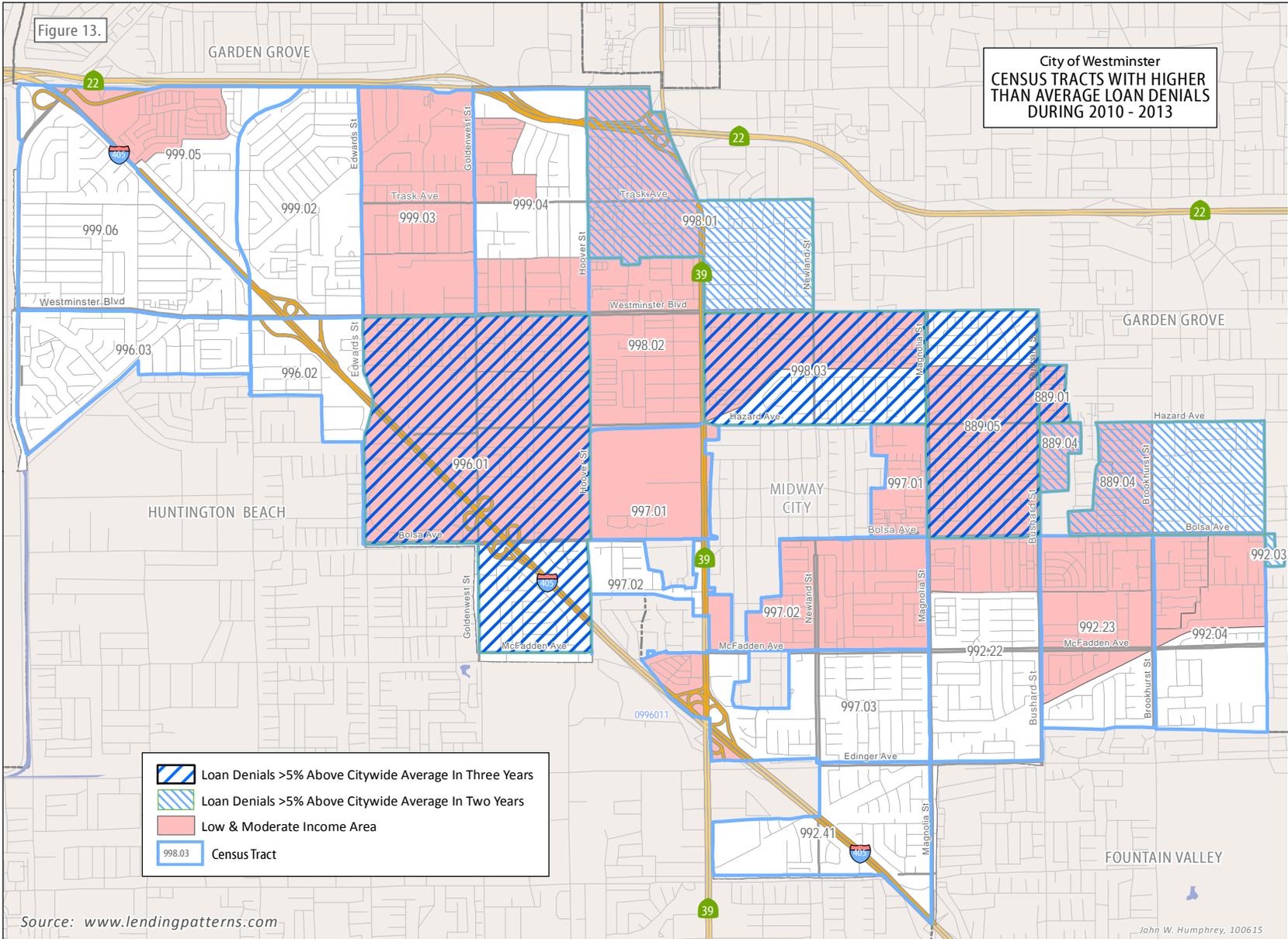
- Seven of Westminster's total 27 census tracts evidenced patterns of higher than average home loan denials; four tracts had high loan denials in three of the last four years, and three tracts had high loan denials in two of the last four years.
- Six of the seven tracts with patterns of high home loan denials were in tracts with 80-90% minority population. While this indicates a correlation between loan denials and neighborhoods in the City with the highest proportion of minorities, worth noting is that nearly 75% of Westminster's residents are considered non-White minorities, and thus a majority of the City's census tracts are characterized by a large minority population.
- Among Westminster's three low income census tracts, one had higher than average loan denials; among the nine moderate income tracts, five had high loan denials; and among the twelve middle income tracts, just one had high loan denials. None of the City's three upper income tracts evidenced high loan denials. This data illustrates a correlation between tract income and loan denial rates, with 85% of tracts with high loan denial rates identified as low or moderate income.

Figure 13 geographically depicts those seven census tracts with higher than average home loan denial rates. Tracts with three years of high loan denials are identified by bold blue stripes, and tracts evidencing two years of high loan denials are shown by thin blue stripes. As shown, these tracts are generally located in the central and eastern portions of the City, with approximately two-thirds falling within the low and moderate income areas of the City (refer to Figure 5).

In summary, census tracts 889.01, 889.05, 996.01 and 998.03 exhibit recent trends of higher than average loan denials in three of the last four years (2010-2013), and are all characterized by high minority populations of 80-90%. 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 Westminster  
CENSUS TRACTS WITH HIGHER  
THAN AVERAGE LOAN DENIALS  
DURING 2010 - 2013



- Loan Denials >5% Above Citywide Average In Three Years
- Loan Denials >5% Above Citywide Average In Two Years
- Low & Moderate Income Area
- 998.03 Census Tract

Source: [www.lendingpatterns.com](http://www.lendingpatterns.com)



## Major Lenders in Westminster

Westminster's top mortgage lenders, as measured by the number of completed loan applications in 2013, are identified in Table IV-12. This Table examines the disposition of home purchase, refinance and home improvement loan applications among these top twenty lending institutions, which account for 63% of the total 4,475 loan applications in the City in 2013.

**Table IV-12: Home Loan Applications  
Top 20 Lending Institutions – Westminster 2013**

Lending Institution	Total Completed Applications	% Loans Denied	% Minority Applicants	% Low/Mod Income Applicants
WELLS FARGO BANK, NA	407	25%	55%	31%
BANK OF AMERICA, NA	299	24%	61%	45%
JPMORGAN CHASE BANK, NA	266	27%	51%	36%
FLAGSTAR BANK, FSB	264	13%	62%	33%
PMAC LENDING SERVICES INC	185	43%	96%	44%
JMAC LENDING, INC	169	15%	95%	34%
CASH CALL, INC	165	30%	31%	23%
CITIBANK, NA	151	21%	38%	49%
SCHOOLS FIRST FCU	120	22%	32%	27%
QUICKEN LOANS	103	18%	39%	18%
NATION STAR MORTGAGE LLC	95	41%	40%	29%
CHICAGO MORTGAGE SOLUTIONS	84	4%	57%	33%
GREENLIGHT FINANCIAL SERVICES	76	46%	29%	27%
STEARNS LENDING, INC.	75	7%	49%	22%
PARAMOUNT RESIDENTIAL MORTGAGE	68	28%	72%	16%
US BANK, NA	66	38%	41%	38%
LOAN DEPOT.COM	65	48%	31%	22%
BROKER SOLUTIONS, INC.	65	20%	32%	28%
T.J. FINANCIAL, INC.	59	17%	97%	54%
PACIFIC UNION FINANCIAL, LLC	53	45%	77%	41%
<b>All Lending Institutions</b>	<b>4,475</b>	<b>23%</b>	<b>54%</b>	<b>31%</b>

Source: www.lendingpatterns.com, 2015. Compiled by Karen Warner Associates, Inc.

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

Loan denial rates for Westminster's top lenders vary substantially by lender, ranging from a low of 4% loan denials (Chicago Mortgage Solutions) to a high of 48% loan denials (Loan Depot.com). Even among the City's top five lenders, loan denial rates



varied from 13% (Flagstar Bank) to 43% (PMAC Lending Services). Three lenders cater primarily to the City's Asian population (PMAC Lending Services, JMAC Lending, T.J. Financial), with over 90% of these institutions applications from minority households. T.J. Financial also had the highest proportion of low and moderate income applicants (54%), followed by Citibank (49%) and Bank of America (45%).



## 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.

***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:<sup>2</sup>

- 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

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<sup>2</sup> HUD-Treasury Task Force on Predatory Lending, the report, “Curbing Predatory Home Mortgage Lending,” June 2000.



- 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.

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 Westminster supports these actions to help low-income and minority borrowers to avoid the pitfalls of predatory lending, including information on the dangers of subprime/predatory lending at workshops conducted by the Fair Housing Foundation and the Rancho Southeast Association of Realtors.

### **Foreclosures and Loan Modifications**

Approximately 1.5 million of the 8.7 homes and condominiums in California have been involved in a foreclosure proceeding since 2007. In addition to impact of people losing their homes, foreclosed properties can lead to other problems as these homes are left abandoned, becoming potential blight and criminal concerns. Fortunately, the number of mortgage default notices in California has been consistently declining since its peak in 2009. The number of default notices filed in the third quarter of 2014 is at its lowest level in eight years. According to the real estate information service DataQuick, the drop in foreclosure notices is the result of a combination of rising home values, an improving economy, and the use of various foreclosure prevention efforts - short sales, loan modifications and the ability of some underwater homeowners to refinance.

Within Westminster, [www.Realtytrac.com](http://www.Realtytrac.com) identified 72 residential properties in various states of foreclosure in August 2015, including “pre-foreclosure” having received a notice of mortgage default, notice of a trustee sale, and bank-owned. The number of properties that received a foreclosure filing in Westminster in August



was 29% lower than the prior month and 17% lower than same time the previous year, and represented one filing for every 2,851 residential units in the City. As shown below, the ratio of foreclosure filings in Statewide and Orange County is much higher than in Westminster. In comparison to other nearby jurisdictions, foreclosure rates in Westminster are well below those in Santa Ana, Costa Mesa, Fountain Valley and Garden Grove, and just slightly below those in Huntington Beach.<sup>3</sup>

California	1 : 1,299
Santa Ana	1 : 1,345
Orange County	1 : 1,692
Costa Mesa	1 : 1,810
Fountain Valley	1 : 1,929
Garden Grove	1 : 1,937
Huntington Beach	1 : 2,654
<b>Westminster</b>	<b>1 : 2,851</b>

**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 percent 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 percent value of their home) for a HAMP reduction of at least 10 percent 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.

<sup>3</sup> The foreclosure ratio is calculated by dividing the number of dwelling units in the jurisdiction by the total number of properties that received foreclosure notices that month. The lower the second number in the ratio, the higher the foreclosure rate.



In February 2012, President Obama obtained approval from the U.S. 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:

- 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 percent underwater on the loan; and
- 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 April 2014, over 38,500 applicants had qualified for assistance. The program is limited to low and moderate-income households (up to 120 percent AMI), and the maximum benefit is \$100,000 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 twelve months, and a total of \$36,000.
- Mortgage Reinstatement Assistance Program - As much as \$25,000 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 \$100,000 when the homeowner is facing a serious financial hardship and owes significantly more than the home is worth.
- 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.

The California Homeowners Bill of Rights, signed into law by Governor Jerry Brown, went into effect in January 2013. According to Attorney General Kamala Harris, the



Bill of Rights "prohibits a series of inherently unfair bank practices that have needlessly forced thousands of Californians into foreclosure." This legislation will make the mortgage and foreclosure process more fair and transparent, which will benefit homeowners, their community, and the housing market as a whole. The primary tenets of the Homeowners Bill of Rights include:

- Restriction of Dual-Tracking - Dual tracking is when a lender proceeds in taking two simultaneous, yet inconsistent actions against a borrower, in this case, the foreclosure process and loan modification review.
- Single Point of Contact - Guarantees borrowers a single point of contact at their lender/servicer in regards to the foreclosure process or loan modification process.
- Ending "Robo-Signing" - Requiring a live person to verify whether a bank has the right to foreclose before foreclosure proceedings can begin.

**National Mortgage Settlement:** After many months of negotiation, in February 2012, 49 State Attorney Generals 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

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.

***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; and
- 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. Real Estate Advertising

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.

To evaluate the presence of potentially discriminatory advertising, print and online advertising was reviewed during the month of August. Each ad was reviewed to determine if it might indicate a "preference, limitation or discrimination." Advertisements which describe the property are generally considered acceptable, with the review focusing on words and phrases that deviate from the physical descriptions of the property and available services. A summary of the California Newspaper Publishers Association guidance on advertising words and phrases is included in Appendix A. Craigslist now also includes a "discriminatory housing ads" link at the bottom of each real estate advertisement providing in-depth information on discriminatory advertising and links to outside resources; a copy of their "Frequently Asked Questions" is also included in Appendix A.

The review of 32 advertisements for rental housing in Westminster on Craigslist, and 14 listings on Apartments.com identified the following potentially discriminatory language:

**Table IV-13: Potential Discrimination in English Language Rental Listings**

Protected Class	Potential Discriminatory Language Identified in Westminster Rental Advertisements
Familial Status	<ul style="list-style-type: none"> <li>Looking for full-time employed persons or working student</li> <li>VERY quiet and private living</li> <li>Perfect roommate layout</li> <li>Dedicated play-space and close proximity to nearby park and schools provide a perfect nurturing environment for your family</li> <li>Great for small families</li> </ul>
Disability	<ul style="list-style-type: none"> <li>No pets, no exceptions</li> <li>Sorry, no pets</li> <li>Cats are okay</li> <li>Small pets okay</li> <li>Accept dogs and cats under 35 pounds</li> <li>Absolutely no smoking, no pets</li> </ul>
Race/Color/National Origin/Ancestry	<ul style="list-style-type: none"> <li>Prefer Christians, Asians (Japanese, Koreans, Vietnamese, etc.)</li> <li>This is an evil place to live. Don't even bother living there not unless you want to get beat up or harassed by the evil Mexican maintenance lady.</li> </ul>

Source: Craigslist.com; Apartments.com.



To supplement the review of English language advertisements, the Fair Housing Foundation (FHF) reviewed Vietnamese language rental ads in Westminster for potentially discriminatory advertising. The reviews consisted of approximately 28 ads for rental housing in Westminster on Nguoi-viet.com and newspaper, 14 listings on Viendongdaily.com and newspaper, 13 listings on salonetwok.org, and 40 listings on kimquy.com. Advertisements were reviewed for any words or phrases that deviated from the physical description of the property and available services. The following potentially discriminatory language was identified in the 95 Vietnamese rental ads reviewed during September 2015:

**Table IV-14: Potential Discrimination in Vietnamese Language Rental Listings**

<b>Protected Class</b>	<b>Potential Discriminatory Language Identified in Westminster Rental Advertisements</b>
Familial Status	<ul style="list-style-type: none"><li>• No children</li><li>• Quiet area</li></ul>
Disability	<ul style="list-style-type: none"><li>• No pets</li><li>• No smoking, no pets</li></ul>
Race/Color/National Origin/Ancestry	<ul style="list-style-type: none"><li>• Prefer Catholic (State close to specific church)</li><li>• Prefer Vietnamese</li></ul>
Source of Income	<ul style="list-style-type: none"><li>• Looking for employed person</li></ul>

Source: VienDongDaily.com, Vien Dong Newspaper, Nguoi-viet.com, Nguoi Viet Newspaper, salonnetwork.org, kimquy.com

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 disabled individuals may not be aware of their right to ask for an exception to rental housing advertised as "no pets". Persons with disabilities requiring companion animals may see themselves as limited in their housing options, and thus a no pets policy could be an impediment to fair housing choice.

In order to better proactively promote fair housing in the advertisement of housing, under their contract with the City, the Fair Housing Foundation will:

- Monitor on-line advertising of rental housing for fair housing violations on a quarterly basis, investigate if warranted, and refer to DFEH for possible enforcement.
- Take steps to encourage both the Los Angeles Times and Orange County Register to publish a Fair Housing Notice and a "no pets" disclaimer in the For Rent Classified section.

## **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 Westminster 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 recommendations for the City and its community partners to address identified impediments to fair housing choice. The final section summarizes impediments identified in the 2010-2015 *Orange County Regional Analysis to Fair Housing Choice*, of which Westminster was a participating City, and identifies the actions taken to address these impediments.

### A. SUMMARY OF CONCLUSIONS/FINDINGS

The following summarizes the key findings from the AI:

#### 1. Community Profile

- An estimated 16,000 foreign-born residents in Westminster 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.
- The Section 8 Rental Assistance Program administered by the Orange County Housing Authority (OCHA) assists over 2,000 low income renters to afford to live in Westminster, translating to approximately 30% of the City's income eligible renter population being served by rental assistance vouchers. Asian households are well represented in that 35% of Westminster's income eligible Asian household hold a voucher. In contrast, Westminster's **Hispanic households are under-represented** in the program, with just 8% of income eligible renters holding a voucher. Just 22% of applicants on OCHA's waiting list for rent vouchers are Hispanic, whereas 46% of the County's renters are Hispanic/Latino, indicating this ethnic group is underserved both in Westminster and on a county-wide basis.
- The supply of large rental units (3+ bedrooms) is generally adequate to meet the demand for such units by **large family households** (5+ members). However, many large rental units may be occupied by smaller households, and/or consist of single-family homes which command higher rents, thus restricting availability for occupancy by lower income large families.
- An estimated 10% of Westminster'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 26% of Westminster's households. One-third of the City's senior households live alone, one-third are renters, and over one-third of the senior population has 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.
- **Housing overpayment** is Westminster's most prevalent housing problem, with 79% of low and moderate income renter households (<80% AMI) facing a cost burden (>30% of income on housing costs), and 48% facing a severe cost burden (>50% of income towards housing). The impact of the high cost of rentals and low vacancy rates have contributed to a record long waiting list for housing assistance, with nearly 4,000 Westminster households on the Orange County Housing Authority's waiting list for Section 8 rental assistance.
- The incidence of **renter overcrowding** (defined as greater than 1.01 persons per room) has fallen dramatically, from 39% in 2000 to 20% in 2010. Nonetheless, with over 2,300 renter households living in overcrowded conditions, overcrowding remains an important housing issue in Westminster. Severe renter overcrowding (greater than 1.51 persons per room), is concentrated in two census tracts in particular: the neighborhood south of Westminster Boulevard and east of Magnolia Street, and the small neighborhood east of Goldenwest Street and north of Hazard Avenue.
- Based on a windshield survey conducted in support of the City's 2013-2021 Housing Element, approximately 15% of Westminster's multi-family housing is in fair or poor **substandard condition** (1,200 units). The biggest contributors to substandard housing are the City's aging housing stock, household overcrowding, and absentee landlords.
- 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 Westminster, providing these types of supportive housing services in most areas of the community.
- Westminster is well served by **public transit**. Major employers, residential care facilities and assisted housing are located within close proximity to bus lines.



## 2. Fair Housing Profile

- The City's fair housing provider - the Fair Housing Foundation (FHF), along with local real estate associations and the Apartment Owner's Association conduct extensive **fair housing education and outreach**. However, as small property managers/owners are generally the major violators of fair housing laws, targeted outreach to this group remains critical.
- Issues concerning **race** are both the primary fair housing and hate crime issue in Westminster over the past several years.
- There is a gap in understanding by many landlords about the requirements under the Federal fair Housing Act to provide reasonable accommodation for **persons with disabilities**. The FHF cites the continued need to educate landlords on reasonable accommodation.
- The majority of **landlord/tenant calls** received over the past three years in Westminster were from Whites (36%) and Hispanics (34%), with Asians representing just 25% of all calls. Given that Asians comprise 48% of Westminster's population, Asians are underrepresented in their incidence of landlord/tenant calls, and could indicate the City's Asian population is not fully aware of the landlord/tenant services available to them.

## 3. Review of Potential Impediments

### Public Sector Impediments

- The City has amended its Zoning Code to specifically define **transitional and supportive housing** and to treat as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. **Emergency homeless shelters** are now regulated as a permitted use in the Public/Semi-Public (P/PS) zone and Emergency Shelter (ES) Overlay zone, and as a conditionally permitted use in the C2 and CM zone. A 21 acre area has been rezoned to include the ES overlay zone to provide additional shelter capacity.
- The City has adopted a **reasonable accommodation procedure**. Through this ordinance, the City can provide reasonable adjustments to its rules, policies, practices and procedures to enable residents with a disability or developers of housing for people with disabilities to have an equal opportunity to access housing in the City.
- The narrow **definition of "family"** in the City's Municipal Code could potentially be used to limit unrelated persons from residing together in single-family zones. In order to provide greater clarity and eliminate any potential



constraint to non-traditional households, the City should update this definition consistent with State law.

- Housing affordable to Westminster's lower income residents and workforce is not being produced in the market. With the dissolution of the **Redevelopment Agency**, redevelopment funds will no longer be available to support the City's affordable housing activities, impeding the City's efforts to expand housing choice among lower and moderate income households

### **Private Sector Impediments**

- The **approval rate for home purchase loans** in Westminster in 2013 was below the Countywide average (78% compared to 85%), though likely a reflection of the greater incidence of upper income applicants in the County, where 61% of applicants for home purchase loans in 2013 earned upper incomes (>120% AMI), compared to 41% upper income applicants in Westminster.
- **Mortgage loan denial rates** were lowest among Whites in Westminster (10%), followed by Hispanics (20%), and Asians (26%); similarly, Countywide loan denial rates were higher among Hispanic and Asian applicants than Whites. The greater frequency of mortgage loan denials among Asians in Westminster (26%) compared to the County (16%) can largely be attributed the lower percentage of upper income Asian applicants (39%) in Westminster than in Orange County (56%).
- **Census tracts 889.01, 889.05, 996.01 and 998.03** exhibit recent trends of higher than average loan denials in three of the last four years (2010-2013), and are all characterized by high minority populations of 80-90%. The City should continue to monitor loan denial rates in these census tracts and discuss concerns with the community's major mortgage lenders.
- **Review of ads** in English and Vietnamese print and online newspapers for rentals in Westminster identified several instances of potentially discriminatory advertising.



## **B. RECOMMENDED ACTIONS TO ADDRESS IMPEDIMENTS**

Recommendations are organized by activity type as outlined in HUD's 1998 *Fair Housing Planning Guide*. The recommendations listed below are primarily implemented by the Fair Housing Foundation (FHF), with coordination and oversight by the City's Community Development Department.

### **1. Education and Outreach Activities**

**Action 1.1:** In partnership with the FHF, conduct multi-faceted fair housing outreach to Westminster tenants, landlords, property owners, realtors, and property management companies. Methods of outreach will include workshops, informational booths at community events, presentations to civic leaders and community groups, staff trainings, and distribution of multi-lingual fair housing literature.

**Action 1.2:** Conduct focused outreach and education to small property owners/landlords on fair housing, and race, reasonable accommodation and familial status issues in particular. Conduct property manager trainings within Westminster on a regular basis, targeting managers of smaller properties, and promote fair housing certificate training offered through the FHF.

**Action 1.3:** Coordinate with the Orange County Association of Realtors (OCAR) and the Pacific West Association of Realtors (PWAR) on fair housing education and outreach to the local real estate community. Direct local realtors to the Associations monthly aimed at assisting realtors in better serving the minority community.

**Action 1.4:** Work to enhance access to services and housing for residents with limited English proficiency. For the federal CDBG program, provide public notices in English, Spanish and Vietnamese, and ensure translators are available at public meetings.

**Action 1.5:** Contact OCHA regarding the apparent under-representation of Hispanic households in the Housing Choice Voucher program. As warranted, request that OCHA conduct targeted outreach as defined in its Administrative Plan.



## 2. Enforcement Activities

**Action 2.1:** Continue to provide investigation and response to allegations of illegal housing discrimination through the FHF. For cases that can not 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 and in coordination with the FHF, review discrimination complaints to assess Westminster trends and patterns over time, and tailor fair housing education and outreach accordingly.

**Action 2.3:** Continue to provide general counseling and referrals over the phone regarding tenant-landlord issues, and provide monthly walk-in clinics at City Hall.

**Action 2.4:** Coordinate review of hate crime data on an annual basis between the Westminster Police Department and the FHF to evaluate as a potential fair housing issue.

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

**Action 3.1:** Monitor mortgage loan denial rates among Asian and Hispanic households and in census tracts with higher than average loan denials and high minority populations (tracts 889.01, 889.05, 996.01 and 998.03) through annual review of Home Mortgage Disclosure Act (HMDA) data. As warranted, contact the City's major mortgage lenders to discuss the City's concerns.

**Action 3.2:** Help protect homeowners from mortgage rescue fraud by promoting the use of HUD-certified, non-profit mortgage counseling agencies on the City's website and other means.

**Action 3.3:** Coordinate with the Orange County Association of Realtors and the Pacific West Association of Realtors and the FHF in conducting outreach to the local real estate community on predatory mortgage lending practices, loan modification scams, and the rights of tenants in foreclosed properties.

**Action 3.4:** Monitor on-line advertising of rental housing for fair housing violations on a quarterly basis, investigate if warranted, and refer to DFEH for possible enforcement. Take steps to encourage both the Los Angeles Times and Orange County Register to publish a Fair Housing Notice and a "no pets" disclaimer in the For Rent Classified section.



**Action 3.5:** Continue to include non-discriminatory and fair housing language in all City affordable housing contracts and agreements. Enforce 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 to serve as a deterrent to other property owners and landlords.

#### **5. Land Use Policies to Affirmatively Further Fair Housing**

**Action 5.1:** Implement Westminster's reasonable accommodation ordinance to facilitate accessibility improvement requests through modifications in zoning, building codes, and permit processing. Develop and implement a marketing program using the City's website, brochures, and other appropriate advertising to inform the community of the availability of reasonable accommodation procedures.

**Action 5.2:** Ensure that CUP conditions placed on community care facilities with seven or more occupants are focused on neighborhood compatibility and ensuring proper management and licensing, and do not act to constrain the provision of such facilities.

**Action 5.3:** Update the definition of "family" in the Municipal Code to provide greater clarity and eliminate any potential impediment to housing choice for non-traditional households.

**Action 5.4:** Continue to accommodate transitional and supportive housing in all zone districts where other residential uses are permitted and only subject to those restrictions that apply to other residential uses of the same type in the same zone.

**Action 5.5:** Continue to accommodate emergency homeless shelters as a permitted use in the Public/Semi-Public zone and Emergency Shelter Overlay zone, and as a conditionally permitted use in the C2 and CM zone.

#### **6. Increasing Geographic Choice in Housing**

**Action 6.1:** While housing affordability is not a fair housing issue per se, providing a variety of housing opportunities can help lessen the likelihood of housing discrimination by increasing the supply. Westminster will facilitate the provision of affordable housing throughout the community through: 1)



available financial assistance; 2) flexible development standards; 3) density bonuses; and 4) consideration of development fee waivers.

**Action 6.2:** Evaluate establishing a new Mixed Use land use designation as part of the General Plan Update to provide expanded areas for higher density residential development.



## **C. PROGRESS IN IMPLEMENTING 2010-2015 REGIONAL AI**

The 2010-2015 *Orange County Regional Analysis of Impediments to Fair Housing Choice* (AI) identified the following private sector impediments:

- Housing Discrimination
- Discriminatory Advertising
- Denial of Reasonable Accommodation
- Hate Crimes
- Unfair Lending

While none of these impediments were specific to Westminster, these regional impediments have not been eliminated, and have thus been carried over into Westminster's AI for the 2015-2020 period, along with recommended actions for the City and its current fair housing provider (The Fair Housing Foundation) to address.

The following section summarizes the actions identified in the 2010-2015 Orange County Regional AI to address identified impediments, and the progress made by the Orange County Fair Housing Council in implementing these actions.

### **1. Housing Discrimination**

#### **Impediment**

Housing discrimination, especially in the rental housing market, is an impediment to fair housing choice. The Fair Housing Council of Orange County (FHCOC) opens an average of 50 cases on an annual basis for allegations of housing discrimination.

#### **Actions to be Taken**

1. Continue to process housing discrimination complaints filed by city and county residents.
2. Conduct testing of housing provider practices to determine whether there are differences in treatment based on a protected class.
3. Revise FHCOC website to provide direct access to a housing discrimination complaint form and provide an explanation of the process for investigating and resolving a complaint.
4. Revise FHCOC website to add more information on how residents can detect whether they have been victims of unlawful housing discrimination.
5. Publish a quarterly report on the FHCOC website summarizing the remedies pertaining to filed housing discrimination complaints.
6. Ensure that all jurisdictions provide a link to the FHCOC website.
7. Compile an Annual Report on housing discrimination complaints filed with the FHCOC, the DFEH and HUD, and transmit to participating jurisdictions.

#### **Progress**

- During the 2011/12 - 2014/15 period, the Fair Housing Council of Orange County (FHCOC) opened a total of 236 case files for allegations of housing



discrimination in its client cities and the county; eight of these cases were within the City of Westminster.

- During the same time period, the FHCOC addressed housing-related inquiries from 15,137 unduplicated clients. These inquiries were screened for possible issued of housing discrimination and clients were provided counseling on their fair housing rights, obligations and remedies.
- During 2011/12 - 2014/15, FHCOC conducted 561 paired, on-site, systemic tests for discriminatory housing practices in both for-sale real estate brokerage transactions and rental housing transactions.
- FHCOC's website currently has an on-line contact form that can be used housing discrimination complaint reporting. The tool generates an e-mail to FHCOC. It is often used for complaints for other, non-discrimination, housing-related issues.
- FHCOC has received a grant under the HUD Fair Housing Initiatives Program (FHIP), Education and Outreach Initiative (EOI) that included \$14,000 in funding for web site improvements. Work has begun and will include the improvements identified in the AI. These will include upgrades to help further differentiate between discrimination and non-discrimination complaints. Also, information regarding the process of investigating and resolving complaints will be added.

## **2. Discriminatory Advertising**

### **Impediment**

Rental housing ads that state “no pets” or indicate rental discounts for seniors are impediments to fair housing choice because they make housing unavailable to disabled persons and the non-elderly. “No Section 8” ads may become an impediment to fair housing choice because they could make housing unavailable disproportionately to a protected class such as persons with disabilities.

### **Actions to be Taken**

1. Encourage the Orange County Register to publish a Fair Housing Notice in the for rent classified ad section and to identify the FHCOC as an agency that can respond to fair housing questions. Encourage apartment rental websites to display more prominently their Fair Housing Notice.
2. Encourage the Los Angeles Times and Orange County Register to publish a “no pets” disclaimer that indicates rental housing owners must provide reasonable accommodations, including “service animals” and “companion animals” for disabled persons.
3. Support an amendment to the Communications Decency Act of 1996 to state no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider, except for notices, statements, or advertisements with respect to the sale, rental, financing or insuring, or any other service of a dwelling that violate the Fair Housing Act.
4. Periodically review for rent and for sale ads published in the print media.



5. Prepare a summary of the accomplishments each year and transmit to the Urban County and participating cities.

### **Progress**

- FHCOC periodically reviewed rental advertisements in the LA Times, the OC Register and other local weekly newspapers. This review did not find any overtly discriminatory advertisements, although ads were observed statements possibly presenting impediments, including stating 'no pets' without distinguishing that assistance animals would be allowed, or the use of phrases like 'active senior living' in advertising for senior housing that could discourage individuals with a disability. Additionally, many ads lacked any affirmative marketing language or symbols, such as the use of the phrase 'equal housing opportunity' or the display of HUD's 'equal housing' logo.
- FHCOC also periodically reviewed advertising for Orange County rentals listed on Craigslist for discriminatory content. Any discriminatory ads were either flagged as prohibited, responded to in order to inform the poster of possible discriminatory content, brought to the attention of Craigslist, or referred to FHCOC investigators for possible enforcement action. Problematic postings indicated restrictions with regard to children under the age of 18 or improper preference for seniors or 'older adults' for housing opportunities that did not appear to qualify as housing for older persons..
- Additional issues of potentially discriminatory content were found in postings in the roommates/shared listings. These typically dealt with religious, national origin, race or sexual orientation preferences or limitations. Given recent court decisions holding that such preferences might be permissible in shared housing situations, attempting to obtain correction or removal was a low priority of the FHCOC.

## **3. Denial of Reasonable Accommodation**

### **Impediment**

Denial of a reasonable modification or reasonable accommodation is an impediment to fair housing choice because they account for almost one-fifth of all alleged discriminatory acts.

### **Actions to be Taken**

1. Provide education and information on why this practice is unlawful to the owners and managers of apartment complexes and homeowner associations.
2. Provide information on the unlawful practice of denying reasonable modifications/reasonable accommodations at fair housing seminars conducted by the Apartment Association of Orange County.

### **Progress**

- FHCOC responded to inquiries regarding reasonable accommodations and modifications, and directly assisted numerous clients to request and receive a reasonable accommodation or permission for a reasonable modification. In



instances where clients were denied or effectively denied their requested accommodation, FHCOE assisted in them in filing an administrative housing discrimination complaint with the Fair Housing and Equal Opportunity (FHEO) Office of the U.S. Department of Housing and Urban Development.

- FHCOE provided training to rental property owners and managers through training seminars which addressed requirements for reasonable accommodations.
- FHCOE conducted fair housing seminars in cooperation with the Apartment Association of Orange County. The curriculum included discussion of reasonable accommodations and modifications.

## **4. Hate Crimes**

### **Impediment**

Hate crimes committed at a residence are an impediment to fair housing choice because they impact the lives of 20-30 households per year. Almost one-half of all hate crime events in Orange County had an anti-Black or anti-Latino bias motivation.

### **Actions to be Taken**

1. Coordinate with the Orange County Human Relations Commission, Center OC and the Orange County Victim Assistance Partnership.
2. Provide affected residents – when needed - with referrals to hate crime victim resources.

### **Progress**

- On the rare occasion FHCOE is contacted by a victim of a hate crime occurring at their residence, the FHCOE refers them to the O.C. Human Relations Commission, while still possibly taking their fair housing complaint.

## **5. Unfair Lending**

### **Impediment**

Disparities in the loan denial rates experienced by Hispanic and Black/African applicants create an impediment to fair housing choice as they have loans denied at rates 1.5 to 2.0 times greater than White applicants.

### **Actions to be Taken**

1. Monitor the HMDA data annually using the 2008 HMDA analysis as a benchmark.
2. Complete a HMDA analysis of the top 10 lenders in Orange County to compare and contrast loan denial rates.
3. Conduct a follow-up analysis of loan denial rates at the neighborhood level to determine to what extent, if any, redlining may exist in Orange County. This follow-up will be completed when Census 2010 data are available on minority populations at the census tract level. The Census 2010 data will enable an analysis of loan activity and minority population characteristics for the *same* time period.



4. Conduct outreach to cultural, ethnic and minority organizations to potentially increase interest and readiness in home purchases.
5. Provide homebuyer education programs in neighborhoods with high denial rates, high minority population concentrations and limited English speaking proficiency to help increase loan approval rates.

### **Progress**

- As part of its outreach efforts FHCOC informs individuals and organizations of its services, which include housing counseling for individuals seeking to become ready for a home purchase. FHCOC participates in numerous education and/or outreach activities, reaching a culturally and ethnically diverse audience, in which they inform participants of fair housing laws and of their counseling services.



## VI. SIGNATURE PAGE

I, \_\_\_\_\_, hereby certify that this Analysis of Impediments to Fair Housing Choice for the City of Westminster represents the City's conclusions about impediments to fair housing choice, as well as actions necessary to address any identified impediments.

\_\_\_\_\_  
Mayor  
City of Westminster

\_\_\_\_\_  
Date