



City of Salinas Analysis of Impediments to Fair Housing Choice

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1 Executive Summary

1.1 Purpose of the Analysis of Impediments to Fair Housing Choice Plan

This Analysis of Impediments to Fair Housing Choice (AI) examines policies and practices that may limit Salinas residents' ability to choose housing in an environment free from discrimination. The purpose of the AI is to assemble fair housing information, identify any existing barriers that limit housing choice, and propose actions to overcome those barriers.

The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

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

HUD requires funded jurisdictions to develop and update an Analysis of Impediments as needed. This report updates the City of Salinas AI prepared in 1996.

1.2 Format of the AI

The Analysis of Impediments to Fair Housing Choice is divided into seven chapters. Following the Executive Summary and Introduction,

- **Chapter 3** describes the demographic profile of Salinas and compares population and household trends to the County and the State.
- **Chapter 4** examines characteristics of the housing stock in Salinas, including housing supply and housing condition. This section also analyzes indicators of housing affordability such as trends in home sale prices, rents, vacancy rates, and overcrowding.
- **Chapter 5** describes fair housing laws at the State and Federal level, as well as the process for filing a fair housing complaint. In addition, this section analyzes data on the number and type of fair housing complaints filed in the City of Salinas from 2000 to 2005.
- **Chapter 6** discusses potential sources of impediments to fair housing in Salinas including housing affordability, linkages between housing and employment centers, home mortgage lending practices, City policies and procedures, and accessibility for persons with disabilities.
- **Chapter 7** concludes by identifying actions to address impediments to fair housing and outlining measures the City can take to remove these barriers.

1.3 Overview of Salinas

The City of Salinas lies at the center of Monterey County's \$3.0 billion agriculture industry. The agriculture industry drives the City's economy, and mainly provides relatively low-skilled and low-wage jobs. While the City has endeavored to attract light industrial firms to complement the agriculture industry and offer higher paying jobs, the City recognizes and appreciates its agricultural base and history.

Between 1990 and 2000, the U.S. Census reports that Salinas' population expanded over 32 percent, from 108,777 to 143,776 persons. This population growth occurred without annexing any developed areas, and accounted for 92 percent of Monterey County's total population increase. The City's General Plan anticipates this growth to continue, and plans to accommodate 213,000 persons at full build-out.

The strong demand for housing and lack of available land have led to dramatic housing price increases in recent years. The City of Salinas currently ranks as one of the least affordable housing markets in the nation, with housing sale prices rising well beyond local incomes.

1.4 Fair Housing Laws

Fair housing laws are in place at the federal and state levels. Federal, state, and local governments all share a role in enforcing these laws, as well as conducting activities to affirmatively further fair housing.

Title VIII of the Federal Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

The California Fair Employment and Housing Act prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. The Act also requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises.

1.5 Number and Type of Complaints

The California Department of Fair Employment and Housing reports that between 2000 and 2005 there were 23 fair housing complaints filed against a respondent in the City of Salinas.¹ The average annual per-capita rate for Salinas is 27 complaints per million people per year, which is only nominally more than the State's annual per-capita average of 25 complaints per million. The most commonly cited alleged acts were eviction (17 cases) and harassment (11 cases). Other

¹ The statistics for 2005 reflect complaints filed and/or closed as of June 30, 2005.

alleged acts included unequal terms, denied reasonable accommodations, refusal to rent, refusal to sell, and unequal access.²

The most common basis of complaints was national origin (7 cases), followed by disability and harassment (6 cases each). Other bases of complaints were retaliation, familial status, sex, race, and marital status.

1.6 Barriers to Housing Choice

1.6.1 Housing Affordability

In discussions with local service providers and housing advocates, the high cost of housing emerged as the main barrier to housing choice in Salinas. High housing costs disproportionately impact the City's Latino residents and other low-income segments of the population.

U.S. Census data indicate that a significant portion of Salinas households are cost burdened, defined as paying more than 30 percent of household income towards housing costs. Almost 38 percent of renter households and 30 percent of owner households are cost burdened. The problem is particularly pronounced at the lower income levels.

In general, larger households experience a lesser cost burden than smaller households, due to the distribution of expenses among more household members. However, large households experience more "housing problems," which include overcrowding. The overcrowding in large households suggests that households are combining and living in inadequately sized units to ease their cost burdens.

1.6.2 Linkages Between Housing and Employment Centers

The majority of affordable housing projects are in Eastern Salinas, which has a large concentration of low income households. However, there are also a significant number of affordable projects dispersed throughout much of the rest of the City. Overall, the geographic patterns do not suggest a problem with the siting or distribution of affordable housing in Salinas.

Many of Salinas' major employers are located in the southern half of the City, concentrated around the central business district and the regional industrial center. Another major employment center is the region serving Northridge Mall and surrounding retail. The location of these employers and employment centers do not suggest a problem in terms of accessibility from affordable housing sites. Ease of transit between housing and job sites appears to be adequate when considered in conjunction with local public transportation routes.

Overall, the public transportation system in Salinas appears to be satisfactory. While there is certainly room for improvement in terms of the number of routes offered, more discounted fares, and the hours of service, there do not seem to be any egregious problems, and Salinas' public transportation is superior to most other locations in the County.

² The number of alleged acts is greater than the total number of cases filed because a case can be filed on more than one act.

1.6.3 Home Mortgage Lending Practices

Mortgage lenders who work in Salinas and are familiar with local fair housing issues were interviewed about successes and concerns with regard to fair housing in Salinas. Overwhelmingly, the largest concern for all lenders was the disparity between home sale prices and local incomes. This was identified as the primary challenge that lenders face when trying to get people into homes, significantly overshadowing all other obstacles. Lenders were then asked about secondary barriers such as language barriers, undocumented status, and predatory lending practices.

None of the lenders interviewed believed that language presented itself as a barrier to fair housing. Precisely because of the large Latino demographic, it appears that all lending institutions in Salinas have a number of bilingual lenders and brokers on staff to assist their Spanish-speaking clientele. However, in addition to Spanish-language services, two lenders reported a need for the ability to serve clients who speak native Latin-American languages such as Quechua.

Undocumented applicants may encounter some obstacles when applying for a mortgage in Salinas. One lender identified this as an issue for her institution, while others reported that lack of documentation does not present a problem for them. While unverified income used to be a larger impediment to approving loans, some banks are now able to process those applications without trouble.

Predatory lending can be undertaken by creditors, brokers, or even home improvement contractors. It involves engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower's lack of understanding of loan terms. When prompted, most lenders voiced a concern about predatory lending in Salinas. Some lenders reported that they have noticed an increase in predatory lending, particularly targeted at Latino homebuyers, especially with the dramatic escalation in home prices in recent years.

1.6.4 City Policies and Procedures

City documents including the General Plan Housing Element, Land Use Element, and Zoning Ordinance were reviewed and found not to include any policies that impede fair housing. There are several City policies and procedures in place, such as annexation of the Future Growth Area in conjunction with developing a more aggressive inclusionary housing ordinance, to help address the barriers to affordable housing.

1.7 Actions to Address Impediments: Conclusions and Recommendations

1.7.1 Fair Housing Education and Outreach

Fair housing education and outreach is an effective way of addressing impediments to housing choice such as predatory lending or resistance to making modifications to accommodate disabled persons. In order to protect consumers and increase compliance with fair housing laws, information must be widely disseminated and understood. Towards this end, the City will:

- Continue to support consumer education and counseling programs such as first-time homebuyer workshops and ongoing fair housing presentations and training.

- Continue to provide information to the public on the Salinas’ affordable housing programs.
- Continue to encourage that fair housing and equal opportunity information is available throughout the city of Salinas.

1.7.2 Accessible Housing

Federal law requires housing providers to make reasonable accommodations for persons with disabilities. The City of Salinas is committed to supporting federal guidelines and ensuring an adequate supply of accessible housing for persons with disabilities. As evidence of this commitment, the City will:

- Continue to offer Housing Accessibility assistance grants.
- Conduct a housing needs assessment of disabled persons in Salinas.
- Continue to support organizations that serve disabled people and assist with their housing needs. Continue to support the development of housing that serves disabled persons.
- Consider instituting a “visitability” ordinance in Salinas.
- Work to create a public listing of landlords or property managers that have accessible units.

1.7.3 Affordable Housing

Affordability is the most pressing housing issue in Salinas. The City of Salinas will continue its efforts to maintain the diversity of the city by ensuring a supply of housing affordable to all income levels. Specific actions include:

- Update the City’s Inclusionary Housing Ordinance to require a greater percentage of affordable units.
- Continue to implement the City’s First Time Homebuyer Program.
- Continue to support the efforts of local affordable housing developers building rental and ownership housing in Salinas.
- Ensure that the inclusionary housing lottery remains an open, public process.
- Continue to encourage non-City programs that support affordability for low-income residents.

2 Introduction

2.1 Purpose of the Analysis of Impediments to Fair Housing Choice Plan

This Analysis of Impediments to Fair Housing Choice (AI) examines policies and practices that may limit Salinas residents' ability to choose housing in an environment free from discrimination. The purpose of the AI is to assemble fair housing information, identify any existing barriers that limit housing choice, and propose actions to overcome those barriers.

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HUD requires funded jurisdictions to develop and update an Analysis of Impediments as needed. This report updates the City of Salinas AI prepared in 1996.

2.2 Methodology

In spring of 2005, the City of Salinas initiated the process of updating the Analysis of Impediments to Fair Housing Choice. Staff from Housing and Community Development (Office of the City Manager) worked with consultants at Bay Area Economics to:

- Analyze data, documents, current programs and practices;
- Identify barriers to fair housing choice; and
- Develop strategies for removing impediments and affirmatively furthering fair housing.

Complaints about fair housing violations are one indicator of the presence of impediments to fair housing choice. Data on fair housing complaints and cases from 2000 to 2005 from the California Department of Fair Employment and Housing was obtained and analyzed.

To identify additional variables that could indicate barriers to fair housing, data was analyzed on variables such as population and household trends, age, household income, concentration of minority populations, housing affordability indicators, overcrowding, and geographic distribution of affordable housing and employment centers.

In addition to analyzing quantitative data, City planning documents, policies, and ordinances were analyzed to determine any direct or indirect impact on fair housing. Interviews were

conducted with local service providers, advocates, and mortgage lenders to elicit feedback about barriers to fair housing in Salinas and existing work directed at removing those barriers. Additionally, a public meeting was held on June 29, 2005 to provide an opportunity for community input and public comment.

2.3 Format of the AI

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3 Demographic Profile

3.1 Overview of Salinas

The City of Salinas lies at the center of Monterey County's \$3.0 billion agriculture industry. The agriculture industry drives the City's economy, and mainly provides relatively low-skilled and low-wage jobs. While the City has endeavored to attract light industrial firms to complement the agriculture industry and offer higher paying jobs, the City recognizes and appreciates its agricultural base and history.

Salinas also houses many of the workers that commute to Monterey County's coastal areas, where housing prices exceed service workers' pay scales. In recent years, Salinas has also become a potential refuge for Santa Cruz County and southern Bay Area residents in search of more affordable housing. Rapidly escalating home values in these areas have effectively expanded Santa Cruz and Bay Area commute zones to encompass Salinas.

These factors have contributed to a significant population growth rate in Salinas. Between 1990 and 2000, the U.S. Census reports that Salinas' population expanded over 32 percent, from 108,777 to 143,776 persons.³ This population growth occurred without annexing any developed areas, and accounted for 92 percent of Monterey County's total population increase. The City's General Plan anticipates this growth to continue, and plans to accommodate 213,000 persons at full build-out.

With this rapid growth, Salinas has largely been built out; little vacant land remains for residential development within the City limits. As such, the General Plan projects that most new residential development over the next 20 years will occur to the north and east of Salinas in the zone designated as the "Future Growth Area." The Future Growth Area contains 3,525 acres, and currently remains unincorporated and outside the City's sphere of influence. The General Plan states the City's intent to work with the Local Agency Formation Commission (LAFCo) to extend Salinas' sphere of influence and subsequently incorporate this area. This process is currently in its early stages, with the City, LAFCo, and local land owners establishing the plans for the Future Growth Area.

The strong demand for housing and lack of available land have led to dramatic housing price increases in recent years. The City of Salinas currently ranks as one of the least affordable housing markets in the nation, with housing sale prices rising well beyond local incomes. Consequently, many households pay excessive portions of their income towards housing costs, and crowd into units to share rent and mortgage payments. The Housing Profile section of this AI documents these trends in greater detail.

³ The 2000 Census originally reported that Salinas had a population of 151,060. In April 2003 this number was corrected to 143,776 due to an error in the geographic assignment of prison population group quarters. However, because the decrease in population was limited to a downwardly-revised prison population, this change did not affect data points such as household size or median household income. The Census did not correct other statistics such as race/ethnicity and age, which may contain minimal errors.

3.2 Population and Household Trends

According to the U.S. Census, the total population in Salinas increased from 108,777 in 1990 to 143,776 in 2000. This constitutes a 32 percent population growth over the ten year period, with an average annual growth rate of 2.8 percent. Salinas experienced a significantly faster growth rate than either the County or the region,⁴ which had 1.2 and 1.3 percent annual growth rates, respectively. During this time, the average household size in Salinas increased from 3.21 to 3.66 people per household (see Table 1). Since 2000 the Salinas population has continued to grow, with an estimated 2004 average household size of 3.74, and an estimated 2004 population of 158,630 individuals comprising 39,565 households.

Salinas is predominately made up of family households, defined by the Census as two or more individuals who are related by birth, marriage, or adoption, although they also may include other unrelated people. Non-family households consist of people who live alone or who share their residence with unrelated individuals. Claritas Inc., a private data vendor, estimates that families comprised 78 percent of Salinas households in 2004, six percent higher than the County and nearly ten percentage points higher than the region as a whole.

The population of Salinas is also younger on average than that of the County or region, with 62 percent under the age of 35. For comparison, 55 percent of the County and 53 percent of the region is under age 35 (see Table 2). This finding parallels the data on household size and composition discussed above, as Salinas' large household size and preponderance of families point toward a younger average age.

At \$49,220, the 2004 estimated median household income in Salinas is \$5,389 less than the County median and \$8,804 less than the regional median household income (see Table 3). Despite this, approximately one half (50%) of Salinas households still manage to own their home, up from 46 percent in 1990. The percentage of owner-occupied households in Salinas is slightly lower than the County (55%) and the region (58%).

Salinas' rapid expansion, large households, and low incomes point to the need for additional supply of housing in Salinas overall, as well as a particular need for both larger and affordable units.

3.3 Location of Racial/Ethnic Minority Populations

According to the 2000 Census, approximately 76 percent of the Salinas population is an ethnic minority, with 64 percent being Hispanic or Latino.⁵ By comparison, 53 percent of the California population is an ethnic minority, and 32 percent are Hispanic or Latino. The next largest ethnic

⁴ The Monterey region is defined as Monterey County, Santa Cruz County, and San Benito County.

⁵ In discussing racial categories as defined by the U.S. Census and the federal government, it is important to note that Hispanic or Latino is not a racial category. In fact, Hispanics or Latinos can be of various races. Hispanic or Latino refers to an ethnicity. The Census addresses this issue by offering aggregated data on Hispanic individuals of all races, as well as data for Non-Hispanic individuals of each race. This report adheres to this convention when referring to racial and ethnic categories.

group in Salinas is comprised of Asians, who make up 6 percent of the population, followed by Black or African-Americans, who constitute 3 percent of the City's residents. Each of the other ethnic groups—American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Other races—compose less than one percent of Salinas' population.

A minority or ethnic "concentration" is defined here as any census tract in which the percent of an ethnic group's population within that tract is at least 20 percent greater than in Salinas as a whole.⁶ For example, if Salinas had a population that was 15 percent Asian overall, a census tract would need to be 25 percent Asian to qualify as a tract with a "concentration" of Asians. Ethnic concentrations were found only for the Hispanic or Latino population, in census tracts 5, 6, 7, 8, 9, and 106.02. These tracts are all adjacent to each other on the east side of Salinas (see Table 4 and Figure 1).

⁶ These definitions of "minority concentration" and related terms are specified by the U.S. Department of Housing and Urban Development (HUD) and are applied on a national basis.

Table 1: Population and Household Trends, 1990-2004

<u>City of Salinas</u>	<u>1990</u>	<u>2000</u>	<u>Average Annual Change 1990-2000</u>	<u>2004 (est.)</u>
Population	108,777	143,776	2.8%	158,630
Households	33,360	38,298	1.4%	39,565
Average Household Size	3.21	3.66		3.74
Household Type				
Families	75.0%	78.4%		78.0%
Non-Families	25.0%	21.6%		22.0%
Tenure				
Owner	46.3%	50.1%		
Renter	53.7%	49.9%		
Monterey County				
Population	355,660	401,762	1.2%	418,102
Households	112,965	121,236	0.7%	125,049
Average Household Size	2.96	3.14		3.18
Household Type				
Families	73.5%	72.5%		72.0%
Non-Families	26.5%	27.5%		28.0%
Tenure				
Owner	50.6%	54.6%		
Renter	49.4%	45.4%		
Monterey Region (a)				
Population	622,091	710,598	1.3%	729,997
Households	207,953	228,260	0.9%	232,263
Average Household Size	2.85	2.98		3.01
Household Type				
Families	70.1%	69.2%		68.9%
Non-Families	29.9%	30.8%		31.1%
Tenure				
Owner	54.9%	57.7%		
Renter	45.1%	42.3%		

Notes: (a) Monterey Region is defined as Monterey County, Santa Cruz County, and San Benito County.

Sources: 1990 & 2000 U.S. Census; Claritas, 2005; Bay Area Economics, 2005.

Table 2: Age Distribution, 2000

<u>Age</u>	<u>City of Salinas</u>	<u>Monterey County</u>	<u>Monterey Region (a)</u>
Under 15	26.3%	23.9%	22.6%
15 to 19	7.9%	7.7%	7.7%
20 to 24	8.2%	7.7%	7.8%
25 to 34	17.4%	15.9%	15.3%
35 to 44	15.2%	15.4%	15.9%
45 to 54	9.9%	12.3%	13.6%
55 to 61	3.9%	5.3%	5.6%
62 to 74	8.1%	7.1%	6.8%
75 to 84	2.3%	3.5%	3.5%
85 +	0.8%	1.2%	1.3%
Total	100.0%	100.0%	100.0%
Median Age	28.5	31.7	32.8

Notes: (a) Monterey Region is defined as Monterey County, San Benito County, and Santa Cruz County.

Sources: 2000 U.S. Census; Bay Area Economics, 2005.

Table 3: Household Income Distribution, 2004

<u>Estimated Income</u>	<u>City of Salinas</u>	<u>Monterey County</u>	<u>Monterey Region (a)</u>
Less than \$15,000	11.2%	10.1%	10.1%
\$15,000 to \$24,999	10.5%	9.5%	8.8%
\$25,000 to \$34,999	12.5%	11.3%	10.5%
\$35,000 to \$49,999	16.7%	15.2%	14.2%
\$50,000 to \$74,999	21.5%	21.1%	19.9%
\$75,000 to \$99,999	13.3%	13.1%	13.5%
\$100,000 to \$149,999	10.4%	11.9%	13.4%
\$150,000 to \$249,999	3.0%	5.3%	6.8%
\$250,000 to \$499,999	0.6%	1.6%	2.0%
\$500,000 and over	0.3%	0.9%	0.9%
Total	100.0%	100.0%	100.0%
Median Household Income (b)	\$49,220	\$54,609	\$58,024

Notes:

(a) Monterey Region is defined as Monterey County, San Benito County, and Santa Cruz County.

(b) These figures may differ slightly from those reported by HUD, as they are not broken down by household size.

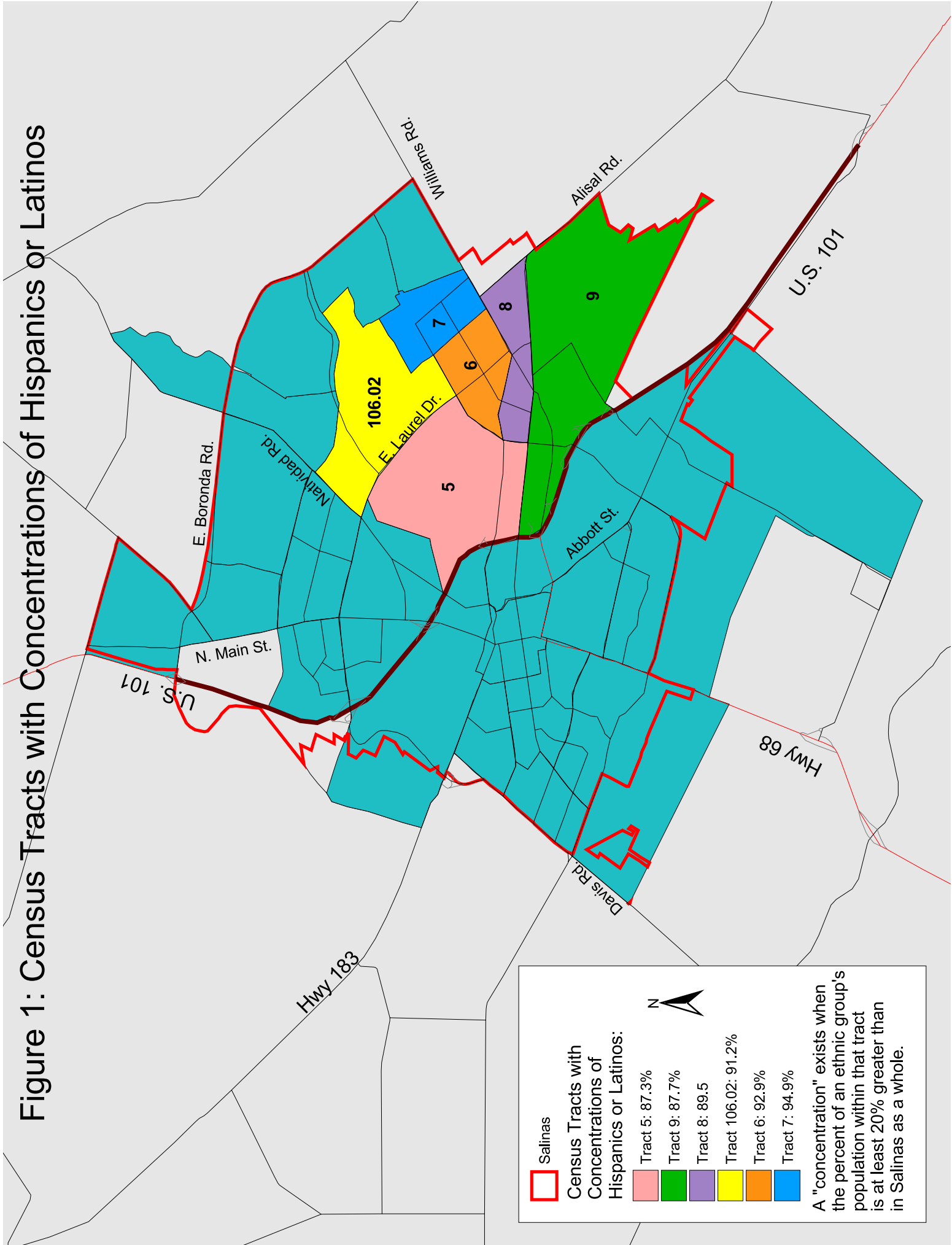
Sources: Claritas, 2005; Bay Area Economics, 2005.

Table 4: Minority Population Census Tracts

Minority/Ethnic Group	Citywide %	% Needed to Qualify as "Concentration"	Tracts with Minority Concentration
Hispanic or Latino	64.1%	84.1%	Tracts 5, 6, 7, 8, 9, 106.02
Asian	5.9%	25.9%	None
Black or African American	3.0%	23.0%	None
American Indian or Alaska Native	0.4%	20.4%	None
Native Hawaiian or Pacific Islander	0.2%	20.2%	None
Some Other Race	0.3%	20.3%	None
Two or More Races	1.9%	21.9%	None
Total Minority Population	75.8%	95.8%	Tract 7

Sources: 2000 Census; BAE, 2005.

Figure 1: Census Tracts with Concentrations of Hispanics or Latinos



Salinas

Census Tracts with Concentrations of Hispanics or Latinos:

Tract 5: 87.3%
Tract 9: 87.7%
Tract 8: 89.5
Tract 106.02: 91.2%
Tract 6: 92.9%
Tract 7: 94.9%

A "concentration" exists when the percent of an ethnic group's population within that tract is at least 20% greater than in Salinas as a whole.

4 Housing Profile

4.1 Housing Supply

According to the 2000 U.S. Census, there are 39,659 housing units in Salinas, a 15 percent increase from 1990. In 1990, 54 percent of the Salinas housing stock consisted of rental units, while the other 46 percent were owner-occupied. By 2000 this distribution had changed to 50 percent renter-occupied and 50 percent owner-occupied.

The Census reports that the largest proportion of owner-occupied homes have three bedrooms (42%), followed by two bedroom units (21%), and four bedroom units (18%) (see Table 5). At the same time, the vast majority (85%) of rental units in Salinas have two or fewer bedrooms. This leaves only 15 percent of the rental stock to serve households needing more than two bedrooms, a necessity for larger families.

In all, only 39 percent of all units have three or more bedrooms. Large families, therefore, may encounter difficulty finding a home in Salinas without resorting to overcrowding. The short supply of large affordable units is of particular concern in Salinas because of the City's large household sizes and low incomes.

Table 6 displays residential building permits from 2000 to 2004. Construction of every type of unit declined during this period. The number of units for which residential building permits were issued diminished annually by an average of 20 percent during these years. The result was that the number of units issued permits in 2004 was less than half the number permitted in 2000. This trend occurs as Salinas reaches its build-out capacity and less land remains for residential development. Again, this limited housing supply has contributed to the escalation in local housing prices.

4.2 Housing Condition and Age of Housing Stock

The 2000 Census reports that 22 percent of owner-occupied units were built between 1990 and 2000. Another 12 percent of owner-occupied units were built during the 1980s, 19 percent during the 1970s, 19 percent during the 1960s, and 28 percent were constructed before 1960.

The age of the renter-occupied housing stock is somewhat older: only 11 percent of renter-occupied units were built during the 1990s, compared with 21 percent and 27 percent constructed during the 1980s and 1970s, respectively. Some 18 percent of rental units were built during the 1960s and 26 percent were built prior to 1960 (see Table 7). These numbers imply that the production of rental units has slowed since 1990, a finding supported by anecdotal concerns of low-income service providers.

The exact number of housing units in Salinas needing rehabilitation is difficult to estimate. According to the 2000 Census, 307 units in the City lack complete plumbing facilities and 362

lack complete kitchen facilities. Each figure makes up less than one percent of total units, and may be duplicative, with some units lacking both plumbing and kitchen facilities.

In reviewing this data, however, it is important to note that the U.S. Census likely undercounts more makeshift housing units. Undocumented Salinas residents are also less likely to respond to Census inquiries, and are more prone to living in substandard housing. The Census also does not account for other more subtle housing problems, such as inadequate wiring, leaks, or heating.

A Housing Condition Survey conducted in 1991 by the Salinas Department of Community Development found that 29 percent of existing units were in need of rehabilitation. The survey also found that 51 percent of units exhibited a minor degree of blight, such as failing paint or deteriorated roof covering. The study was conducted 14 years ago, and over 7,000 new housing units have been constructed in the interim, most of which would still be in relatively good condition.⁷ Also, very few dwellings have been demolished during this period.⁸ Assuming that all 7,000 units built since 1991 remain in good condition, approximately 25 percent of Salinas units, or about 10,000 units, suffer from a lack of maintenance and rehabilitation.

4.3 Sale Prices

Tables 8 and 9 contain recent fully verified and confirmed sales of single-family residences (SFRs) and condominiums in Salinas. The median sale price of SFRs sold between August and November of 2004 was \$518,000. Condominiums are generally more affordable, although they often have fewer bedrooms and thus may not be suitable for families with more than one or two children. An analysis of condominiums sold in Salinas during the same time period reveals a median sale price of \$305,000.

Salinas home prices have risen significantly in recent years. As illustrated in Table 10, median sale prices both in Salinas and Monterey County have appreciated by an annual average of nearly 15 percent each year for the past five years. This trend appeared to slow slightly in 2001 and 2002, but 2004 once again showed a 22 percent increase in median sale price over the previous year in Salinas, and a 24 percent increase for the County.

These housing sale price data suggest that even moderate-income households have an extremely limited ability to purchase a home in Salinas. The disparity between local incomes and these rapidly escalating sale prices leads to households paying too large a share of their income for housing expenses, overcrowding, and other problems. These issues are discussed below in more detail.

⁷ Housing production number based on U.S. Census data from 1990 and 2000 and Salinas Housing Element Table H-2, Housing Production Since January 2000.

⁸ Only five units were demolished from 1995 to 2004, according to the Salinas Development and Engineering Services Department.

4.4 Rents

In contrast to home sale prices, Salinas rents have remained relatively stable in recent years. Between 2002 and 2003, rents grew by 1.7 percent, and then increased by another 0.3 percent between 2003 and 2004. In the fourth quarter of 2004, the average rental price of a unit was \$878 for a one bedroom, one bath unit; \$1,077 for a two bedroom, one bath unit; and \$1,350 for a three bedroom, one bath unit (see Table 11).

Despite relatively moderate rent increases in recent years, very low and low income households in Salinas will still encounter difficulty in locating an adequately-sized affordable unit. Assuming 30 percent of household income is dedicated to rent and utilities, four-person households up to 80 percent of AMI can only afford \$1,170 a month in rent, exclusive of utilities. This rent still falls below the median rent of \$1,350 for a three-bedroom, one-bath apartment in Salinas.

4.5 Vacancy Rates

From the mid-1990s to 2000, Salinas experienced increasing demand for housing, as reflected in the extremely low vacancy rates. The 2000 U.S. Census reported that the overall vacancy rate in Salinas was 3.4 percent. The vacancy for ownership units was only 1.0 percent, significantly lower than the rate of 3.8 for rental units. Housing economists suggest that vacancy rates of 1.5 to 2.0 percent for ownership units and 5.0 to 6.0 percent for rental units allow for adequate mobility, create sufficient incentive to maintain housing, and prevent price escalation due to scarcity of housing. Salinas's low vacancy rates during this time, therefore, indicated a strong demand for housing and challenges for households in search of affordable housing.⁹

In more recent years, the tight rental housing market in Salinas has eased somewhat. As illustrated in Table 11, vacancy rates for rental units in Salinas have increased slightly each year since 2001. As of the fourth quarter of 2004, 5.5 percent of rental units in Salinas were unoccupied, compared to 2001's vacancy rate of 3.0 percent. Unfortunately, post-2000 Census figures are not available for the ownership market. However, the rapid escalation of home sale prices point to a limited supply of new housing units and low vacancy rates.

4.6 Overcrowding

Households often cope with high housing costs by living in overcrowded conditions. HUD states that overcrowding occurs when the number of persons in a household exceeds the number of habitable rooms in a unit.¹⁰ A household is defined as "severely overcrowded" when it contains over 1.5 persons per habitable room. Table 12 shows 2000 Census data regarding the number of people per room in Salinas units. Data for Monterey County are also shown for comparison purposes.

Almost a third of Salinas households, or 12,500 households, live in overcrowded conditions. In contrast, only 21 percent of Monterey County households as a whole are overcrowded.

⁹ City of Salinas General Plan Housing Element, September 2002.

¹⁰ Habitable rooms, as defined by HUD, exclude bathrooms, kitchens, hallways, and closets.

Furthermore, over 23 percent of Salinas households live in severely overcrowded units, compared to 13 percent of Monterey County households.

The 2000 Census also indicates that overcrowding is particularly pronounced among renters. Almost 43 percent of renter households reside in overcrowded conditions, compared to 22 percent of owners.

Table 5: Tenure by Number of Bedrooms, 2000

Number of Bedrooms	Owner Occupied		Renter Occupied		All Units	
	Number	Percent	Number	Percent	Number	Percent
No Bedrooms	1,708	8.9%	3,982	20.9%	5,690	14.9%
One Bedroom	1,403	7.3%	6,116	32.1%	7,519	19.7%
Two Bedroom	3,948	20.6%	6,065	31.8%	10,013	26.2%
Three Bedroom	8,025	41.9%	2,406	12.6%	10,431	27.3%
Four Bedroom	3,380	17.6%	457	2.4%	3,837	10.0%
Five or More Bedrooms	690	3.6%	47	0.2%	737	1.9%
Total	19,154	100.0%	19,073	100.0%	38,227	100.0%

Source: 2000 U.S. Census; BAE, 2005.

Table 6: New Residential Building Permit Trends, 2000-2004

Permit Type	2000		2001		2002		2003		2004		Average Annual Change 2000-2004	
	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units
Single Family	579	579	268	268	442	442	257	257	231	231	-20.5%	-20.5%
Two Family	2	4	0	0	7	14	0	0	0	0	-100.0%	-100.0%
Three and Four Family	5	18	0	0	3	9	4	14	2	6	-20.5%	-24.0%
Five or More Family	8	50	16	160	1	92	23	273	1	25	-40.5%	-15.9%
Total	594	651	284	428	453	557	284	544	234	262	-20.8%	-20.4%

Source: U.S. Census Bureau; BAE, 2005.

Table 7: Age of Housing Stock by Tenure

Year Built	Owner Occupied		Renter Occupied		All Units	
	Number	Percent	Number	Percent	Number	Percent
1999 to March 2000	939	4.9%	134	0.7%	1,073	2.8%
1995 to 1998	1,909	10.0%	908	4.8%	2,817	7.4%
1990 to 1994	1,413	7.4%	1,014	5.3%	2,427	6.3%
1980 to 1989	2,271	11.9%	4,027	21.1%	6,298	16.5%
1970 to 1979	3,638	19.0%	5,153	27.0%	8,791	23.0%
1960 to 1969	3,535	18.5%	3,390	17.8%	6,925	18.1%
1950 to 1959	2,826	14.8%	2,079	10.9%	4,905	12.8%
1940 to 1949	1,539	8.0%	1,216	6.4%	2,755	7.2%
1939 or earlier	1,084	5.7%	1,152	6.0%	2,236	5.8%
Total	19,154	100.0%	19,073	100.0%	38,227	100.0%

Source: 2000 U.S. Census; BAE, 2005.

Table 8: Single Family Residence Sales in Salinas from August to November 2004 by # of Bedrooms (a)

	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>FOUR+ BEDROOM</u>	<u>UNKNOWN BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
Less than \$200,000	1	0.2%	0	0	1	0
\$200,000 to \$249,999	2	0.4%	0	0	1	1
\$250,000 to \$299,999	5	1.1%	0	1	0	4
\$300,000 to \$349,999	7	1.5%	2	2	0	3
\$350,000 to \$399,999	31	6.6%	7	5	0	19
\$400,000 to \$449,999	66	14.0%	4	21	1	40
\$450,000 to \$499,999	99	20.9%	4	27	6	62
\$500,000 to \$549,999	78	16.5%	2	8	1	67
\$550,000 to \$599,999	64	13.5%	1	7	1	55
\$600,000 to \$649,999	58	12.3%	0	2	4	52
\$650,000 to \$699,999	12	2.5%	0	1	0	11
\$700,000 to \$749,999	8	1.7%	0	0	2	6
\$750,000 to \$799,999	7	1.5%	0	1	0	6
\$800,000 to \$849,999	9	1.9%	0	0	0	9
\$850,000 to \$899,999	5	1.1%	0	0	0	5
\$900,000 to \$949,999	7	1.5%	1	0	0	6
\$950,000 to \$999,999	3	0.6%	0	0	0	3
\$1,000,000 to \$1,999,999	11	2.3%	0	0	0	11
\$2,000,000 +	0	0.0%	0	0	0	0
Total	473	100.0%	21	75	17	360
Median Sale Price	\$518,000					

Notes:

(a) Represents all full and verified single family residence sales in Salinas from August 25, 2004 to November 9, 2004.

Sources: First American Real Estate Solutions, 2004; BAE, 2004.

Table 9: Condominium Sales in Salinas from Aug. to Nov. 2004 by # of Bedrooms (a)

	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>UNKNOWN BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
Less than \$200,000	0	0.0%	0	0	0	0
\$200,000 to \$249,999	5	9.4%	2	0	0	3
\$250,000 to \$299,999	19	35.8%	0	1	0	18
\$300,000 to \$349,999	19	35.8%	0	1	1	17
\$350,000 to \$399,999	2	3.8%	0	0	0	2
\$400,000 to \$449,999	1	1.9%	0	0	0	1
\$450,000 to \$499,999	1	1.9%	0	0	0	1
\$500,000 to \$549,999	1	1.9%	0	1	0	0
\$550,000 to \$599,999	1	1.9%	0	0	0	1
\$600,000 to \$649,999	0	0.0%	0	0	0	0
\$650,000 to \$699,999	0	0.0%	0	0	0	0
\$700,000 to \$749,999	1	1.9%	0	0	0	1
\$750,000 to \$799,999	1	1.9%	0	0	0	1
\$800,000 to \$849,999	0	0.0%	0	0	0	0
\$850,000 to \$899,999	2	3.8%	0	0	0	2
\$900,000 to \$949,999	0	0.0%	0	0	0	0
\$950,000 to \$999,999	0	0.0%	0	0	0	0
\$1,000,000 to \$1,999,999	0	0.0%	0	0	0	0
\$2,000,000 +	0	0.0%	0	0	0	0
Total	53	100.0%	2	3	1	47
Median Sale Price	\$305,000					

Notes:

(a) Represents all full and verified condominium sales in Salinas from August 27, 2004 to November 9, 2004.

Sources: First American Real Estate Solutions, 2004; BAE, 2004.

Table 10: Historic Median Sale Price Data for All Home Sales

Year (a)	Monterey County	% Change from Previous Yr	Salinas	% Change from Previous Yr
2000	\$280,000	23.3%	\$259,000	25.1%
2001	\$307,000	9.6%	\$300,000	15.8%
2002	\$340,000	10.7%	\$319,000	6.3%
2003	\$390,000	14.7%	\$369,000	15.7%
2004	\$485,000	24.4%	\$450,000	22.0%
Avg Ann. Appreciation 2000-2004	14.7%		14.8%	

Notes:

(a) 2004 data reflects sales from January to September 2004.

Source: DataQuick Information Systems, 2004; BAE, 2005.

Table 11: Salinas Rental Housing Market, Fourth Quarter 2004

CURRENT MARKET DATA:

<u>Unit Type</u>	<u>Number</u>	<u>Percent of Mix</u>	<u>Avg. Sq. Ft.</u>	<u>Avg. Rent</u>	<u>Avg. Rent/Sq. Ft.</u>
Studio	94	2.8%	402	\$728	\$1.81
Jr. 1 BR (a)	32	0.9%	575	\$825	\$1.43
1 BR/1 BA	1,146	33.9%	702	\$878	\$1.25
2 BR/1 BA	801	23.7%	818	\$1,077	\$1.32
2 BR/2 BA	934	27.6%	975	\$1,152	\$1.18
2 BR Townhouse	194	5.7%	850	\$900	\$1.06
3 BR/1 BA	32	0.9%	900	\$1,350	\$1.50
3 BR/2 BA	151	4.5%	1,241	\$1,485	\$1.20
Totals	3,384	100.0%	830	\$1,029	\$1.24

AVERAGE RENT HISTORY:

<u>Unit Type</u>	<u>2002</u>	<u>2003</u>	<u>2002-2003 Change</u>	<u>2004</u>	<u>2003-2004 Change</u>
Studio	NA	NA	NA	\$727	NA
Jr. 1 BR (a)	\$797	\$775	-2.8%	\$812	4.8%
1 BR/1 BA	\$865	\$882	2.0%	\$881	-0.1%
2 BR/1 BA	\$1,003	\$1,041	3.8%	\$1,068	2.6%
2 BR/2 BA	\$1,126	\$1,141	1.3%	\$1,153	1.1%
2 BR Townhouse	\$900	\$900	0.0%	\$900	0.0%
3 BR/1 BA	NA	NA	NA	NA	NA
3 BR/2 BA	\$1,478	\$1,478	0.0%	\$1,487	0.6%
All	\$1,011	\$1,028	1.7%	\$1,031	0.3%

OCCUPANCY RATE:

<u>Year</u>	<u>Average Occupancy</u>
2001	97%
2002	95%
2003	95%
2004	94%
2004 Q4	94.5%

AGE OF HOUSING INVENTORY:

<u>Year</u>	<u>Percent of Inventory</u>
Pre 1960s	0%
1960s	7%
1970s	27%
1980s	53%
1990s	7%
2000s	7%

Notes: (a) A "Junior One Bedroom" is a unit with a small alcove adjacent to the living room that may be converted into use as a bedroom.

Sources: RealFacts, Inc.; BAE, 2005.

Table 12: Persons per Room/Overcrowding

Shaded area indicates overcrowded households.

Persons per Room (a)	% of Households	
	City of Salinas	Monterey County
0.50 or less	38.0%	50.6%
0.51 to 1.00	29.3%	28.9%
1.01 to 1.50	9.6%	7.2%
1.51 to 2.00	9.6%	6.2%
2.01 or more	13.5%	7.2%
Total	100.0%	100.0%

Notes:

(a) Rooms exclude bathrooms, kitchens, hallways and closets. The Census defines "overcrowding" as having more than one person per room.

Sources: 2000 U.S. Census, SF3; BAE, 2005.

5 Current Fair Housing Practices

5.1 Fair Housing Laws

Fair housing laws are in place at the federal and state levels. Federal, state, and local governments all share a role in enforcing these laws, as well as conducting activities to affirmatively further fair housing.

Title VIII of the Federal Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

California law (Rumford Housing Act) prohibits housing discrimination toward all classes protected under Title VIII, and adds marital status as a protected class. The Unruh Civil Rights Act prohibits discrimination in all business establishments in California, including housing and public accommodations, based on age, ancestry, color, disability, national origin, race, religion, sex, or sexual orientation.¹¹

The California Fair Employment and Housing Act prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. The Act also requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises.

5.2 Fair Housing Complaint Process

Fair housing complaints are filed with the California Department of Fair Employment and Housing. The complaint process is outlined below:

- **Intake.** Complainants must complete a Pre-Complaint Questionnaire and mail the form to the California Department of Fair Employment and Housing (DFEH). Complainants are then interviewed, usually by telephone, to collect facts about possible discrimination.
- **Filing.** If the complaint is accepted for investigation, staff at DFEH draft a formal complaint which is served on the Respondent. If the complaint falls under federal jurisdiction, it is also filed with the U.S. Department of Housing and Urban Development (HUD). The Respondent is required to answer the complaint and is given the opportunity to voluntarily resolve it. A no-fault resolution can be negotiated at any time during the complaint process.
- **Investigation.** DFEH investigates every case in a standard manner. DFEH has the authority to take depositions, issue subpoenas and interrogatories, and seek temporary

¹¹ The protection afforded under the law is extended by case law to include sexual orientation. Sexual orientation includes persons who are homosexual, bisexual or heterosexual.

- restraining orders when appropriate. If the investigative findings do not show a violation of the law, DFEH will close the case.
- **Conciliation.** Formal conciliation conferences are scheduled when the investigative findings show a violation of the law. During the conciliation conference, DFEH presents its findings and explores options for resolution. If formal conciliation fails, DFEH may recommend litigation.
 - **Litigation.** After issuing an accusation, DFEH legal staff litigates the case. The case may be heard before the Fair Employment and Housing Commission (FEHC) or in a civil court.
 - **Remedies.** The FEHC may order remedies for out-of-pocket losses, injunctive relief, access to the housing previously denied, additional damages for emotional distress, and civil penalties up to \$10,000 for the first violation. Court remedies are identical, with the exception that punitive damages may be awarded instead of civil penalties.

5.3 Number and Type of Complaints

The California Department of Fair Employment and Housing reports that between 2000 and 2005 there were 23 fair housing complaints filed against a respondent in the City of Salinas.¹² The average annual per-capita rate for Salinas is 27 complaints per million people per year, which is only nominally more than the State's annual per-capita average of 25 complaints per million. Table 13 illustrates that the most commonly cited alleged acts were eviction (17 cases) and harassment (11 cases). Other alleged acts included unequal terms, denied reasonable accommodations, refusal to rent, refusal to sell, and unequal access.¹³

The most common basis of complaints was national origin (7 cases), followed by disability and harassment (6 cases each). Other bases of complaints were retaliation, familial status, sex, race, and marital status.

Eight of the twenty cases that have been resolved were closed due to "No probable cause to prove a violation of statute." Another two cases closed because the complainant was not available or failed to cooperate, and one was waived to another agency because the claim did not fall under Fair housing laws. Six cases were resolved with successful conciliation and one with successful mediation (see Table 13).

¹² The statistics for 2005 reflect complaints filed and/or closed as of June 30, 2005.

¹³ The number of alleged acts is greater than the total number of cases filed because a case can be filed on more than one act.

Table 13: Fair Housing Complaints in the City of Salinas, 2000-2005 (a)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (b)</u>	<u>TOTAL</u>
Total Number of Cases Filed	4	5	3	1	7	3	23

<u>Alleged Acts (c)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (b)</u>	<u>TOTAL</u>
Refusal to Rent	0	0	0	0	1	0	1
Eviction	3	5	2	1	4	2	17
Refusal to Sell	0	0	0	0	0	1	1
Denied Reasonable Accommodation	0	0	0	1	1	1	3
Unequal Terms	0	0	1	0	3	2	6
Harassment	3	3	2	0	2	1	11
Unequal Access	1	0	0	0	0	0	1

<u>Basis of Complaints (c)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (b)</u>	<u>TOTAL</u>
Familial Status	0	0	2	0	0	1	3
Race	0	1	0	0	0	0	1
Disability	3	0	0	1	2	0	6
National Origin	0	2	0	1	2	2	7
Sex	0	0	0	0	2	0	2
Association	0	0	0	0	0	0	0
Harassment	2	3	1	0	0	0	6
Retaliation	0	3	1	0	1	0	5
Source of Income	0	0	0	0	0	0	0
Marital Status	0	0	0	0	0	1	1

<u>Closing Categories</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (b)</u>	<u>TOTAL</u>
No Jurisdiction	0	0	0	0	0	0	0
Complaint Withdrawn	0	0	0	0	0	0	0
Complainant not Available	1	0	0	0	0	0	1
Complainant Failed to Cooperate	0	0	0	0	1	0	1
Processing Waived to Another Agency	0	1	0	0	0	0	1
Successful Conciliation	0	2	2	1	0	1	6
No Probable Cause to Prove a Violation of Statute	1	2	1	0	4	0	8
Accusation Withdrawn, Settlement Signed	0	0	0	0	0	0	0
Public Hearing Held, No Appeal Filed	1	0	0	0	0	0	1
Withdrawal with Resolution	0	0	0	0	0	0	0
Withdrawal without Resolution	0	0	0	0	0	0	0
Transferred to Court, Pre-Trial Settlement	1	0	0	0	0	0	1
Successful Mediation	0	0	0	0	1	0	1

Notes:

(a) Complaints filed with the California Department of Fair Employment and Housing.

(b) The statistics for 2005 reflect complaints filed and/or closed as of June 30, 2005.

(c) The number of alleged acts and bases of complaints may be greater than the total number of complaints filed because a complaint can be filed on more than one basis or act.

Sources: CA Department of Fair Employment and Housing: BAE. 2005.

6 Barriers to Housing Choice

6.1 Housing Affordability

In discussions with local service providers and housing advocates, the high cost of housing emerged as the main barrier to housing choice in Salinas. High housing costs disproportionately impact the City’s Latino residents and other low-income segments of the population. This section presents indicators of the lack of affordability, as well as factors that may limit the supply of affordable housing in the City.

6.1.1 Cost Burdened Households

Table 14 shows housing need for renters and homeowners in Salinas, as reported by the 2000 U.S. Census. The data indicate that a significant portion of households are cost burdened. “Cost burdened” is defined by HUD as paying more than 30 percent of household income towards rent, mortgage payments, utilities, taxes, and insurance. The number of cost-burdened households in a community is a general indicator of housing affordability and the lack of affordable units.

Among renters, almost 38 percent of households are cost burdened. Furthermore, 17 percent of renters pay more than 50 percent of their income towards housing costs. Overpayment rates also remain high among Salinas homeowners, though slightly lower than among renter households. Almost 30 percent of owner households pay more than 30 percent of income towards housing costs, and 11 percent pay more than 50 percent of household income.

Overpayment is particularly pronounced at the lower income levels. For example, 79 percent of extremely low income households (both renters and owners) pay more than 30 percent of income towards housing costs, and 62 percent of these households pay more than 50 percent of household income.

In general, larger households experience a lesser cost burden than smaller households, due to the distribution of expenses among more household members. For example, 32 percent of large renter households pay more than 30 percent of income towards housing costs, compared to 40 percent of small renter households.

However, large households experience more “housing problems,” which include overcrowding. Overcrowding occurs when the number of persons in a household exceeds the number of habitable rooms in a unit. Almost 90 percent of large renter households report housing problems, compared to only 60 percent of small households. Similar trends occur among homeowners. These findings suggest that households are combining and living in inadequately sized units to ease their cost burdens.

6.1.2 Buying Power of Salinas Households

To supplement the data on overpayment, Table 15 compares Salinas households’ buying power and the sale prices and rents in the Salinas housing market.

Assuming a 5.0 percent down payment, 30-year term, a fixed 6.5 percent interest rate, and 2004 California Department of Housing and Community Development (HCD)-defined income limits for a family of four, households within each income category can afford the following sale price ranges:¹⁴

<u>Income Level</u>	<u>Affordable Sale Price Range</u>
Very Low-Income (30% to 50% AMI)	\$58,962 to \$98,270
Low-Income (51% to 80% AMI)	\$100,235 to \$157,232
Moderate-Income (81% to 120% AMI)	\$159,197 to \$235,847

These affordable sale prices were compared with fully verified single-family home and condominium sales in Salinas between August and November 2004.¹⁵ Over 470 single-family homes and 53 condominiums sold in Salinas during this sample period, with median sale prices of \$518,000 and \$305,000, respectively.

This analysis suggests that households earning up to 120 percent of AMI have extremely limited ability to purchase a home in Salinas. Very low income households cannot afford any of the units sold during the sample period. The low income price range includes 0.2 percent of the single-family homes and 0.0 percent of the condominiums sold during the study period. The moderate income range captures 0.2 percent of the single-family homes and 7.5 percent of condominiums. In total, households up to 120 percent of AMI could afford only two of the 473 single-family homes and four of the 53 condominiums sold during the sample period.

The area median income for Salinas, as defined by HCD, remained unchanged between 2004 and 2005, while housing sale prices have continued to escalate, further impacting the affordability of local homes.

It is important to note that this analysis does not take into account bedroom size in the supply. While a household may be able to afford a particular unit, the number of bedrooms may be inadequate for the size of the family. Therefore, considering the larger household sizes predominant in Salinas, the need for affordable ownership housing is likely greater than indicated by this analysis.

Table 14 also describes the ability of Salinas households to rent a unit in the City. This analysis indicates that very low and low income households in Salinas will encounter difficulty in locating an adequately-sized affordable unit. Assuming 30 percent of household income is dedicated to

¹⁴ Each income category is defined as follows:

Very low income – 30% to 50% of Area Median Income (AMI)

Low income – 51% to 80% of AMI

Moderate income – 81% to 120% of AMI

Workforce income – 121% to 160% of AMI

¹⁵ All sales are from the Monterey County Assessor’s Office, as compiled by First American Real Estate Solutions (FARES), a private data vendor.

rent and utilities, four-person households up to 80 percent of AMI can only afford \$1,170 a month in rent, exclusive of utilities. This compares with a median rent of \$1,350 for a three-bedroom one-bath apartment in Salinas as of the fourth quarter of 2004.

The above analysis indicates a need for more affordable ownership housing in Salinas serving all incomes, and more affordable rental housing for very low and low income households.

6.1.3 Supply of Developable Land

As stated earlier, Salinas has largely been built out, and little vacant land remains for residential development within the City limits. Salinas also places a high priority on preserving the agricultural lands that surround it and contribute to its economy. As such, the General Plan projects that most new residential development over the next 20 years will occur to the north of Salinas in the zone designated as the “Future Growth Area.” This strategy preserves the more fertile lands to the south and southwest. Annexation and development of the Future Growth Area is currently in its preliminary stages, and City of Salinas staff estimate that development of new housing in the Future Growth Area will not likely begin until mid-2007.

The limited supply of short-term developable land, coupled with strong housing demand from the local and regional markets have led to significant home sale price increases in recent years. Increasing home values and the limited supply of land drive up land prices. Price increases have been a trend in coastal California for several years. Affordable housing developers must compete with market rate developers for land in this market, increasing their costs and limiting production. High land costs also hinder the ability of market rate developers to build inclusionary housing units and smaller, more affordable product types.

6.1.4 Infrastructure Costs in Future Growth Area

The City of Salinas, per its 2002 General Plan, will provide adequate levels of public services and facilities to the Future Growth Area without reducing the level of service for existing urbanized areas. These services include roads, parks, schools, and other community facilities. The General Plan also states, “The City has policies and programs in place to ensure that new development pays its fair share of needed public improvements.”

The City, land owners, and developers are currently in the process of developing a financing plan for the infrastructure in the Future Growth Area. Mello-Roos Bonds and associated community facilities districts (CFD) are a common strategy for financing new infrastructure in California. New homeowners in the CFD assume responsibility for paying off the bonds through an increase in their property tax bill. Assessment districts represent another common way to fund the construction, operation, and maintenance of public facilities and services.

In either case, at least a portion of the cost of new infrastructure may fall upon homeowners in the Future Growth Area. While these costs may not directly impact the home sale price (in fact, they could lead to lower sale prices to make up for higher property taxes), they nevertheless affect the affordability of new housing in the Future Growth Area. Homebuyers and lenders will consider

annual payments to the CFD or assessment district, which effectively reduce the size of an affordable mortgage.

6.1.5 Local Opposition to Development

Given the rich agricultural resources surrounding Salinas, and the high value associated with open space in the region, new development in Salinas could encounter resistance from neighbors and other groups. Misconceptions about higher density products and affordable housing can also generate local opposition to development. These efforts could restrict the number of units in the Future Growth Area and within the City's existing limits.

Local opposition to development can compel developers to reduce residential densities, which hinders the development of condominiums, townhouses, multifamily rental units, and other higher density product types. Reduced densities can result in increased infrastructure costs. As a project's financial performance is directly linked to the number of units per acre, lower densities reduce the ability of developers to provide affordable units through inclusionary housing. The financial performance of multifamily rental units, which provide a valuable source of housing for low and moderate income households, is particularly sensitive to density when evaluating their financial feasibility.

6.2 Linkages Between Housing and Employment Centers

6.2.1 Geographic Distribution of Affordable Housing

Figure 2 shows the distribution of affordable housing, major employers, and employment centers in Salinas. The affordable housing that is represented on the map includes projects developed by local non-profit affordable housing developer Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), projects that have received funding from the California Tax Credit Allocation Committee (TCAC), Monterey County Housing Authority public housing, and projects managed by the Housing Authority.

As shown on Figure 2, the majority of these projects are in Eastern Salinas, which has a large concentration of low income households. However, there are also a significant number of affordable projects dispersed throughout much of the rest of the City. It is important to note that this analysis does not consider divisions between residential and non-residential areas. The situation of residential areas throughout Salinas may account for the lack of affordable units in certain areas of the City, and does not necessarily indicate exclusionary zoning practices.

Overall, these geographic patterns do not suggest a problem with the siting or distribution of affordable housing in Salinas.

6.2.2 Major Employers

As shown in Table 16, major employers in the Salinas area include the County of Monterey with 4,078 employees, Dole Fresh Vegetables (3,500 employees), Tanimura and Antle, Inc. (2,500 employees), and the Salinas Valley Memorial Hospital. The 15 largest employers, as reported by

the Salinas Valley Chamber of Commerce, account for nearly 22,000 jobs. Of these, six agricultural companies employ 9,550 people, and the public sector accounts for over 6,600 jobs.

While these employers are located primarily in the southern half of the City, they are concentrated around the central business district and the regional industrial center. Another major employment center is the region serving Northridge Mall and surrounding retail. These employers are smaller and therefore do not show up on the list of the largest employers, but nonetheless represent a significant number of jobs. Figure 2 shows the location of major employers and employment centers.

The location of these employers and employment centers do not suggest a problem in terms of accessibility from affordable housing sites. Ease of transit between housing and job sites appears to be adequate when considered in conjunction with local public transportation routes, as described below.

6.2.3 Public Transportation

Public transit is an important element in analyzing access to housing and employment. Linkages between lower-income neighborhoods and employment centers are essential to maintaining fair housing standards. Those who are particularly transit-dependant, typically elders, disabled persons, and low-income households, have a disproportionate need to reside along transit routes. As such, it is necessary to understand the geographic relationship between jobs and housing, as discussed above, and the public transit routes that link them.

The Monterey Salinas Transit System (MST) provides local service within the City of Salinas as well as regional service to surrounding areas. With two main transit origination points (the Monterey Transit Plaza, located in Central Monterey, and the Salinas Transit Center, located in downtown Salinas), MST has a total of 32 different bus lines serving the greater Monterey and Salinas areas, King City, Big Sur, Watsonville and Gilroy (See Figures 3 and 4).

Locally, there are 13 bus lines originating in downtown Salinas that serve much of the City. The transit system serves many important locations within Salinas, including but not limited to the Salinas Valley Memorial Hospital and the Natividad Medical Center, the three public libraries, many of the City's public schools and institutions of higher learning, the Boys and Girls Club, the DMV, numerous public parks, and the Northridge regional retail area. In addition, MST serves major employment centers, as described above.

The Central Business District is home to the major transit hub and is therefore accessible from all areas of the City that are served by the transit system. There are five different lines that run through the Northridge Mall and surrounding retail districts. The Regional Industrial Center is also accessible, with two bus lines running from the Transit Center and the Northridge area, down to the jobs in the southeastern corner of the City.

There are three bus lines that run through eastern Salinas, serving much of the identified affordable housing. These lines originate downtown at the Transit Center and run to the east and then north to the Northridge area and across town to the western edge of the City. There are no

lines that connect directly from Eastern Salinas to the southeastern industrial area; however it is possible to make connections through downtown to access all of the bus routes in Salinas.

Weekday and Saturday bus service runs from approximately six o'clock in the morning, until roughly eleven at night, depending on the route. Some routes only run as late as eight o'clock in the evening. Sunday and holiday service is more limited. The lack of late-night service could potentially be an issue for those workers who rely on public transit and whose hours extend into the late evening and nighttime.

Bus fares are comparable to those in larger cities. After nearly four years without a fare increase, bus fares increased by \$0.25 as of July 1, 2005. One-way fares now begin at \$2.00, with discounted fares of \$1.00 for children ages 5 to 18 and seniors over the age of 65. Children under the age of 4 can ride for free with a paying passenger. While all buses are accessible and equipped with wheel-chair lifts, MST also provides the MST Rides ADA ride-share program, which offers curbside-to-curbside transportation service to eligible passengers for a cost of \$2.50 per zone.

For passengers traveling outside the local area, the City of Salinas is well-linked to the surrounding region. There are seven MST bus lines which originate from the Salinas Transit Center and provide service to surrounding cities, including Prunedale, North County and Watsonville, the Monterey Peninsula, Big Sur, Carmel Valley, King City, Soledad, Gonzales, and Chualar. In total, MST serves a 275 square mile area of Monterey County, Southern Santa Cruz County, and San Benito County. In addition, Amtrak's Coast Starlight Route runs from Los Angeles to Seattle, with a stop in Salinas.

Public transportation is not available for workers traveling to agricultural areas where they work. However, labor buses supplied by employers are often available, and the farmworkers have a highly functional system of coordinating rides with neighbors and friends. Thus, transportation to the fields has not been identified as a problem by service providers working with this population.

Overall, the public transportation system in Salinas appears to be satisfactory. While there is certainly room for improvement in terms of the number of routes offered, more discounted fares, and the hours of service, there do not seem to be any egregious problems, and Salinas' public transportation is superior to most other locations in the County.

6.3 Home Mortgage Lending Practices

Mortgage lenders who work in Salinas and are familiar with local fair housing issues were interviewed about successes and concerns with regard to fair housing in Salinas. Overwhelmingly, the largest concern for all lenders was the disparity between home sale prices and local incomes. This was identified as the primary challenge that lenders face when trying to get people into homes, significantly overshadowing all other obstacles. However, as affordability has been discussed in great detail above, this section will describe several of the secondary impediments to fair housing with regard to lending practices.

6.3.1 Language Barriers

Given the large Latino population in Salinas, language barriers were identified as potential impediments. None of the lenders interviewed believed that language presented itself as a barrier to fair housing. In fact, Salinas may be performing better in this regard than other cities with smaller populations of non-English speakers. That is, precisely because of the large Latino demographic, it appears that all lending institutions in Salinas have a number of bilingual lenders and brokers on staff to assist their Spanish-speaking clientele. However, in addition to Spanish-language services, two lenders reported a need for the ability to serve clients who speak native Latin-American languages such as Quechua.

6.3.2 Undocumented Status

Undocumented applicants may encounter some obstacles when applying for a mortgage in Salinas. One lender identified this as an issue for her institution because undocumented applicants do not have a valid Social Security Number nor verifiable income. Without a verified income, potential homebuyers will experience problems when applying for loans at certain establishments.

However, other lending institutions reported that lack of documentation does not present a problem for them. While unverified income used to be a larger impediment to approving loans, some banks are now able to process those applications without trouble. These cases are usually dealt with by staff people who have expertise in non-“cookie cutter” mortgages. In addition, this process will likely become even easier in the coming years, as Bank of America has recently implemented a trial program in two states that explicitly targets undocumented workers. If successful, Bank of America plans to expand this program to California.

6.3.3 Hispanic /Latino Applicants

Lenders reported that on average, Hispanic or Latino residents do have a more difficult time obtaining housing in Salinas. Explicit discrimination was not identified as a reason for this disproportional impact, but rather economic and cultural differences among this demographic.

One reason for the difficulty is simply the lower household incomes among Hispanic households.¹⁶ Income for many Hispanic households comes from the agriculture industry. Despite the fact that agricultural workers in Monterey County earn more than elsewhere in the state, their incomes remain lower than non-Hispanic White households. In Salinas, the median household income for non-Hispanic Whites is \$49,595, compared to only \$39,115 for Hispanic households. The gap becomes even wider when looking at median family incomes for Whites and Hispanics (\$59,888 and \$37,144 respectively).¹⁷

¹⁶ It should be noted that the term Hispanic is used here in relation to U.S. Census data, and is a Census-defined term that is meant to describe ethnicity, not race. Persons of Hispanic origin are persons who self-identify as having an origin of Mexico, Puerto Rico, Cuba, Central or South America, or some other Hispanic origin; however, these persons may be of any race.

¹⁷ 2000 U.S. Census.

In addition, one lender reported that Hispanic applicants can encounter difficulties with their mortgage applications due to her experience that Hispanics are more disinclined to use banks to save their money. She indicated that many of her Hispanic customers did not believe in banks, and instead preferred to keep their savings at home. These clients do have money saved, but are understandably wary of banking institutions since they have seen banks go bankrupt in their native countries. This becomes a problem because the majority of lenders want to see a client's savings in a bank for at least two months, and some Hispanic applicants are not willing to wait the requisite 60 days.

6.3.4 Predatory Lending Practices

Predatory lending can be undertaken by creditors, brokers, or even home improvement contractors. It involves engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower's lack of understanding of loan terms. When prompted, most lenders voiced a concern about predatory lending in Salinas. Some lenders reported that they have noticed an increase in predatory lending, particularly targeted at Latino homebuyers, especially with the dramatic escalation in home prices in recent years.

Most predatory lending in Salinas takes the form of households buying loans that they cannot afford given their incomes. In these cases, the homebuyer can sometimes make the interest payments, but can never pay down the principal. Other types of predation include charging applicants exorbitant or unnecessary fees, often adding these fees back into the principal. Unscrupulous lenders or brokers are thus making a profit from the applicants without disclosure, and the applicants are essentially being surcharged for lack of knowledge.

Interviews with lenders suggest that predatory lenders are often Latinos preying on other Latinos. Potential homebuyers who have immigrated from Mexico or Central America may have language barriers and cultural differences that make them feel more at ease with another Latino who approaches them about a home loan.

6.4 City Policies and Procedures

City documents including the General Plan Housing Element, Land Use Element, and Zoning Ordinance were reviewed and found not to include any policies that impede fair housing.

This section describes current City policies and procedures that help address some of the barriers to affordable housing.

6.4.1 Regional Housing Needs Determination

The State of California requires the Department of Housing and Community Development (HCD) to identify housing needs for each region in the State in response to projected population and household growth. State law further mandates that each Council of Governments (COG) distribute the housing needs allocation to each jurisdiction in the COG's region. The Association of Monterey Bay Area Governments (AMBAG) oversees the Regional Housing Needs Determination (RHND) process for Monterey and Santa Cruz Counties, and determines the jurisdictions' "fair share" of regional housing need.

The following table shows Salinas' RHND for 2000 to 2007.

RHND for Salinas, 2000 to 2007					
	Total Need	Very Low Income	Low Income	Moderate Income	Above Moderate Income
# of Units	1,349	290	248	332	479
% of Total	100%	21%	18%	25%	36%

Source: AMBAG, 2000.

Although the RHND is not a mandate to construct the additional housing, each locality is required to incorporate its housing need numbers into its general plan housing element and is responsible for planning for the additional units. It is somewhat unusual for jurisdictions to produce a sufficient number of units to meet their RHND allocation. Salinas is unusual in this regard, as the City has been able to meet its RHND numbers.

As stated in the 2002 Housing Element, the City estimates that adequate space exists for approximately 264 units on vacant land within City limits. However, if taking into account permitted housing production (units constructed or under construction at writing of this report), the potential for reuse of underutilized commercial land, development of vacant residential land, inclusionary housing unit production, and expansion into the Future Growth Area, available sites exist for over 3,050 units. Considering these factors, the Housing Element states that available sites exist to effectively address the RHND at all income levels.

However, annexation and development of the Future Growth Area is currently in its preliminary stages. City of Salinas staff anticipate development of new housing will not likely begin in the Future Growth Area until mid-2007, given the complex annexation process and the area's significant infrastructure needs. As a result, more short-term steps should be taken to augment the local housing supply at all affordability levels.

6.4.2 Inclusionary Housing

In addition to successfully meeting its Regional Housing Need Determination, the City of Salinas is currently updating its inclusionary housing ordinance. Although the update is not yet finalized, the City plans to increase its inclusionary requirement beyond the current 12 percent to a level between 20 and 35 percent.

As part of the same update, the City is also considering expanding the inclusionary requirements to include a broader range of income levels. The City is investigating the feasibility of producing very low income, moderate income, and workforce housing to target households earning 50, 120, and 160 percent of Area Median Income (AMI), respectively. Salinas' current policy mandates that inclusionary units be affordable solely to low income households earning up to 80 percent of AMI.

As discussed earlier, Salinas' General plan projects that most new residential development over the next 20 years will occur to the north of Salinas in the zone designated as the "Future Growth

Area.” The total new unit capacity in existing city limits and the Future Growth area is 18,400.¹⁸ This development will provide a double benefit to the City by increasing overall housing supply, and by contributing a significant number of new affordable housing units, as the updated inclusionary requirements will apply to this planned housing production. When applying the updated inclusionary requirements of between 20 and 35 percent to the 18,400 new unit capacity for the City, approximately 3,680 to 6,440 new affordable units are anticipated.

6.5 Access to Housing for Persons with Disabilities

Disabled persons have special housing needs because of their fixed incomes, the need for accessible housing, and high health care costs. According to the 2000 Census, 30,117 persons residing in Salinas have disabilities, or 19.9 percent of the population.¹⁹ This is comparable to the prevalence of disabilities in the national, state, and county populations, which are 20.8, 20.2, and 18.5 percent respectively.

The disabled population requires accessible housing adapted to accommodate their particular disability needs, which vary by individual. In general, physical requirements often include roll-in showers, wheelchair ramps, lower toilets and counters, handrails and widened doors. Supportive housing needs for the chronically mentally ill include short-term “crisis” facilities staffed 24-hours a day, transitional housing programs, and supportive housing where individuals can live mostly independently but with attached services.

People with disabilities have a wide variety of housing needs, depending on the individual’s specific type and degree of impairment. Many people with disabilities do not require 24-hour care and seek housing on the private market. Therefore, the housing needs of some people with disabilities are identical to other income-restricted households—decent, safe, affordable housing—while some individuals also require physical modifications (to accommodate wheelchairs, for example) and others will need private in-home supportive services.

Many persons with disabilities are not employed, surviving on fixed incomes from sources such as Supplemental Security Income (SSI), a federal income supplement program designed to help aged, blind, and disabled people who have little or no income. With the high cost of housing in Salinas, the disabled population therefore has similar housing needs as the elderly, often with the added obstacle of public prejudice and fear. In addition, a proportion of the disabled are injured farmworkers, many of whom are monolingual Spanish speakers with low levels of education, further limiting these individuals’ ability to secure stable housing.

The Central Coast Center for Independent Living (CCCIL), an advocacy and information center serving disabled persons in Salinas, reports that many of their clients cannot afford even the cheapest affordable housing. Instead they must live with family members, who do not always have the means to support them, or resort to homeless shelters, which are not always accessible given their disability. As an alternative means of finding shelter, some end up in a nursing care

¹⁸ City of Salinas General Plan Land Use Element, 2002.

¹⁹ Includes physical disabilities, mental disabilities, self-care disabilities, and go-outside-home disabilities.

facility even when that high level of care is not needed.²⁰ Others attempt to find permanent housing through housing assistance programs such as Section 8. However, despite the preference they are given on the waiting list because of their disability status, the wait is often a year or longer, and in the interim they must live with someone else or become homeless.

To address the special needs of disabled persons, Monterey County allocates more than one third of Salinas' Section 8 vouchers to people with disabilities. For disabled persons who require more assistance at home, Salinas has 58 licensed community care facilities that serve approximately 900 people.²¹ The California Department of Social Services, Community Care Licensing Division, reports five adult day care facilities with a combined capacity to serve 276 individuals. In addition, Salinas has 33 adult residential care facilities which can serve up to 249 persons, although one of the facilities, with a capacity of 24, has a probationary license status.

Additional supportive services are provided by several organizations in the area. Services such as information and referral, advocacy, personal assistance services, peer counseling, independent living skills training, and systems advocacy are provided by Central Coast Center for Independent Living. CCCIL also offers housing assistance in the form of self-advocacy training in how to look for accessible, affordable and available housing, and about the removal of architectural barriers.

Interim, Inc. provides services aimed at helping adults with serious mental illness transition from homelessness or institutionalization to independent living. Interim, Inc. offers a continuum of services such as short-term crisis residential treatment, transitional housing, permanent affordable housing, employment and education support services, and case management.

HOPE Rehabilitation Services also serves people with disabilities in Salinas, specifically serving those with developmental disabilities. HOPE Services provides a range of employment and job training programs to their clients, as well as developmental activities, professional counseling, infant and senior services, supported and independent living services, and mobility training for children, adults and seniors.

²⁰ Some nursing homes designed for the elderly, because of age restrictions, will exclude persons with disabilities even if they meet the income requirements.

²¹ City of Salinas General Plan Housing Element, September 2002.

Table 14: Salinas Housing Needs, 2000

Household by Type, Income, & Housing Problem	Renters				Owners				Total Households	
	Elderly (1 to 2 persons)	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly (1 to 2 persons)	Small Related (2 to 4)	Large Related (5 or more)		All Other Households
Extremely Low Income HH (<=30% AMI)										
% With any housing problems	548	1,354	812	483	3,197	403	264	188	95	950
% Cost Burden >30%	62.6	93.4	95.7	78.3	86.4	60.3	81.1	94.7	73.7	74.2
% Cost Burden >50%	61.9	87.9	85.8	75.4	81	60.3	75.8	81.4	73.7	70.1
	48.2	69.4	66.4	61.1	63.7	42.9	64.4	77.1	57.9	57.2
Very Low Income HH (>30% to <=50% AMI)										
% With any housing problems	372	1,390	1,320	353	3,435	713	319	399	98	1,529
% Cost Burden >30%	73.4	89.6	97	90.1	90.7	46	92.2	95.2	89.8	71.3
% Cost Burden >50%	69.4	76.3	61	87.8	70.8	46	87.8	68.9	89.8	63.5
	45.7	25.5	11.4	56.7	25.5	21.7	70.5	51.4	81.6	43.5
Low Income HH (>50 to <=80% AMI)										
% With any housing problems	365	1,900	1,689	735	4,689	834	875	1,093	174	2,976
% Cost Burden >30%	54.8	70.5	93.5	68.7	77.3	17.9	75.4	96.3	79.9	67.2
% Cost Burden >50%	52.1	42.1	14.2	59.9	35.6	16.7	62.9	51.1	77.6	46.4
	26	5.8	0.8	6.8	5.7	5.9	30.3	13.6	43.1	18.1
Mod. & Above Mod. Income HH (>80% AMI)										
% With any housing problems	585	3,605	1,719	1,795	7,704	2,243	6,359	3,735	1,328	13,665
% Cost Burden >30%	20.5	30.4	78.2	13.6	36.4	9.7	28.1	68.1	26.2	35.8
% Cost Burden >50%	20.5	6.8	2	7	6.8	9.1	22.9	16.7	25.6	19.2
	7.7	0.7	0	0.6	1	2.1	2.7	0.7	5.3	2.3
Total Households										
% with any housing problems	1,870	8,249	5,540	3,366	19,025	4,193	7,817	5,415	1,695	19,120
% Cost Burden >30%	50.1	59.9	89.9	43	64.7	22.4	37.8	76.7	38.1	45.5
% Cost Burden >50%	48.5	39.9	32	36.8	37.9	21.8	31.8	29.8	37.3	29.5
	30.7	17.3	12.7	16.5	17.1	10.1	10.6	9.7	16.5	10.8

Notes:

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Elderly households: 1 or 2 person household, either person 62 years old or older.

Renter: Data do not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: U.S. Census, 2000; BAE, 2005.

Table 15: Affordability of Housing Stock in Salinas

Income Level	FOR-SALE		
	Affordable Sale Price Range (a) (b)	Percent of SFRs on Market within Price Range (c)	Percent of Condos on Market within Price Range (c)
Very Low-Income (30% to 50% AMI)	\$58,962 to \$98,270	0.0%	0.0%
Low-Income (51% to 80% AMI)	\$100,235 to \$157,232	0.2%	0.0%
Moderate-Income (81% to 120% AMI)	\$159,197 to \$235,847	0.2%	7.5%

	RENTAL	
	Maximum Affordable Rent (d)	Median Rent 3 BR Apartment (e)
Very Low-Income (30% to 50% AMI)	\$410 to \$714	\$1,350
Low-Income (51% to 80% AMI)	\$729 to \$1,170	\$1,350
Moderate-Income (81% to 120% AMI)	\$1,185 to \$1,778	\$1,350

Notes:

(a) Affordable sale price based on a four-person household income, as set by HCD 2004 income limits.

(b) Based on the following assumptions: 5% down payment
30 year mortgage
6.5% fixed annual interest rate

(c) Includes all full and verified home sales between August and November 2004 in Salinas. If only units that matched the needs of a four-person family were counted, the number of affordable units within each income category would be even lower.

(d) Affordable rent is 30% of monthly household income, less utility allowance as set by Monterey County Housing Authority.

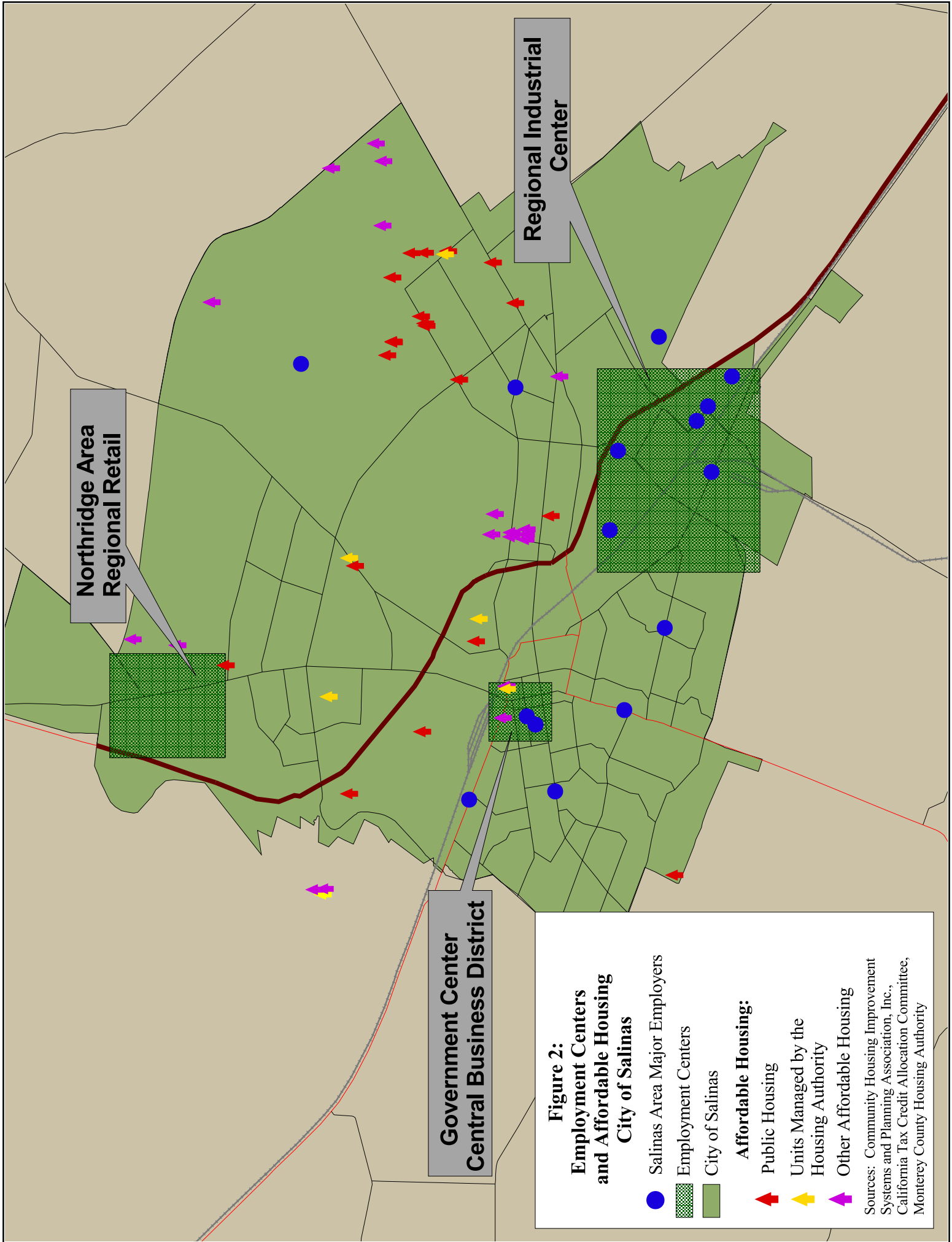
(e) As of 2004 Q4.

Source: First American Real Estate Solutions; Realfacts, Inc.; CA HCD; BAE, 2005.

Table 16: Fifteen Largest Employers in the Salinas Area

Rank	Employer	Employees
1	County of Monterey	4,078
2	Dole Fresh Vegetables	3,500
3	Tanimura and Antle, Inc.	2,500
4	Salinas Valley Memorial Hospital	1,700
5	HSBC	1,500
6	D'Arrigo Brothers	1,200
7	River Ranch Fresh Foods	1,200
8	Salinas Union High School District	1,022
9	Salinas City Elementary School District	895
10	Natividad Medical Center	885
11	Alisal Union Elementary School District	690
12	Mann Packing	650
13	City of Salinas	618
14	NewStar, Ceres Fresh Foods	500
15	McCormick & Company	420

Source: Salinas Valley Chamber of Commerce, 2005.



**Figure 2:
Employment Centers
and Affordable Housing
City of Salinas**

- Salinas Area Major Employers
- ▨ Employment Centers
- City of Salinas
- Affordable Housing:**
- ➔ Public Housing
- ➔ Units Managed by the Housing Authority
- ➔ Other Affordable Housing

Sources: Community Housing Improvement Systems and Planning Association, Inc., California Tax Credit Allocation Committee, Monterey County Housing Authority

Figure 3:



Source: Monterey-Salinas Transit, 2005

7 Actions to Address Impediments: Conclusions and Recommendations

7.1 Fair Housing Education and Outreach

Salinas, like most communities across the country, has a number of residents who are not aware of their fair housing rights, how to recognize discrimination, or what to do to address it. A number of fair housing issues could be improved through better understanding of fair housing rights and responsibilities by the consumer, landlord, seller, and real estate professional. Fair housing education and outreach is an effective way of addressing impediments to housing choice such as predatory lending or resistance to making modifications to accommodate disabled persons. In order to protect consumers and increase compliance with fair housing laws, information must be widely disseminated and understood. Towards this end, the City will:

- **Continue to support consumer education and counseling programs such as first-time homebuyer workshops and ongoing fair housing presentations and training.** The City offers its own first-time homebuyer workshops, discussed below, and will continue to support additional outreach and education offered by other groups. One example of this is the Homebuyer Expo recently organized and hosted by MOCHA.
- **Continue to provide information to the public on the Salinas' affordable housing programs.** The City will ensure wide dissemination of the availability and qualification requirements of its various affordable housing programs. Information is currently available on the City website, brochures, and public events. Specific efforts the City will make to increase the supply of affordable housing are discussed below.
- **Continue to encourage that fair housing and equal opportunity information is available throughout the city of Salinas.**

7.2 Accessible Housing

Federal law requires housing providers to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and benefit from a residence or common space. The City of Salinas is committed to supporting federal guidelines and ensuring an adequate supply of accessible housing for persons with disabilities. As evidence of this commitment, the City will:

- **Continue to offer Housing Accessibility assistance grants.** The City currently offers grants in amounts up to \$12,000 per household. These grants are available to assist qualifying property owners in removing architectural barriers that limit access or impede mobility, and to install fixtures which may reduce hazards that could be aggravated by a disability. The City will also consider expanding the target audience, making these accessibility grants available to tenants or landlords, not solely owner-occupied homes.

- **Conduct a housing needs assessment of disabled persons in Salinas.** One of the issues identified by service providers is the lack of comprehensive data on the housing requirements of people with disabilities. Without this information detailing the specific and varied needs of this sub-population, it is difficult for service providers to solicit funding or other forms of assistance from government agencies or private foundations.
- **Continue to support organizations that serve disabled people and assist with their housing needs.** The City has historically provided financial support through CDBG funds to the Central Coast Center for Independent Living (CCCIL). CCCIL offers a range of services to persons with disabilities who live in the counties of Santa Cruz, Monterey, and San Benito. To the extent feasible, the City will continue to support CCCIL and other groups serving disabled people.
- **Continue to support the development of housing that serves disabled persons.** Examples of recent projects are Lupine Gardens, a HUD Section 811 project with 20 efficiency apartments for low income adults with psychiatric disabilities. The City supported this project through CDBG and HOME grants.
- **Consider instituting a “visitability” ordinance in Salinas.** The concept of visitability has three simple provisions: (1) a no-step entrance, (2) doorways wide enough to accommodate entry by wheelchairs, and (3) a main-floor bathroom with a doorway and space sufficient to enter with a wheelchair and close the door.²³ A visitability ordinance in Salinas would require that new housing construction comply with these minimum requirements for accessibility.
- **Work to create a public listing of landlords or property managers that have accessible units.** Currently no such list exists, and service providers have indicated that this would be helpful in serving their clients.

7.3 Affordable Housing

Affordability is the most pressing housing issue in Salinas. The City of Salinas will continue its efforts to maintain the diversity of the city by ensuring a supply of housing affordable to all income levels. Specific actions include:

- **Update the City’s Inclusionary Housing Ordinance to require a greater percentage of affordable units.** The City is currently working with community stakeholders to update its Inclusionary Housing Ordinance. The new ordinance would increase the required affordable component in new residential developments from 12 percent to between 20 and 35 percent. The new ordinance would also expand the program beyond low income households to serve very low, moderate, and workforce income (160 percent of AMI) households. If applied to new development as projected in the 2002 Salinas

²² National Center for the Dissemination of Disability Research website. <http://www.ncddr.org>

²³ National Center for the Dissemination of Disability Research website. <http://www.ncddr.org>

General Plan, the updated Inclusionary Housing Ordinance would generate between 3,700 and 6,400 affordable ownership and rental units.

- **Continue to implement the City’s First Time Homebuyer Program.** The First Time Homebuyer program provides eligible low-income families and individuals with a low-interest, deferred payment loan for the purchase of their first home. This successful program has served an average of 20 households annually.
- **Continue to support the efforts of local affordable housing developers building rental and ownership housing in Salinas.** The City will offer pre-development support and assist with construction and permanent financing where feasible in order to reduce the cost of affordable rental housing development. The City will work with non-profit developers to ensure that they maximize the use of all available funding sources for these activities.
- **Ensure that the inclusionary housing lottery remains an open, public process.** Some service providers and lenders noted that some residents do not understand the processes by which households are chosen to participate in the inclusionary housing program, which leads to confusion and sometimes suspicion of discrimination. The City will consider holding the lottery as part of a public meeting to demonstrate that the process is fair and unbiased.
- **Continue to encourage non-City programs that support affordability for low-income residents.** Examples of these programs include CHISPA’s self-help program that enables low-income households to build their own homes through sweat equity, and the ACORN program offered through local lenders that provides homebuyer counseling and education, as well as subsidized loans and Property Mortgage Insurance, regardless of credit problems or lack of documentation.