

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



PRESENTED BY: LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW

ACKNOWLEDGMENTS



The completion of this AI would not have been possible without the cooperation, input, and assistance of several outstanding stakeholder organizations in the City of Ontario and the Inland Empire. Their time and their insights are greatly appreciated.

- California Apartment Association Greater Inland Empire
- Disability Rights Legal Center Clinic
- Foothill Family Shelter
- Inland County Legal Services
- Inland Fair Housing & Mediation Board
- Mercy House
- Mt. Zion Community Development Corporation
- NAMI San Bernardino
- Neighborhood Partnership Housing Services
- Ontario-Montclair School District
- Ontario-Montclair YMCA

In addition to the input of these organizations, the commitment, expertise, and time of the Ontario Housing & Municipal Services Agency was invaluable. The City's dedication to furthering fair housing choice for its residents and residents of the region as a whole is truly remarkable.

INTRODUCTION

Background on the Duty to Affirmatively Further Fair Housing

The Fair Housing Act was enacted in 1968 to remedy the adverse effects of past and present housing discrimination. The Act’s legislative history makes clear that Congress intended the law to increase housing choices for minority individuals and foster meaningful residential integration throughout society. In its first fair housing decision after passage of the Act, *Trafficante v. Metro. Life Ins. Co.*, 409 U.S. 209, 211-12 (1972), the Supreme Court emphasized that the language of the Act and its legislative history established that residential integration was the “policy that Congress considered to be of the highest priority,” and so achieving its goal must not be hampered by a narrow interpretation of the statute. Eliminating segregation and achieving meaningful integration was meant to benefit not just minority groups, but “the whole community.”

The Act recognizes that to achieve this goal requires more than simply a prohibition on engaging in discriminatory conduct. Therefore, in addition to the provisions of Sections 3604 and 3605 which prohibit discrimination in the sale, rental and financing and other housing related transactions, Congress included Section 3608 in the Act setting forth the “affirmative” obligation that HUD and other federal agencies administer their housing programs in a manner to actively promote fair housing and integration. Regulations of the U.S. Department of Housing and Urban Development (HUD) make clear that recipients of federal funds from the U.S. Department of Housing and Urban Development (HUD) are required to administer those funds in a manner that affirmatively furthers fair housing.

Thus, as a condition of receiving federal housing and community development funds, the City of Ontario is required to affirmatively further fair housing (AFFH). HUD has interpreted that statutory obligation to mean that the City must conduct an Analysis of Impediments to Fair Housing Choice (AI), take appropriate actions to overcome those impediments, and maintain records reflecting the AI and the corrective actions. This document is intended to serve as the City’s AI and meet the first of those three requirements. Accordingly, the discussion, analysis, and recommendations in this document are merely the starting point of the City’s efforts to AFFH. Follow-up action is even more important.

In order to be effective, an AI must provide a comprehensive overview of the different issues affecting fair housing choice for its residents and for residents of the same real estate market who might otherwise choose to live in the jurisdiction. The nation’s Fair Housing Act (FHA) protects against discrimination on the basis of race, color, national origin, religion, sex, disability, and familial status. The law prohibits policies and practices that have the unjustified effect of denying opportunities on the basis of these characteristics in addition to policies and practices adopted with an intent to discriminate. For purposes of an AI and compliance with the duty to AFFH, it is important to note that jurisdictions have to more than simply refrain from engaging in illegal discrimination. They also have to take

steps to advance the policy purposes behind the FHA: promoting residential integration and access to opportunity.

Because there are a great many policies and practices that cause and reinforce residential segregation and that deny access to opportunity, the scope of an AI must be broad, encompassing the operations of jurisdictions with overlapping jurisdictions, like San Bernardino County and the State of California in the case of the City of Ontario, and addressing a broad range of issues that affect where people choose to live including school quality, access to public transit, public safety, and environmental health.

Structure of this Analysis

This document has three primary sections. The first presents data on the population of the City of Ontario, its housing market, its economy, and its schools. Wherever applicable, this data is evaluated through a fair housing lens, which means that focus is placed on race, color, national origin, religion, sex, disability, and familial status. Second, there is an analysis of public and private policies and practices that affect fair housing choice across a wide range of subject areas. Lastly, the AI concludes with a specific identification of impediments to fair housing choice, proposed corrective actions, and guidance on how to carry out those steps.

Key Terms

At the outset of the AI, it is helpful to set out a few key terms whose meanings may not be obvious but which are crucial to understanding barriers to fair housing choice.

- *Higher Opportunity Areas* are geographic areas in which residents have access to the basic amenities that serve to enhance quality of life and social mobility. These include good schools, decent jobs, public transit, clean air, safe streets, vibrant parks, and retail options that meet residents' needs. Higher opportunity areas can be as small as individual neighborhoods within a particular city. They can be as large as collections of adjacent cities that feature similarly high quality of life. Because of historical patterns of segregation and disinvestment in communities of color, higher opportunity areas tend to have populations that are predominantly non-Latino white, though that is not always the case.
- *Segregation and Integration* refer to patterns of spatial concentration and dispersal of groups of people. Segregation tends to stem from historical discrimination but is often reinforced by a range of policies and practices that do not appear discriminatory on their face. The methodology that social scientists use to assess segregation and integration is discussed in detail in the section of this AI concerning Segregation Data.
- *Community Integration for Persons with Disabilities* means the ability of persons with disabilities to live in the most integrated setting appropriate to their needs and informed choice. The provision of supportive services may facilitate the efforts of persons with disabilities to live in integrated settings, but willingness on the part of persons with disabilities to accept services should never be a precondition of eligibility for housing. In the vast majority of instances, the most integrated setting

appropriate to an individual's needs and informed choice will be their own apartment or house.

- *Affordable Housing* means units with housing costs that amount to no more than 30% of the gross income of households earning 80% of the Area Median Income (AMI) for the Metropolitan Statistical Area and for which occupancy is restricted to households earning less than that amount. For Fiscal Year 2015, 80% of AMI for a family of four is \$49,700. Housing that is affordable for very low-income households has housing costs that amount to no more than 30% of the gross income of households earning 50% of AMI. Housing that is affordable to extremely low-income households has housing costs that amount to no more than 30% of the gross income of households earning 30% of AMI. Affordable housing may be either renter-occupied or owner-occupied. The length of occupancy restrictions for affordable units varies by subsidy program.
- *Integrated Permanent Supportive Housing* means independent housing for persons with disabilities that is located within developments in which housing units set aside for persons with disabilities comprise no more than 25% of total housing units. Additionally, persons with disabilities residing in integrated permanent supportive housing may receive supportive services that stabilize their housing tenure and enhance their ability to live independently; however, access to integrated permanent supportive housing must not be conditioned on the willingness of persons with disabilities to accept supportive services. In general, service providers assisting residents of permanent supportive housing should not be the same entities as the housing providers, and residents of permanent supportive housing should have their own leases with housing providers and all of the legal protection that entails.

Taking Action

The City's leverage and capacity to address the issues addressed in this AI varies widely. In proposing corrective actions to the impediments identified in this AI, special emphasis is placed on City policies, including how land is zoned, how its own allocation of federal funds is spent, and how it determines which applicants for state and federal resources within its borders to support. In adopting strategies along these lines, the City has a great deal of power to bring about changes that further the fair housing choice of historically marginalized communities.

However, because county and state policies are also crucial to the fair housing choice of Ontario residents, the City must also engage with county and state policymakers about new strategies that they should adopt. Doing so will never be as simple as rezoning properties within the City or amending the Consolidated Plan, but the City does have sources of leverage and the ability to engage in good faith negotiations.

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EXECUTIVE SUMMARY

The City of Ontario's 2015 *Analysis of Impediments to Fair Housing Choice* (AI) is a comprehensive examination of the structural barriers to fair housing choice and access to opportunity for members of the historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA). The Lawyers' Committee for Civil Rights Under Law (Lawyers' Committee), in consultation with the City of Ontario's Housing and Municipal Services Agency and with input from a wide range of stakeholders, prepared this AI. To provide a foundation for the conclusions and recommendations presented in the AI, the Lawyers' Committee reviewed and analyzed:

- Data from the U.S. Census Bureau and other sources about the demographic, housing, economic, and educational landscape of Ontario, several nearby communities, and the broader region;
- Various City, county, and state planning documents, notices of funding availability, ordinances, and statutes;
- Data reflecting housing discrimination complaints filed with the Inland Fair Housing & Mediation Board, the U.S. Department of Housing & Urban Development (HUD), and the California Department of Fair Employment and Housing; and
- The input of a broad range of stakeholders that deal with the realities of the housing market and the lives of members of historically marginalized communities in the City of Ontario and the broader Inland Empire on a day-to-day basis.

Section III of the AI distills all of that information down to seven overarching impediments to fair housing choice in the City of Ontario and proposes 17 steps that the City should take to overcome those obstacles. These actions are not panaceas for equity issues involving housing, economic opportunity, transportation, and education in the City of Ontario, but they provide a starting point for addressing systemic barriers to equal opportunity. Once other local governments in the region and the State of California come to the table to advance fair housing in a collaborative manner, the City of Ontario will make truly great strides toward the realization of the goals of the FHA.

Overview of Ontario

The City of Ontario is located in the southwestern corner of San Bernardino County, California. The City is approximately 35 miles east of downtown Los Angeles and about 20 miles west-northwest of downtown Riverside. San Bernardino and Riverside Counties together comprise the Inland Empire region, which is the Riverside-San Bernardino-Ontario, CA MSA. In recent decades, the region has experienced explosive population growth while Ontario's growth, as a city that was built out comparatively earlier, has been more stable. Its current population is 167,496.

The City's population is 69% Latino, 17% white, 6% African American, and 5% Asian American. In comparison to the Inland Empire as a whole, the City of Ontario is relatively more heavily Latino and less heavily white with African American and Asian American population concentrations that are close to those found region-wide. At the same time, the City's position near the border of San Bernardino County with eastern Los Angeles County means that MSA-level statistics paint an incomplete picture. The broader Los Angeles-Long Beach-Riverside, CA Combined Statistical Area is more heavily Asian American than the Inland Empire and some cities within eastern Los Angeles County that are near the City of Ontario have much larger Asian American populations than the City of Ontario.

Traditional segregation indices reflect that, within its boundaries, the City of Ontario has low levels of residential racial and ethnic segregation although there are a few areas of relatively concentrated advantage and disadvantage. The Inland Empire had moderate levels of racial and ethnic segregation while the region appears to be highly segregated when the level of focus is broadened to include the Combined Statistical Area.

Census data reflects that persons with disabilities appear to reflect a relatively small proportion of the population of the City of Ontario. As the proportion of people with disabilities by age and by race, respectively, are consistent with the region as a whole, the most likely explanation for this phenomenon is that the City of Ontario has a relatively young population. Existing data sources make it difficult to gauge the size of the population of persons with specific types of disabilities that increase the risk of unjustified institutionalization. Nonetheless, even with limited data, it is clear there is unmet need for integrated permanent supportive housing for persons with disabilities.

The housing stock of the City of Ontario contains comparatively more multi-family units and renter-occupied units than are found in the broader region. Latino households and, to an even greater extent, African American households are more likely both to reside in more dense housing and to rent than white households and Asian American households. Housing costs in the City of Ontario and the region are rising, and the burden of those price increases is falling most heavily on renters. Although the foreclosure crisis hit the City of Ontario very hard, foreclosure activity appears to be winding down, and conditions in the City are better than in the broader region as a whole.

Although the City of Ontario was born as an agricultural community, its economy has evolved over time, and it is now a regional center for shipping and logistics. LA/Ontario International Airport plays a vital role in driving the City's economy. While the City has its own job base, 85.9% of commuters travel to locations outside of the City to work. Common job destinations include other major cities in San Bernardino County, Los Angeles, and Orange County. Unemployment in the City of Ontario is slightly higher than nationwide, and, consistent with broader trends, Latino and African American workers are more likely to be unemployed than white and Asian American workers.

Poverty in the City of Ontario has increased in the aftermath of the 2008 Recession and is slightly higher than in the Inland Empire as a whole and more significantly higher than nationwide. Compared to other cities in the area, its poverty rate is generally higher than those of cities located to its west and south and lower than those of cities in the High Desert to the north. Some communities to the east have higher poverty rates while some have lower poverty rates. Both in the City, the region, and nationwide, Latino and African

American residents experience higher rates of poverty than white and Asian American individuals. Within the City, poverty is relatively concentrated in the Holt and Mission area to the west of the airport. In general, the same trends with respect to poverty are applicable with respect to median household income. The one notable exception is that median household income in the City of Ontario is higher than nationwide.

The City of Ontario's public schools perform at lower levels than the statewide average and than other schools in the same district. Many of the schools also have high levels of racial and ethnic isolation.

Public Sector Compliance

The City of Ontario has made robust use of its federal grants to develop and preserve affordable housing. In doing so, the City has made strategic use of funds to expand access to integrated permanent supportive housing for persons with disabilities. The City's use of Neighborhood Stabilization Program (NSP) funds to preserve foreclosed multi-family properties in a distressed community has played a key role in ensuring livability and public safety in the surrounding neighborhood and was consistent with the requirements of that program. At the same time, thinking prospectively, there is a clear need for the City to facilitate the development of affordable housing in a broader spectrum of the City's neighborhoods, particularly in the New Model Colony in South Ontario. In carrying out its activities, the City has consistently shown a laudable openness to working collaboratively with nonprofit stakeholder organizations.

The City of Ontario's zoning and land use policies have generally fostered a diverse mix of types of housing across much of the northern, built-out portion of the City. If developed land becomes available for reuse, there may be some opportunities to promote inclusion within that portion of the City by allowing increased density in the area between Mountain Avenue and Euclid Avenue, north of West D Street. In the developing southern and eastern areas of the City, most development takes place in accordance with individual development agreements rather than traditional zoning. The City has opportunities to leverage that negotiated process to promote a diverse mix of housing types and price points. The City's zoning policies do not appear to discriminate against persons with disabilities and include an explicit policy for processing reasonable accommodations requests. More severe land use impediments may exist in other jurisdictions in the region.

State and county policies promote the development of both transit-oriented development (TOD) and permanent supportive housing for persons with disabilities. Some aspects of these policies have features that appear to impede fair housing choice by requiring high concentrations of persons with disabilities in an individual development in order to be eligible for funds for permanent supportive housing and funding TOD in areas of concentrated poverty without balancing that need against the need for affordable housing in developing communities that do not yet have public transportation.

The City of Ontario is served by Omnitrans, which provides bus service throughout San Bernardino County, and Metrolink, which is Southern California's regional light rail service. These services, particularly Omnitrans, do a relatively effective job of facilitating access to transit in the City's built out core but leave significant gaps on the developing fringe. Planning efforts are underway to develop a strategy for extending bus service to the

New Model Colony in South Ontario. In addition to gaps in service within the City, connectivity between Omintrans and the Riverside Transit Agency is weak, particularly traveling from north to south rather than west to east.

The Housing Authority of the County of San Bernardino (HACSB) administers the Housing Choice Voucher (HCV) program and Project-Based Voucher (PBV) program countywide, including within the City of Ontario. As a Moving to Work public housing authority (PHA), HACSB has taken strides to break down administrative barriers to opportunity for its residents; however, there are several additional steps that the PHA can take to truly open up housing choice. In particular, various HACSB policies limit the portability of HCV assistance, fall short of providing voucher-holders with full information about the range of options available to them, and fail to leverage the PBV to promote integration.

Private Sector Compliance

A review of housing discrimination complaint data reflects that complaints of discrimination on the basis of disability are the most common type of complaint, followed by race discrimination complaints, familial status complaints, and national origin complaints. There is some lack of clarity in how complaints filed by Latinos alleging discrimination on the basis of their status as Latinos are being classified, particularly by the California Department of Fair Employment and Housing. Discrimination on the basis of race or national origin is often covert so complaint volume is not necessarily an accurate reflection of the extent of discrimination.

With respect to discrimination on the basis of disability status, denials of reasonable accommodations requests are the most common type of disability discrimination claim. Issues involving service and support animals and designated parking spots recur often enough to suggest specific gaps in housing providers' knowledge of their legal obligations.

The Inland Fair Housing and Mediation Board (IFHMB) serves the City of Ontario as well as much of the broader region. IFHMB conducts education and outreach, engages in fair housing testing, and assists victims of discrimination in filing complaints. In addition to its fair housing services, IFHMB also provides clients with assistance in landlord-tenant disputes. In addition to IFHMB, the California Apartment Association Greater Inland Empire, the Citrus Valley Association of Realtors, and the Inland Valley Association of Realtors provide training on fair housing issues to their members.

An analysis of Home Mortgage Disclosure Act (HMDA) data suggests barriers to accessing credit among African American and Latino borrowers. For the years of data analyzed, African American borrowers had higher loan denial rates than did other racial or ethnic groups. Latinos did not have disproportionately high denial rates but were underrepresented among loan applicants.

Impediments and Action Steps

The AI identified the following impediments to fair housing choice and proposed the following action steps.

Impediment 1: Lack of Affordable Housing in South Ontario, in general, and the New Model Colony, in particular.

Action Step 1.1: Assist in obtaining federal and/or state resources, if available, to provide other incentives to encourage on-site development of affordable units.

Action Step 1.2: Review the possibility of reducing the Maximum Escalation Fee for affordable multi-family housing in the New Model Colony.

Action Step 1.3: Monitor and test throughout the development of the New Model Colony to ensure a balance of housing types and affordability is maintained.

Impediment 2: Lack of Diversity and Inclusion within Southern California.

Action Step 2.1: Advocate for zoning policies and practices that stimulate the development of multi-family housing in the development of the Southern California Association of Governments' 2020 Regional Plan.

Action Step 2.2: Encourage the Housing Authority of the County of San Bernardino to adopt several policies that facilitate the use of Housing Choice Vouchers to promote residential racial and ethnic integration.

Action Step 2.3: Encourage the California State Treasurer's Tax Credit Allocation Committee to reduce barriers to greenfield development and provide incentives for developments in Census Tracts with low poverty rates.

Impediment 3: Disability Discrimination, Particularly Denials of Reasonable Accommodation Requests, Is Common.

Action Step 3.1: Require developers to adopt written reasonable accommodations policies and take steps to notify residents of such policies as a condition for approval of individual development agreements.

Action Step 3.2: Incorporate a more pronounced specific focus on service and support animals and parking into fair housing education and training materials and curriculum.

Action Step 3.3: Utilize the City's Systematic Health and Safety Inspection Program to disseminate information regarding reasonable accommodation for disabilities and companion/service animals to tenants and property managers.

Impediment 4: Possible Covert Discrimination Against Latino Residents.

Action Step 4.1: Refer matters for national origin discrimination testing to the Inland Fair Housing and Mediation Board when City staff have reason for suspicion.

Impediment 5: Access to Public Transportation Is Limited in Higher Income Areas

Action Step 5.1: Advocate for a plan that extends efficient, reliable bus service to the New Model Colony.

Action Step 5.2: Encourage Omnitrans to coordinate service delivery with the Riverside Transit Agency and to develop a plan to increase connectivity between their two systems.

Impediment 6: Lack of Supply of Integrated, Permanent Supportive Housing for Persons with Disabilities.

Action Step 6.1: Support efforts to use Low Income Housing Tax Credits, Section 811 Project Rental Assistance, and Mental Health Services Act Housing Program funds to increase the supply of integrated permanent supportive housing by ensuring appropriate zoning and providing CDBG or HOME funds as gap financing.

Action Step 6.2: Encourage the Housing Authority for the County of San Bernardino to adopt waiting list preferences for persons with disabilities who are at risk of institutionalization or homelessness.

Impediment 7: Lack of Affordable Housing.

Action Step 7.1: Support applications by developers in Ontario for available resources.

Action Step 7.2: Use incentives to foster the production of affordable units in otherwise market rate developments.

Action Step 7.3: Support legislation to create a state affordable housing trust fund.

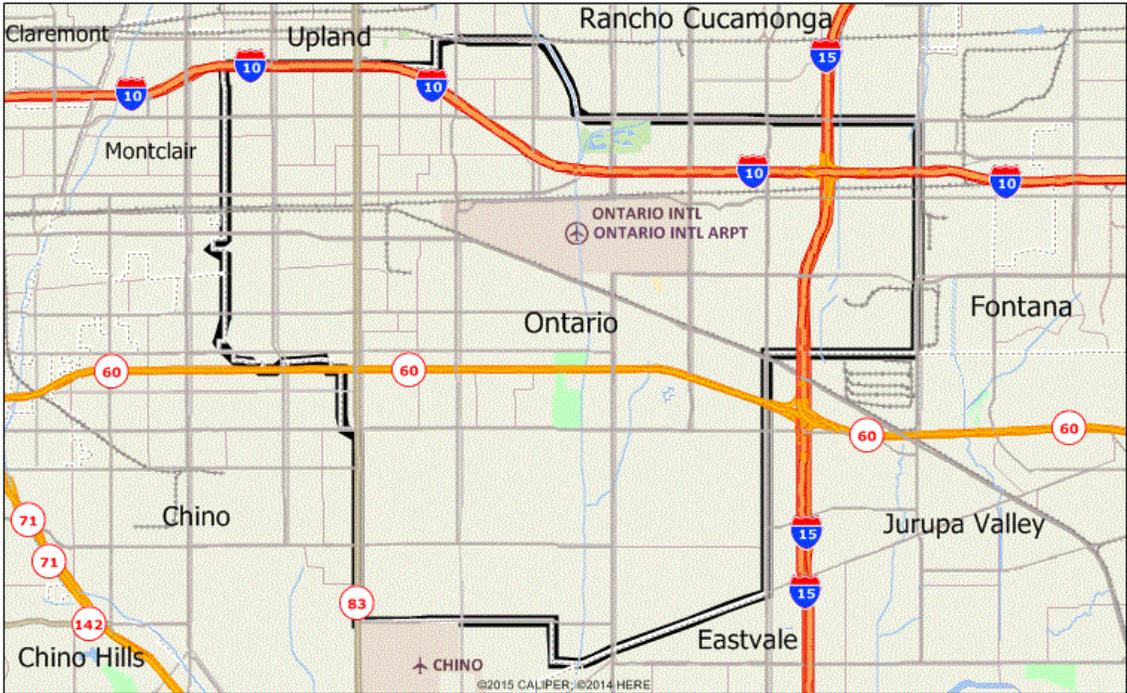
Action Step 7.4: Recommend entitlement jurisdiction eligibility for San Bernardino County housing funds.

Conclusion

The City of Ontario has shown a noteworthy openness to assessing its programs and activities, as well as conditions in the broader region, with the goal of affirmatively furthering fair housing. On many issues, the City's past track record is laudable, and the main task in front of the City will be to build upon the foundation that it has already created. For other issues, greater challenges will be entailed, but, through the application of the City's collaborative and forward-thinking spirit, the action steps laid out in this AI are wholly achievable. Once they are undertaken, the City of Ontario will truly be a model for equity and inclusion in the region.

SECTION I: OVERVIEW OF ONTARIO

City of Ontario



DEMOGRAPHICS

RESIDENTIAL SEGREGATION

Overall Population

The majority of Ontario's population growth occurred in the second half of the 20th century. Ontario grew less than 4% from 2000-2010, and slightly more than 2% from 2011-2013. These rates of growth are similar to or slightly less than other cities in San Bernardino County and the Pomona Valley.

Figure 1: Ontario Population Over Time

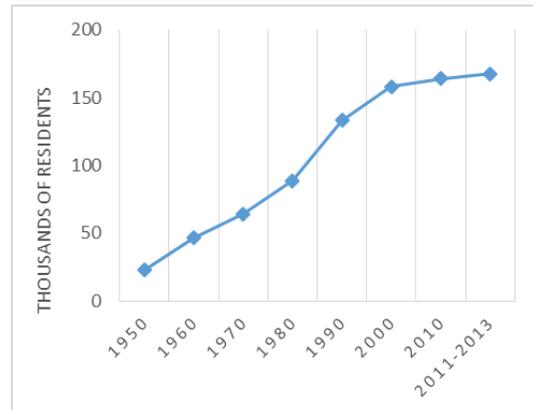
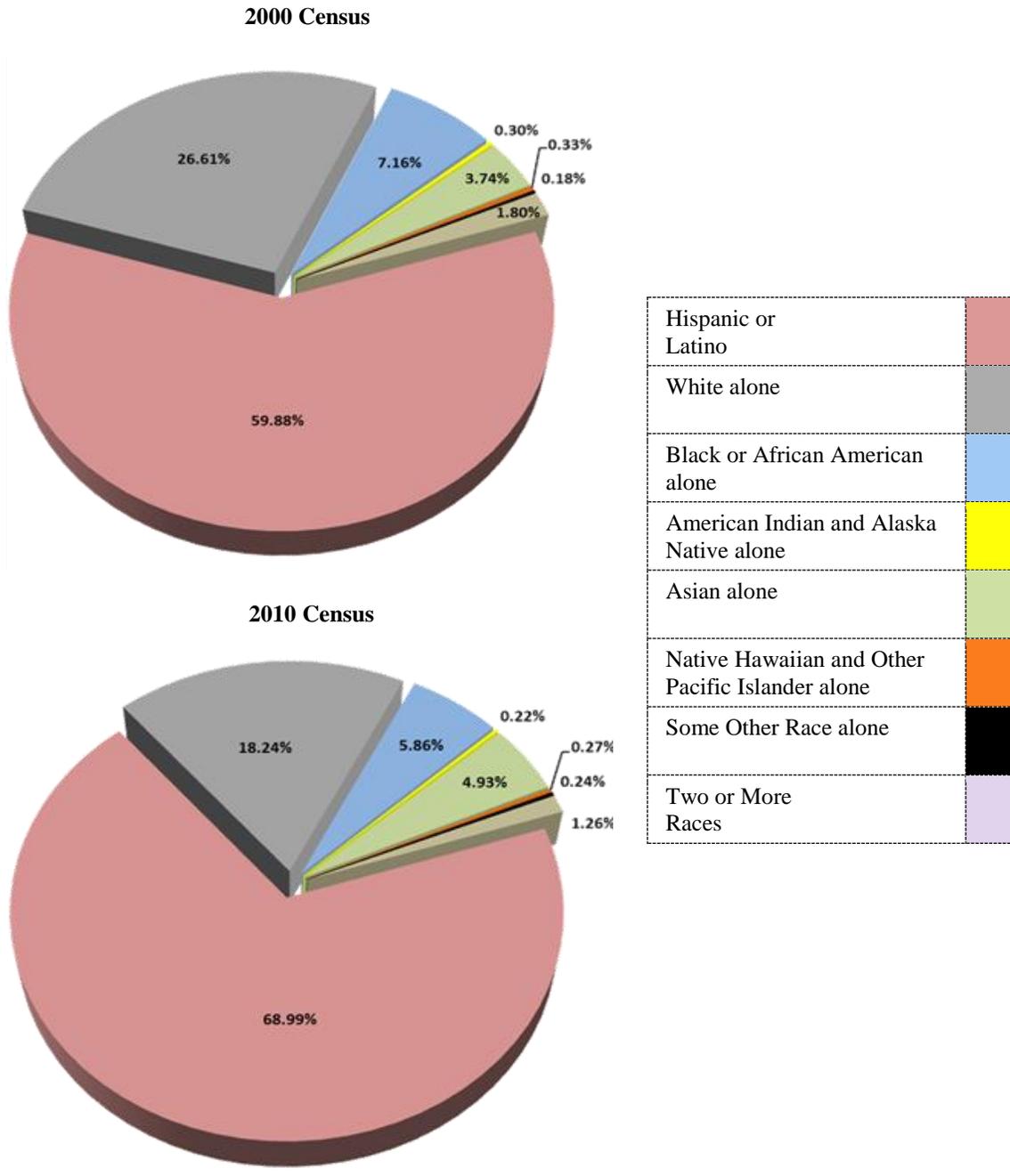


Table 1: Population Growth – Ontario, San Bernardino County Cities, Pomona Valley Cities

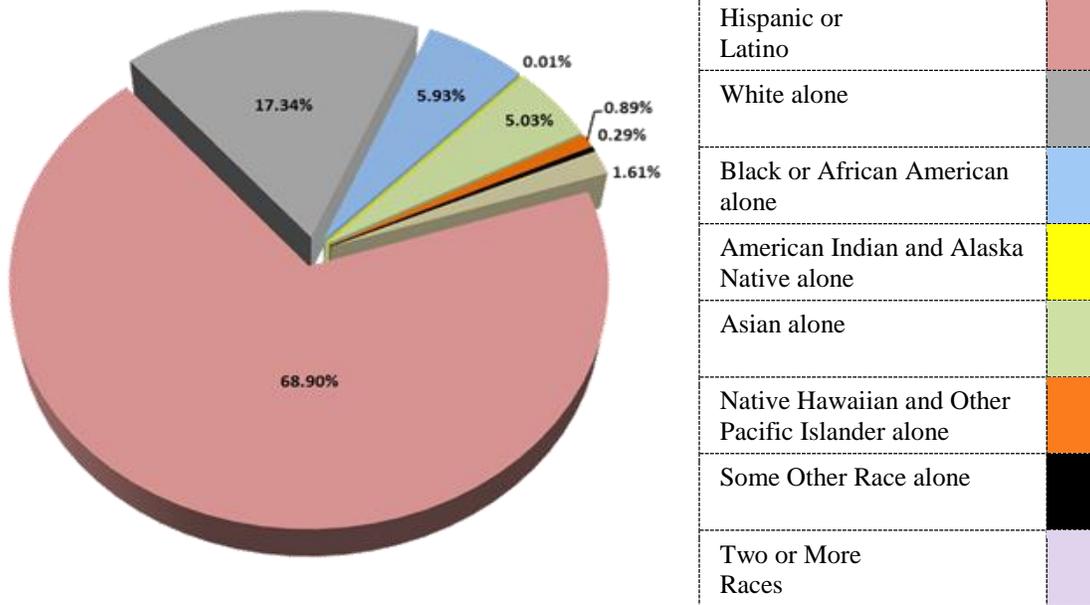
| City | 2000 Census | % Increase 2000-2010 | 2010 Census | % Increase 2010-2013 | 2011-2013 ACS |
|---|----------------|----------------------|----------------|----------------------|----------------|
| Ontario | 158,007 | 3.74% | 163,924 | 2.18% | 167,496 |
| Large San Bernardino County Cities | | | | | |
| Chino | 67,168 | 16.10% | 77,983 | 3.87% | 81,001 |
| Chino Hills | 66,787 | 12.00% | 74,799 | 2.37% | 76,575 |
| Fontana | 128,929 | 52.08% | 196,069 | 3.54% | 203,008 |
| Hesperia | 62,582 | 44.09% | 90,173 | 2.20% | 92,159 |
| Rancho Cucamonga | 127,743 | 29.38% | 165,269 | 3.68% | 171,359 |
| Rialto | 91,873 | 7.94% | 99,171 | 2.74% | 101,889 |
| San Bernardino | 185,401 | 13.23% | 209,924 | 1.80% | 213,700 |
| Upland | 68,393 | 7.81% | 73,732 | 2.29% | 75,420 |
| Victorville | 64,029 | 81.02% | 115,903 | 4.47% | 121,080 |
| Pomona Valley Cities | | | | | |
| Chino | 67,168 | 16.10% | 77,983 | 3.87% | 81,001 |
| Chino Hills | 66,787 | 12.00% | 74,799 | 2.37% | 76,575 |
| Rancho Cucamonga | 127,743 | 29.38% | 165,269 | 3.68% | 171,359 |
| Upland | 68,393 | 7.81% | 73,732 | 2.29% | 75,420 |
| Claremont | 33,998 | 2.73% | 34,926 | 1.62% | 35,493 |
| Diamond Bar | 56,287 | -1.32% | 55,544 | 1.13% | 56,171 |
| La Verne | 31,638 | -1.82% | 31,063 | 1.43% | 31,508 |
| Montclair | 33,049 | 10.94% | 36,664 | 2.63% | 37,630 |
| Pomona | 149,473 | -0.28% | 149,058 | 1.07% | 150,646 |
| San Dimas | 34,980 | -4.60% | 33,371 | 1.06% | 33,724 |

The racial and ethnic makeup of Ontario as a whole has continued to grow more heavily Latino and Asian, and less non-Latino white and African American. While only slight changes in makeup were seen from 2011-2013, the changes from 2000 – 2010 were much more significant. In that period, the Latino fraction of the population grew by 9%, while the non-Latino white section decreased by an almost comparable amount (8%). At the same time, the already small African American share of the population dropped to 6% (from 7%), while Asians grew to be 5% of Ontario residents, from 3.7% only ten years earlier.

Figure 2: Racial and Ethnic Demographics – Ontario - 2000, 2010, 2013



2011-2013 ACS



Residential Segregation

In assessing the extent of residential racial and ethnic segregation for an Analysis of Impediments (AI), it is critical to evaluate *both* whether there is spatial segregation within a jurisdiction's borders *and* whether there are broader regional patterns of segregation that cross municipal lines. This document will undertake both types of analysis.

The statistical indices used to measure segregation are the same for both layers of analysis and merit a brief explanation. First, the dissimilarity index reveals the percentage of persons of a particular group who would have to move to a different Census Tract in order to be evenly distributed within a city or metropolitan area in relation to another group. The higher the dissimilarity index, the higher the extent of the segregation. For example, assume that City X has the following features:

- Total population: 100;
- Total Census Tracts: 10;
- White Population: 50; and
- African American Population: 50.

If each of the ten Census Tracts has a population that is half white and half African American, the dissimilarity index for African American and white residents in City X would be 0. If each Census Tract was either all white or entirely African American, the dissimilarity index for those groups would be 100. If Census Tracts 1-5 all had populations consisting of eight white residents and two African American residents and Census Tracts 6-10 all had populations consisting of two white residents and eight African American residents, the dissimilarity index for those groups would be 60. In the first case, no one

would have to move in order for City X to be completely integrated by this measure. In the second case, every African American would have to move. In the last case, three out of every five African American residents would have to move. Social scientists generally consider dissimilarity index values of between 0 and 40 to reflect low levels of segregation while dissimilarity levels of between 40 and 60 reflect moderate segregation and levels of 60 and above reflect high segregation.

In addition to the dissimilarity index, social scientists also use the isolation and exposure indices to measure segregation. These indices, when taken together, capture the neighborhood demographics experienced, on average, by members of a particular racial or ethnic group within a city or metropolitan area. Specifically, the isolation index is the percentage of the population of the average Census Tract resided in by members of a particular group, for example, African Americans, who are of that same group. The exposure index is the percentage of the population of the same Census Tract who are members of some other specific group, for example, Asian Americans.

Taking the same example of City X from above, if each Census Tract is half white and half African American, the isolation indices for both white residents and African American residents will be 50. The exposure indices for white residents in relation to African American residents and vice versa will also be 50. If each Census Tract was either all white or entirely African American, the isolation index for each group would be 100, and the exposure index for each group with respect to the other group would be 0. If Census Tracts 1-5 all had populations consisting of eight white residents and two African American residents and Census Tracts 6-10 all had populations consisting of two white residents and eight African American residents, the isolation index for each group is 68, and the exposure index for each group in relation to the other group is 32. By looking at both indices together, we can see that the average African American resident of City X lives in a neighborhood that is 68% African American and 32% white.

Segregation within Ontario

Conventional indices of segregation diverge on the extent of residential racial and ethnic segregation in the City of Ontario. As can be seen in the table on the next page, the dissimilarity index for each racial or ethnic group in relation to any other group is no greater than 40. Latino residents of Ontario appear to face slightly higher levels of residential segregation than white, African American, and Asian American residents.

Table 2: Dissimilarity Indices by Race and Ethnicity – Ontario – 2010 Census

| Race or Ethnicity | White | African American | Latino | Asian American |
|-------------------|-------|------------------|--------|----------------|
| White | N/A | 24.05 | 30.24 | 24.40 |
| African American | 24.05 | N/A | 31.43 | 15.40 |
| Latino | 30.24 | 31.43 | N/A | 34.26 |
| Asian American | 24.40 | 24.05 | 34.26 | N/A |

The isolation and exposure indices confirm that basic observation and also provide a crucial segue to a discussion of regional segregation. The table below shows that differences in

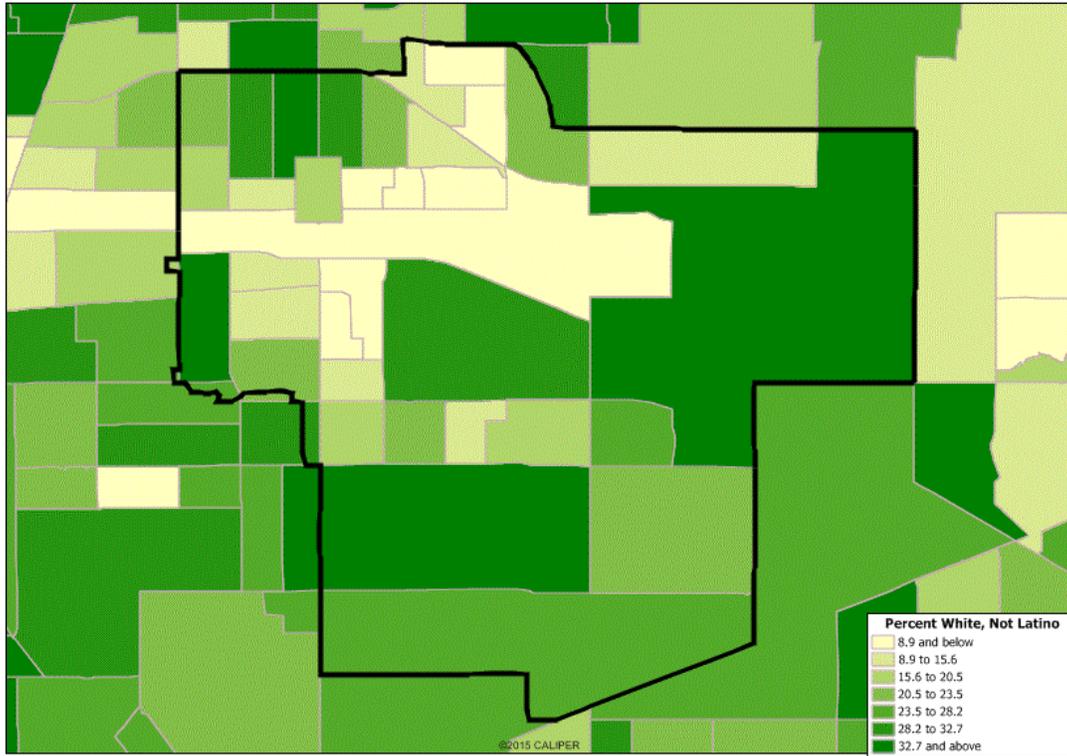
typical neighborhood conditions, as measured at the Census Tract level, do not vary widely by race or ethnicity but that white, African American, and Asian American households reside in more similar neighborhoods than do Latino households. Latino isolation is approximately 9% higher than exposure to Latinos for other groups. Additionally, although the isolation and exposure indices do not have interpretive cut-offs like those for the dissimilarity index, Latino isolation in Ontario is still quite high and Latino exposure to non-Latino whites in the city is quite low.

**Table 3: Average Census Tract Composition by Race and Ethnicity
(Isolation and Exposure Indices) - Ontario – 2010 Census**

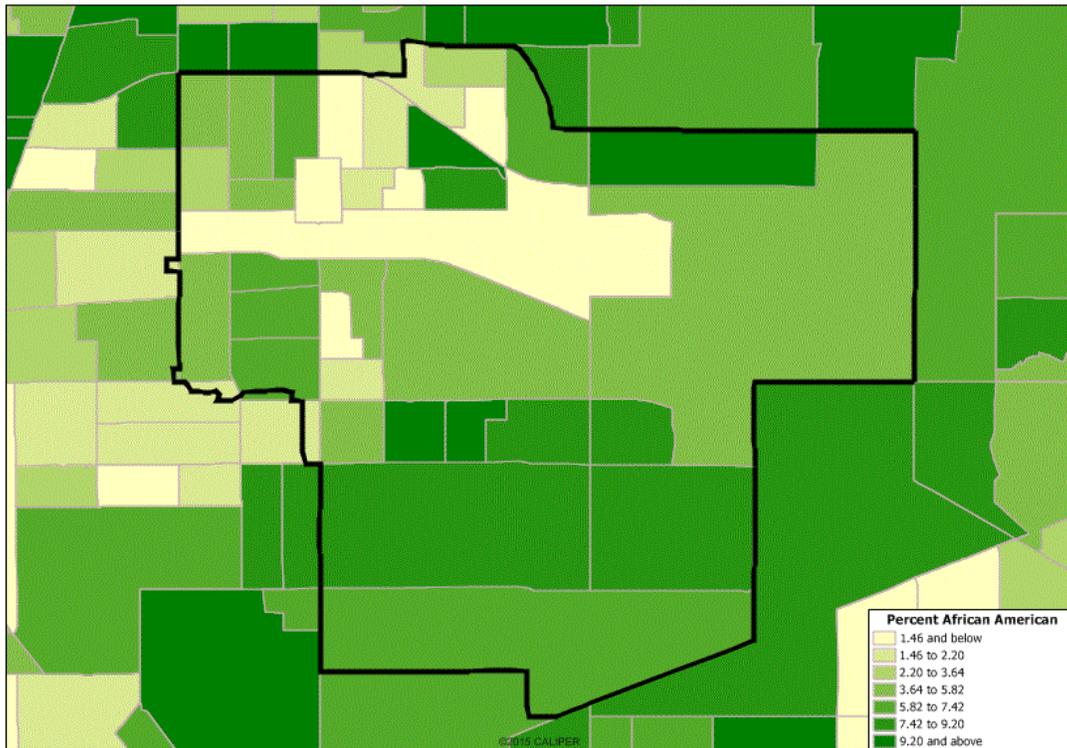
| Race or Ethnicity | White | African American | Latino | Asian American |
|-------------------|--------|------------------|--------|----------------|
| White | 23.03% | 7.09% | 62.94% | 6.27% |
| African American | 20.14% | 9.43% | 62.33% | 7.46% |
| Latino | 16.64% | 5.80% | 71.72% | 5.17% |
| Asian American | 20.10% | 8.41% | 62.71% | 8.13% |

The maps on the next two pages confirm these patterns. In particular, they show that most of the City is majority or plurality Latino but that Latino population is concentrated along major corridors in the built-out portion of the City west of the airport. Non-Latino white population concentration is highest in the northeast and southeast of the City, along with a small predominantly single-family area in the City's northwest near the border with Upland. African American population concentration is highest in the northeast of the City, near Rancho Cucamonga. Asian American population concentration is highest in the south, near Chino and Eastvale.

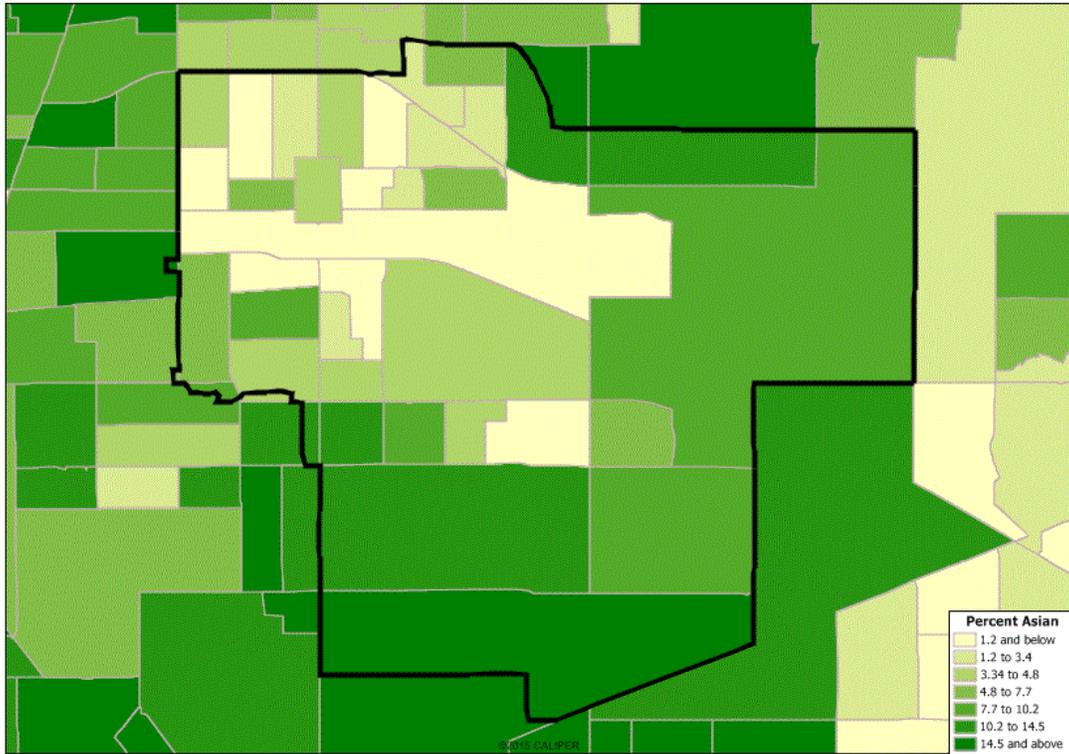
City of Ontario: % White, Not Latino by Census Tract



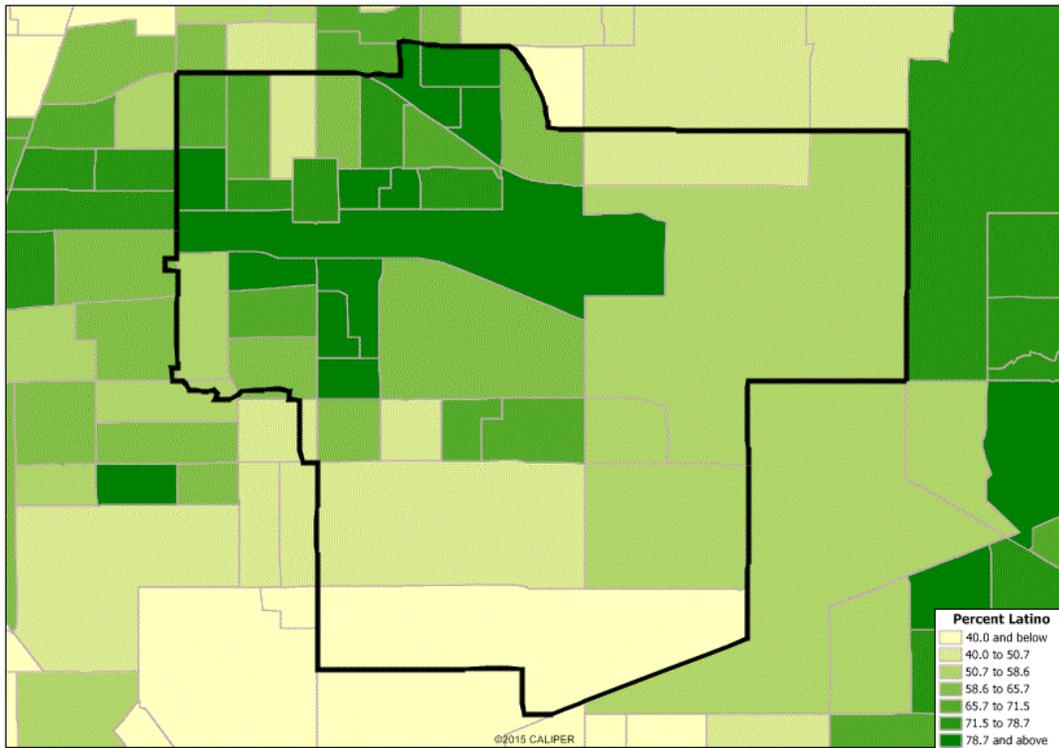
City of Ontario: % African American by Census Tract



City of Ontario: % Asian by Census Tract



City of Ontario: % Latino by Census Tract



Segregation within the Region

The region is more segregated than the City of Ontario itself, but how much more segregated requires some discussion. In order to determine how segregated the region is, it is first necessary to determine what the region is. Simply defining the region as the Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area (MSA), which is coextensive with the borders of Riverside and San Bernardino Counties, would make the analysis much simpler as a great deal of data is organized along MSA lines. However, given Ontario's position on the border with Los Angeles County, it is somewhat artificial to define the city as part of a region that includes Palm Springs 70 miles away but not neighboring Pomona in eastern Los Angeles County. At the same time, the geographic unit at which all relevant areas would be included – the Los Angeles-Long Beach-Riverside, CA Combined Statistical Area – is very large, including nearly half the state's population, and thus may include areas that do not share a common housing or employment market with Ontario. To resolve this quandary, we will look at *both* the segregation indices at the MSA level *and* at the demographics of relevant nearby communities that are outside of the MSA, principally those that are within the Pomona Valley.

As reflected in the table below, dissimilarity values in the MSA are noticeably higher than in the City of Ontario, generally falling in the moderate range or at the high end of the low range. The relatively low level of dissimilarity between Latino and African American households is the only exception to this cluster of dissimilarity values between 38 and 45. The gap between Latino-African American dissimilarity, on the one hand, and dissimilarity between Latinos and non-Latino whites and Asian Americans, on the other, is in marked contrast to the situation in Ontario where segregation between African American and Latino households was approximately the same as that between Latinos and other groups.

Table 4: Dissimilarity Indices by Race and Ethnicity - Riverside-San Bernardino-Ontario MSA – 2010 Census

| Race or Ethnicity | White | African American | Latino | Asian American |
|-------------------|-------|------------------|--------|----------------|
| White | N/A | 43.96 | 42.36 | 38.18 |
| African American | 43.96 | N/A | 32.53 | 38.64 |
| Latino | 42.36 | 32.53 | N/A | 44.79 |
| Asian American | 38.18 | 38.64 | 44.79 | N/A |

Table 5: Average Census Tract Composition by Race and Ethnicity (Isolation and Exposure Indices) - Riverside-San Bernardino-Ontario MSA – 2010 Census

| Race or Ethnicity | White | African American | Latino | Asian American |
|-------------------|--------|------------------|--------|----------------|
| White | 48.97% | 6.59% | 36.00% | 7.22% |
| African American | 30.27% | 12.64% | 48.29% | 7.80% |
| Latino | 27.89% | 8.15% | 57.14% | 5.89% |
| Asian American | 37.18% | 8.75% | 39.18% | 13.94% |

The dissimilarity, isolation, and exposure indices do not control for household income. This feature of the indices is valuable in that it facilitates an assessment of how policies and practices that affect housing costs, such as exclusionary zoning, affect occupancy patterns by race or ethnicity. The indices, however, are less useful for assessing the effect of private market discrimination, including but not limited to steering by real estate agents and refusals to rent by landlords or property managers. The Predicted Racial-Ethnic Composition Ratio, by contrast, looks at the distribution of households by race or ethnicity by household income in a region as well as the household income distribution of a city and predicts occupancy based solely on household income. The exclusive focus on household income has its limits insofar as that accumulated wealth also plays a significant role in housing affordability, particularly for homeowners.

In the City of Ontario, based on the household income distribution of households by race or ethnicity in the Los Angeles-Long Beach- Riverside, CA Combined Statistical Area, the percentage of non-Latino white households is 66.7% of what would be predicted, the percentage of Latino households is 161.1% of what would be predicted, the percentage of African American households is 99.7% of what would be predicted, and the percentage of Asian households is 41.9% of what would be predicted.

Although there is no perfect rubric for deciding which cities in Los Angeles County are most integral to understanding the scope of regional residential segregation affecting the City of Ontario, the cities of the Pomona Valley present a base of comparison that is both relevant and manageable. The table below shows that racial and ethnic demographics of the cities of the Pomona Valley, both those in Los Angeles County and those in San Bernardino County. Looking at this cluster of cities, a few trends emerge. First, while each city is unique, African American population in the area varies within a relatively low and relatively narrow band. Second, non-Latino white, Latino, and Asian American population concentration varies much more widely. Asian Americans, for example comprise a majority of the population of Diamond Bar but less than 5% of the population of Ontario. Latinos comprise approximately 70% of the population in Ontario, but as little as approximately 20% of the population in two neighboring cities – in Claremont and Diamond Bar. Third, with some exceptions, Latino population concentration is greatest in the central and southeastern portions of the Pomona Valley while non-Latino white population is greatest in north and northwest.

Table 6: Race and Ethnicity – Pomona Valley Cities – 2010 Census

| City | White | African American | Latino | Asian American |
|------------------|-------|------------------|--------|----------------|
| Chino | 27.8% | 5.8% | 53.8% | 10.2% |
| Chino Hills | 33.4% | 4.3% | 29.1% | 29.9% |
| Claremont | 58.9% | 4.5% | 19.8% | 12.9% |
| Diamond Bar | 21.3% | 4.0% | 20.1% | 52.0% |
| La Verne | 55.4% | 3.2% | 31.0% | 7.4% |
| Montclair | 14.4% | 4.6% | 70.2% | 8.9% |
| Ontario | 18.2% | 5.9% | 69.0% | 4.9% |
| Pomona | 12.5% | 6.8% | 70.5% | 8.3% |
| Rancho Cucamonga | 42.7% | 8.8% | 34.9% | 10.1% |
| San Dimas | 52.3% | 3.0% | 31.4% | 10.1% |
| Upland | 44.2% | 6.8% | 38.0% | 8.2% |

Data also shows that large San Bernardino County cities have witnessed similar racial trends to Ontario from 2000 to 2013 (see Figure 3 on following page). With one small exception, as reflected in Figure 3, the majority of large San Bernardino County cities saw both a rising percentage of Latino residents and a decreasing percentage of non-Latino white residents from 2000-2010 and 2011-2013 (to varying degrees). The majority, but not all, also experienced both a rise in the Asian segment of the population and a decrease in the African American faction. Notable exceptions are Chino Hills, whose Latino population dropped by 2%, and Victorville, whose African American population increased by 7%. Notably, although cities in San Bernardino County have followed the same general trends, they still have very different demographic makeups. By 2013, Ontario and Rialto have the largest Latino populations, at 69% and 72%, respectively, while Chino Hills has only a 24% Latino population. Similarly, Upland's 44% non-Latino white population is more than triple Rialto's 12%.

Figure 3: Racial and Ethnic Demographics– Ontario and Large San Bernardino Cities - 2000, 2010, 2013

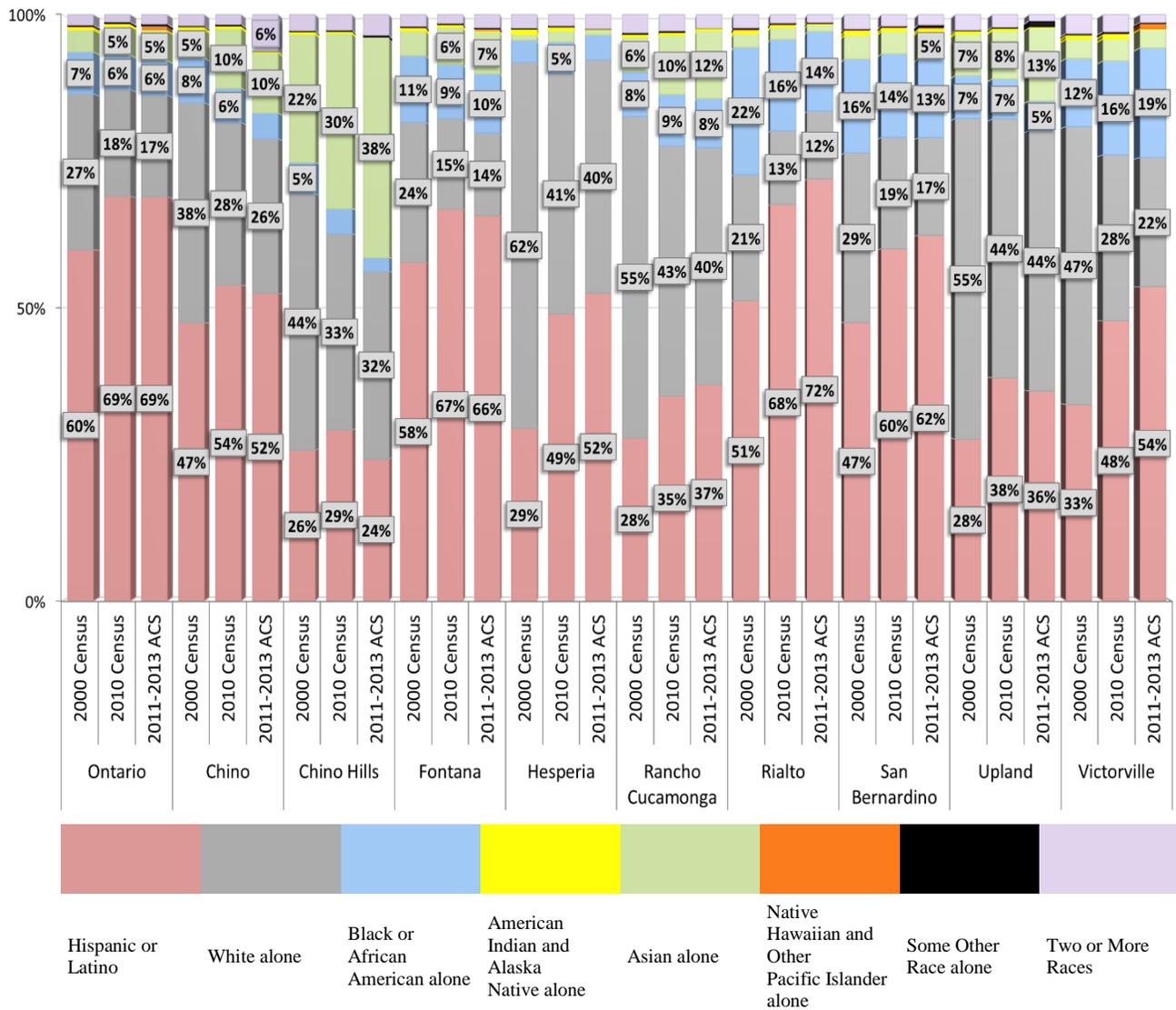
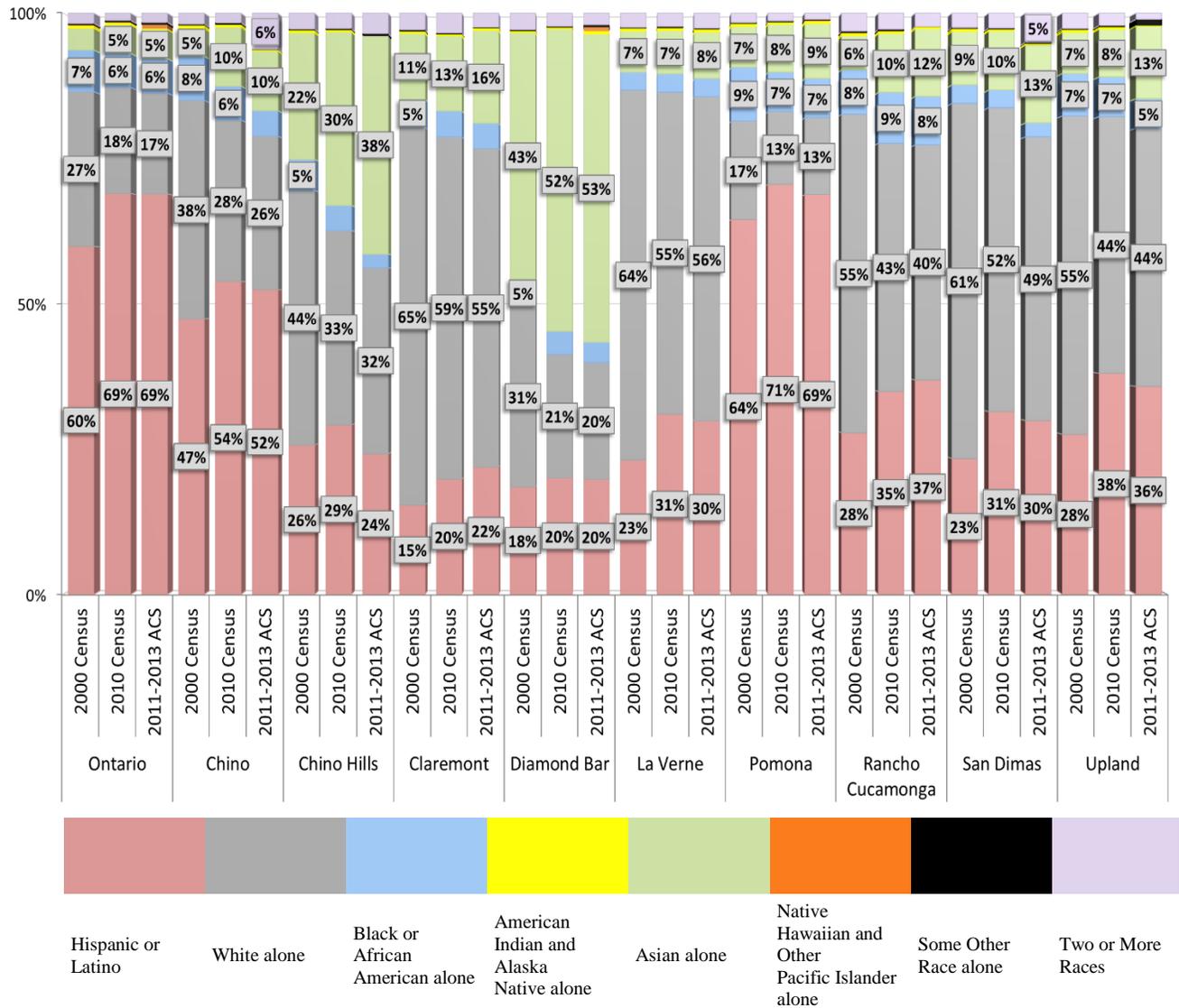


Figure 4 on the following page shows that racial and ethnic demographics of the cities of the Pomona Valley, both those in Los Angeles County and those in San Bernardino County over time. Most cities in Pomona Valley also followed the trend of increasing Latino and Asian populations, coupled with decreasing non-Latino white and African American populations (as seen in Figure 4). The changing rates, however, are much different than those seen in San Bernardino County cities. The Pomona Valley cities with a Latino population which grew from 2010 to 2013 had an average growth rate of 6%, versus an over 13% average growth in large San Bernardino cities. Similarly, the white population experienced a 10% average drop in Pomona Valley, versus an average 14% decline in large San Bernardino cities. Markedly, the demographic makeup of the majority of the cities in Pomona Valley is also very different than San Bernardino County cities. Only two cities in the Pomona Valley have a population which is over 50% Latino in 2013. By contrast, all but 3 large cities in San Bernardino County have a majority Latino population. No cities in San Bernardino County have a majority non-Latino white population, and only 3 have a

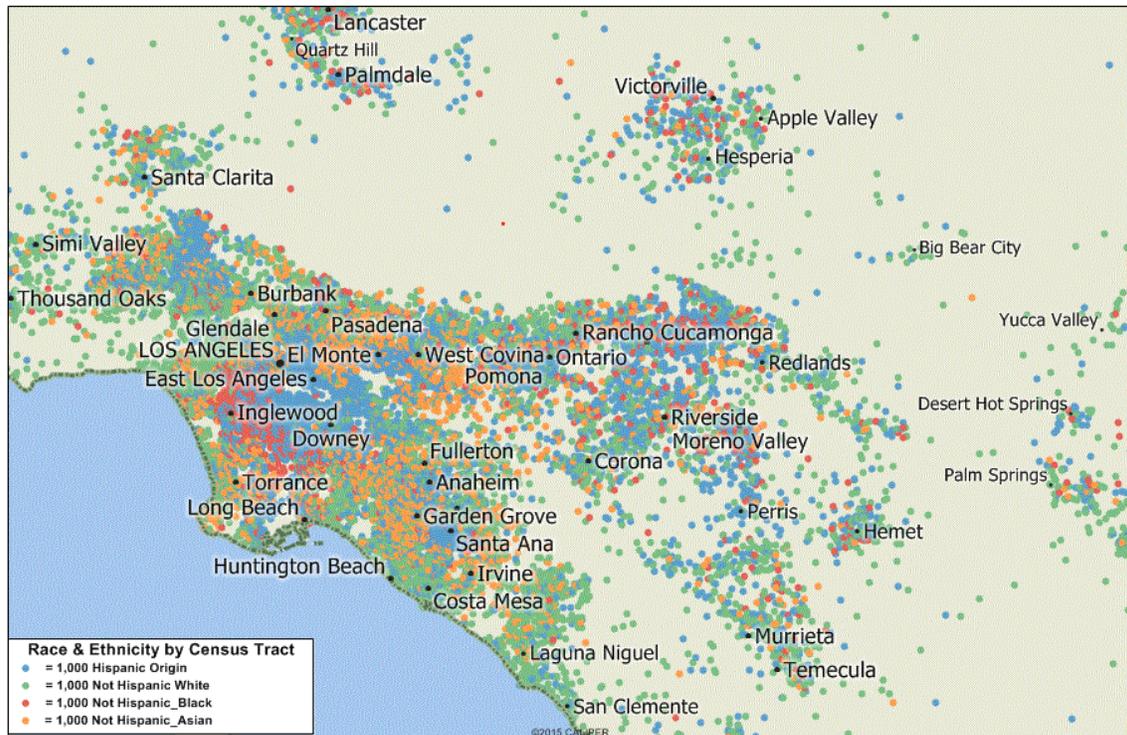
white population over 40%. In the Pomona Valley, two cities have a majority white population, and three additional cities have a white fraction above 40%.

Figure 4: Racial and Ethnic Demographics– Ontario and Pomona Valley Cities - 2000, 2010, 2013



the Los-Angeles-Long Beach-Santa Ana, CA Metropolitan Statistical Area provide a strong hint that the indices for the CSA likely reveal more pronounced segregation than do the indices for the Riverside-San Bernardino-Ontario, CA MSA. Taking dissimilarity as an example, the indices for the Los Angeles-Long Beach-Santa Ana, CA MSA are higher for every possible grouping than in the Riverside-San Bernardino-Ontario, CA MSA. As the map on the next page shows, there are clear racial and ethnic occupancy patterns throughout Southern California with areas of non-Latino white population concentration in and near coastal areas of both Los Angeles County and Orange County; Latino population concentration in East Los Angeles, Santa Ana, Anaheim, and the Inland Empire; Asian American population concentration in Irvine, Garden Grove, and the San Gabriel Valley; and African American population concentration in South Central Los Angeles.

Race & Ethnicity in Southern California



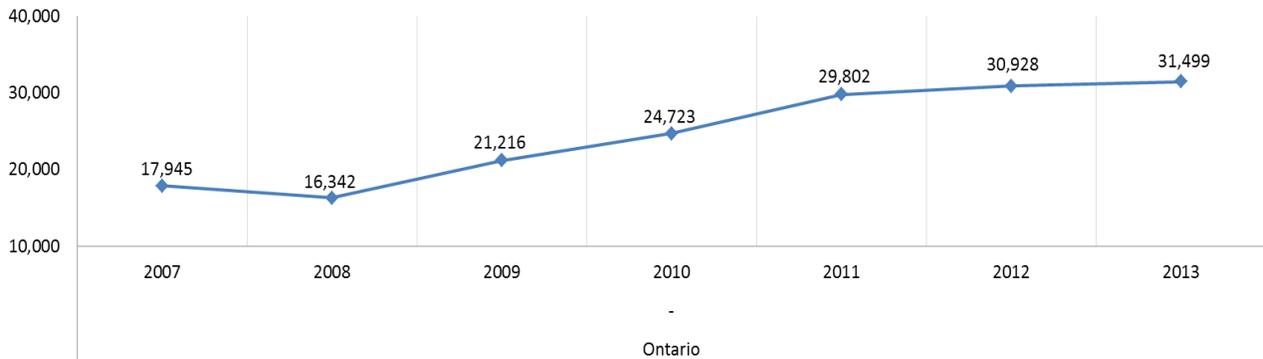
Conclusions

Levels of segregation within the City of Ontario are relatively low. This suggests that barriers to mobility on the basis of race and ethnicity for households that seek to move from one location in the city and another are relatively limited. To the extent that such barriers are present, they appear to constrain the housing choice of Latinos to a greater extent than that of other groups. By comparison, the broader region that includes Ontario is more highly segregated but overall still is in the moderate range. Traditional segregation indices indicate that, at the MSA level, Latinos are the most segregated group followed by African Americans. When the focus is placed on the Pomona Valley, which includes nearby cities in Los Angeles County that are not captured by the MSA, African American population varies less dramatically than Asian American population from city to city. Lastly, although data from the segregation indices is not available for the Los Angeles-Long Beach-Riverside, CA Combined Statistical Area, it is instructive that segregation indices for Greater Los Angeles reflect far higher levels of segregation than in the Inland Empire. Given Ontario's location on the border with Los Angeles County, there may be greater barriers to housing choice there than generally in the Inland Empire.

POVERTY AND MEDIAN HOUSEHOLD INCOME

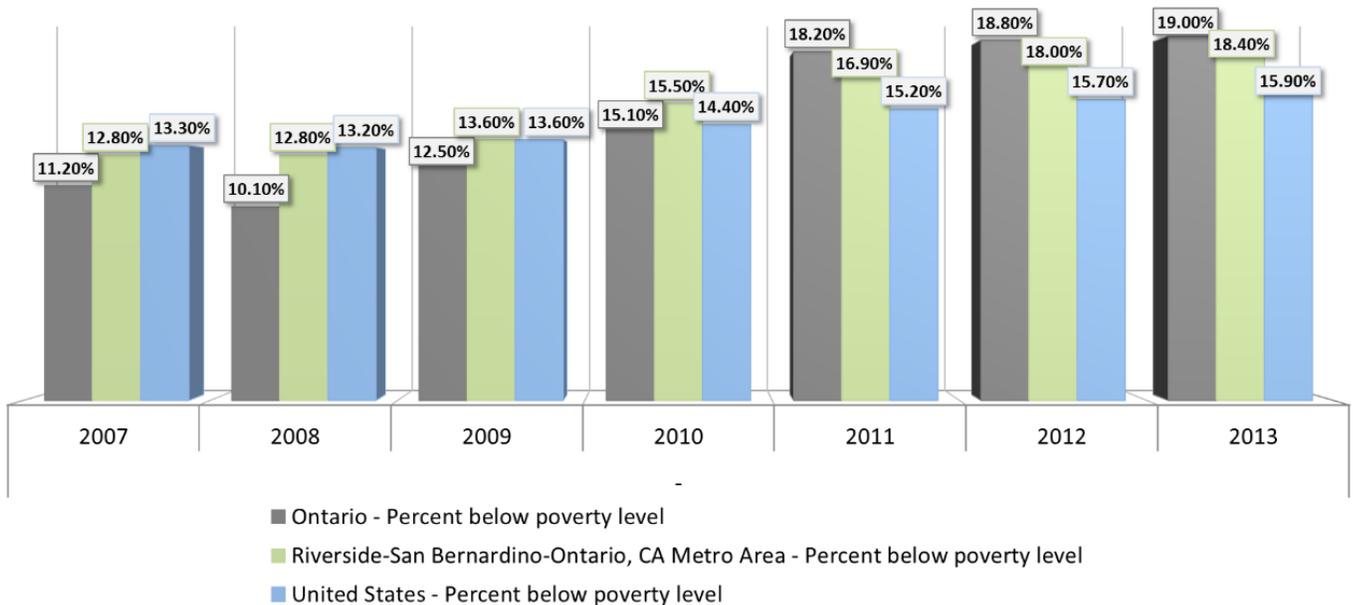
As of 2013, 31,499 residents, or 19% of the Ontario population, lived below the poverty level, with the highest number and percentage of the population below the poverty level between 2007 and 2013. After a small reduction between 2007 and 2008, the percentage grew each following year. The largest growth occurred between 2010 and 2011, when an additional 5,079 residents (or 3.1% of the population) fell beneath the poverty line. The growth, however, appears to be slowing, with only .2% growth in the Ontario population in poverty between 2012 and 2013.

Figure 5: Population in Poverty – Ontario – 2007-2014



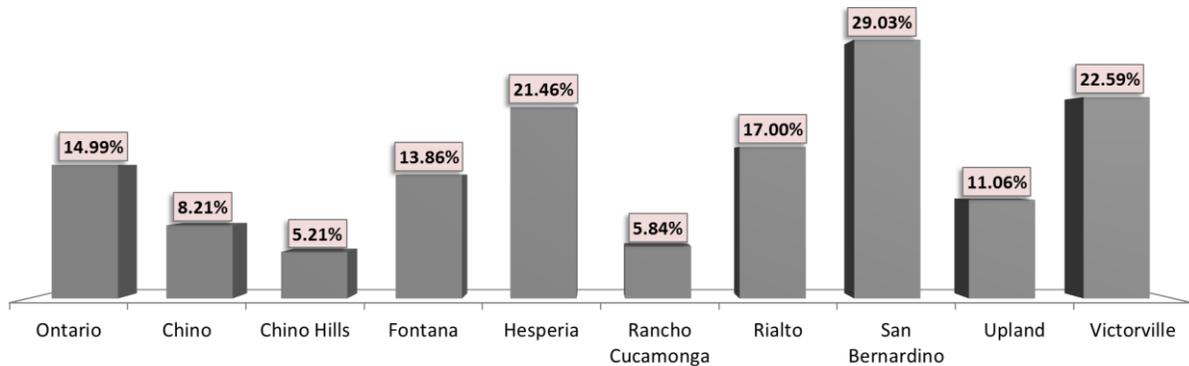
Prior to 2010, a lower percentage of the Ontario population was below the poverty line than both the national average and the Riverside-San Bernardino-Ontario MSA. This changed in 2010, after which Ontario surpasses both the US and the MSA in almost every year until the present. On average, however, the 14.99% of Ontario residents living beneath the poverty line is comparable to the MSA and US averages of 15.43% and 14.47%, respectively.

Figure 6: Population % in Poverty – Ontario, MSA, and US – 2007-2013 (ACS 3 Year)



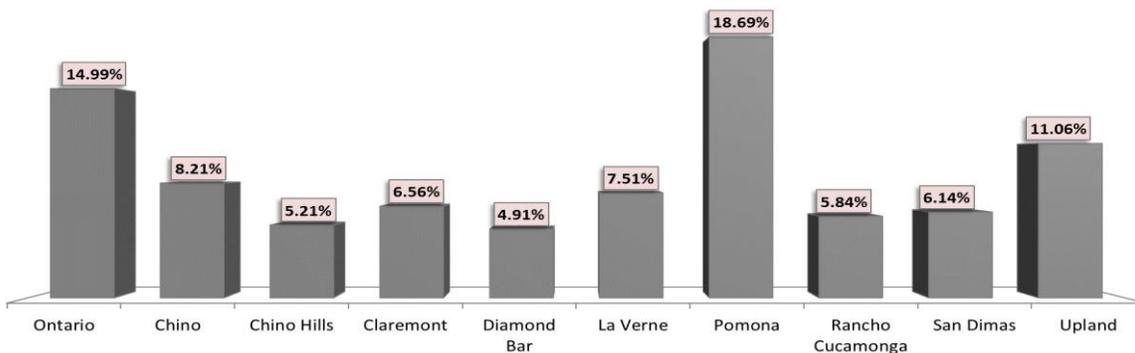
Ontario ranks in the middle of large San Bernardino County cities in percentage of the population living below the poverty level, with four cities with both higher and lower percentages.

Figure 7: Population % in Poverty – Ontario and large San Bernardino County cities – 2007-2013 (ACS 3 Year)



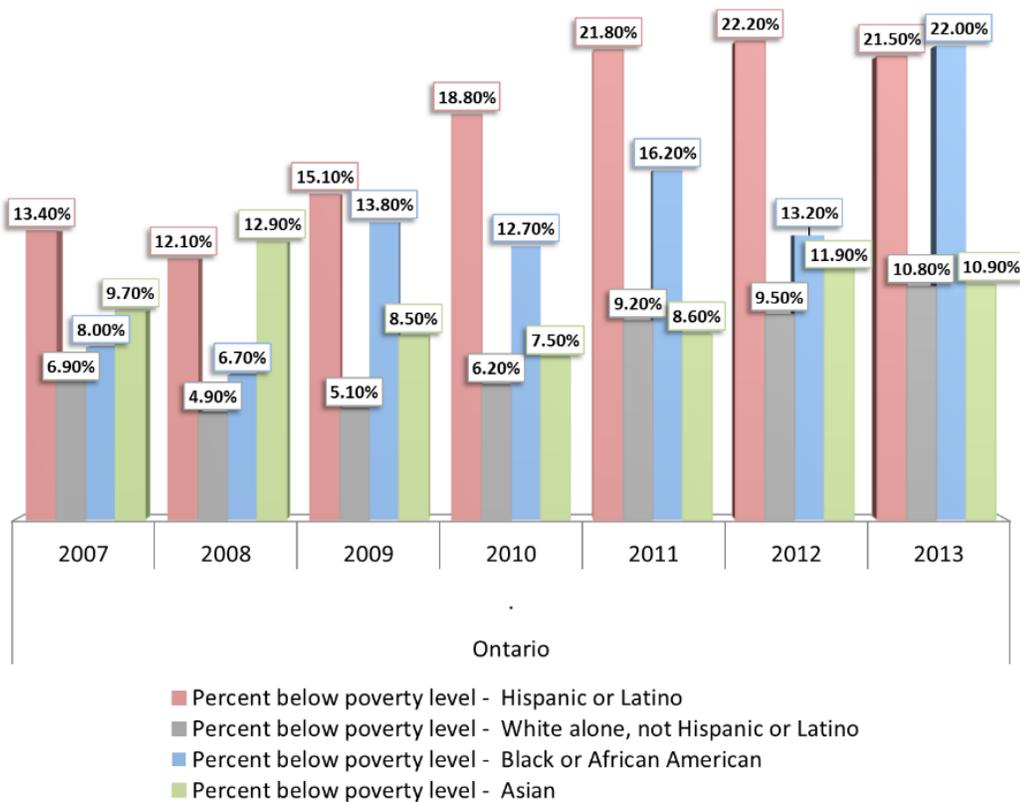
By contrast, only one city in the Pomona Valley had a higher average percent of its population in poverty than the City of Ontario from 2007 to 2013. In fact, the majority of the cities had less than half of Ontario's percentage of residents in poverty

Figure 8: Population % in Poverty – Ontario and Pomona Valley cities – 2007-2013 (ACS 3 Year)



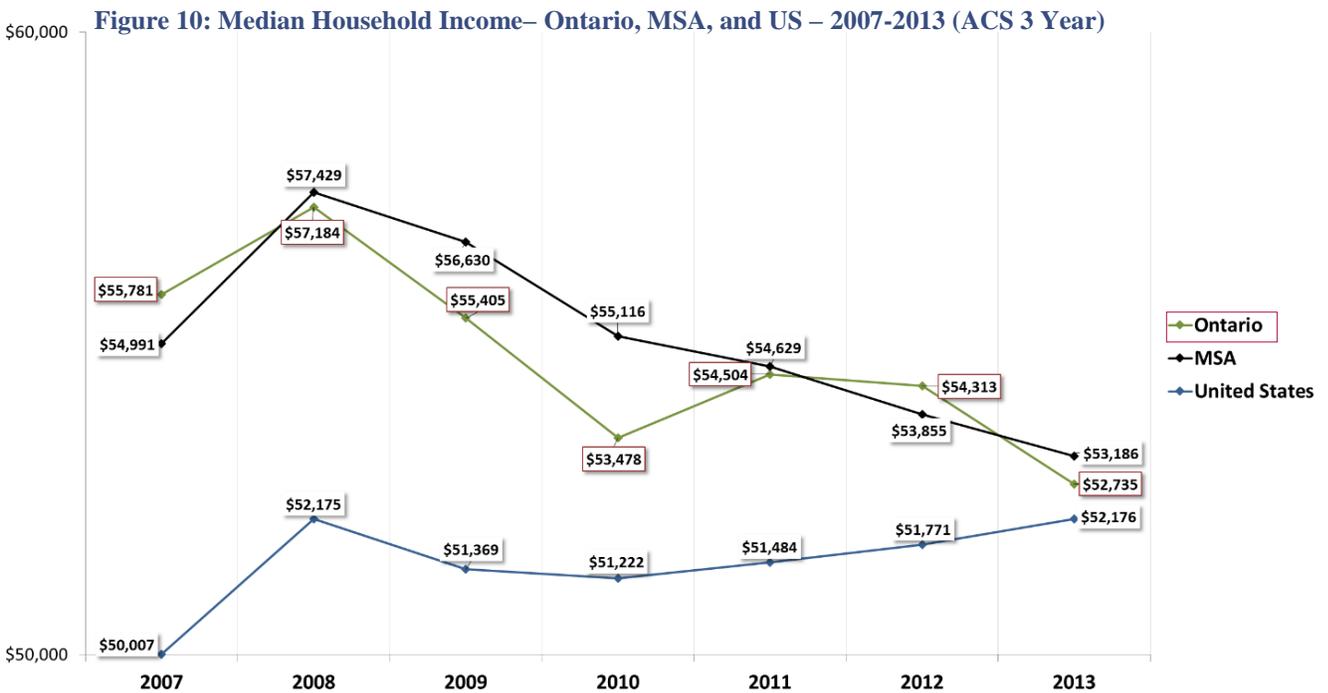
From 2007 to 2012, the Latino population of Ontario consistently had the highest percentage of individuals living below the poverty line (See Figure 9 on following page). In contrast, the non-Latino white population had the lowest percentage of residents in poverty. The percentage of Asians under the poverty line fluctuated slightly from 2007 to 2013, but remained well below the Latino population. Notably, the African American population in poverty also fluctuated slightly, before rising by more than nine percent from 2012-2013 to surpass Latinos as the group with the highest percentage of residents living in poverty.

Figure 9: % in Poverty by Race – Ontario– 2007-2013 (ACS 3 Year)



Median Household Income

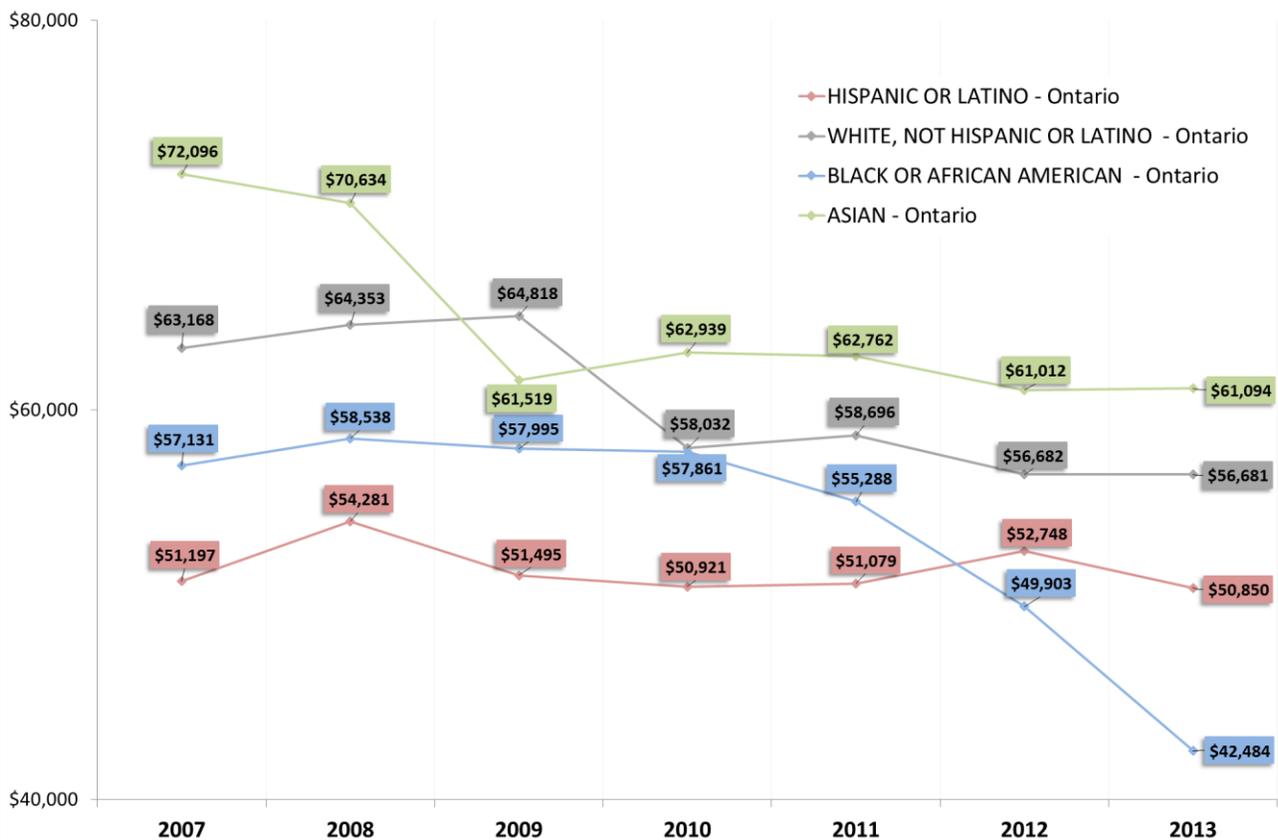
The median household income in the City of Ontario was higher than the national average from 2007 to 2013 (See Figure 10 on following page). However, it also experienced a lot of instability during that time. Its peak occurred in 2008 (\$57,184), coinciding with its largest yearly increase (3%, or \$1403), while the lowest point (\$52,735) came in 2013. While Ontario did not experience back-to-back years of median household income growth, it did experience repeated periods of back-to-back reductions. In comparison to Ontario, the median household income of the Riverside-San Bernardino-Ontario MSA experienced less volatility. However, though the fluctuations were less drastic, the MSA median household income has fallen every year since its 2008 peak. Similar to Ontario, the median household income in the Riverside-San Bernardino-Ontario MSA fell to its lowest point (\$53,186) in 2013.



The national trend in median household income differs notably from that of Ontario and the MSA. While the median household incomes in both Ontario and the MSA were higher than the national average from 2007 to 2013, the national average has been consistently rising since 2010. Nationally, median household income peaked in 2013, when Ontario and the MSA reached their lowest point in the six year time period.

While on average the median household income of Ontario has dropped since 2008, the volatility varied considerably by household race (as seen in Figure 11 on the next page). Asians, who had the highest median income of any group for six of the seven years reviewed, also experienced the highest one-year drop in income in dollars (13%, \$9,115). By contrast, Latinos households, which generally have lower median household incomes in Ontario, experienced much more stability. Although median household income was reduced three times over this period, the largest yearly percentage loss was just 5%, occurring between 2008 and 2009. Overall, the median Latino household income averaged a -0.04% (-\$58) change, the lowest of any group.

Figure 11: Median Household Income by Race and Ethnicity – Ontario– 2007-2013 (ACS 3 Year)

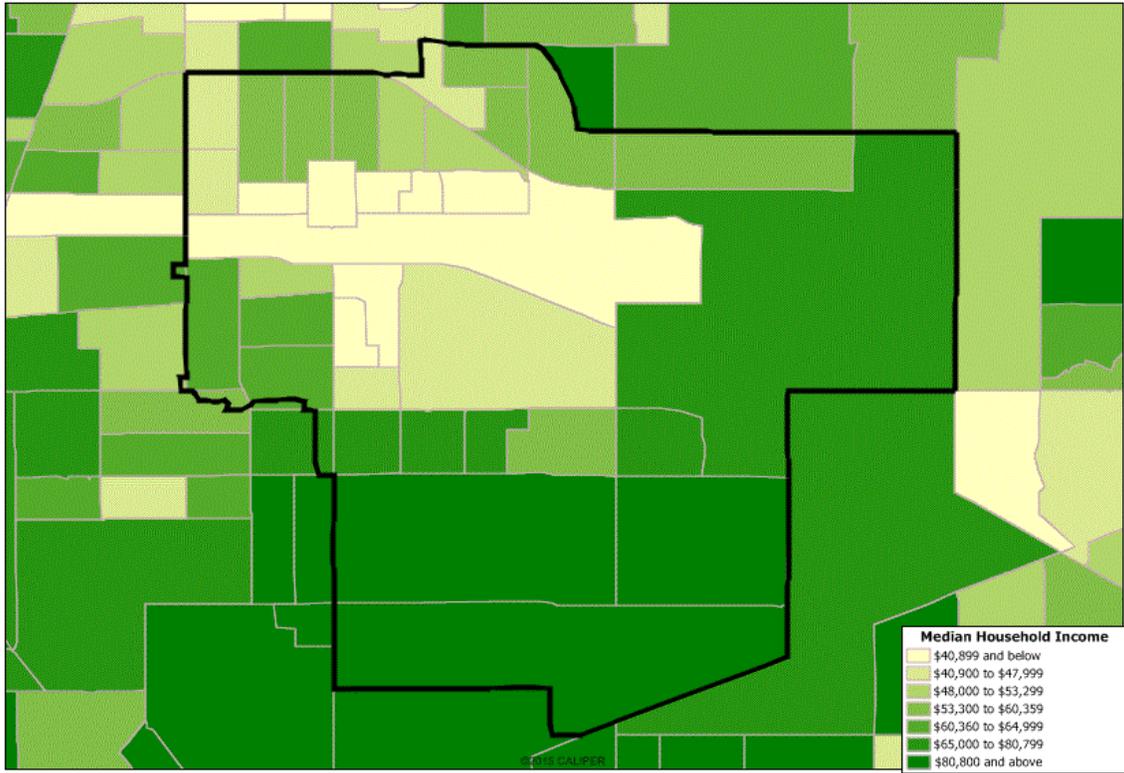


Similar to Asian households, non- Latino white households experienced a one-year large reduction (2009 to 2010), followed by years of only slight fluctuations in median household income.

African American households experienced the most volatility in median household income from 2007 – 2013. After a 2% (\$1,407) increase between 2007 and 2008, median household income fell every year. African American households experienced the largest yearly drop by percentage between 2012 and 2013 (-15%, \$7,419) and have the lowest median household income in 2012 and 2013.

As the map below illustrates, median household income in the City of Ontario is lowest along major street corridors in the built-out portions of the City west of the airport and is highest in the eastern and southern portions of the City.

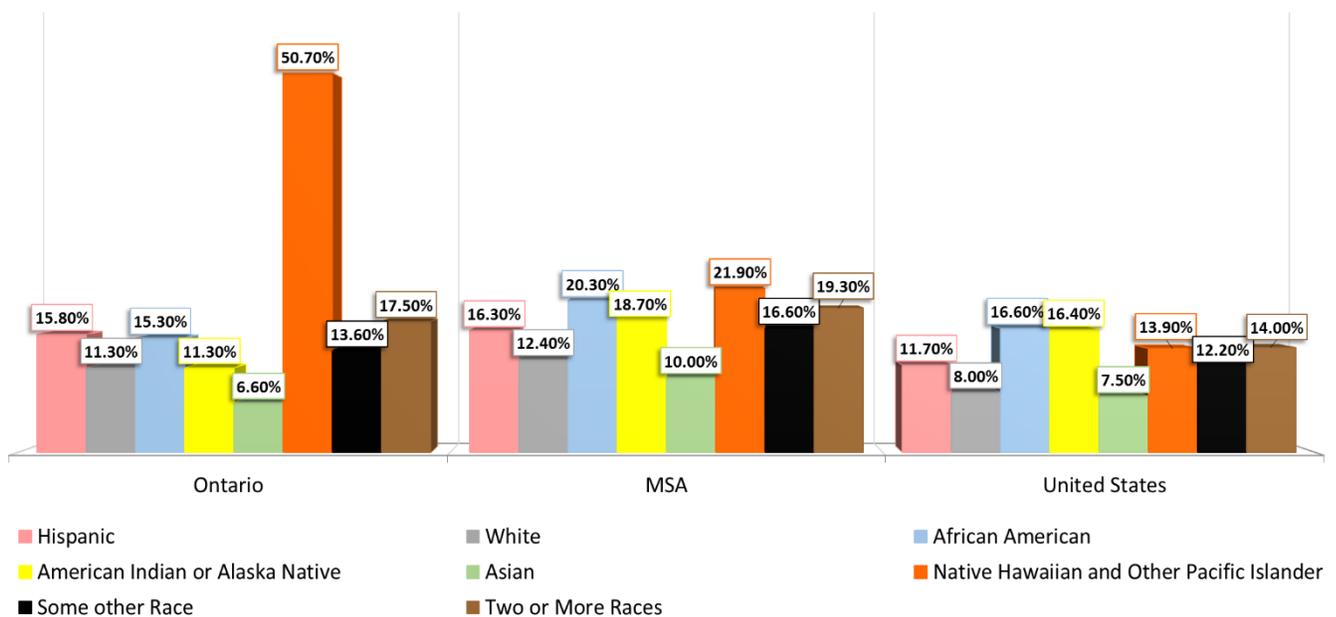
City of Ontario: Median Household Income by Census Tract



UNEMPLOYMENT

According to the Bureau of Labor Statistics, Ontario's unemployment rate in January 2015 was 7.2% while the national unemployment rate was 5.7%. The unemployment rate was down substantially from January 2014 when it was 10.0% and a July 2010 peak of 15.5%. As seen below in Figure 12, ACS 5-year estimates show that different racial and ethnic groups were affected differently by the recent recession. In Ontario, Native Hawaiians and Other Pacific Islander have been hit hardest, with a strikingly high unemployment rate of 50%. This is more than double the unemployment rate of any other group locally, regionally, or nationally, but it is also worth noting that the margin of error for Pacific Islanders was high in Ontario in light of the relatively small portion of the population that they comprise. In Ontario, Asian residents maintained only a 6% unemployment rate, followed by the white and American Indian populations with rates of 11.3%. Hispanic and African American populations had slightly higher rates of 15.8% and 15.3%, respectively.

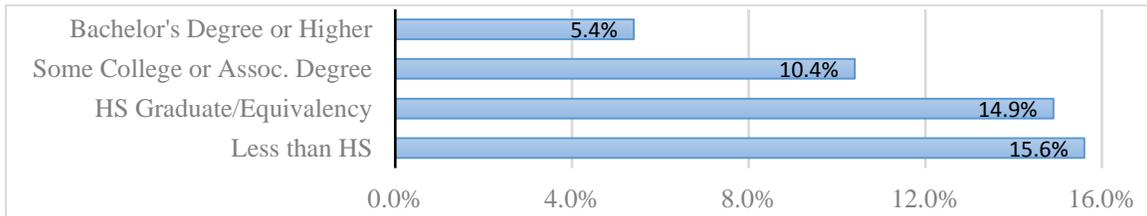
Figure 12: Unemployment by Race/Ethnicity – Ontario, MSA, and USA - 2013



Unemployment rates for American Indian, Hispanic, Asian, and African American residents of Ontario are lower than both the MSA and national averages. White residents in Ontario have less unemployment than the MSA, but more than the national average.

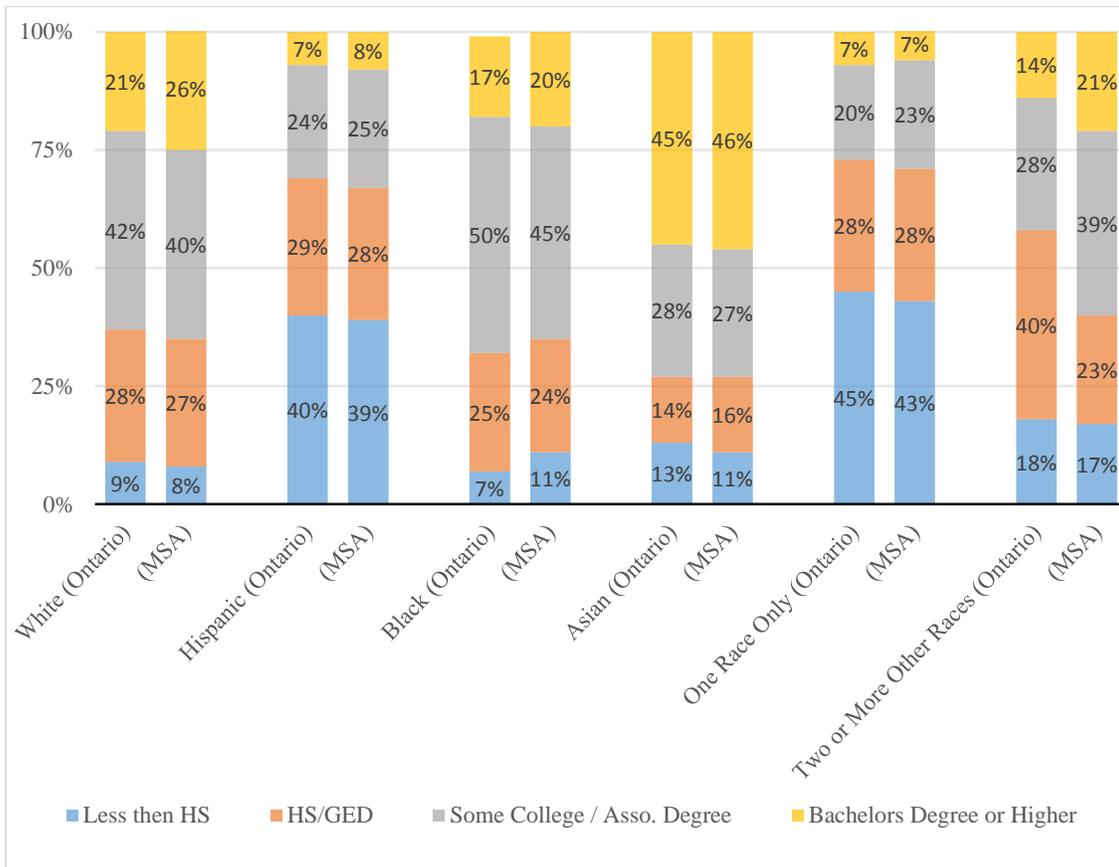
Unsurprisingly, unemployment also varies greatly depending on the educational attainment of the population. The vast majority of adults aged 25 and over residing in Ontario do not have college degrees. Twenty percent of the population has less than a high school education, while 28% have earned a high school diploma or equivalent. Thirty percent have completed some college or an associate's degree, and only 13% have a Bachelor's Degree or higher. As seen in Figure 13 on the next page, in Ontario, roughly 15% of those without at least a high school equivalency are unemployed, compared to only 5.4% of those with a college degree. Those with some college or an Associate's degree fall in between, with an unemployment rate of 10.4%.

Figure 13: Unemployment Rate based on Educational Attainment - Ontario



The varying unemployment rates of different racial and ethnic groups are mirrored in their differing educational attainments. The most drastic differences can be seen when assessing the educational attainment of Latino residents in Ontario in comparison to their neighbors. Roughly 40% of Latinos lack a high school diploma, while only 9% of whites, 7% of African Americans, and 13% of Asians in Ontario fall in this category. Similarly striking, only 31% of Latino residents have completed some college or have a Bachelor’s Degree or above. In comparison, overwhelming high percentages of whites (63%), African Americans (67%), and Asian residents (73%) have undertaken some higher education. Also of note, roughly 45% of Asians residing in Ontario have completed higher education, more than double the percentage of every other racial or ethnic group. These statistics are reflected in the Riverside-San Bernardino-Ontario MSA.

Figure 14: Educational Attainment by Race and Ethnicity – Ontario and MSA



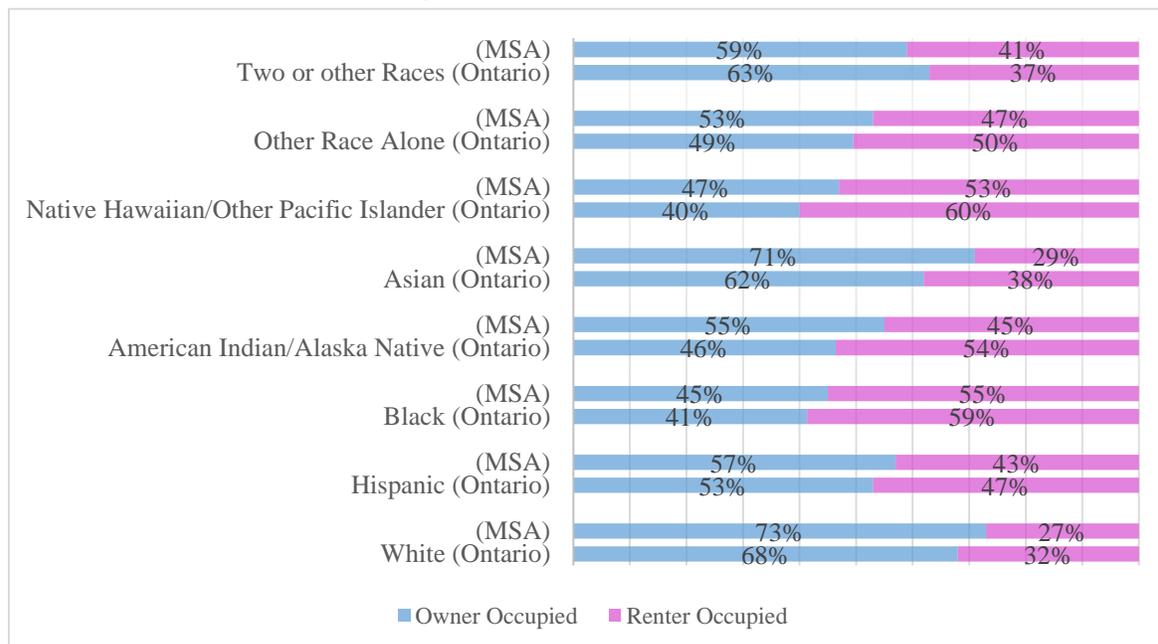
GROUPS AT RISK OF DISCRIMINATION

Some groups are more at risk for housing discrimination, such as renters and single-parent households. The risk is often escalated due to an individual's perceived lack of power and lack of information regarding their housing rights.

Renters

There are approximately 45,270 occupied housing units in Ontario. Of these, 56.5% are owner occupied and 43.5% are renter occupied. In comparison, approximately 36% of occupied housing units in the Riverside-San Bernardino-Ontario MSA are renter occupied. In general, residents of the City of Ontario are more likely to be renters than those in the surrounding metropolitan area. With the exception of households of two or more races (where Ontario residents are more likely to be owners than the surrounding MSA), Ontario residents across races are less likely to be owner-occupiers than their neighbors.

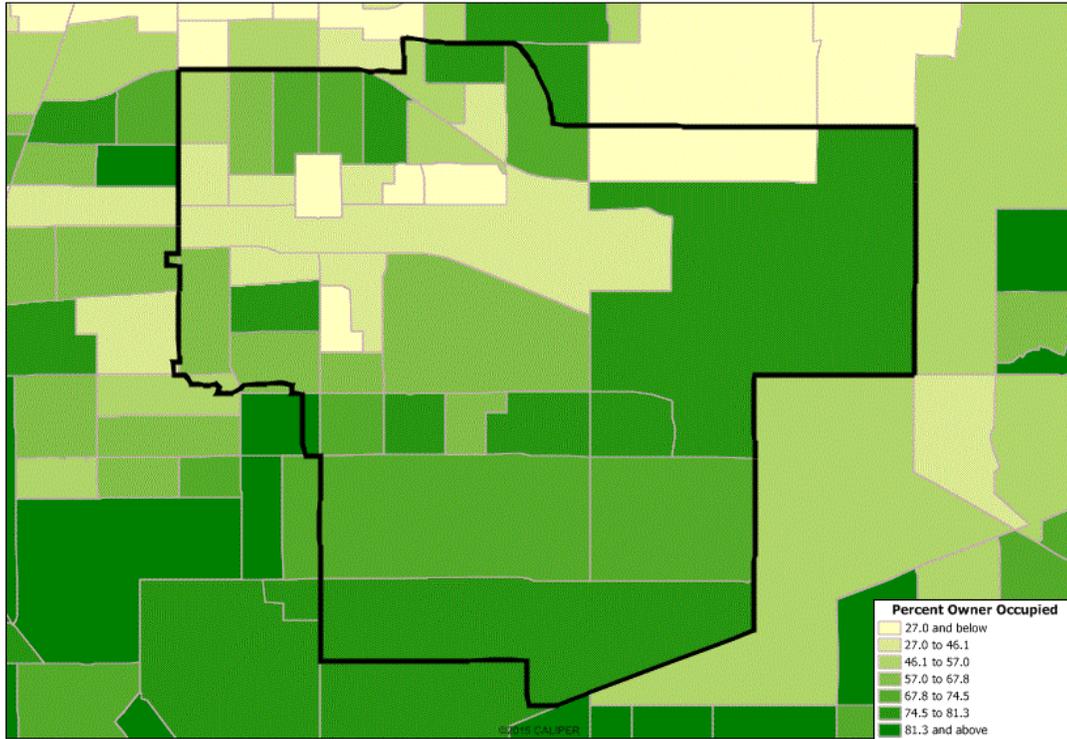
Figure 15: Ontario Tenure by Race



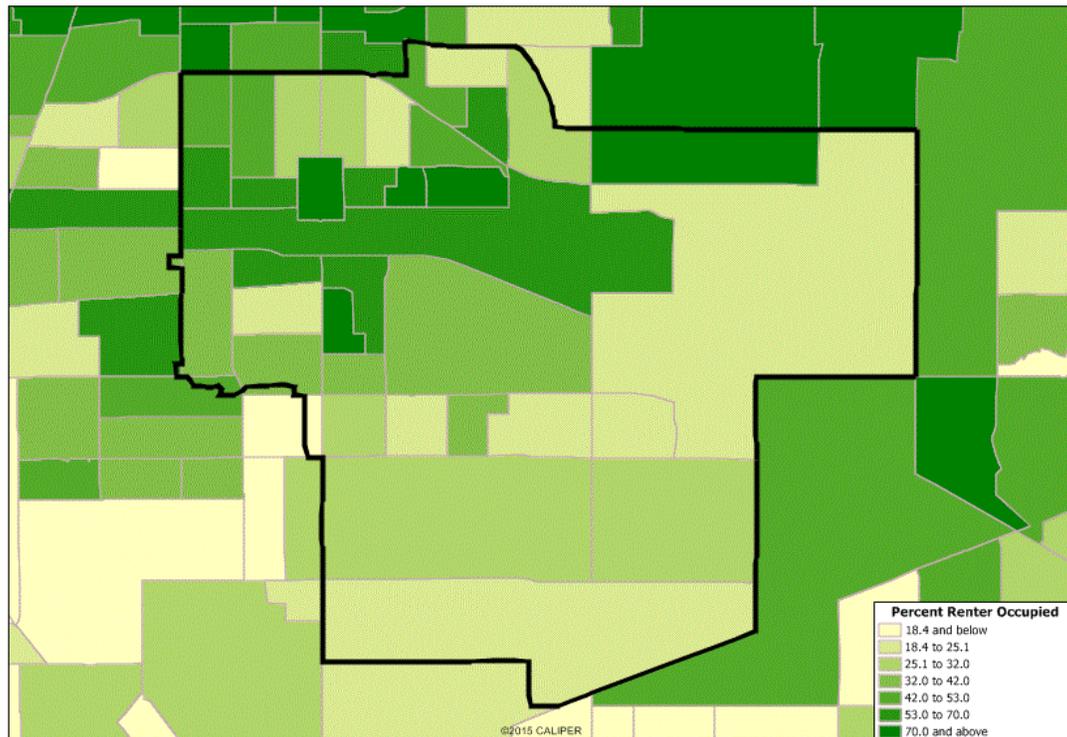
Notably, Latino residents in both Ontario and the Riverside-San Bernardino-Ontario MSA are less likely to be owner-occupiers than their white counterparts. 53% of Latino residents in Ontario own their homes, in comparison to 68% of white residents.

As the maps on the next page illustrate, renter households are primarily concentrated in the west and northeast of the City while homeowners are concentrated in the east and south.

City of Ontario: % of Housing Units Occupied by Owners by Census Tract



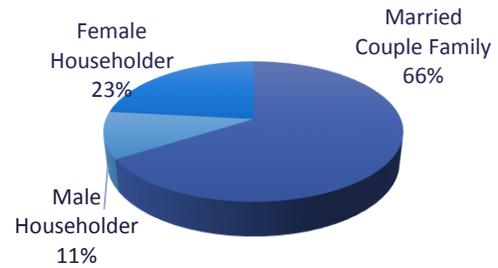
City of Ontario: % of Housing Units Occupied by Renters by Census Tract



Families with Children

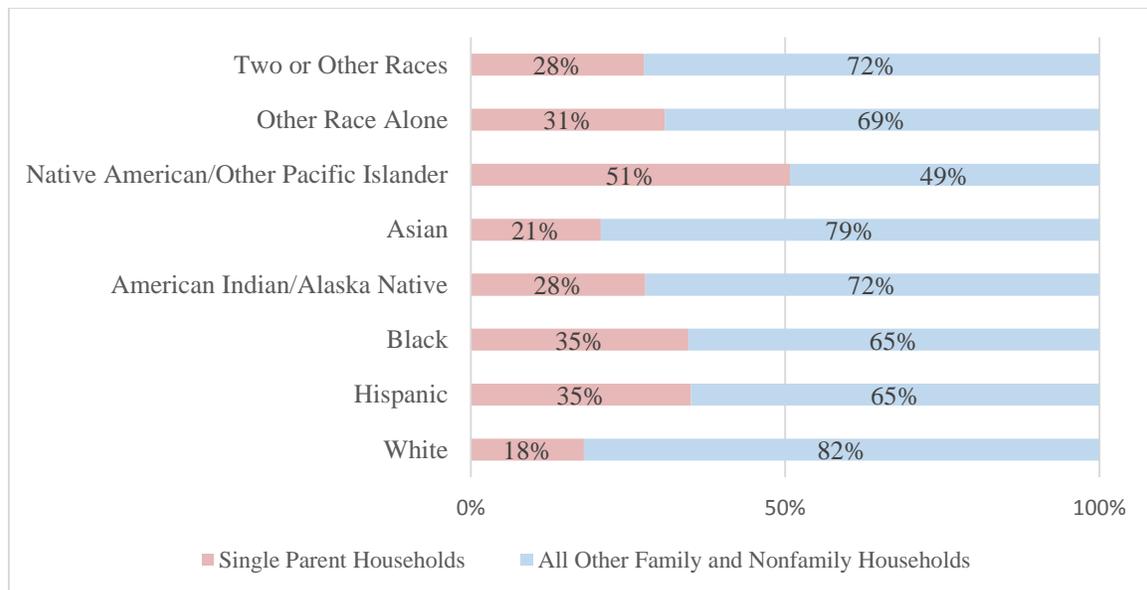
Discrimination against families with children is prohibited under the Fair Housing Act. There are roughly 45,270 households in Ontario, with an average household size of 3.64 persons. Of these households, 34,642 (or 76.5%) are occupied by families with an average size of 4.13 persons. The majority (66%) of family households are headed by a married couple. Of the 34% of family householders with a single head of household, the majority (68%) are headed by females.

Figure 16: Ontario Families with Children by Household Type



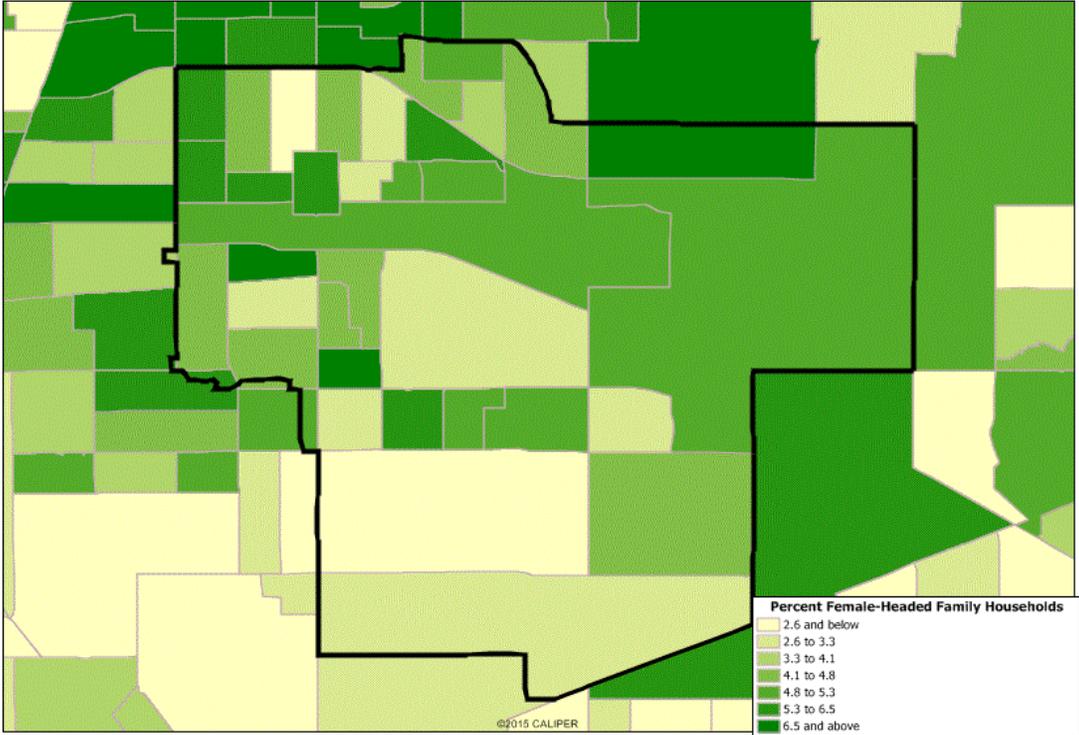
In general, family households headed by a single parent are a minority in all racial and ethnic groups. Notably, only Native American and other Pacific Islander households are more likely to be a single parent household than all other household types. White households are least likely to be single parent families (18%), followed by Asian households (21%). Latino households are almost twice as likely as White households to be a family headed by a single parent (35% of Latino households vs. 18% of White households).

Figure 17: Single Parent Households by Race of Householder



The map on the next page depicts a few clusters of female-headed family households, including in a Census Tract in the northeastern portion of the City near Rancho Cucamonga and in the northwestern portion of the City.

City of Ontario: % Female-Headed Family Households by Census Tract



CURRENT HOUSING PICTURE

FORECLOSURES

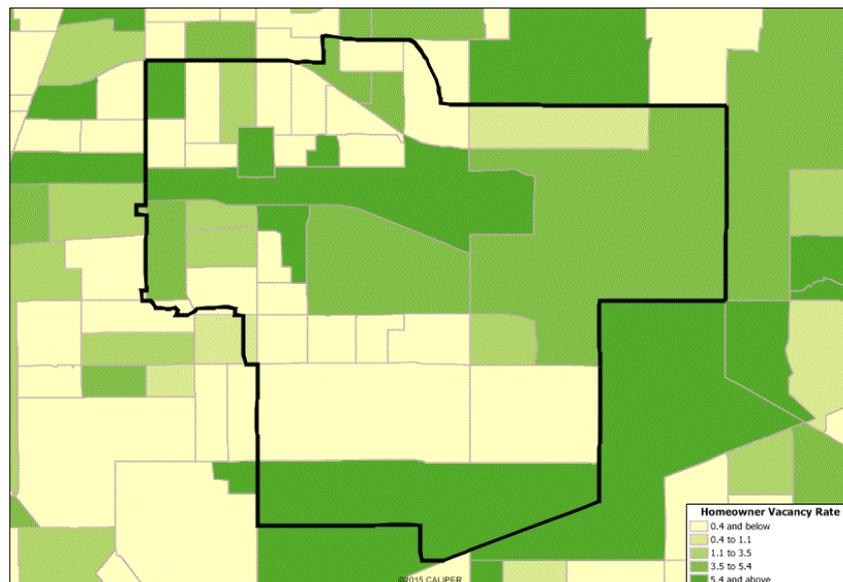
In January 2015, 1 of every 637 homes in Ontario was in active foreclosure. These include homes with mortgages on which the borrowers are in default, homes that are up for auction, and bank-owned homes. Overall, San Bernardino County had an even higher foreclosure rate of 1 in every 559 homes. These rates of foreclosures is strikingly higher than both the national average of 1 in every 1150 and that of California which is 1 in every 969. San Bernardino County was one of the hardest hit areas in the country in the foreclosure crisis, and continues to rank highly in foreclosures. However, the number of foreclosures in the Riverside-San Bernardino-Ontario, CA MSA has been dropping steadily since 2012.

Table 7: Foreclosures – Riverside-San Bernardino-Ontario MSA – 2012-2014

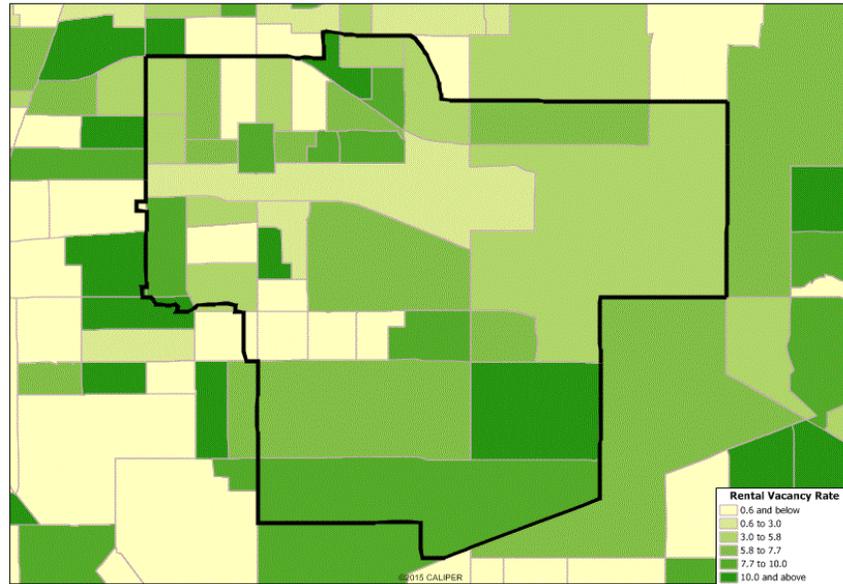
| Year | Foreclosure Inventory | Completed Foreclosures (Last 12 months) | % Change From Prior Year |
|----------|-----------------------|---|--------------------------|
| Dec 2014 | .9% | 5,984 | - 26.9% |
| Dec 2013 | 1.1% | 8,181 | - 60.4% |
| Dec 2012 | 2.0% | 20,666 | |

Foreclosures are often a driver of increased vacancy rates. The maps below illustrate that owner-occupied vacancy rates are highest in the heavily Latino Census Tracts to the west of the airport. This data tends to support concerns that past predatory mortgage lending was targeted on Latino borrowers. By contrast, there are fewer clear patterns with respect to rental vacancy rate, which is depicted on maps below

City of Ontario: Homeowner Vacancy Rate by Census Tract



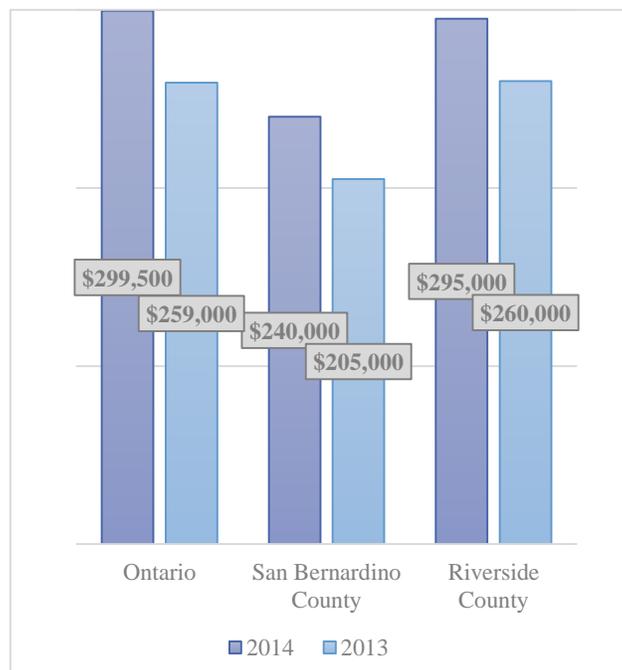
City of Ontario: Rental Vacancy Rate by Census Tract



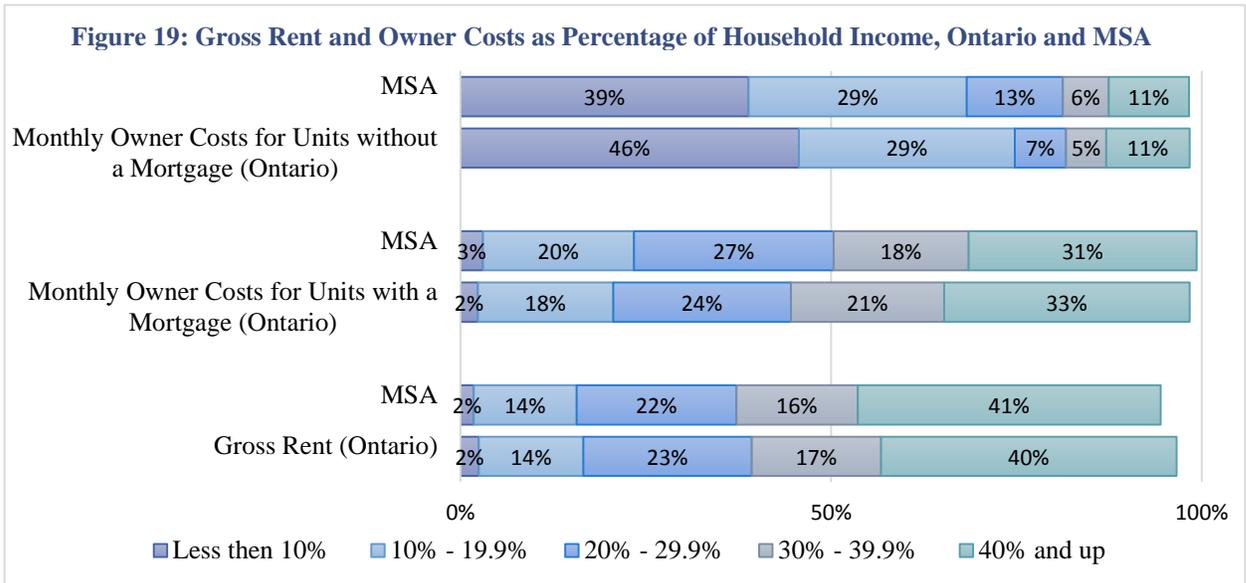
HOUSING PRICES AND COSTS

The median price for a home in the city of Ontario rose to \$299,500 in 2014. This median is higher than those for both San Bernardino and Riverside Counties. From 2013 to 2014, median prices rose 13% in Riverside County, 15% in Ontario, and over 17% in San Bernardino County.

Figure 18: Median Housing Prices - Ontario, San Bernardino County, and Riverside County – 2013-2014

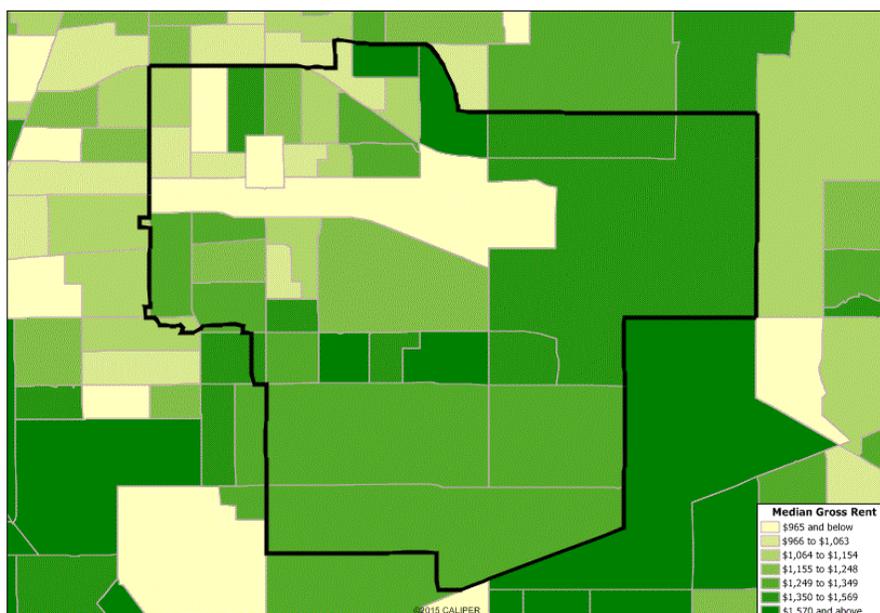


The median gross rent for residents of the city of Ontario is roughly 35% of household income. This number drops when evaluating owner-occupied housing, where the median monthly costs account for roughly 29.7% (with mortgage) and 12.9% (without a mortgage) of the household income. Roughly 40% of residents of Ontario are spending more than 40% of their income on their rent, whereas only 11% of owners without a mortgage are expending that portion of their income. These financial trends are consistent with those in the MSA.



As the map below shows, rents in Ontario are highest in the south and east of the City and lowest in the west.

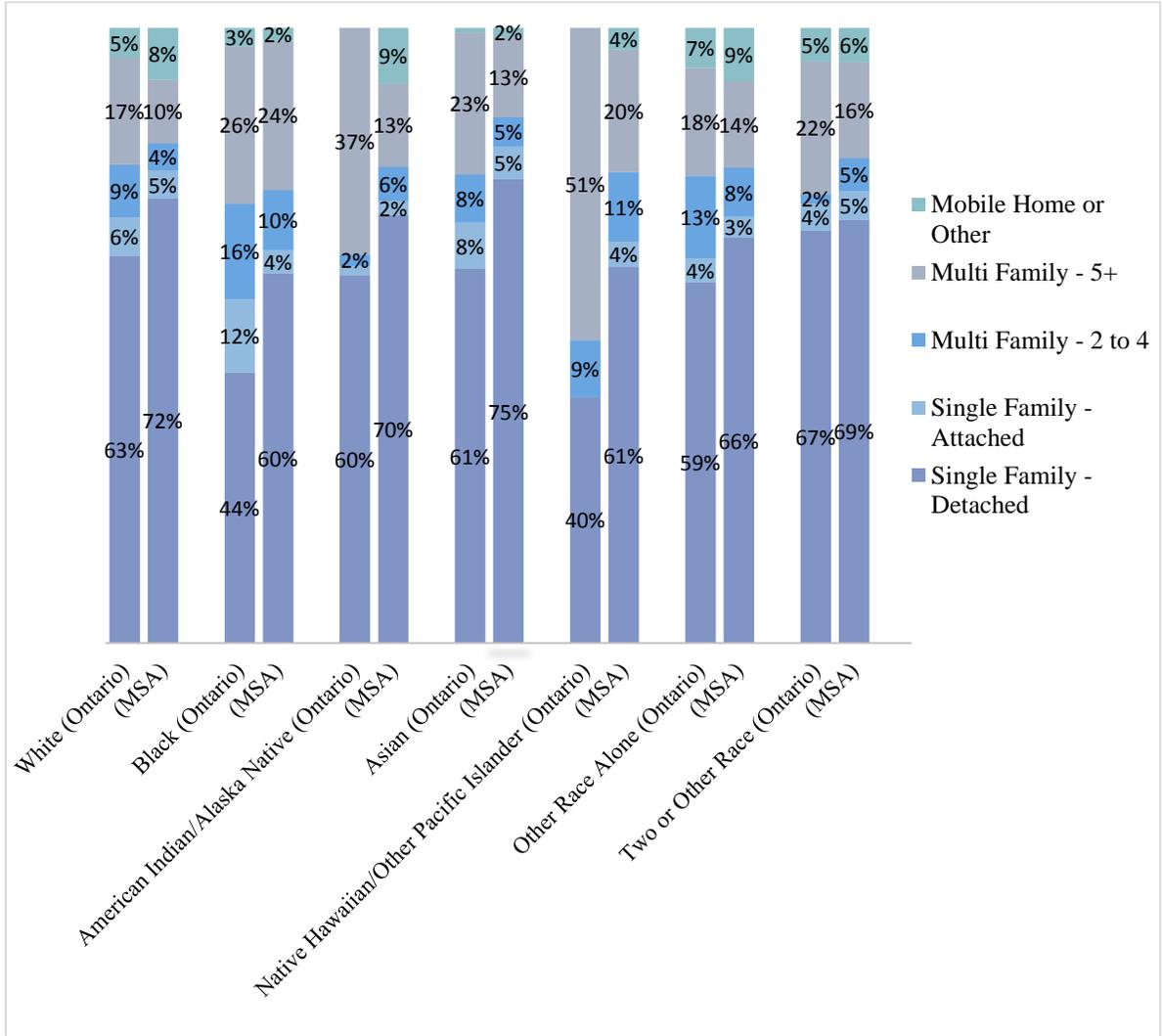
City of Ontario: Median Gross Rent by Census Tract



UNITS IN STRUCTURE

Ontario contains roughly 48,849 housing units, 3,579 of which are vacant. Single-family housing units make up the majority, roughly 64.5%, of housing in the city (58.4% detached, 6.1% attached). Multi-family housing units encompass another 30.8% of the housing (2-4 units 10.8%, 5+ units 20%), with only 4.6% comprised of mobile homes or other units.

Figure 20: Units in Structure by Race – Ontario and Riverside-San Bernardino-Ontario MSA

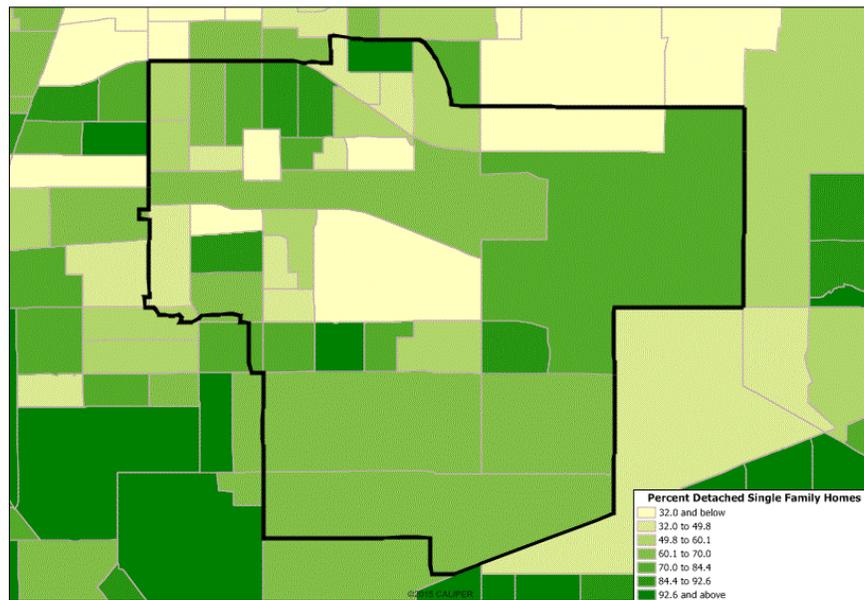


In general, residents of the Riverside-San Bernardino– Ontario MSA are more likely to live in single family homes than the residents of Ontario. This division can be seen across races, although the degree varies among the races. For example, only 40% of Native Hawaiian and Other Pacific Islanders in Ontario reside in single-family housing, compared to 65% in the MSA.

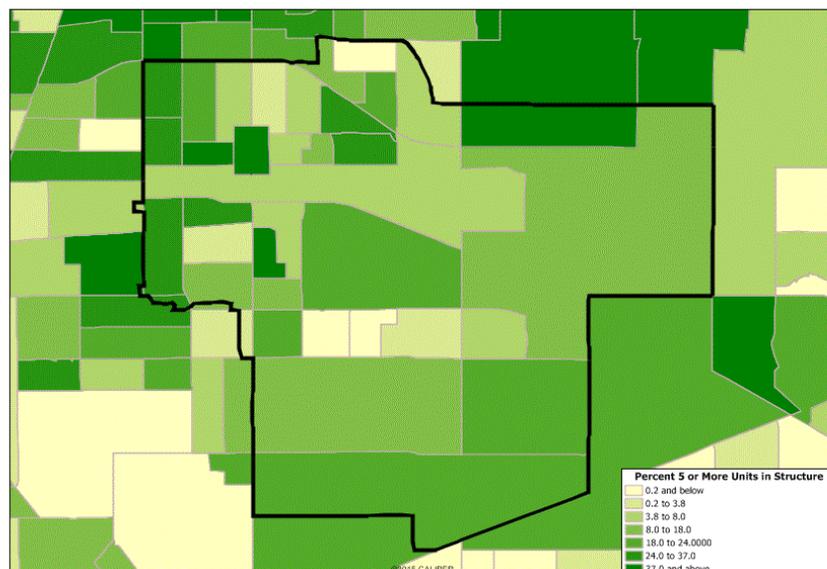
As the maps below illustrate, apartments in Ontario are concentrated in Census Tracts in the west and northeast of the City. Single-family homes are concentrated in a portion of the northwest near Upland and in the south and east.

The trend witnessed across races is maintained across ethnic groups as well. Residents in Ontario are more likely to be residing in multi-family homes than their counterparts in the MSA.

City of Ontario: % Detached Single Family Homes by Census Tract



City of Ontario: % Housing Units in Structures with 5 or More Units by Census Tract



INDUSTRY

From 2000 to 2013, the industry landscape of the employed population in Ontario dramatically changed. While the employed population increased by over 9,000, some industries fared much better than others. Even in instances where the actual number of people employed in an industry experienced a small change, that industry may have suffered a larger shift in share of the employed population.

In 2000, 20% of the employed population in Ontario worked in the manufacturing industry, making it the largest industry employer. Manufacturing was followed by the educational, health and social services (15%), and the retail trade (12%) industries. The smallest industry represented was agriculture, forestry, fishing and hunting, and mining, which employed only 2% of the population.

Table 8: Industry– Ontario– 2000 --2013

| INDUSTRY | 2000 Census | 2011-2013 ACS | % of 2013 Employed Population | Change in % of Employed Population (2000 to 2013) | Change- in number of people employed 2000-2013 | Change in % of employed persons 2000-2013 |
|---|-------------|---------------|-------------------------------|---|--|---|
| Employed Persons | 62,417 | 71,645 | | | 9,228 | 14.78% |
| Agriculture, forestry, fishing and hunting, and mining | 1,295 | 590 | 0.82% | -1.25% | -705 | -54.44% |
| Construction | 4,552 | 4,451 | 6.21% | -1.08% | -101 | -2.22% |
| Manufacturing | 12,345 | 9,779 | 13.65% | -6.13% | -2,566 | -20.79% |
| Wholesale trade | 3,274 | 3,272 | 4.57% | -0.68% | -2 | -0.06% |
| Retail trade | 7,660 | 10,095 | 14.09% | 1.82% | 2,435 | 31.79% |
| Transportation and warehousing, and utilities | 4,171 | 5,631 | 7.86% | 1.18% | 1,460 | 35.00% |
| Information | 1,496 | 1,149 | 1.60% | -0.79% | -347 | -23.20% |
| Finance, insurance, real estate, and rental and leasing | 3,097 | 3,737 | 5.22% | 0.25% | 640 | 20.67% |
| Professional, scientific, management, administrative, and waste management services | 4,833 | 7,872 | 10.99% | 3.24% | 3,039 | 62.88% |
| Educational, health and social services | 9,120 | 12,111 | 16.90% | 2.29% | 2,991 | 32.80% |
| Arts, entertainment, recreation, accommodation and food services | 4,752 | 6,161 | 8.60% | 0.99% | 1,409 | 29.65% |
| Other services (except public administration) | 3,398 | 3,865 | 5.39% | -0.05% | 467 | 13.74% |
| Public administration | 2,424 | 2,932 | 4.09% | 0.21% | 508 | 20.96% |

By 2013, Ontario's largest industry by percentage switched from manufacturing to educational, health, and social services (16.9%). Although the number of individuals employed in the manufacturing field dropped by over 20%, it only suffered a 6% drop in percentage of employed persons. The professional, scientific, management, administrative, and waste management services, and the educational, health and social services industries experienced 3% and 2% increases in their share of the employed population from 2000 to 2013, while increasing their number of employed persons by more striking percentages of 63% and 33%, respectively. Agriculture, forestry, fishing and hunting, and mining industry suffered the largest drop in employed persons (54%), coinciding with a 1.25% drop in percentage of employed person. Notably, with the exception of the other services industry, all of the industries that experienced positive growth outpaced the overall 15% increase in the employed population.

Table 9: Industry– Ontario and MSA– 2000 --2013

| INDUSTRY | Ontario | Riverside-San Bernardino-Ontario MSA |
|---|-----------------------------|--------------------------------------|
| | % +/- in industry 2000-2013 | % +/- in industry 2000-2013 |
| Employed | 14.78% | 33.86% |
| Agriculture, forestry, fishing and hunting, and mining | -54.44% | 11.06% |
| Construction | -2.22% | 20.53% |
| Manufacturing | -20.79% | 3.55% |
| Wholesale trade | -0.06% | 18.00% |
| Retail trade | 31.79% | 39.77% |
| Transportation and warehousing, and utilities | 35.00% | 37.84% |
| Information | -23.20% | -8.59% |
| Finance, insurance, real estate, and rental and leasing | 20.67% | 24.61% |
| Professional, scientific, management, administrative, and waste management services | 62.88% | 53.91% |
| Educational, health and social services | 32.80% | 43.73% |
| Arts, entertainment, recreation, accommodation and food services | 29.65% | 60.85% |
| Other services (except public administration) | 13.74% | 35.93% |
| Public administration | 20.96% | 39.48% |

While the industry share landscape in Ontario looks very similar to that of the Riverside-San Bernardino-Ontario MSA, the two locations vary when examining the recent shifts within industries. While five industries contracted in Ontario, only the information industry in the MSA experienced a reduction in employed people between 2000 and 2013 (-9%, or -2,484 people). While the agriculture, forestry, fishing and hunting, and mining industry in both locations decreased in its share of the employed population between 2000 and 2013, the industry grew by 11% in the MSA, but decreased by 54% in Ontario. Even the industries that experienced growth from 2000 to 2013 in Ontario were usually less percentage wise than their counterparts in the MSA. Out of the eight industries in Ontario that experienced growth from 2000 to 2013, only one industry, the professional, scientific,

management, administrative, and waste management services industry, out-paced the growth of that that same industry in the Riverside-San Bernardino-Ontario MSA (63% vs 54%). On average, industry growth from 2000 to 2013 was 11% in Ontario, compared to a 29% average growth in the MSA. In the eight industries that experienced growth in both locales, the average growth in Ontario was 31%, but 42% in the Riverside-San Bernardino-Ontario MSA.

TRANSIT ACCESS

Access to mass transit intersects with fair housing choice in multiple important ways. First, public transit is an important community asset that can enhance quality of life for those who have access to it. Providing transit services with the intent or effect of denying access on the basis of protected class status potentially violates the Fair Housing Act as discrimination in the terms or conditions of housing. Second, the unavailability of transit is often posited as an obstacle to developments that would promote integration. Third, as household preferences change, preserving and expanding affordable housing near existing transit infrastructure may be necessary to avoid the displacement of longstanding communities of color. To understand which, if any, of these types of fair housing issues are present in Ontario, it is necessary to assess the current state of and future plans for public transit in Ontario.

Current Transportation System

Like most other Southern California jurisdictions, the vast majority of Ontario residents drive to work. According to the 2013 American Community Survey, 94% of Ontario residents travel by car or truck to work, with 71% driving alone and an additional 23% carpooling. A small portion, 1.5 percent, of residents take public transportation, and the remaining 3% use other means, such as walking or bicycling. These patterns vary only slightly by race, with African American workers more likely to drive alone (80% compared to 75% of Hispanic workers and 77% of white workers) and to take public transportation (2.8% compared with only 1.4% of white and Hispanic workers). Additionally, residents of Ontario living at or below the poverty line are slightly more likely to use public transit (2.8%) or other means of transportation (6%), but overwhelmingly also arrive to work by car or truck (89.7%).

This data suggests that, while access to transit is a community asset, the stereotype that affordable housing must be located near transit nodes in order to effectively serve low-income households is often incorrect. Especially in communities that are not experiencing gentrification, higher opportunity communities with low poverty rates and high performing schools often have limited access to public transit. In light of the high proportion of low-income workers who commute by car, the lack of transit access in these higher opportunity communities must not be an excuse for failing to facilitate the development of affordable housing. It is sometimes necessary to develop affordable housing in transit-inaccessible areas in order to foster residential integration.

Ontario's location in the western San Bernardino Valley allows residents to commute across Southern California to reach work locations. 85.9% of Ontario commuters travel to areas outside of the city limits. Of the top ten commuting locations, the seven representing other areas within San Bernardino County account for 21% of commuters' destinations, followed by Los Angeles at 8% and Anaheim at 2%.

The City of Ontario is part of a regional transportation system which includes bus, curb-to-curb Access, and rail systems. Omnitrans operates both local and express buses

throughout the San Bernardino Valley, servicing an area of 456 square miles and providing 15.6 million rides in 2014. Omnitrans connects Ontario residents to schools, hospitals, airports, job sites, and recreation throughout the Valley. Bus stops are conveniently located within a half of a mile of all assisted housing facilities in Ontario, and the Ontario Civic Center Transit Station provides a transfer hub for five bus lines, serving 550 passengers per weekday. Unfortunately, transit access in the developing New Model Colony is much less extensive. Only one line, the 81, serves the area, and it only skirts the northern edge of the section. Particularly as subdivisions further south within the New Model Colony come online, the need for public transit access in order to promote inclusion and integration will become clearer and clearer.

Additionally, connectivity between Omnitrans and the Riverside Transit Agency's network is limited in the western portions of Riverside and San Bernardino Counties. In order to travel from cities like Eastvale, Norco, and Corona in western Riverside County to South Ontario, it is necessary to go first to Jurupa Valley or Riverside, then transfer to a bus that goes to Ontario, and then transfer again to a bus running south to the New Model Colony. This is particularly concerning because these cities in western Riverside County are among the most affluent in the region. As development in Ontario stretches down to its border with Eastvale, it will become more and more important to link the two adjacent communities. Otherwise, low-income people's access to opportunity in the area will be restricted.

Omnitrans also provides Access Service for persons with disabilities who are unable to independently use the fixed route bus service. Access provides curb-to-curb service to complement the Omnitrans fixed-route bus system. The Access service area is up to 3/4 mile on either side of an existing bus route, thereby encompassing all assisted and senior housing facilities in Ontario. For Fiscal Year 2014-2015, Omnitrans estimates that it will provide 475,000 Demand Response Rides.

Ontario is also serviced by Metrolink, the Southern California rail system. The Ontario East station lies on the Riverside line, providing direct access to Los Angeles Union Station to the West and Downtown Riverside to the East. Through Metrolink's seven lines and 55 stations, Ontario residents also enjoy access throughout Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties.

Future Transportation Efforts

The City realizes that the lack of a comprehensive transit system can pose a substantial strain on low-income households, as maintaining ownership or access to an automobile is difficult for the 19.3% of its residents who live beneath the poverty line. Gaps in public transit can therefore be detrimental to residents' ability to find and maintain employment. Although bus and rail lines service all of Ontario, they are often not coordinated to allow residents to make the most of their use. While bus lines access other rail stations, Ontario East Metrolink station is currently not being serviced by any bus lines, requiring that residents use other means to reach the station. Metrolink Riverside trains run hourly through Ontario East Station during traditional rush hours, but not at all outside of those times or on weekends. Additionally, bus transit between Metrolink and the Ontario Airport, the largest employer in the area, is not coordinated with either the Metrolink schedule or flight schedules, and does not drop riders near the terminals.

While noting that most transit operations are outside of the City's authority, the City actively participates in regional transportation agencies to achieve a comprehensive transit system. The Ontario Plan, approved by the City Council in 2010, concluded that:

Elements of [a comprehensive transit system] in Ontario could include more extensive and frequent basic local bus service, higher-speed bus rapid transit corridors for longer trips, more Metrolink trains that connect to other regional hubs, convenient transfer centers, light and high speed rail, feeder and distribution systems, and future land use patterns that are more suitable for transit users.

To that end, Ontario supports Omnitrans' development of a state-of-the-art bus rapid transit system in the San Bernardino Valley. The West Valley Connector Corridor of the system would provide faster transit service along Holt Blvd/Route 61 and Foothill Blvd./Route 66, while also connecting major activity centers such as Ontario Mills, Convention Center, Ontario Airport, and 3 Metrolink stations. The City continues to work with regional transit in support of the extension of the Metro Rail Gold Line to Ontario and the creation of multimodal transit centers, as well as an expansion of Metrolink service to include Downtown Ontario. Regional government is also working to improve access to Ontario Airport, as a recent study commissioned by the San Bernardino Associated Governments (completed November 2014) recommends the short term creation of a bus service to the airport until such a time as ridership volumes justify the creation of a rail line.

The City is studying options for the extension of public transit service to the New Model Colony, but a map of specific routes is not available. The City's current Mobility Plan, a component of the General Plan, requires developers to dedicate transit infrastructure, such as bus shelters, as a condition for the approval of new projects. Such dedications reduce but do not eliminate the cost to governmental authorities of expanding bus service. The Mobility Plan calls for the creation of a Bus Rapid Transit along Edison Avenue, which would run right through the New Model Colony.

The City of Ontario maintains its effort with regional agencies and other local governments in support of the continued expansion of a public transportation system that provides a viable alternative to car dependency for all of its residents.

Conclusion

Consistent with the broader region, the population of the City of Ontario largely relies on automobiles for commuting purposes. Although there are not wide racial or ethnic disparities in commuting patterns, African Americans in the City are more likely than other groups to use public transportation. The City's existing public transportation infrastructure is multi-modal, including both rail and bus, but is concentrated in the built-out parts of the City, leaving the New Model Colony relatively underserved. Although the City has invested planning resources in considering the transit needs of the New Model Colony, a concrete plan has yet to emerge. The data concerning commuting patterns demonstrates that transit access should not be viewed as a necessary precondition to the development of affordable housing in the New Model Colony, though it would be helpful and may promote integration. As a longer term goal, it will be important to increase transit connectivity

between South Ontario and communities in western Riverside County like Eastvale, Norco, and Corona.

EDUCATION

In 2014, the UCLA Civil Rights Project found that, 60 years after *Brown v. Board of Education*, California students are more racially segregated than ever. The proportion of intensely segregated schools doubled in two decades, with 1 in 14 schools now comprised of 99-100% students of color. As the percentage of Latino students has risen (37% in 1994 to 52.7% in 2014), these students have become the most isolated group in the State's schools. In 1970, Latinos on average attended schools which were 54% white; by 2014, they attended schools that were 84% non-white. African American, Latino, and American Indian students make up 60% of the schools' population, but a typical student from those groups attends a school where they make up 74% of the student body. Thirty-nine percent (39%) of African American students, who make up only 6.3% of the California school population, also attend intensely segregated schools (with 90-100% minority students). The average black student attends a school with 82% students of color, and only 16.7% of African American students attend a school with a white majority student body. While the percentage of white students has dropped (from 42.3% in 1994 to 25.5% in 2014), so has the percentage of whites attending multi-racial schools. The typical white or Asian student, which together make up 37% of the California school population, attends a school with a 57% makeup of white and Asian students.

The racial divisions in California schools also reflect growing economic segregation. Where in 1994, the average African American student attended a school with a poverty rate of 52%, by 2012 their school was 67% poor. Latinos generally attend schools that are 70% poor. There is a strong .75 correlation between a school having more Latino students and more poor students. By contrast, white and Asian students attend schools with mostly middle-class students. By contrast, there is a small -.70 correlation between a school's population of white students and its population of poor students. In California schools, there is a clear relationship between poverty, race, and ethnicity.

Schools located in the Ontario area mirror the same racial and economic segregation as that of the State. The Ontario-Montclair School District serves roughly 23,000 K-8 students, 94.4%, of whom are minorities and 87% of whom are Latinos. A minimum of 75% of K-8 students in each school in the district qualify for free or reduced price meals, with a third of the schools exceeding 90% eligibility. These students, along with those from other San Bernardino communities, feed into the Chaffey Joint Union High School District, which serves about 25,000 students. The schools of this district located in Ontario continue to exhibit higher minority and low income populations. Both Ontario and Chaffey High Schools serve populations over 90% minority, 85% Latino, and 80% of whom qualify for FRPM. Colony High has a slightly lower population of 68% Latino, 87% minority, and 63% of FRPM eligible students.

Racial and ethnic divisions have a strong effect on student achievement, as the relationship between lower educational achievement, poverty, and segregation is well established. African American and Latino students attend schools of far lower quality, while a far larger share of white and Asians attend highly rated schools. In 1999, California passed the *Public Schools Accountability Act*, which measures the academic performance of all California

public schools through an Academic Performance Index (API). There is a strong .45 correlation between a California school's API score and its share of white students, and a moderate .33 correlation between API scores and share of Asian students. Contrastingly, there is a -.39 and -.53 negative correlation in scores when considering the share of Latino and African American students, respectively, in a school. When combining Latino and black students, the correlation drops even further to -.63. Although not as strong, similar correlation exist when considering graduation rates and racial populations in schools. Without changes to the system, African American and Latino students will be isolated in areas of poverty with low performing schools, while white and Asian students attend good schools in middle-class communities.

Ontario schools again follow the achievement trend seen in the rest of the state, with low achievement in majority minority institutions. As seen in Table 9 below, only five schools in the Ontario-Montclair School District surpass the state's goal of an API score of 800. None of the high schools located in Ontario has an API above 751. Schools are also ranked statewide by type (elementary, high, etc.) and in comparison to similar schools through the use of a School Characteristics Index (SCI). When ranked, all APIs are sorted from highest to lowest, divided into ten equal groups, and numbered 1 – 10 (with 10 being the highest). Each school receives a ranking in comparison to all schools and in comparison to 100 similarly situated schools (through the SCI). SCI allows schools to be compared to peers based on the challenges they face due to student demographics (such as socioeconomic factors or the percent of students who are limited English speakers) and school and teacher characteristics (such as class size or percent of teachers fully credentialed). Schools in the Ontario-Montclair School District average a school ranking of 3.5 and an SCI of 5.02. While these numbers rise when considering the schools in the Chaffey Joint High School District (Average School Ranking = 6.5; Average SCI = 7.5), the schools located in Ontario continue to earn the lowest rankings of the Chaffey District.

Table 10: Academic Achievement of Ontario Schools

| | 2012 API | 2012 School Rankings | 2012 SCI |
|-----------------------------------|----------|----------------------|----------|
| Ontario-Montclair School District | | | |
| Arroyo Elementary | 788 | 4 | 7 |
| Berlyn Elementary | 726 | 1 | 2 |
| Bon View Elementary | 719 | 1 | 2 |
| Buena Vista Arts-Integrated | 842 | 7 | 6 |
| Central Language Academy | 759 | 3 | 1 |
| Corona Elementary | 827 | 6 | 9 |
| De Anza Middle | 696 | 1 | 2 |
| Del Norte Elementary | 773 | 3 | 4 |
| Edison Elementary | 843 | 7 | 6 |
| El Camino Elementary | 779 | 4 | 6 |
| Elderberry Elementary | 815 | 5 | 9 |
| Euclid Elementary | 762 | 3 | 5 |
| Hawthorne Elementary | 776 | 3 | 3 |
| Howard Elementary | 810 | 5 | 8 |
| Kingsley Elementary | 711 | 1 | 2 |

| | 2012 API | 2012 School Rankings | 2012 SCI |
|------------------------------------|----------|----------------------|----------|
| Lehigh Elementary | 796 | 4 | 8 |
| Lincoln Elementary | 772 | NA | NA |
| Mariposa Elementary | 720 | 1 | 2 |
| Mission Elementary | 774 | 3 | 6 |
| Monte Vista Elementary | 827 | 6 | 9 |
| Montera Elementary | 743 | 2 | 2 |
| Moreno Elementary | 789 | 4 | 6 |
| Oaks Middle | 763 | 4 | 5 |
| Ramona Elementary | 798 | 4 | 6 |
| Ray Wiltsey Middle | 732 | 2 | 4 |
| Richard Haynes Elementary | 763 | 3 | 2 |
| Serrano Middle | 786 | 5 | 8 |
| Sultana Elementary | 745 | 2 | 3 |
| Vernon Middle | 752 | 3 | 6 |
| Vina Danks Middle | 799 | 5 | 7 |
| Vineyard Elementary | 759 | 3 | 6 |
| Vista Grande Elementary | 797 | 4 | 4 |
| Chaffey Joint High School District | | | |
| Alta Loma High | 808 | 8 | 8 |
| Chaffey High | 735 | 4 | 7 |
| Colony High | 751 | 5 | 5 |
| Etiwanda High | 808 | 8 | 9 |
| Los Osos High | 849 | 9 | 7 |
| Montclair High | 746 | 5 | 9 |
| Ontario High | 731 | 4 | 8 |
| Rancho Cucamonga High | 839 | 9 | 7 |
| Valley View High (Continuation) | 531 | NA | NA |

The connection between poverty, segregation, and lower educational achievement is well demonstrated in California schools, including those in the City of Ontario.

Conclusion

There is no easy fix to the racial and economic segregation of California schools. Policy makers, administrators, teachers, and parents are all searching for ways to break this cycle. If an answer exists, it will no doubt involve changes at every front, from community involvement to school spending to staff training and beyond. Ensuring residents have access to fair housing can also be part of the solution by increasing residential integration and contributing to less racially and ethnically isolated schools. These problems will not be solved overnight, but a strong dedication to the civil rights of all residents can help reduce separate and unequal schools.

SECTION II: CURRENT STATUS OF FAIR HOUSING

PUBLIC SECTOR COMPLIANCE

CITY RESOURCE ALLOCATION POLICIES

The City of Ontario provides a variety of services in order to address housing and community development needs. Central to understanding the scope of these services is the HUD Consolidated Plan which is required every five years for jurisdictions that are receiving or seeking federal housing funding. The Consolidated Plan identifies the City's needs in housing, homelessness, community development, and economic development and sets forth a five-year strategy it will follow in implementing HUD housing and community development programs. It includes applications for federal housing programs, describes the priority needs selected by the City, and sets forth long-term strategies to address those priority needs, as well the annual projects and activities it will undertake to carry out those strategies.

The City of Ontario's last Consolidated Plan was adopted in 2010 to cover Fiscal Years (FY) 2010-14 period. In this plan, the City developed five-year strategies to address its priority housing and community development needs. Strategies were developed for the following areas: Housing, Homeless, Special Needs, Fair Housing, Public Housing, Lead Hazard, and Community Development. Goals were set for each of the strategies. The Housing Strategy is the most extensive and sets forth three goals: (1) preserve existing rental and owner-occupied housing resources through support for the preservation, rehabilitation and development of suitable housing units, which are designed to meet both the needs of the community's renter and owner-occupied households and contribute to the revitalization of the City's neighborhoods; (2) increase affordable homeownership opportunities, particularly for low and moderate income persons; and (3) expand affordable rental housing opportunities, particularly for low income persons.

The City is required to submit annually a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD which provides information about its housing and community development projects, and accomplishments. The most recent CAPER was done in September 2014 and covers activities in FY 2013-14. It also includes an overall assessment which provides information for the 2010-14 period. A review of this information informs how the City is allocating its housing and municipal services resources. It shows the following:

- For FY 2013-14, the City expended more than \$17.2 million in federal, state and local funds to administer programs designed to implement the strategies set forth in the Consolidated Plan.

- More than \$9 million of these funds were expended to implement Housing Strategy programs, of which \$8.68 million went to projects designed to address the first priority of the Housing Strategy, the preservation of existing rental and owner-occupied housing resources. Almost \$2 million was allocated to Community Development goals, and over \$1.3 million was expended as part of the Homeless Strategy to implement seven activities. A smaller amount, \$32,200, was allocated to the Fair Housing strategy.
- Federal funding was a major source for these programs and included the following:
 - HUD funding for the Housing Authority of the County of San Bernardino County was \$4.5 million which was used for Section 8 Housing Choice Vouchers for 558 households assisted in Ontario.
 - CDBG funding totaled \$1.87 million, of which over \$1.1 million was used to meet the Homeless Strategy's priority of preserving and supporting the supply of supportive housing and services for the homeless. CDBG funds were also used for the \$32,200 allocated to the Fair Housing Strategy.
 - Over \$700,000 of the CDBG grant was used for implementing the Community Development Strategy and close to \$190,000 was used for code enforcement associated with the Housing Strategy's priority to preserve existing housing resources. One program funded by CDBG was the Foreclosure Opportunities Response Team (FORT), which targeted code enforcement activities to heavily Latino neighborhoods in the City hardest hit by the foreclosure crisis. This program was designed to mitigate the effects of the crisis in these neighborhoods by protecting neighbors of foreclosed properties from blight and promoting housing recovery by ensuring that foreclosed properties are in saleable condition.
 - HOME funding was close to \$490,000 and was allocated to fund the acquisition and rehabilitation of three affordable multi-housing projects.
 - ESG funding was approximately \$175,000 and was allocated to implement the Homeless Strategy.
 - The Homeless Strategy is designed to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing and special assistance. The City has supported a Continuum of Care program adopted in 2005 conducted by non-profit social service providers. Each activity was specifically selected for funding through CDBG, HOME, and ESG programs to address steps along the Continuum of Care. During FY 2013-14, the City of Ontario was awarded the League of California Cities 2013 Helen Putnam Award for Excellence for this comprehensive program to help end homelessness in Ontario.

- The City uses Shelter Plus Care funds to operate its Project Gateway program, which provides housing vouchers to persons with psychiatric disabilities who were previously homeless.
- The 2013-14 CAPER also identifies other federal, state and local funding allocated to the priorities set in the Consolidated Plan. Some of the programs funded are as follows:
 - Over two-thirds of the funding (\$6.3 million) devoted to the Housing Strategy's first priority, preserving existing rental and owner-occupied housing resources, was provided by the Federal Aviation Administration and the Los Angeles World Airports for a "quiet home" program designed to mitigate aircraft noise in neighborhoods near the airport;
 - Almost \$350,000 of the funds for Housing Strategy's first priority came from a state program administered by the California Department of Housing and Community Development designed to revitalize downtown Ontario. It is being used for renovation of an emergency operations center;
 - Funds from the federal Neighborhood Stabilization Program (NSP) were used with HOME funds to acquire and rehab three multi-family developments. NSP funding was available through 2010 and was central to the City's efforts to mitigate the effects of the foreclosure crisis in the City. The City invested most of its NSP funds in the Mercy House Multi-Family Program which increased rental housing opportunities primarily for low-income people of color and persons with disabilities, those hardest hit by the foreclosure crisis. Additionally, the City used a portion of its NSP funds for land banking of distressed and abandoned properties.
 - Most of the funds for the Housing Strategy's second priority – to increase affordable homeownership opportunities, particularly for low and moderate income persons - came from a San Bernardino County mortgage revenue bond program.

The CAPER Overall Assessment gives some perspective on how funds have been allocated to address the Housing Strategy over the period the 2010-14 Consolidated Plan has been in effect. It indicates the following:

- The two major programs designed to meet the first priority of the Housing Strategy, preservation of existing rental and owner-occupied housing resources, appear to be the "Quiet Home" project described above and an exterior beautification program operated in the past by the Ontario CARES Neighborhood Revitalization Program. The CAPER's overall assessment of the Housing Strategy's first priority indicate that from 2010-11 through 2013-14, 584 of the 603 units which received funds for single family rehabilitation activities were pursuant to these two programs.

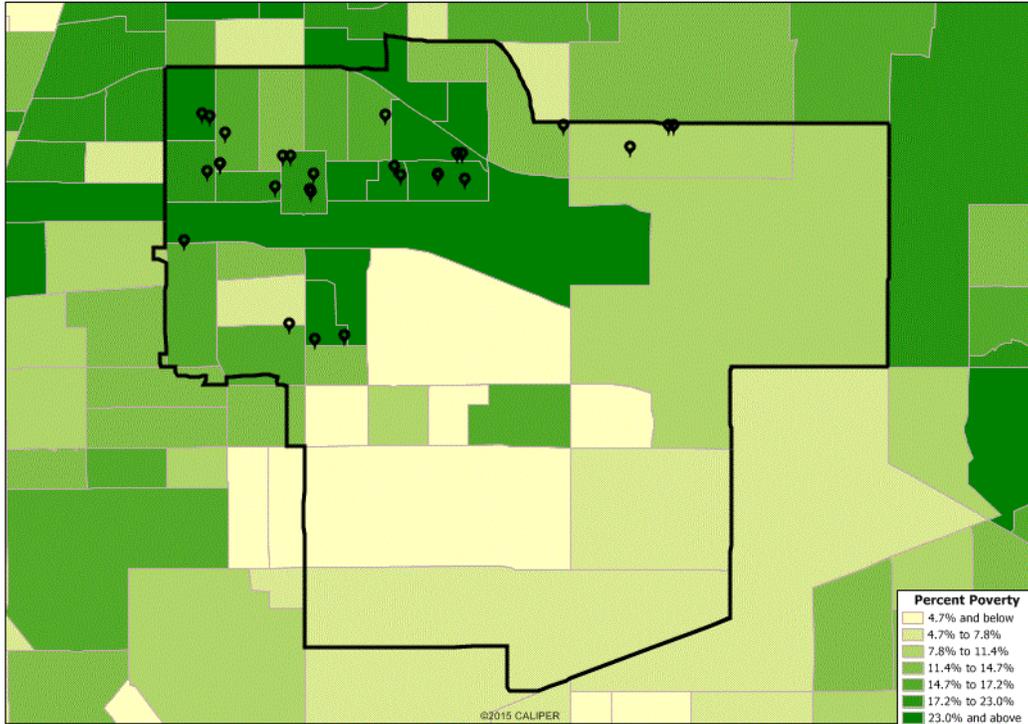
- For rehabilitation of multi-family housing, the overall assessment indicate that 55 units received rehabilitation assistance, and that most of that work occurred in 2011-12.
- The City served 847 households through a variety of programs designed to meet the Housing Strategy's second priority – to increase affordable homeownership opportunities, particularly for low - and moderate-income persons – through a variety of programs funded by federal, state, and private financing.
- In response to the Housing Strategy's third priority - expanding affordable rental housing opportunities, particularly for low - and moderate-income persons – the CAPER's overall assessment lists one project which appears to have been completed in 2010-11, the City Center Apartments (formerly Ontario Town Square Senior Apartments).

Monitoring Assisted Housing Developments is one of the items listed in the CAPER to address the Housing Strategy's first priority. The CAPER indicates that the City's Housing and Municipal Services Agency was responsible for the affordability and maintenance monitoring of the 1,750 housing units to ensure compliance with respective Owner Participation Agreements and/or Regulatory Agreements. These units are located in 17 family projects and 10 senior projects. As noted above, it appears that only one of these has opened in the last five years. As the maps on the next page indicate, these properties are primarily located in areas of high poverty and Latino population concentration.

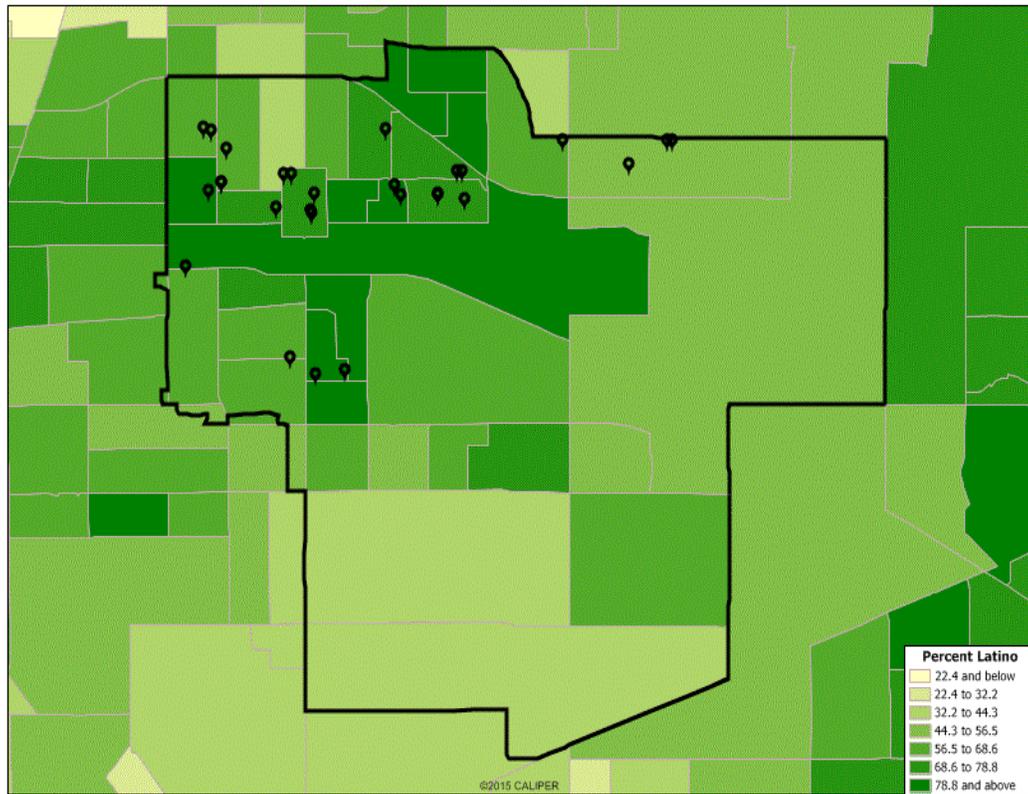
The City's HOME-funded units have a total of 330 residents, 40.9% of whom are Latino, 19.7% of whom are white, 15.8% of whom are Asian American, and 15.5% of whom are African American. The percentage of residents who are Latino is much lower than the citywide percentage and lower than the percentage of region's low-income population that is Latino. Although white residents are slightly more represented in HOME-funded units than they are in the City as a whole, the extent of the gap is narrower than for African American and Asian American residents. To the extent that the City's affirmative marketing efforts have been geared toward attracting African American and Asian American residents, the latter of whom are underrepresented in the City, they appear to be making a positive impact. Although documented immigration status is not required for residence in HOME-funded units, misconceptions about program requirements may deter Latino families from applying for HOME-funded units.

The City has affirmative fair housing marketing plans for all of its HOME-funded developments. The plans reflect many best practices including focusing on the least likely to apply; widely publicizing the availability of units, including in Spanish-language newspapers; conducting outreach to key stakeholder organizations; monitoring for compliance; and maintaining records.

City of Ontario: Locations of Subsidized Housing & Poverty Rate by Census Tract



City of Ontario: Locations of Subsidized Housing and Percent Latino by Census Tract



Additionally, as a means for mitigating the negative effects of the foreclosure crisis, the City Council passed an Abandoned and Distressed Property Ordinance in 2009 that requires owners of abandoned property to register with the Code Enforcement Director, pay an annual registration fee, and maintain their property in keeping with specified standards. If property owners fail to comply with the ordinance, the City has the ability to pursue enforcement actions against those owners. This policy is a bold and noteworthy strategy for protecting the interests of Ontario residents of neighborhoods with high numbers of foreclosed properties, neighborhoods which are heavily Latino.

The Fair Housing Strategy is, of course, very pertinent to this Analysis of Impediments to Fair Housing Choice (AI). The Inland Fair Housing and Mediation Board (IFHMB) prepared the 2010 AI, and the City has contracted with it to implement the actions identified in the AI which were designed to affirmatively further fair housing. This included investigation of fair housing complaints from individuals who alleged they had been discriminated against. The program also included an education component for the public on civil rights laws utilizing various mass media outlets. The City established five-year goals for investigating and mediating fair housing complaints. The education component consisted of presentations made to property owners, realtors, municipal staff, lenders and newspapers and fair housing outreach was done on radio, TV, newspapers and brochures.

Conclusion:

The City is to be commended for implementation of its Homeless Strategy which resulted in a League of Cities award in 2013 and its Abandoned and Distressed Property Ordinance. At the same time, the City should improve its strategy in order to better protect the rights of persons with psychiatric disabilities by seeking out resources to expand those components of its homeless strategy that adopt a Housing First approach.

The highest percentage of the City's funds for housing and community development was used to implement the City's Housing Strategy. The City is very aware of the need for more affordable housing. The 2013-14 CAPER makes note of the 2010 AI which cited the lack of adequate affordable housing as an impediment to fair housing opportunities and then describes constraints to the development of affordable housing, as follows:

Many factors inhibit the ability to provide affordable housing in Ontario including market and governmental constraints. These constraints may result in housing that is not affordable to low- and moderate-income households, or may render residential construction of affordable housing economically infeasible for developers. Constraints to housing production significantly impact households with low- and moderate-incomes and special needs. Actions by local government may also impact the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, development processing procedures, fees, and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

Strategies need to be developed to address these constraints.

ZONING AND LAND USE

The regulation of land use is an important local governmental function in the State of California. Depending on how that power is used, municipal action may promote inclusion, diversity, and equity goals, or, conversely, it may perpetuate or exacerbate residential segregation or hinder housing for persons with disabilities to a degree that violates the Fair Housing Act. In analyzing land use regulations in order to determine the degree to which they promote or hinder fair housing, it is necessary to look at several different issues:

- How do the regulations affect the volume of production and/or preservation of types of housing in which people in groups protected by fair housing laws are disproportionately likely to reside?
- How do the regulations affect the spatial distribution of that housing in relation to other housing, community assets, and undesirable land uses?
- Do any of the regulations directly target people in protected groups, especially persons with disabilities?

Land Use Regulations and the Production of Housing

One of the primary distinctions that zoning ordinances, including that of the City of Ontario, make between types of housing is between single-family homes, mobile homes, and multi-family housing. Figures 15 and 20 above present data depicting whether households in groups protected by fair housing laws are comparatively more likely to reside in types of housing that may be subject to different kinds of zoning treatment. With respect to race and ethnicity, Latino households are disproportionately likely to live in duplexes, triplexes, fourplexes, and mobile homes. African American households are the least likely of all groups to reside in single-family homes and the most likely to live in apartments. Single-parent households, which primarily have female heads of household, are more likely to reside in multi-family housing than two-parent households. Thus, in general, restrictions on multi-family housing in Ontario will tend to adversely affect the residential opportunities of African American, Latino, and female-headed households.

It appears that smaller-scale multi-family housing with two to four units per structure may be more integral to housing choice for Latino households than larger-scale multi-family housing. Thinking prospectively, however, it would be a mistake to focus on zoning that facilitates relatively low-density multi-family housing to the exclusion of higher density housing. This is the case because Latino, African American, and female-headed households are all disproportionately likely to be renters rather than homeowners. While units in structures with two to four units are about equally likely to be renter-occupied as units in structures with five or more units, higher density development is capable of producing many more units that would be accessible to renters.

The City of Ontario has seven traditional zoning districts that focus on residential uses. They are, from least dense to most dense, Agricultural Residential (AR), Residential Estates (RE), R1, R1.5, R2, R3, and HDR-45. Districts AR, RE, and R1 only permit single-family homes. Districts R1.5, R2, and R3 accommodate both single-family and multi-family housing. HDR-45 is specifically intended to accommodate high-density transit-

oriented multi-family development. The table below shows the types and densities of housing permitted in the various residential zones.

Table 10: Housing Permitted in Ontario

| Zoning District | Multi-Family, Single-Family, or Both | Number of Units in Structure Allowed | Maximum Density Allowed | Minimum Lot Size |
|-----------------|--------------------------------------|--------------------------------------|-------------------------|------------------|
| AR | Single-Family | 1 | 2 Units/Acre | 0.41 Acres |
| RE | Single-Family | 1 | 2 Units/Acre | 0.23 Acres |
| R1 | Single-Family | 1 | 5 Units/Acre | 0.17 Acres |
| R1.5 | Both | 1-4 | 11 Units/Acre | 0.11 Acres |
| R2 | Both | 1-6 | 18 Units/Acre | 0.11 Acres |
| R3 | Both | 1-12 | 25 Units/Acre | 0.11 Acres |
| HDR-45 | Multi-Family | 12+ | 45 Units/Acre | 0.46 Acres |

In reviewing the City's zoning map, R1 is, by far, the most common residential district. AR and R2 are the next most common residential classifications. RE, R1.5, R3, and HDR-45 are comparatively uncommon. This distribution of zoning districts has resulted in an array of housing types that features fewer single-family homes than other communities in the Inland Empire (but not than in the broader Los Angeles-Long Beach-Riverside, CA Combined Statistical Area) and fewer units in large apartment buildings than in other communities with similar percentages of single-family housing (and even fewer than in some communities with more single-family housing). The relatively large supply of structures with two to nine units is consistent with and may stem from the relatively widespread use of R2 zoning. Making greater use of R3 and HDR-45 zoning as opportunities for redevelopment arise within built-out areas of the City has the potential to ensure that Ontario would provide more housing opportunities to African American households, in particular, in the future.

An understanding of how traditional zoning has operated in Ontario is integral to making sense of the City's past and its present. However, planned unit development and other site-specific zoning will shape its future. The City projects future residential development and population to occur primarily within the New Model Colony, which will cover the southeastern portion of the city and is being developed on formerly agricultural land that the city annexed in 1999. All land use regulation for the various component developments comprising the New Model Colony is site-specific. That approach to land use controls has drawbacks and benefits. The level of control that it provides to the City could at times make it easier to overcome Not in My Backyard (NIMBY) opposition to inclusive developments. At the same time, if a developer wishes to build a development that would further fair housing goals, but which city officials oppose, highly discretionary site-specific zoning provides that developer with no ability to proceed as of right.

With those competing benefits and drawbacks in mind, the best way to determine whether the City of Ontario's use of site-specific zoning is promoting inclusion and housing opportunity for all is to analyze the various projects within the New Model Colony that have been approved. To date, nine projects have been approved. The projects cover 2,919

acres and will feature 10,760 single-family residences, 5,233 multi-family residences, 1,605,720 square feet of commercial space, and 550,000 square feet of business park space. Multi-family residences, as used in this instance, comprise everything from attached single-family homes (townhouses) to large apartment buildings with 50 or more units in a single structure. It is important to note that planning staff project that the long-term build-out of the New Model Colony will result in a distribution of housing types featuring higher proportions of multi-family housing than is described in the development agreements that have been approved to date.

To complicate matters, the site-specific plans for projects do not break down multi-family units by the number of units in the proposed structures. Instead, the plans describe the types of properties in ways that do not always correspond to the terminology of the existing zoning code. Nonetheless, there is a solid basis in the site-specific plans for concluding that the vast majority of units characterized as multi-family are attached single-family residences. Of the remainder of the multi-family units, many are duplexes and triplexes. The City does not contemplate the development of large numbers of units in apartment buildings. Consistent with this focus on townhomes and similar dwellings to the relative exclusion of apartments, the City's Housing Element projects the New Model Colony will contribute 4,369 units toward meeting its share of regional moderate-income housing need and 10,243 units toward meeting its share of above moderate-income housing need between 2013 and 2021, but zero units toward meeting the City's share of low-income housing need.

The lack of affordable housing and high-density housing projected to result from development activity in the New Model Colony raises fair housing concerns in light of the proportionally greater need for such housing among Latino, African American, and female-headed households. In order to ensure the availability of adequate affordable housing in an era of diminishing dedicated state and federal resources, it is necessary to leverage the energy and investments of the private development sector. Thus, the New Model Colony could be a once in a generation opportunity to produce new affordable units by both making the development of affordable housing attractive through high-density zoning and imposing regulatory requirements on developers through mandatory inclusionary zoning in order to facilitate the cross-subsidization of units.

To assist development of affordable housing within the New Model Colony, the City Council adopted Resolution No. 2007-023, which determined that the development and redevelopment of affordable housing is of utmost importance to promote the objectives of the General Plan, the Housing Element, revitalization objectives, and the overall supply of decent and affordable housing. The ordinance sets a sliding scale of fee reductions for residential projects reserving a portion of the units as affordable to very low- and low-income households. To assist New Model Colony developers and their substantial commitment to fund infrastructure improvements, the City issues reimbursements or credits to the developer for the eligible costs of public infrastructure based on the estimated eligible construction costs identified in the Master Facilities Plan that will serve their project.

Land Use Regulations and the Distribution of Housing

In addition to whether land use regulations impede or foster the production of housing types that households in groups protected by fair housing laws are disproportionately likely to occupy, it is important to analyze how that housing is distributed to the extent that it is allowed. To do this effectively, it is necessary to take a look at the traditionally zoned built-out portions of the City, the New Model Colony, and the two areas in relation to each other.

In the built-out portion of the City, zoning districts that allow multi-family housing are primarily, but not exclusively, found in corridors along Mission Boulevard, Mountain Avenue, Euclid Avenue, Holt Boulevard, and the San Bernardino Freeway. Most of this land is zoned R2. Land zoned HDR-45, the only classification that permits large apartment buildings, is more concentrated, only covering several parcels on the south side of Mission Boulevard between Palmetto Avenue and the City's border with Pomona to the west. Additionally, multiple developments near downtown that are subject to site-specific plans are zoned to allow 45 units per acre. On the other end of the spectrum, land zoned AR, the least dense residential district, is almost exclusively found in the southwestern portion of the built-out area of the City, between Mission Boulevard to the north, Sultan Avenue to the east, the Pomona Freeway to the south, and the City's border with Pomona to the west.

To promote development of more affordable housing, the City should strive to rezone parcels in areas where there is no multi-family housing to allow medium-density development. But, from a fair housing perspective, there is a more pressing need to expand HDR-45 zoning to additional parts of the city, particularly those in which detached single-family homes predominate and in which access to opportunity across a broad range of dimensions is highest.

Within the New Model Colony, the question of whether multi-family housing is concentrated must be assessed along two dimensions. The first question is whether multi-family housing is concentrated in particular projects while others are predominantly single-family. The second is whether, for projects that include multi-family housing, multi-family housing is dispersed or concentrated within the projects.

With respect to the first question, the residential components of three of the nine approved projects; Countryside, Subarea 29, and Westhaven, consist exclusively of detached single family homes. The Avenue consists of roughly three-quarters single-family units. Esperanza and Rich Haven consist of roughly two-thirds single-family and one-third multi-family units. Edenglen consists of approximately one-half single-family and one-half multi-family units. Lastly, Parkside and Grand Park consist of predominantly multi-family units. In addition, those two projects are adjacent to each other, raising the concern that multi-family units will be concentrated in a contiguous section of the New Model Colony while other areas, like Subarea 29 contain large, uninterrupted swaths of detached single-family homes.

A comparison of the New Model Colony to the traditionally-zoned portions of the City of Ontario is the last dimension for analyzing the effect of zoning on the location of the housing types in which protected class members are disproportionately likely to reside. Citywide 54.9% of housing units are in detached single-family homes as opposed to 67.3% of units in the New Model Colony. Additionally, as compared to units citywide, multi-

family units in the New Model Colony are less likely to be in apartment buildings. In relation to other parts of the City, the housing stock of the New Model Colony included in approved individual development agreements is less likely to serve members of protected classes. The City's General Plan projects a build-out of the New Model Colony that will have a more balanced mix of unit types, but it will be important to continually monitor the development of the area to ensure the realization of that goal.

Regulations That Target Persons with Disabilities Protected by the Fair Housing Act

A few provisions in the City of Ontario's zoning code have the potential to more directly affect housing choice for persons with disabilities. In particular, the City's regulations concerning residential care facilities and transitional shelters merit discussion. Additionally, the City's system for processing reasonable accommodations requests relating to land use regulations is an area of concern.

The City of Ontario deems all residential care facilities or group homes with six or fewer residents to constitute single-family residences, thus allowing the operation of such facilities in residential districts. By doing so, the City of Ontario affirmatively clarifies that barriers that some other municipalities manipulate in order to reduce housing choice for persons with disabilities are not obstacles in Ontario. In particular, some jurisdictions have been known to directly target group homes for adverse treatment or to apply neutral definitions of the term "family" to exclude group homes. Additionally, the zoning code's definition of a "family" is written in a manner that does not arbitrarily limit households to related persons. So long as a residential care facility has six or fewer residents, it is clear that those obstacles do not apply.

For residential care facilities with more than six residents, however, there is more ambiguity as to what rules apply in Ontario. The zoning code does not single out larger residential care facilities for negative treatment by concluding that they are not single-family residences. Instead, the city must apply the definition of a family as a "group of individuals...living together in a dwelling unit as a single housekeeping unit under a common housekeeping management plan based on an intentionally structured relationship providing organization and stability" on a case-by-case basis to determine whether the residents of larger residential care facilities constitute families. Then, even if the facilities do not meet the definition of a family under the zoning code, the City is obligated to accommodate the facility if the operator makes a request, if the accommodation is necessary to provide persons with disabilities equal opportunity to use and enjoy the property, and if providing the accommodation would not pose an undue burden on the City, constitute a fundamental alteration of the City's programs, or pose a direct threat to the health or safety of other individuals. That residential care facilities with more than six residents must go through these steps does not presumptively violate the Fair Housing Act; however, if the City either interprets the definition of a family with the purpose or effect of discriminating against persons with disabilities or fails to properly process reasonable accommodation requests, violations could arise.

The difference between the City's treatment of residential care facilities based on size appears to be the result of two factors. First, the City's affirmative favorable treatment of smaller facilities may reflect a presumption that all or the great majority of such facilities qualify as single-family residences under the definition of a family or be entitled to

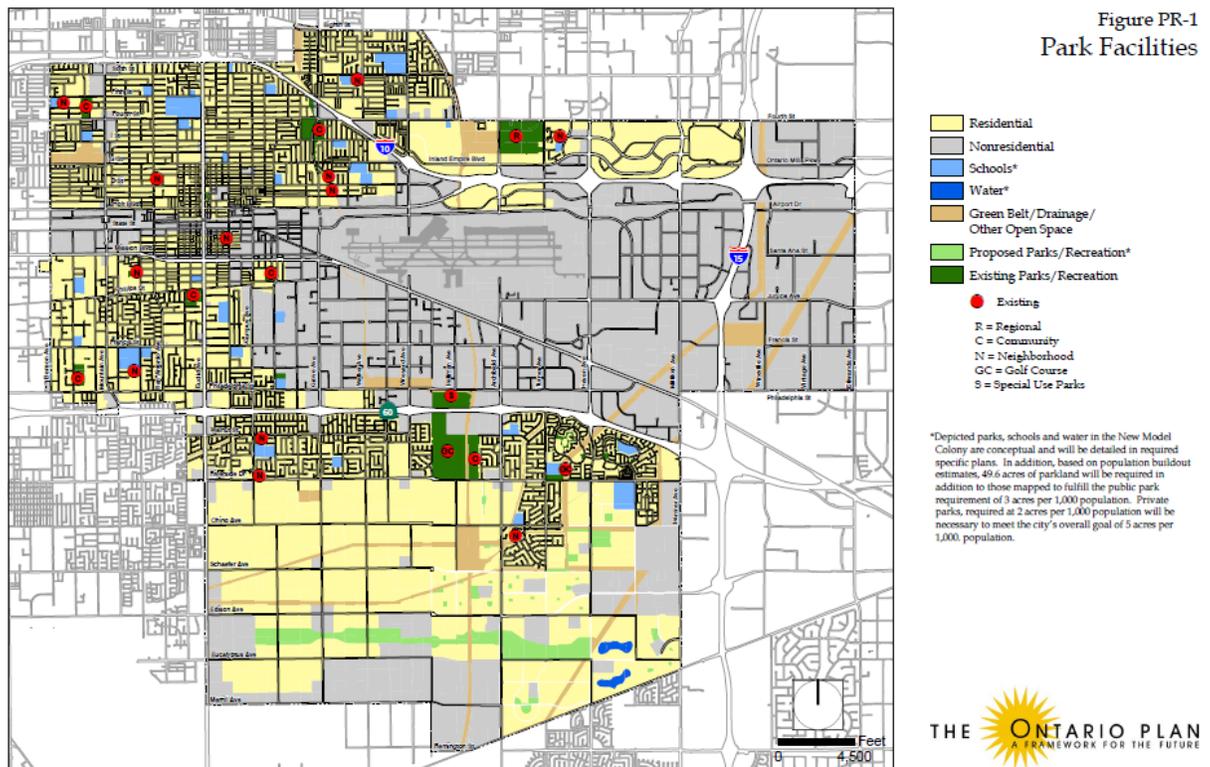
reasonable accommodations in the event that they do not meet the definition of single-family residences. Conversely, the City may have concluded that, as the size of the facility increases, the basis of those assumptions gradually erodes while allowing for case-by-case adjudication still protects persons with disabilities from potential discrimination. Second, as discussed in the section of this document addressing compliance with and implementation of the *Olmstead* decision, there has been a national trend toward more meaningful community integration for persons with disabilities. Recognition that smaller settings are more integrated than larger, congregate settings is integral to the philosophy underlying that trend (though supportive housing remains preferable to group homes). Treating smaller residential care facilities more favorably than larger ones could provide an incentive to the provider community, encouraging the development of comparatively more integrated facilities.

The second set of pertinent facilities that the City of Ontario directly addresses in its zoning code is temporary shelters, which include emergency shelters, supportive housing, transitional housing, and transitional living centers. The provisions relating to these types of uses have the potential to constrain the exercise of housing choice through gaps and ambiguities in the zoning ordinance as well as some problematic provisions. None of these terms are defined in the zoning code.

MUNICIPAL SERVICES AND COMMUNITY ASSETS

The City of Ontario provides a wide range of municipal services to its residents, including, but not limited to, code enforcement, police and fire protection, water and sewer management, trash and recycling services, parks, community centers, and libraries. When providing such services, jurisdictions must do so in a non-discriminatory fashion. Policies which provide municipal services in a discriminatory way are violations of the Fair Housing Act, equal protection as guaranteed by the Fourteenth Amendment, and state law. *See Committee Concerning Community Improvement v. City of Modesto*, 583 F.3d 690 (9th Cir. 2009); *Kennedy v. City of Zanesville*, 505 F. Supp. 2d 456 (S.D. Ohio 2007)).

It can be difficult to discern disparities in access to municipal services. While mapping the location of services and amenities paints an incomplete picture because it does not reflect the quality of services, it is still instructive. The map below of the City's parks reflects that parks are generally present across a wide range of residential neighborhoods. The largest gap in the map is in northwestern Ontario between Mountain Avenue on the west, the City's border with Upland in the north, Cucamonga Avenue in the east, and G Street in the south. This is an area that is higher income and more heavily non-Latino white than most of the City, and the gap is not expansive. Additionally, with respect to the New Model Colony, the City is requiring subdivisions to include dedications for public parks. This policy ensures that, while a relatively higher income section of the City will have access to parks, those amenities will not come at the cost of reduced investment in parks in low-income neighborhoods.

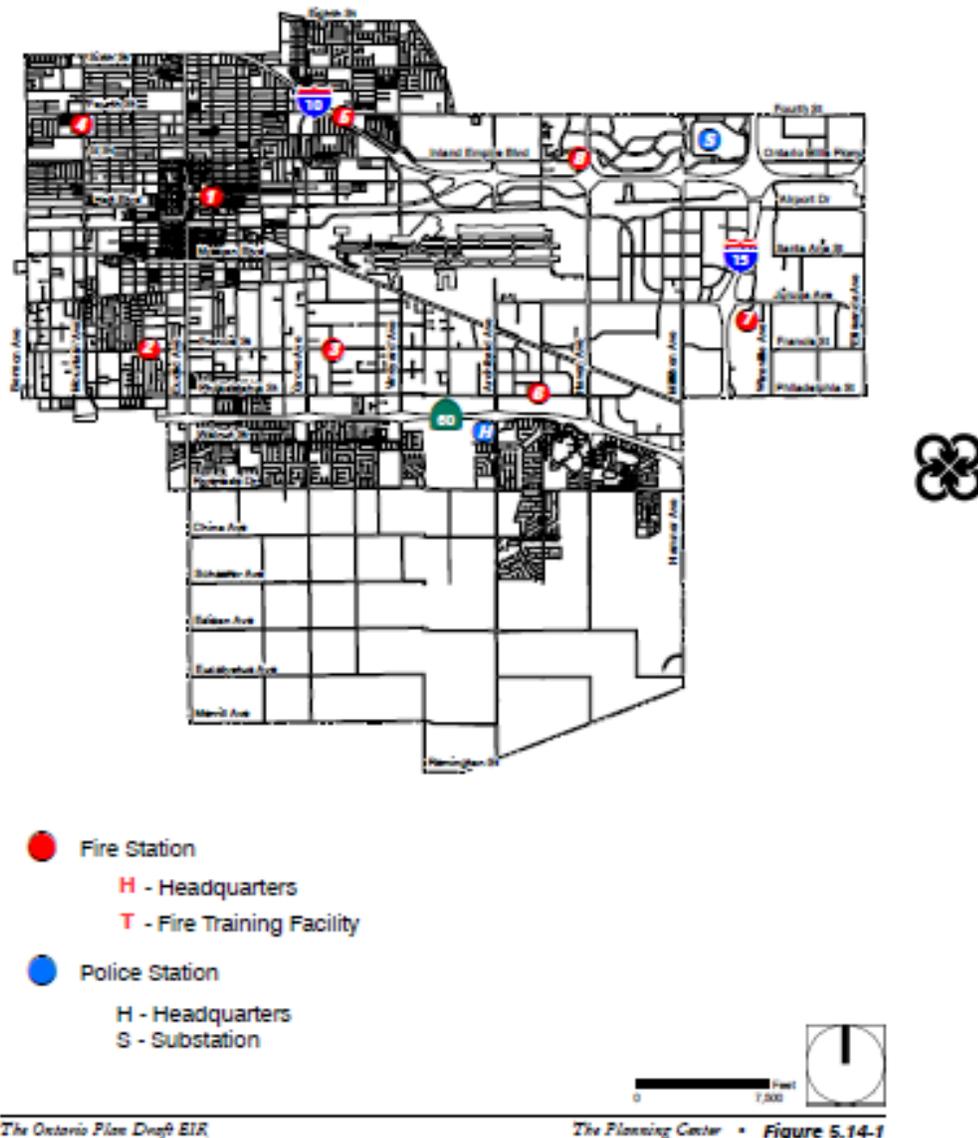


Like parks, the map below reflects that fire stations in the City of Ontario appear to be relatively evenly spaced and to serve various neighborhoods. By contrast, the City has only

one police substation, and many of the City's most heavily Latino neighborhoods are remote from both police headquarters and that substation. So long as response time to calls from those neighborhoods is fast, that geographic distance does not necessarily pose a problem. If, however, the City receives feedback that response time in northwestern Ontario is inadequate, the City should take that into account when planning the location of any future police substations.

5. Environmental Analysis

Police and Fire Station Locations



The City's Code Enforcement Department is tasked with, among other responsibilities, ensuring that landlords maintain their properties in habitable condition for their tenants. There is no indication that there are geographic gaps in the department's investigation and enforcement efforts, but some stakeholders reported that the process of involving the

department to resolve rental habitability issues can be time consuming. As renters in the City of Ontario are predominantly people of color, efforts to improve response time may help further fair housing choice.

No clear disparities in access to municipal services and publicly-provided community assets appeared during the preparation of this Analysis. Going forward, the City of Ontario should be mindful of the continued need to ensure equity in the provision of municipal services and community assets.

HOUSING VOUCHER ADMINISTRATION

Overall Impact of Voucher Program Design

In Ontario as elsewhere, the Housing Choice Voucher (HCV) Program is significant in providing essential housing assistance for many low-income families, as well as residents with disabilities or who are elderly. When operating at its potential, the voucher program can offer families residential choices beyond the areas where public housing has been concentrated, enabling them to access areas comparatively rich in educational, employment, and other resources, as the benefits of diversity. Because the voucher program is a resource for families, in particular, its locational outcomes shape the opportunities available to multiple generations. From the fair housing perspective, the HCV program is an especially important lever to expand housing choice and integration while meeting families' diverse long- and short-term needs. Conversely, HCV administration can raise barriers to fair housing by failing to connect families to opportunities beyond concentrated areas.

At the local level, details in HCV program architecture can have major impacts on individual families and, cumulatively, on a jurisdiction's pursuit of open and integrated housing. Housing choice may be either facilitated or barred at numerous junctures by a variety of factors, including: informational resources and other support supplied to clients, relations with landlords, identification and prioritization of areas of opportunity, and administrative hurdles to flexibility and portability in voucher use. In addition, for administrators to identify and replicate policies that further fair housing and avoid those that impede fair housing, ongoing assessments of locational and other outcomes serve a fundamental role.

Voucher holders in Ontario are reliant on the program's administration to provide them with fair and open choices in their homes and neighborhoods. This entails enabling families to make informed moves across neighborhoods in Ontario, but also across the region. Management of Ontario's housing vouchers takes place at the county level, through the Housing Authority of the County of San Bernardino (HACSB), which has offices in Ontario and other municipalities. The program's clients are overwhelmingly low-income with significant racial and ethnic concentrations.

HACSB manages a total of 8,324 privately-owned Housing Choice Program Units, 587 of which are located in Ontario. In addition, in the near future, voucher administration will expand to affect additional families. HACSB's housing portfolio is due to shift from public housing to voucher assistance, pending the anticipated conversion of its public housing portfolio to Housing Choice rental assistance beginning in 2015. This change would encompass 177 units located in Ontario. According to HUD's Picture of Subsidized Households, as of 2013 reporting, voucher-subsidized households in units administered by HACSB had an average income of \$14,627, with 93% very low-income; 56% of reporting households were Black, 27% Hispanic, 1% Native American, and 2% Asian. Reporting voucher-subsidized households in Ontario had an average income of \$15,781, with 91% very low-income; 45% of reporting households were African American, 36% Hispanic, 1% Native American, and 5% Asian.

Policies and Practices that Impact Fair Housing

Barriers to Portability and Moves

Voucher clients have portability rights enabling them to retain use of their vouchers when they move between jurisdictions, but administrative limits attached to the porting process can impair these rights and impede mobility. HACSB has instituted a work requirement for incoming “porting” vouchers. Exceptions are allowed for very limited circumstances, such as domestic violence. These limits have had the predictable effect in curtailing moves, as the housing authority states that “the number of inbound ports has decreased significantly” since it was instituted. While this initiative has reduced agency staff time and other administrative costs, it is also negatively impacting housing choice. This barrier to mobility impedes one of the statutory goals of the Moving to Work Demonstration, which is intended to “increase housing choices for eligible low-income families.”

An alternative method of reducing administrative costs associated with voucher porting that the HACSB should consider is the elimination of its re-screening policy for voucher holders seeking to port into the county. The delays and inconvenience of re-screening, which requires families to obtain duplicate paperwork and sometimes undergo lengthy appeals processes, can serve as a significant barrier to some residents seeking to move.

Even within county lines, families face administrative barriers to moves. Recipients of lease assistance may make elective moves only after a two-year period or must obtain HACSB approval for permissive moves, which are allowed at its discretion for reasons that include pursuing employment. Moves to access high-opportunity neighborhoods, particularly moves seeking high-performing school districts, should also be facilitated for families.

Resident briefings and the search process

The briefings provided to voucher clients when they move are an important source of information and guidance about residential opportunities throughout the region. In addition to delivering information about the voucher program, these briefings are often the resident’s best or only resource for learning about the relative benefits of various neighborhoods and rental markets beyond the area of their own experience. Because of this, the substantive content of the briefings can be a key driver of housing choices among voucher users.

In San Bernardino County, the HACSB requires that information provided at the briefing include the following: “where the family can lease a unit, including renting a unit inside or outside the HACSB’s jurisdiction” and “for families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations.” Briefing materials also include maps of low-poverty and low-minority concentration areas. The current briefing packet directs families to an external website (greatschools.org) in encouraging them to pursue information regarding school quality.

The resources currently issued to residents fail to provide sufficiently accessible or detailed information for families who are likely to be weighing important housing decisions under significant time and financial pressure. While the HACSB seeks to educate families about

the general benefits of moving from low-poverty concentration communities, the briefing materials do not offer the concrete information necessary to facilitate informed moves. Voucher clients cannot be assumed to have the resources or knowledge to obtain this information on their own. Most acutely, the briefing packet lacks any information on school poverty rates or performance; crime statistics; transit maps; or other key information that a voucher client needs to navigate the search process.

HACSB directs residents seeking rental properties to online search resources and databases, rather than offering lists of available properties or landlords.

Without detailed information about neighborhood opportunity characteristics accompanied by individualized counseling services, voucher clients are likely to struggle to identify the full range of housing choices available to them.

Marketing

Affirmative marketing policies seek to ‘level the informational playing field’ by encouraging the entry of underrepresented racial groups to a community and making special outreach efforts to these groups.” It has been shown that people from different racial groups are likely to have differing knowledge about neighborhoods within a metropolitan area. African Americans, whites and Latinos tend to have different “racial blind spots” – that is, communities they identify as those they “don’t know anything about,” which are generally neighborhoods that are inhabited primarily by other races. Affirmative marketing policies address these informational barriers through efforts to deliberately reach underrepresented populations.

HACSB requires that developers awarded project-based vouchers develop a marketing plan. However, to be fully effective, fair housing marketing should reach beyond the immediate market area of the development throughout the region. Effective marketing would entail more specific requirements in several respects:

- *Market area.* Designation of the “market area” is currently at the applicant’s discretion, and the ability to limit marketing to local areas (such as Census tracts) defeats the program’s intent in reaching those “least likely to apply.” Marketing should occur on a region-wide scale if it is to successfully promote residential integration and overcome the problem of racial blind spots. The “market area” should encompass the metropolitan statistical area or the regional planning area.
- *Targeting.* HUD’s Handbook offers helpful recommendations for determining what demographic group is “least likely to apply,” including the racial and ethnic composition of the residential area, as well as factors such as exclusionary zoning, advertising, or site selection policies that may have resulted in discrimination; language barriers; and income eligibility requirements. To identify those “least likely to apply,” developers should look to those factors but should compare the demographic composition of the Census tract in which the development is located with that of the *regional* market area. For existing developments, the composition of applicants and the tenant composition of low-income units should be compared to the *regional* demographics of income-eligible individuals.

- *Indicators.* Clear performance standards are needed in order to indicate where marketing efforts are achieving their aims, or whether changes to an Affirmative Fair Housing Marketing (AFHM) plan should be made.

Developers should be required to compare the tenant composition of low-income units within the development, as well as that of applicants, to the regional demographics of income-eligible individuals. Significant demographic disparities should trigger a referral to fair housing agency staff for review. If the review indicates that the disparities are attributable to a failure to affirmatively market, then additional outreach efforts should be required.

Payment standards

In many jurisdictions, the Fair Market Rent published by HUD serves as the single payment standard throughout the county. This fails to capture price differences among submarkets, although housing costs may vary significantly and reflect school quality and other services. County-wide payment standards can severely restrict access to housing without true cost savings (as they result in inflated spending in lower-opportunity areas).

As one of its MTW activities, HACSB instead applies “a local payment schedule that accurately reflects the varying rental submarkets that exist across [the] vast county.” Rather than applying HUD’s Fair Market Rents, HACSB establishes local standards for each of nine submarkets based on census tracts (relying on commissioned third-party market studies). These local standards are intended to enable families to move to lower-poverty areas, as they accurately reflect actual market rents within those submarkets. The “West Valley” submarket that includes Ontario designates higher payment standards than the HUD FMR, permitting families broader choice in units within the area:

Table 11: Fair Market Rents – San Bernardino County vs. Submarket 8 - 2015

| Bedrooms | 1 | 2 | 3 | 4 | 5 |
|----------|-------|---------|---------|---------|-------------------------|
| HUD | \$788 | \$908 | \$1,153 | \$1,629 | \$1,987 |
| MTW | \$950 | \$1,150 | \$1,400 | \$1,800 | \$2,200 \$2,530 \$2,860 |

This experimental policy, in place since HACSB’s MTW designation in 2009, can potentially do much to advance fair housing by making moves throughout the county (including Ontario) realistically accessible. However, more detailed benchmarks are needed to accurately track the activity’s success. The current benchmark reported to HUD is the percentage of participants in each submarket, focusing on the decrease in relative voucher use of two submarkets identified as being especially high-poverty census tracts. This level of reporting leaves unresolved to what degree residents are accessing the census tracts with the lowest-poverty tracts (i.e., where is the redistribution occurring). While the available data is auspicious, better tracking should be employed. Increased payment standards will be most effective if used in tandem with other strategies that promote choice, such as connecting tenants and landlords through marketing and outreach, provision of security deposit assistance, counseling, and other measures.

5. Project-based Voucher Locations

The competitive selection of project-based voucher properties currently uses the following criteria:

- Documented need for affordable rental housing in the area where the units are located;
- The extent to which the units contribute to the geographic distribution of affordable housing within the community in which they are located;
- Proposed units fully meet HACSB Local Inspection Standards;
- Prior experience of the owner/applicant in managing affordable rental housing properties;
- Location of the units in relation to public facilities, transportation and other services.

More detailed criteria prioritizing location in opportunity areas would better ensure fair housing outcomes for PBV properties. For example, under the above rubric, developers have leeway to define the “community” to their advantage and to disregard crucial drivers of opportunity such as school quality and poverty rates. Proposed projects should be evaluated for their contribution to better housing distribution at the regional as well as local levels, with a full slate of information on various metrics; transit, schools, crime, air quality, poverty and racial concentration, and other services, to be provided for evaluation. Scoring of potential projects should be heavily weighted to ensure a balanced distribution into opportunity areas.

6. Waitlist Management and Residency Preferences

HACSB employs a lottery system for placement onto its waiting list, with families subsequently pulled off the list based on preferences, placement order, eligibility screenings, and in order to maintain the mix of families served prior to MTW participation. Families may also be admitted outside this process for particular reasons such as displacement. HACSB maintains a single tenant-based wait list that has been closed since the 2007 lottery, but will reopen in 2015. As of the beginning of 2015, this waitlist had 4,003 families. Project-based voucher properties operate individual site-specific wait lists. The HACSB PBV Program has two preferences:

- Veterans’ preference; and
- Preference for households who resided in the community prior to conversion to PBV, and continue to reside in the community, who are currently eligible for participation in the PBV program.

Residency preferences may curtail housing choice because of their tendency to perpetuate racial segregation among neighborhoods and to disadvantage those “least likely to apply” for many developments. Preferences should be reserved for exceptional circumstances, such as preventing displacement when gentrifying neighborhoods are redeveloped *and* the preference system is not shown to impair integration.

COUNTY POLICIES

The ways in which the policies of San Bernardino County affect fair housing choice in the City of Ontario can be grouped in two categories. First, the County administers the same federally-funded housing programs that the City does in nearby communities that are part of the same real estate market as the City. Second, there are broad areas of policy, such as public health, where the County rather than the City has authority and responsibility, even within the City's boundaries.

Housing Expenditure Policies

The San Bernardino County Department of Community Development and Housing administers the CDBG program in 13 cities as well as the county's unincorporated areas. The Department also administers the HOME program in those same locations, as well as in the cities of Chino Hills, Rancho Cucamonga, and San Bernardino. Most of the southwestern portion of the county is incorporated, but there are still some unincorporated pockets near Ontario, including: a small area to the west of the City, south of Montclair, and north of Chino; a larger area to the northeast of the City, southeast of Rancho Cucamonga, and west of Fontana; and San Antonio Heights and other small enclaves in the foothills north of Upland and Rancho Cucamonga. Montclair, which receives both CDBG and HOME funds from the county, Chino Hills, and Rancho Cucamonga are the communities closest to the City of Ontario.

Even though county expenditures that increase the supply of affordable housing in high opportunity areas near the City of Ontario are not direct investments in the City, they can have the effect of furthering fair housing choice for members of protected classes in the City. In distributing HOME funds, the County uses a competitive application process rather than allocating funding to municipal sub-recipients on a formula basis. This structural feature of the county's administration is positive because it promotes greater transparency and accountability. Stakeholders need to only understand one set of evaluative criteria in order to know how HOME funds are being used. Additionally, the competitive allocation process, while not guaranteeing that projects in every municipality will receive funding, facilitates higher impact investments such as in the development of new affordable rental housing. Such investments, when strategically located, physically accessible, and affirmatively marketed, have the greatest potential to further fair housing choice. When the total pie is divided into too many pieces, the amount of funding available for any one project often becomes too small to move the ball forward.

While these structural features are a positive feature for fair housing choice, it appears that the County's use of HOME funds has not increased access to opportunity for low-income residents who are predominantly Latino and are disproportionately likely to have disabilities. As the table below shows, of the 19 properties in which the county has invested HOME funds during the FY 2013 program year and reported on in the CAPER for that year, 18 are in Census Tracts in which people of color comprise more than 60% of the population, and 18 are in Census Tracts where the poverty rate is over 20%. The one property that is not in a predominantly minority Census Tract is in an area that is 53.9% non-Latino white and has a poverty rate of 21.7%, hardly the type of investment that will foster significant housing in higher opportunity areas. Of more concern is that the majority

of the Census Tracts in which properties are listed in the report have very high levels of concentrated poverty of over 30%.

Table 13: Poverty and Race/Ethnicity in Census Tracts with San Bernardino County-Funded HOME units included in FY 2013-2014 CAPER, 2009-2013 American Community Survey

| Census Tract | Number of Properties | % People of Color | % Poverty |
|--------------|----------------------|-------------------|-----------|
| 20.23 | 1 | 61.9% | 15.2% |
| 73.05 | 3 | 70.8% | 26.5% |
| 94 | 1 | 77.6% | 54.7% |
| 95 | 1 | 66.1% | 29.1% |
| 98 | 6 | 76.4% | 39.1% |
| 99.04 | 1 | 80.5% | 32.7% |
| 99.05 | 1 | 75.9% | 41.0% |
| 99.13 | 2 | 70.9% | 38.5% |
| 100.11 | 1 | 74.1% | 37.9% |
| 100.25 | 1 | 68.8% | 26.5% |
| 103 | 1 | 46.1% | 21.7% |

In addition to administering federal housing programs, the County also administers California's Mental Health Services Act Housing Program within its borders. The County's most recent notice of available funding (NOFA) for this program was a combined NOFA for HOME funds, as well. This program is designed to create permanent supportive housing for persons with psychiatric disabilities. Its design reflects many of the best practices for increasing community integration and fair housing choice for persons with psychiatric disabilities, but it also leaves some key questions unresolved. Unfortunately, the County has not been receptive to funding development in the City of Ontario as well as other cities in the western portion of the County.

Positively, the NOFA for the program adopts a Housing First model, informs prospective developers of the need to comply with HUD Site & Neighborhood Standards at an early stage (which the county's 2013 HOME NOFA did not), incentivizes proximity to certain types of community assets, and targets resources to extremely low-income individuals. Although the reference to Site & Neighborhood Standards is constructive, the County could establish more explicit criteria for the location of housing in low-poverty neighborhoods. There is also an incentive in the NOFA for projects in the western part of the county, including Ontario.

The NOFA sets neither a floor nor a ceiling on the percentage of units within a proposed development that must be supportive housing, but cautions that the amount of subsidy available may depend on the extent to which a development provides permanent supportive housing. This word of warning could encourage developers to propose projects in which a large percentage, perhaps even all, of the units are set aside for persons with psychiatric disabilities. Prioritizing such projects would contribute to the segregation of persons with disabilities. Although the application deadline has passed, the City of Ontario should encourage developers applying for funds through the program in the future to propose developments in which between 10% and 25% of the units are permanent supportive housing.

Other County Policies

There are some categories of services that the County provides for which there is no equivalent agency in the City of Ontario. The San Bernardino County Department of Public Health operates public health clinics for low-income people, one of which is located in downtown Ontario. The Ontario Clinic provides the following services: reproductive health/STD services, immunizations, maternal health, TB skin testing, HIV services, primary care services, and pediatrics. Additionally, the San Bernardino County Transitional Assistance Department processes applications for a range of public benefits from county residents. These include Medi-Cal (Medicaid), CalWORKs (Temporary Aid to Needy Families), and CalFresh (food stamps). The City does not have a parallel department. As a result, the County plays a very significant role in meeting the social services needs of extremely low-income Ontario residents. The Transitional Assistance Department serves City residents from an office to the east of downtown Ontario and just north of the airport.

Conclusion

San Bernardino County does not fund projects in entitlement jurisdictions like the City of Ontario. In administering these funds, the County uses a NOFA process that is generally more transparent than many jurisdictions' methods of distribution for federal funds but should be improved to clarify the eligibility of entitlement jurisdictions for such funds. The most recent NOFA explicitly acknowledges HUD regulations concerning residential segregation and incentivizes proximity to community assets. Despite these positive features, the on-the-ground use of HOME funds has been concentrated in low-income communities of color, missing vital opportunities to foster integration. The NOFA includes some positive features with respect to community integration for persons with disabilities, but future language should be adjusted to ensure that between 10% and 25% of subsidized units are set aside for persons with disabilities. In crafting supportive housing programs and developing other subsidized housing, the City should cooperate closely with the County in light of the County's primary role in administering public health and public benefits programs. That role positions the County as a point of entry for a significant portion of the same populations that the City serves through its own programs.

CALIFORNIA HOUSING POLICY

The State of California plays a significant role in influencing housing choice for persons in groups protected by the Fair Housing Act in the City of Ontario and the broader Inland Empire. It does so through its administration of federal housing subsidies, setting budgetary priorities for the use of state revenues for affordable housing, and setting the legal landscape for municipal action on housing issues. This section reviews the state's actions with respect to those issues, their implications for the City of Ontario, and possible actions that the City could take to ensure that the state policies are playing a constructive role in affirmatively furthering fair housing within the City.

Low Income Housing Tax Credit Allocations

The Low Income Housing Tax Credit (LIHTC) program finances the vast majority of the nation's units of new affordable housing. At the state level, the California State Treasurer awards tax credits to developers on the basis of its annual Qualified Allocation Plan (QAP). California also has a state tax credit for affordable housing that is administered and allocated in the same manner as LIHTC. Since the start of the LIHTC program in the late 1980s, four developments have been placed into service in the City of Ontario. All of these developments are senior rather than family-occupancy housing.

Nationally, there is evidence that LIHTC projects overwhelmingly have been located in the highest poverty and most racially and ethnically segregated areas of cities with the effect of perpetuating and exacerbating residential segregation. That does not appear to be the case in Ontario. First, the four active projects have 257 low-income units and represent 3.9% of total LIHTC projects and 2.8% of total low-income LIHTC units in San Bernardino County. As the City has roughly 8% of the county's population, this suggests that LIHTC projects are not disproportionately concentrated in the City, although assessing the broader impact of LIHTC allocations in the Inland Empire would require a project-by-project assessment for hundreds of properties that is beyond the scope of this analysis. Second, although these developments are concentrated in the City's developed core, which tends to be lower income and less non-Latino white than the area of new, major development in the City, the New Model Colony, the table below reflects, that the existing LIHTC properties tend to be located in areas that have poverty and racial and ethnic characteristics that are roughly similar to the City as a whole rather than being more segregated and higher poverty. The New Model Colony presents an opportunity to affirmatively further fair housing. However, at this time, it appears that there will be no low income housing units in this development which potentially could exacerbate residential segregation. Therefore, in order to further fair housing, the City of Ontario should work with developers and with the State Treasurer to facilitate the development of family-occupancy LIHTC properties, including small set-asides of units for persons with disabilities who are at risk of institutionalization, in the New Model Colony

Table 14: LIHTC Units - Ontario

| Development | Low-Income Units | Year Placed in Service | Census Tract | Census Tract % Poverty | Census Tract % Non-White |
|------------------------------------|------------------|------------------------|--------------|------------------------|--------------------------|
| Seasons at Gateway Ontario Plaza | 78 | 1998 | 11.04 | 15.2% | 71.6% |
| Mountain View Senior Apartments | 84 | 2002 | 11.01 | 20.3% | 86.9% |
| Mountain View Senior Apartments II | 20 | 2007 | 11.01 | 20.3% | 86.9% |
| Ontario Senior Apartments | 75 | 2010 | 14 | 19.2% | 81.5% |

It also should be noted that the provision of senior LIHTC housing to the exclusion of any family LIHTC units raises some fair housing concerns on three levels. First, while the provision of a disproportionate share of housing resources to older individuals does not violate the fair housing rights of younger people who are not statutorily protected, the concentration of senior housing in buildings or complexes that are entirely for elderly occupancy does raise concerns of segregating older persons on the basis of age. Second, in Ontario, 15.7% of non-Latino white residents are age 65 or older as opposed to just 5.0% of Latino residents, 9.8% of African American residents, and 9.9% of Asian American residents. Limiting LIHTC housing to senior housing developments can have the effect of reducing affordable housing opportunities for people of color. Third, in light of the pressing need for permanent supportive housing for persons with intellectual and developmental disabilities (ID/D) and psychiatric disabilities, the focus on senior housing limits the ability of the LIHTC program to meet those needs.

A review of the effect of the policies of the State Treasurer in administering LIHTC on the development of actual properties on the ground can be difficult to trace and involve multiple interrelated factors. First, the state apportions its allocation geographically by region. Under the 2015 QAP, the Inland Empire, consisting of Imperial, Riverside, and San Bernardino Counties, has an 8.3% (approximately one-twelfth) share of the combined federal and state credit ceiling. Those three counties include 11.9% of the state's population so it is likely that the counties will be underrepresented with respect to LIHTC allocations going forward.

Next, the QAP awards two incentive points to LIHTC applications that are located in qualified census tracts and contribute to a concerted community revitalization plan. The state is required by federal statute to include an incentive to this effect though it has the discretion to determine how many points to offer. Compared to other states, this incentive provides only weak encouragement for LIHTC developments that are part of a community revitalization plan in high poverty areas. Conversely, the QAP does not include any incentives for developments in low-poverty communities which would tend to promote residential integration.

Third, the QAP requires that properties be properly zoned for their intended use by the time the application is submitted. To the extent that low poverty and high opportunity areas often have restrictive zoning, this requirement may impede attempts to build LIHTC housing in such areas. In order to ensure that the LIHTC program promotes equity goals,

therefore, local governments like the City of Ontario have an important role to play in collaborating with affordable housing developers to ensure proper zoning for parcels in high opportunity areas.

Lastly, applications can receive up to 20 points for leveraging various resources, including public funds. Thus, the City of Ontario has the opportunity to make affordable housing development proposals within its borders much more competitive through the commitment of CDBG and HOME funds or other resources. Because of the need for affordable units for low income households in lower poverty areas like the New Model Colony, the City should provide strategic financial assistance to proposed LIHTC developments in such high opportunity areas.

With respect to the provision of permanent supportive housing for persons with disabilities, the QAP creates a set-aside of 4% of the total allocation for special needs housing. However, in order to qualify as special needs housing, persons with disabilities must comprise 50% of householders, a level of concentration that would perpetuate the segregation of persons with disabilities. As evidenced by Congress's reforms to the Section 811 program, a maximum of 25% of units, preferably lower, should be set-aside for persons with disabilities in a given development in order to ensure community integration.

Inclusionary Zoning

Mandatory inclusionary zoning (IZ) is a powerful tool for both the production of affordable housing and for promoting social inclusion and residential integration. Under IZ, developments that meet a jurisdiction's chosen threshold criteria are required to set aside a certain percentage of units as deed-restricted affordable housing. Thus, IZ avoids the common pitfall of affordable housing being geographically isolated from economic opportunity. However, litigation over the validity of IZ ordinances has significantly limited the effectiveness of IZ programs in California in recent years.

In *Palmer/Sixth Street Properties v. City of Los Angeles*, the California 2nd District Court of Appeal affirmed a Superior Court ruling prohibiting the application of Los Angeles's IZ ordinance to new rental properties. The court held that applying IZ to rental properties violates the Costa-Hawkins Rental Housing Act, which limits the use of rental control at the local level. The California Supreme Court declined to review the 2nd District's decision in the case. Although the lower court's order only directly affected Los Angeles's IZ ordinance, many jurisdictions across the state began to voluntarily refrain from applying their ordinances to rental properties out of concern that other courts would follow *Palmer*. This state of affairs has adversely affected the production of affordable rental housing. IZ is a more effective strategy for producing rental units than it is for owner-occupied units. In response, the California State Legislature passed A.B. 1229 in 2013, which would have clarified that the application of IZ to rental properties does not violate the Costa-Hawkins Rental Housing Act. However, Governor Jerry Brown vetoed the bill, and uncertainty continues to prevail.

In *California Building Industry Association v. City of San Jose*, in 2013, the California 6th District Court of Appeal reversed a Superior Court ruling that had invalidated the City's IZ ordinance. The Superior Court held that the City had failed to demonstrate a sufficient connection between the impact of private residential development and the need for

affordable housing. The 6th District Court of Appeal's reversal held that the city did not need to demonstrate such a connection. Instead, it held that IZ was an exercise of the city's police power and only needed to bear a reasonable relationship to the public welfare, a much more relaxed standard. The California Supreme Court agreed to hear the case, and oral argument is scheduled for April 8, 2015. Despite the fact that the city prevailed in the 6th District, municipalities have reacted to the uncertainty surrounding the standard of review for IZ ordinances cautiously, with many commissioning "nexus studies" to demonstrate the connection between private residential development and the need for affordable housing within their jurisdictions.

Ontario does not have a mandatory IZ ordinance but does offer incentives, including density bonuses, to developers that set aside affordable units. Because affordable units for families are at least as needed, if not more needed, than senior developments, the City should expand the availability of incentives to housing that is not age-restricted. The City should also monitor legislative attempts to fix the effect of *Palmer/Sixth Street Properties*. If those attempts are successful, the City should consider adopting mandatory IZ. In drafting such an ordinance, the City will have to determine what level of detail and discussion is needed in the ordinance's statement of purpose to survive whatever test the California Supreme Court decides is applicable in *California Building Industry Association*. IZ would be particularly valuable in providing affordable housing in the New Model Colony.

State Affordable Housing Funding Vehicles

Like cities throughout California, Ontario's ability to produce affordable housing has been severely weakened by the dissolution of the state's Redevelopment Agencies under the 2011 Budget Act. Redevelopment Agencies were required to spend 20% of their revenue on affordable housing, which amounted to an annual investment of approximately \$1 billion in affordable housing. Although the provision of affordable housing, in and of itself, does not further fair housing, the strategic use of affordable housing resources can play a pivotal role in breaking down barriers to housing opportunity for people of color and persons with disabilities. There have been many attempts to replace that source of funding through bills to reestablish the agencies, but those that were successful were vetoed. Moreover, a proposed initiative in 2014 failed to qualify for the ballot. As a result, localities continue to lack the resources to sustain their prior levels of affordable housing development activities.

The most promising new source of funding for affordable housing in California is the Affordable Housing and Sustainable Communities Program, which will be funded by the state's Greenhouse Gas Reduction Fund at roughly \$200 million per year. Unlike Redevelopment Agencies, the program is administered at the state level. While the City of Ontario may not be able to play a direct role in guiding housing investments under this program, the City should still cooperate with developers who are seeking to build transit-oriented affordable housing in locations that would increase access to opportunity and with unit targeting in place that would increase the availability of permanent supportive housing for persons with disabilities. This cooperation could take the form of rezoning, the issuance of municipal bonds, or the contribution of CDBG or HOME funds.

Lastly, A.B. 1335, which is pending in the California State Assembly would create a state affordable housing trust fund that would be financed through a \$75 fee on the recordation of certain documents. Such a proposal has the potential to disentangle the funding of affordable housing development from other more volatile issues, like energy or redevelopment. The City of Ontario should consider supporting the passage A.B. 1335.

Conclusion

The climate for the production of affordable housing in California is uncertain. Although the creation of the Affordable Housing and Sustainable Communities Program is a positive development, there are still fewer state resources available for affordable housing in California than there were in 2011. Additionally, the building industry's legal challenges to IZ have limited the effectiveness of an important tool for promoting inclusive residential development through the exercise of land use controls. Because all LIHTC properties in Ontario are senior occupancy and all of those properties are in the built-out portion of the City, the LIHTC program has been underutilized as a vehicle for creating opportunities for low-income minority families in the New Model Colony and permanent supportive housing for persons with disabilities who are at risk of institutionalization.

The City of Ontario should collaborate with affordable housing developers that are proposing projects that would further fair housing choice under the Affordable Housing and Sustainable Communities Program or LIHTC in order to ensure that their applications are likely to succeed. The City should also use IZ to promote the inclusive development of affordable housing, particularly within the New Model Colony. In its policy agenda, the City should support efforts to make more funding available for affordable housing development, strengthen IZ, and enable the LIHTC program to foster development in high opportunity areas and the development of integrated permanent supportive housing.

FAIR HOUSING CHOICE FOR PERSONS WITH DISABILITIES

In order to achieve true fair housing choice for persons with disabilities, public entities that provide services to such persons are required by the Americans with Disabilities Act (ADA), as interpreted by the U.S. Supreme Court in 1999 in *Olmstead v. L.C.*, and other federal statutes, to offer those services in the most integrated setting appropriate to the individuals' needs and choice. Although most efforts to enforce this legal standard have focused on health care services funded through Medicaid, housing programs offered by state and local government agencies are also subject to the same integration mandate. Indeed, it is only when persons with disabilities have both the integrated supportive services and the integrated housing that they need that the goals of the ADA are met. If those complementary pieces are not in place, persons with disabilities who lack integrated options may end up residing in institutional settings, including but not limited to transitional homeless shelters, state hospitals, and nursing homes, despite their wishes to the contrary.

Although the protection of the ADA extends much more broadly, persons with psychiatric disabilities and persons with intellectual and developmental disabilities (ID/D) are at the highest risk of unjustified, discriminatory institutionalization. To evaluate the degree to which persons with psychiatric disabilities and persons with ID/D in the City of Ontario are achieving integration into the community, it is necessary to look at the availability and quality of *both* supportive services *and* housing. Because persons with psychiatric disabilities and persons with ID/D are disproportionately likely to have very low and extremely low incomes, it is crucial that resources be available to make housing affordable. This section of the AI will look, in turn, at the availability of supportive services and integrated affordable housing.

Disability Data

Demographic data on disability status is notoriously limited, and interpreting that limited data can be quite difficult as the categories that are used may not bear a close relationship to the ways in which disability status intersects with housing choice. To make things more difficult in the near term, the Census Bureau changed its methodology for asking about disability status in 2008. As a result, in order to make comparisons of the population of persons with disabilities at different points in time, it is necessary to use American Community Survey 1-Year Estimates, which have a high margin of error for disability status for populations of roughly Ontario's size. Nonetheless, by looking at a variety of different data points, it is possible to create a composite picture that can inform an analysis of public policies and private market practices.

In general, a relatively low proportion of the population of the City of Ontario reports having a disability. The proportion of Inland Empire residents reporting having a disability is slightly higher though still lower than the national average. This was true in 2008 as well as in 2013 though the gap between the City and the region appears to have widened slightly in recent years. Rather than any difference in the health conditions affecting people in the City and the region, the gap appears to primarily be a function of age. The proportion of persons with disabilities increases dramatically with age. The Inland Empire, in general, and the City of Ontario, in particular, have very young populations. The data on the percentage of persons with disabilities by race and ethnicity bear this out. Among people

who are 65 or older, Latinos and African American are actually more likely to have disabilities than non-Latino whites, while Asian Americans are only slightly less likely to have disabilities than non-Latino whites. Non-Latino whites, however, are significantly more likely to be 65 or older.

**Table 15: Disability Status of Civilian Non-institutionalized Population
Ontario and Riverside-San Bernardino-Ontario MSA – 2013 1 Year Estimates**

| | Ontario | MSA |
|-------------------|---------|-------|
| All Ages | 7.9% | 11.2% |
| Under 5 Years | 0.9% | 0.5% |
| 5 to 17 Years | 2.8% | 4.4% |
| 18 to 64 Years | 6.5% | 9.6% |
| 65 Years and Over | 39.8% | 38.3% |

**Table 16: Disability Status of Civilian Non-institutionalized Population
Ontario and Riverside-San Bernardino-Ontario MSA – 2008 1 Year Estimates**

| | Ontario | MSA |
|-------------------|---------|-------|
| All Ages | 9.3% | 10.4% |
| Under 5 Years | 0.0% | 0.6% |
| 5 to 17 Years | 4.4% | 3.8% |
| 18 to 64 Years | 8.6% | 8.9% |
| 65 Years and Over | 48.9% | 40.7% |

**Table 17: Disability Status by Race and Ethnicity
Ontario and Riverside-San Bernardino-Ontario MSA – 2009-2013 5 Year Estimates**

| | Ontario | MSA |
|---|---------|-------|
| White Alone, Not Hispanic or Latino | 14.7% | 14.7% |
| Hispanic or Latino | 6.9% | 7.8% |
| Black or African American Alone | 13.2% | 13.7% |
| American-Indian or Alaska Native Alone | 12.4% | 16.2% |
| Asian Alone | 7.4% | 7.5% |
| Native Hawaiian or Other Pacific Islander Alone | 15.5% | 8.5% |
| Some Other Race Alone | 5.9% | 7.4% |
| Two or More Races | 8.6% | 9.2% |

Supportive Services

ID/D

The Inland Regional Center (IRC), based in the City of San Bernardino, provides services to persons with ID/D in Riverside and San Bernardino Counties, including Ontario. During Fiscal Year 2013-2014, the IRC served 30,631 consumers of all ages, 53.8% of whom had a diagnosis of intellectual disability, 19.7% of whom had a diagnosis of autism, and 20.5% who had no diagnosis. Persons served who had intellectual disabilities were more likely to be adults, those who were on the autism spectrum were more likely to be 3 to 21 years old, and those with no diagnosis were more likely to be less than three years old. 39.7% of the IRC's clients were age 22 or older while 60.3% were age 21 or below.

Although the vast majority of persons served by the IRC of all ages live in the homes of their parents or guardians, the need for supportive housing and the risk of unjustified institutionalization and segregation is greater for adults with ID/D. 17.5% of adult IRC clients live in community care facilities, and 8.2% live in intermediate care facilities (ICFs). Although less segregated than traditional institutions like California's Developmental Centers, ICFs, in particular, and community care facilities are unlikely to be the most integrated settings appropriate to the needs of persons with ID/D. Meanwhile 13.2% of adult clients reside in independent living or supported living, the most integrated array of settings.

This imbalance between ICFs and community care facilities, on the one hand, and supported living arrangements, on the other, may be the result of a lack of provider infrastructure to deliver services in integrated settings, a lack of available deeply affordable integrated housing, or some combination of the two. The City of Ontario should target a portion of its housing resources to meeting the needs of persons with ID/D in supportive housing and should encourage the Housing Authority of the County of San Bernardino to do likewise. If there are service provider delivery gaps, the City should encourage the IRC to provide the training and technical assistance necessary to overcome those barriers.

It is unknown precisely how many persons with ID/D are being served by IRC in the City of Ontario. The California Department of Developmental Services (DDS) provides data on the number of clients served by regional centers and Early Start by zip code, but does not break down the population served by city within the Inland Empire. Because those two populations are aggregated, it is unknown precisely how many persons with ID/D the IRC is serving in the City of Ontario. Nevertheless, 1,179 individuals receive services from regional centers or Early Start in zip codes 91761, 91762, and 91764, all of which cover the City of Ontario. If all of those individuals received services from regional centers rather than Early Start, the percentage of total IRC consumers from Ontario would almost exactly match Ontario's share of the region's population. Since at least some of those individuals are Early Start consumers, it is likely that Ontario residents are at least slightly underrepresented among IRC consumers.

In addition to the IRC, DDS provides services to persons with ID/D in a diminishing number of developmental centers, which are institutional settings. Three of the remaining institutions are traditional large institutions, while one, Canyon Springs, was opened in 2000 and has a smaller capacity of 63. Fairview Developmental Center, located in Costa Mesa in Orange County, and Canyon Springs, located in Cathedral City in Riverside County, are the two closest DDS facilities to Ontario. Until late last year, the now closed Lanterman Developmental Center in Pomona was the closest facility to Ontario as well as the one most likely to serve Ontario residents. Of the 352 consumers discharged from Lanterman during its final five years of operation, 10.5% were from the IRC's service area. Information on the proportion of Fairview's 289 residents and Canyon Springs' 51 residents who are from the IRC's service area, in general, and Ontario, in particular, is not available. Nonetheless, as DDS continues to make progress toward the goals of meaningful community integration and deinstitutionalization, the City of Ontario should be prepared to collaborate with other agencies in ensuring that the housing and support needs of persons with ID/D in existing institutions are met.

Mental Health

In the City of Ontario, the San Bernardino County Department of Behavioral Health plays the lead role in coordinating the provision of Medicaid-funded supportive services to persons with psychiatric disabilities. The California Department of Health Care Services also provides oversight over community-based mental health care services. In Fiscal Year 2013, a total of 29,077 persons received Medicaid funded services for persons with psychiatric disabilities in San Bernardino County. Those services included inpatient services, residential services, crisis stabilization, day treatment, case management, mental health services, medication support, crisis intervention, and therapeutic behavioral services.

The population of persons receiving services comprises 5.19% of the overall Medicaid-eligible population. Persons with psychiatric disabilities receiving Medicaid-funded services are much more likely to be African American and much less likely to be Latino than the population of the county as a whole. In general, Medicaid-eligible San Bernardino County residents appear to receive services at rates roughly similar to Medicaid-eligible individuals statewide across an array of services. However, San Bernardino County residents are much less likely to receive case management services. Only 0.77% of Medicaid-eligible county residents receive case management services as opposed to 2.25% of the Medicaid-eligible population statewide. Additionally, across most types of services and all of the most commonly used types of services, the dollar value of approved claims per beneficiary served per year in San Bernardino County is markedly less than statewide.

The California Department of State Hospitals maintains nine institutions for persons with psychiatric disabilities. Two of those facilities, Patton State Hospital in the City of San Bernardino and Metropolitan Los Angeles State Hospital in Norwalk, are in Southern California. Patton State Hospital only admits persons who qualify under California's Penal Code while Los Angeles Metropolitan State Hospital also admits persons who have been civilly committed. Although data on the city or county of origin for persons with psychiatric disabilities who have been confined to state institutions is not available, Ontario residents who are civilly committed are most likely to be confined to Metropolitan Los Angeles State Hospital while those who are confined in accordance with the Penal Code are likely to be in either institution. Patton State Hospital has a licensed bed capacity of 1,287 and a current patient census of 1,510. Metropolitan Los Angeles State Hospital has a licensed bed capacity of 1,054 and a current patient census of 635.

Supportive Housing

Many persons with ID/D or with psychiatric disabilities have extremely low or very low household incomes and, as a result, need affordable housing in order to avoid living in comparatively segregated settings like institutions, ICFs, and group homes. These housing needs are particularly acute for individuals who have aged out of foster care, and whose aging parents are no longer able to provide homes for them, or who are exiting institutions. If the infrastructure for the provision of supportive systems discussed above is operating properly, the nature and extent of individuals' disabilities should play no role in determining whether integrated permanent supportive housing is a residential option. Instead, the informed choice of the individuals should determine whether persons with ID/D or psychiatric disabilities reside in supportive housing.

The difficulty facing localities like Ontario, however, is that traditional site-based programs are easier and more economical to operate. Such programs for providing services, such as institutions and group homes, are generally able to provide housing for persons with disabilities without tapping into housing funding streams to do so. Instead, they are able to rely on state revenues used to maintain institutions constructed long ago, and Medicaid to fund group homes. By contrast, the provision of permanent supportive housing generally requires the use of housing-specific resources, whether state or federal. While the total combined cost of providing housing and supportive services in permanent supportive housing is lower than under any other program, new agencies must become involved in paying those costs, despite not necessarily receiving additional revenue themselves.

The City of Ontario has made some strides toward meeting the need for integrated permanent supportive housing. In particular, the City has used Continuum of Care and Neighborhood Stabilization Program (NSP) funds to support the activities of Mercy House to acquire and rehabilitate units for use as permanent supportive housing. These investments have resulted in the provision of 62 units, 12 of which have been set aside for persons with psychiatric disabilities who are homeless. Because the Continuum of Care program is one that is targeted at homelessness, units produced through the program are not available to persons with ID/D or psychiatric disabilities who are not homeless. Nonetheless, the City's collaboration with Mercy House is a good first step toward the goal of providing integrated permanent supportive housing to extremely low and very low-income persons with disabilities who may otherwise be at risk of homelessness or unjustified institutionalization, including incarceration. Especially as NSP has come to an end, the City should consider investing other resources such as CDBG and HOME funds, in combination with municipal bonds, to further expand the availability of supportive housing. In doing so, it should make permanent supportive housing available to persons with ID/D and psychiatric disabilities who are presently living in segregated settings or who are at risk of unjustified institutionalization.

Providing permanent supportive housing, in and of itself, does not ensure that a jurisdiction is complying with the letter and the spirit of the Fair Housing Act and the ADA. How a jurisdiction structures its programs is also hugely important. The Housing First program of providing permanent supportive housing is an evidence-based practice that has shown great promise in reducing homelessness in a cost-effective manner that respects the autonomy of residents. Under a Housing First program, permanent housing is the first rather than the last step toward ending homelessness. Rather than conditioning housing on compliance with an array of criteria, the Housing First program recognizes persons with psychiatric disabilities are best able to tackle the challenges in their lives once they are in stable housing. When making future investments in permanent supportive housing, the City of Ontario should consider a shift from a Continuum of Care program to a Housing First program. Such a shift is likely to make the City more competitive for federal grant funds, particularly through the Section 811 Project Rental Assistance program, as federal agencies have begun to promote the Housing First program.

Olmstead Compliance Issues

A brief discussion of non-compliance with civil rights protections related to community integration for persons with disabilities in the state and region is necessary to understanding the barriers to and opportunities for *Olmstead* implementation.

In 2011, the California Department of Health Care Services and the California Department of Social Services agreed to a settlement agreement with the plaintiffs in *Katie A. v. Bonta*. In *Katie A.*, the plaintiffs challenged the failure of the State of California and the County of Los Angeles, which had settled the claims against it in 2003, to provide and home and community-based mental health services to children in foster care or at risk of removal from family homes. The settlement agreement required the state agencies to use Medicaid resources to address those deficiencies. Although the plaintiffs' complaint focused primarily on Los Angeles, the 2011 settlement required the state agencies to take remedial action statewide, including in San Bernardino County and the City of Ontario. Federal court supervision of the implementation of the settlement agreement ended in December 2014.

In 2006, the U.S. Department of Justice reached a settlement agreement with the State of California over alleged violations of the Civil Rights of Institutionalized Persons Act (CRIPA) at Metropolitan State Hospital, Napa State Hospital, Patton State Hospital, and Atascadero State Hospital. In particular, the Justice Department alleged that there was a "pattern and practice of preventable suicides and serious, life threatening assaults on patients by staff and other patients" at the institutions. The settlement agreement required the state to institute reforms to prevent future abuses and ensure the availability of supportive services. In 2006, the Justice Department also issued a letter of findings detailing alleged violations of CRIPA at Lanterman Developmental Center. That letter of findings did not result in litigation, and Lanterman is now closed. These enforcement actions by the Justice Department reveal the real harm inflicted on persons with ID/D and psychiatric disabilities when they are subjected to institutionalization.

Although not directly related to civil rights compliance, the California Department of Developmental Services' decision to place the IRC on probation in 2011 as a result of concerns about financial management practices is also worthy of mention. In order for service system for persons with ID/D to operate most effectively, persons with disabilities, their families, service providers, and housing providers must have confidence in the ability of public entities to perform their duties in a responsive, ethical manner. The IRC has implemented corrective actions to address the state agency's concerns but remains under probationary status.

Conclusion

The populations of persons with ID/D and psychiatric disabilities in the City of Ontario far outpace the availability of integrated permanent supportive housing. The California Department of Health Care Services, the California Department of Developmental Services, the Inland Regional Center, and the San Bernardino County Department of Behavioral Health must have the resources available and build the provider capacity necessary to ensure that persons with ID/D and psychiatric disabilities have access to community-based services. At the same time, the City of Ontario should encourage those efforts and invest its own resources in the provision of integrated permanent supportive housing. In doing so, the City should build on its collaboration with Mercy House but shift toward a Housing First rather than a Continuum of Care approach in order to ensure maximum cost effectiveness and to protect the dignity and autonomy of persons with disabilities. By implementing these policies, the City would further fair housing choice for persons with disabilities by helping to realize the promise of the ADA and the Supreme Court's decision in *Olmstead v. L.C.*

PRIVATE SECTOR COMPLIANCE

FAIR HOUSING COMPLAINTS

Ontario is served by the Inland Fair Housing and Mediation Board (IFHMB), a non-profit agency who contracts with the City of Ontario to receive fair housing complaints. IFHMB investigates complaints and provides assistance to individuals in resolving the issues at hand. The Board works to mediate disputes, and, when appropriate, refers cases to the California Department of Fair Employment and Housing (DFEH), the Department of Housing and Urban Development (HUD), IFHMB's own internal FHIP, and/or private attorneys for continuation.

IFHMB reports that, from January 2010 through March 2015, it received 245 fair housing complaints. As reflected in the charts below, more than half of these complaints – 138 – alleged discrimination on the basis of disability. The next most populous complaint basis was race, a distant second with only 31 complaints. The least amount of complaints received were those of discrimination based on religion, sexual orientation, and source of income.

The following represents the fair housing complaints received by IFHMB from January 2010 to March 2015 and the IFHMB's disposition of them.

Table 18: IFHMB Fair Housing Complaints in Ontario – January 2010 to March 2015

| Basis of Complaint | Number of Complaints | Case Resolution | | | | |
|--------------------|----------------------|----------------------|------------|-----------------------|----------------------|------------------------|
| | | Information Provided | Unresolved | Resolved Conciliation | Denied Accommodation | Received Accommodation |
| Age | 10 | 9 | 1 | | | |
| Arbitrary | 7 | 5 | 1 | 1 | | |
| Disability | 138 | 74 | 7 | 29 | 4 | 24 |
| Familial Status | 18 | 17 | | 1 | | |
| Marital Status | 6 | 3 | 1 | 2 | | |
| National Origin | 15 | 15 | | | | |
| Race | 31 | 25 | 3 | 3 | | |
| Religion | 2 | 1 | 1 | | | |
| Sex | 10 | 8 | | 2 | | |
| Sexual Orientation | 3 | 2 | | 2 | | |
| Source of Income | 5 | 3 | 1 | 1 | | |

| Basis of Complaint | Number of Complaints | Case Resolution | | | | |
|--------------------|----------------------|------------------|-----------------|-----------------------------|----------------------------|------------------|
| | | Referred to DFEH | Referred to HUD | Referred to DFEH / Attorney | Referred to HUD / Attorney | Referred to FHIP |
| Age | 10 | 3 | 1 | | | |
| Arbitrary | 7 | 1 | | | | 1 |
| Disability | 138 | 2 | 8 | | 1 | 3 |
| Familial Status | 18 | | | | | 6 |
| Marital Status | 6 | | 2 | | | |
| National Origin | 15 | 1 | 2 | | | 2 |
| Race | 31 | | 9 | | | 4 |
| Religion | 2 | | 2 | | | |
| Sex | 10 | | 1 | | | 1 |
| Sexual Orientation | 3 | | 1 | | | |
| Source of Income | 5 | 2 | 0 | 1 | 0 | 0 |

Data in the table below reflects complaints filed with the U.S. Department of Housing and Urban Development alleging discrimination in San Bernardino confirms that the distribution of IFHMB's complaints by protected class status for Ontario is representative of complaints in the region. As with IFHMB, disability is the most common basis for HUD complaints followed by race, familial status, and national origin. In addition, the HUD complaint data reflects a high number of complaints alleging unlawful retaliation.

Table 19: HUD Fair Housing Complaints – San Bernardino County – January 2010 to December 2013

| Basis of Complaint | Number of Complaints |
|--------------------|----------------------|
| Total | 222 |
| Race | 68 |
| Color | 3 |
| National Origin | 37 |
| Disability | 91 |
| Familial Status | 47 |
| Religion | 6 |
| Sex | 22 |
| Retaliation | 50 |

Data on the next page reflecting complaints filed with the California Department of Fair Employment and Housing (DFEH) alleging discrimination in San Bernardino County also generally mirrors IFHMB and HUD's complaint data insofar as that disability is the most cited basis for discrimination complaints. Although the proportion of race to national origin complaints appears to be roughly the inverse of that found in IFHMB and HUD's complaints, it is important to note that complaint data was provided in two separate documents. The first covered the period of January 1, 2010 through June 30, 2012, while

the second covered the period of July 1, 2012 through March 31, 2015. The first document reflected 25 race discrimination complaints and 12 national origin discrimination complaints. The second showed just three race discrimination complaints 53 national origin complaints. A possible explanation for this disparity is that, during the latter period, complaints that had been previously been coded as race discrimination complaints started to be coded as national origin discrimination complaints.

**Table 20: DFEH Fair Housing Complaints in San Bernardino County
(January 2010 – March 2015)**

| Basis of Complaint | Number of Complaints |
|--------------------|----------------------|
| Total | 267 |
| Race | 28 |
| National Origin | 65 |
| Disability | 85 |
| Familial Status | 45 |
| Religion | 9 |
| Sex | 16 |
| Retaliation | 6 |
| Sexual Orientation | 12 |
| Gender Identity | 3 |
| Source of Income | 3 |
| Marital Status | 1 |
| Harassment | 1 |
| Age | 1 |
| None Listed | 2 |

DFEH data also allows for a more narrowly focused assessment of housing discrimination in the City of Ontario. Over the five year period, complainants filed 22 complaints alleging discrimination in the City of Ontario. Of those, seven alleged national origin discrimination, five alleged disability discrimination, four alleged sexual orientation discrimination, three alleged familial status discrimination, one alleged race discrimination, one alleged discrimination on the basis of religion, and one alleged unlawful retaliation. This data is subject to the same caveat about the coding of race and national origin complaints mentioned above with respect to county-wide data.

The nature of the fair housing complaints reported indicates a continued need for extensive outreach and education to both tenants and landlords in Ontario on their rights and responsibilities. First, the trend of increasing numbers of complaints on the basis of disability recognized in the 2010 AI continues. Persons with disabilities make up less than 10% of Ontario's population, but these individuals submit more than 56% of fair housing complaints. As was the case at the time of the 2010 AI, this indicates a lack of understanding on the part of property owners and managers regarding the reasonable accommodations and modifications which must be afforded disabled tenants. Proper education is necessary to ensure that the rights of persons with disabilities in Ontario to use and enjoy their housing are protected.

In particular, there is strong anecdotal evidence that two specific fact patterns give rise to a large number of disability discrimination complaints. First, many landlords purport to have “no pets” policies and deny individuals’ requests to have service or support animals in their units. Rather than refusing to allow individuals to have any service or support animal, some landlords impose restrictions on the breed or size of the animals. Second, many landlords refuse requests from persons with mobility difficulties to have designated parking spots.

Under the FHA, housing providers have a duty “to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford...equal opportunity to use and enjoy a dwelling.” Whether a landlord’s refusal to allow a tenant to have a service or support animal or a dedicated parking space violates the FHA is a fact-specific question that depends on the individuals’ needs and any cost to the landlord or danger to others that may result from the accommodation. Nonetheless, because in most circumstances, landlords are unlikely to incur any substantial cost, and danger to others is unlikely to result from these specific types of accommodations, there is reason for substantial concern about unlawful discrimination against persons with disabilities in the area. In teaching audiences about the duty to provide reasonable accommodations, education and training materials should address the specific examples of situations involving service or support animals and parking in order to clarify when a reasonable accommodation may be required.

In Ontario and San Bernardino County, IFHMB, the California Apartment Association (CAA), the Citrus Valley Association of Realtors, and the Inland Valley Association of Realtors provide fair housing training and education. The City of Ontario has historically supported IFHMB’s training and education activities and should sustain current levels of those supports for those activities while encouraging IFHMB to focus extensively on service or support animal and parking issues when conducting training on the duty to provide reasonable accommodations.

Because the private sector groups’ members pay for training through those organizations, there is no need for the City to fund those training and education efforts. However, the City should encourage the private sector groups to consult with IFHMB about the contents of its trainings in order to ensure that landlords, property managers, and realtors are receiving a picture of their obligations that is accurate and complete. The emphasis of those consultations should vary in relation to the types of fair housing issues that are likely to arise in the course of the activities of the organizations’ members. For example, the issue of steering homebuyers to particular neighborhoods would be an important issue to discuss with the realty groups while reasonable accommodations for persons with service or support animals would be of great salience for landlords and property managers.

It is important to note that, while most complaints arise in connection with rental housing, the FHA applies in owner-occupied contexts, as well, and issues with respect to service or support animals and parking can arise in connection with condominium associations and homeowners’ associations. For new development, the City of Ontario has significant leverage over these types of entities because land use approval occurs through the negotiation of site-specific plans. In order to reduce the likelihood of these issues recurring in new developments, the City should insist on the incorporation of strong reasonable accommodations policies when negotiating site-specific plans.

The City of Ontario currently does not contract for proactive testing to root out discriminatory behavior that may be going unreported. IFHMB does conduct testing under a separate grant throughout their service area, which includes Ontario. IFHMB conducted a total of 12 tests on rental properties in the City of Ontario; five tests were based on race, three on national origin, and four on disability. The Board found reasonable cause exists to believe that a discriminatory housing practice has occurred in most of these tests – 4 based on race, 2 based on national origin, and 3 based on disability. Reasonable cause findings in 75% of testing cases indicates a strong need for educating the community on their fair housing rights. Coordination between the City and IFHMB about targets for fair housing testing would be beneficial in identifying where discrimination is occurring and where fair housing education is needed most. Given the observation above concerning the demographics of the region, there appears to be a particular need to investigate national origin discrimination through additional testing.

FAIR LENDING

Home Mortgage Lending Practices

The Fair Housing Act prohibits discrimination in residential real estate transactions. Predatory lending practices during the period leading up to the foreclosure crisis have been shown to have disproportionately and adversely affected African American and Latino populations in California and throughout the nation. However, the adverse impact on these minority groups has been more modest in Ontario.

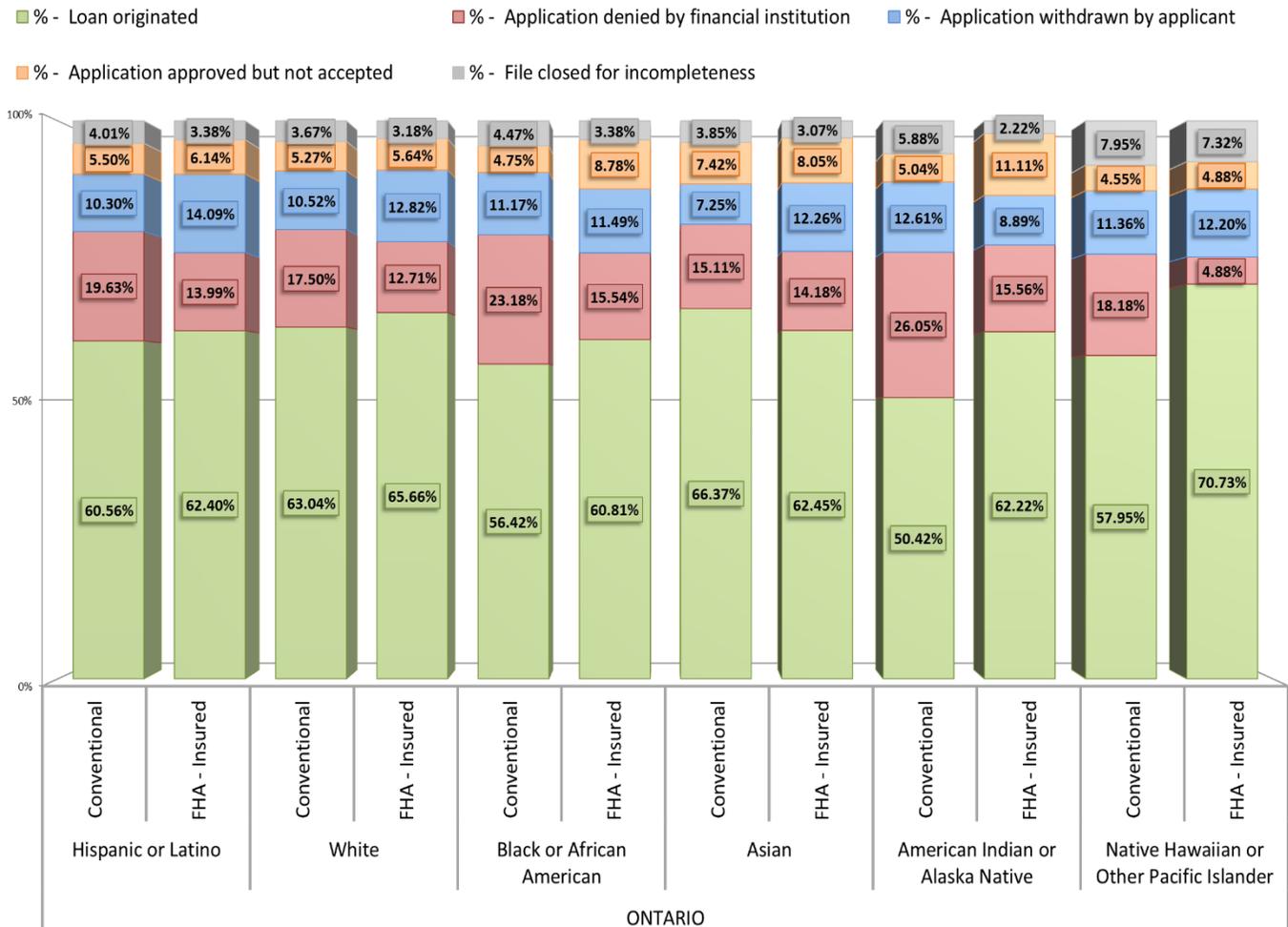
From 2011-2013, Ontario residents submitted roughly 20,380 loan applications. The majority of these, 64%, were for conventional loans, while the remaining 36% were submitted for FHA insured loans. As seen in Table 19, the denial rate was 18% for conventional loans and 14% for FHA insured loans. These results are comparable with rates in the Riverside-San Bernardino-Ontario MSA over the same period, where 18.5% of conventional loan and 15.2% of FHA insured applications were denied.

Table 21: Ontario Lending Behavior (2011-2013)

| | Application approved but not accepted | Application denied by financial institution | Application withdrawn by applicant | File closed for incompleteness | Loan originated |
|--------------------|---------------------------------------|---|------------------------------------|--------------------------------|-----------------|
| Conventional Loans | 731 | 2,345 | 1,306 | 503 | 8,123 |
| | 5.62% | 18.03% | 10.04% | 3.87% | 62.45% |
| FHA Insured | 452 | 1,036 | 952 | 260 | 4,672 |
| | 6.13% | 14.05% | 12.91% | 3.53% | 63.37% |

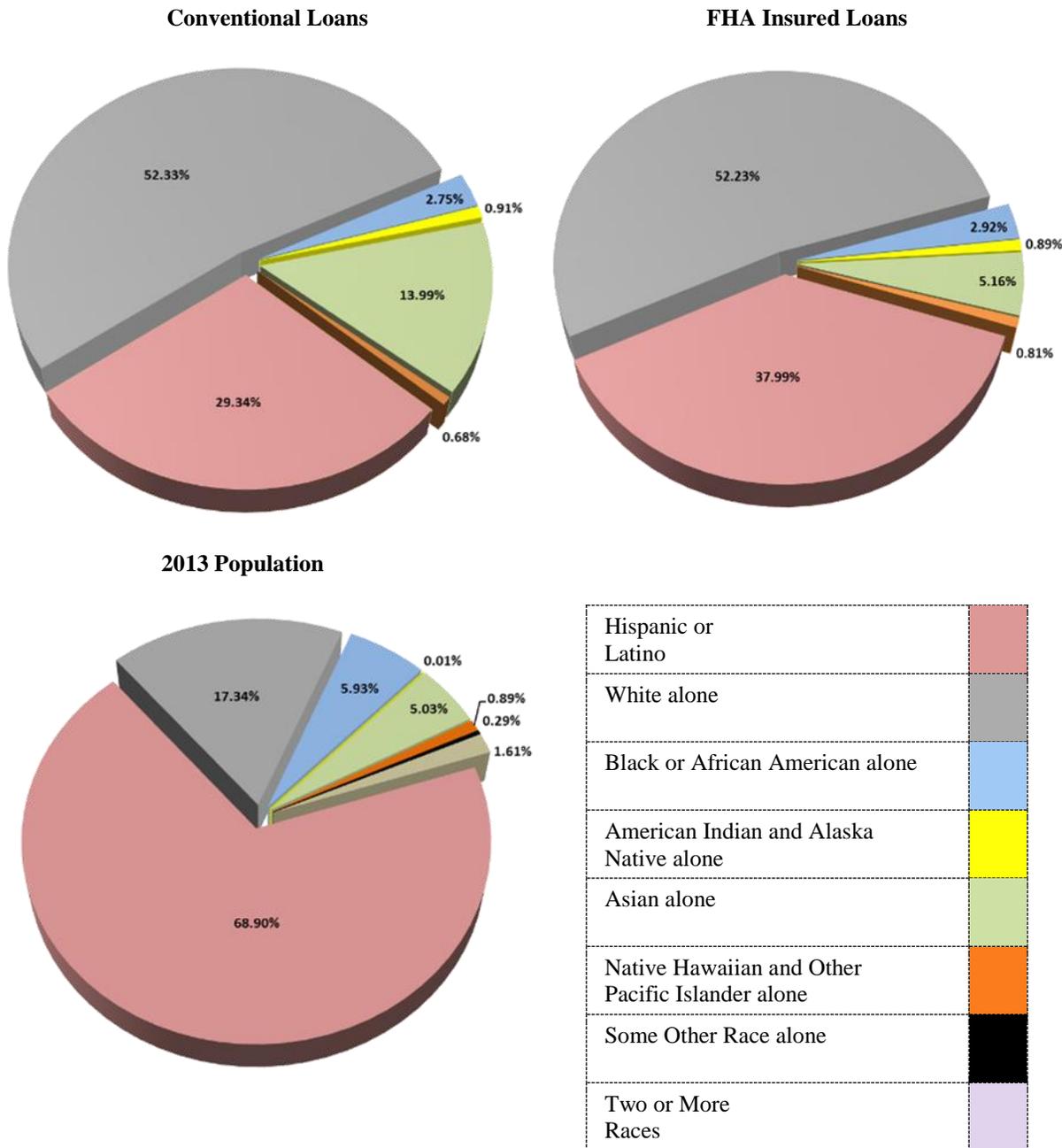
Similarly, HMDA data shows that, from 2011-2013, racial and ethnic groups in Ontario experienced similar results in disposition for both conventional and FHA insured loan application. As seen in Figure 22 on the next page, all groups in Ontario experienced slightly higher origination rates on FHA-insured loan applications compared to conventional applications, and higher rates of denial from the financial intuitions on conventional loans than FHA-insured loans. White and Asian applicants were slightly more likely than Latino applicants to have their loans originated, but the difference was very small. African American homeowners experienced lower approval rates on both types of loans than Latino, white, and Asian applicants. American Indian/Alaskan applicants for conventional loans had the highest rate of denial, while Native Hawaiian FHA insured applicants had the highest rate of origination. These results are again very similar to application dispositions in the overall Riverside-San Bernardino-Ontario MSA. For groups with relatively small populations in the City of Ontario, such as Native Hawaiian and Pacific Islander loan applicants, the number of applications is quite low so caution in interpreting the data is justified.

Figure 21: Ontario Loan Dispositions by Race (2011-2013)



However, loan applications submitted from 2011-2013 were not representative of the racial and ethnic makeup of the City of Ontario (as seen in the figure on the next page). Whites, which made up only 17% of the population, account for 52% of conventional and FHA insured loan applications. Similarly, Asian homeowners made up 14% of conventional loan applicants, although only 5% of the population. In contrast, the Latino population in Ontario made up a much smaller percentage of both conventional and FHA insured loan applications (29% and 38%, respectively), despite being 69% of the population of the City. African Americans, 6% of the population, were also underrepresented in applications, accounting for less than 3%. The low level of applications from the Latino community indicates a lack of engagement of this group with lending institutions. Outreach and education on the loan options available to homeowners would be useful in ensuring that all minority groups in Ontario area know and understand the financing options that are available to them for it is when these opportunities are taken advantage of that homeowners are able to engage in true housing choice.

Figure 22: Ontario Loan Applications by Race (2011-2013)



Loan Modification Fraud

In October 2009, California passed code provisions, collectively referred to as SB94, to protect homeowners from predatory loan modification scams. This was during the height of the foreclosure crisis when many of these companies were preying on desperate homeowners with false promises to modify their loans for a hefty fee paid up front. Once the fee was paid, the scammers did very little if anything to seek a loan modification for the homeowner and almost always refused efforts to get refunds. SB94 prohibits charging advance fees for such loan modification services. Included in the prohibition of such

upfront fees are real estate attorneys who were often involved in these scams. The California Bar has interpreted SB94 to mean that attorneys who provide loan modification or other forbearance services cannot break down their services into component parts and collect a fee as each component part is completed.

The City of Ontario does not currently contract for outreach and education to the community regarding these predatory companies. However, IFHMB, which has worked on this issue via a focused grant, reports that attorneys connected with this kind of fraud have often targeted their scam activities toward the Latino community. They also report a rise in grant deed fraud cases within the community. Since 2011, IFHMB has assisted homeowners of nine properties in the City of Ontario in cases dealing with predatory lending, mortgage fraud, and foreclosure rescue scams. The Board has also used its grant to provide outreach and education in the form of free housing counseling services to the community. Continued funding of such free counseling services is important.

SECTION III: IMPEDIMENTS AND ACTION STEPS

Impediment 1: Lack of Affordable Housing in South Ontario, in general, and the New Model Colony, in particular.

As demonstrated by the City's zoning map and ordinance as well as data depicting the percentage of housing units that are in multi-unit structures, the City of Ontario is generally hospitable to multi-family housing. However, from a fair housing standpoint, the location of multi-family housing, which is more likely to be affordable to lower-income Latino and African American renters, is just as important as the presence of multi-family housing. The New Model Colony area in South Ontario is just starting to undergo development with a long-range build out consisting of approximately 30,000 new homes. It is estimated that build out could take approximately 30 years. In order to preserve geographic balance in the City's housing stock and to ensure that South Ontario develops as a diverse, thriving community, it is important that multi-family housing, including affordable units, be developed in the area. As the New Model Colony area is developed, individual development agreements are negotiated with developers that include a provision for affordable housing. However, if the affordable housing is not feasible and/or the necessary neighborhood amenities do not exist, developers are able to pay a fee. These fees would then allow the City to leverage these monies to construct affordable units within service enriched areas throughout Ontario. Density bonuses, less expensive interior finishes, and cross-subsidization could make the provision of affordable units alongside market rate units more feasible.

Action Step 1.1: Assist in obtaining federal and/or state resources, if available, to provide other incentives to encourage on-site development of affordable units.

Development within the New Model Colony in South Ontario is governed by individual development agreements negotiated between the City of Ontario and private developers. As a condition for approval of a development agreement, the City requires developers to either provide affordable units on-site or to pay a fee, which the City would then use to provide affordable housing off-site. Although added financial resources for affordable housing are beneficial, providing affordable units on-site would be preferable from a fair housing perspective. In general, housing in South Ontario is more expensive and is more likely to be occupied by non-Latino white residents than housing elsewhere in the City. Given socioeconomic disparities that exist, Latino and African American residents are more likely to need affordable housing. Accordingly, developing affordable housing in South Ontario would promote residential integration and social inclusion within the City.

Doing so would also increase low-income residents' access to amenities like the facilities at Colony High School, which is the newest high school in the city.

Timeline: Fourth Quarter of 2015.

Benchmarks: This action step should result in the identification of new incentives that would promote the development of affordable housing, particularly on-site in the New Model Colony. If it is determined upon the conclusion of the review that instituting these incentives would further those goals, then the City should act to provide the incentives. If implemented, that change should result in an increase in the number of affordable units in the New Model Colony.

Action Step 1.2: Review the possibility of reducing the Maximum Escalation Fee for affordable multi-family housing in the New Model Colony.

The City of Ontario requires all residential developers operating within the New Model Colony to pay an Operation and Maintenance Fee in order to ensure that residents of the rest of the City are not paying for the extension of services and amenities to new developments. Outside of the New Model Colony, single-family developers must pay this fee, but multi-family developers are not required to do so. What is particularly problematic is the requirement that developers underwrite for a 4% escalation fee in their annual pro formas. The imposition of this escalation clause on multi-family developers in the New Model Colony has contributed to a status quo wherein new multi-family development is concentrated in North Ontario and no apartment construction is currently planned in the New Model Colony. Although the fundamental premise that developers should have to pay for expenses that they generate for the City has merit, the City, as well as low-income Latino and African American households, have a stronger interest in ensuring that there has a diverse mix of housing types across all of the City's neighborhoods. The requirement to underwrite for the escalation fee in multi-family development in the New Model Colony appears to be impeding the fulfillment of this goal. The City can balance these two interests by reducing the escalation fee for multi-family developments within the New Model Colony that set-aside units for low-income households and very low-income households.

Timeline: Fourth Quarter of 2015.

Benchmarks: A summary of the review and its findings will be produced.

Action Step 1.3: Monitor and test throughout the development of the New Model Colony to ensure a balance of housing types and affordability is maintained.

The City of Ontario would work with a fair housing provider to ensure that as the New Model Colony continues to develop and the necessary neighborhood amenities are built, a balance of housing types and affordable units are included.

Timeline: Ongoing, Third Quarter of 2015 through Second Quarter of 2020.

Benchmarks: Periodic reports will document the type and affordability of residential units constructed in the New Model Colony. This information will be used to inform future policy decisions. Once those policy decisions are made, the City will develop criteria for

measuring their efficacy and report on those steps in Consolidated Annual Performance and Evaluation Reports.

Impediment 2: Lack of Diversity and Inclusion within Southern California.

Among communities in Southern California, the City of Ontario has been a leader in fostering a racial, ethnic, and socioeconomic diversity and facilitating the development of a housing stock that facilitates that balance. Other communities have a great deal to learn from Ontario's experience. Although the City of Ontario has low levels of residential racial and ethnic segregation, the broader region is moderately to highly segregated by race and ethnicity. This is especially true when one looks at the Los Angeles-Long Beach-Riverside, CA Combined Statistical Area rather than just the Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area. The public sector policies that perpetuate and exacerbate this phenomenon are generally those of other governmental units, including the State of California, public housing authorities in the region, city and county governments in the region, and HUD itself. The City of Ontario does not have direct control over these jurisdictions but can submit recommendations based on its experience to other bodies and attempt to use any negotiating leverage it might possess to affect change.

Action Step 2.1: Advocate for zoning policies and practices that stimulate the development of multi-family housing in the development of the Southern California Association of Governments' 2020 Regional Plan.

Extremely restrictive zoning practices and the development of little to no multi-family housing perpetuate segregation in housing markets like that of Southern California where socioeconomic status is correlated with race and ethnicity. The Southern California Association of Governments currently has a Regional Plan that covers a 12-year period from 2008 to 2020. As the Southern California Association of Governments begins the process of preparing its 2020 Regional Plan, the City of Ontario should advocate for zoning policies and practices that result in development of all housing types across varied markets.

Timeline: 2018 and 2019.

Benchmarks: Because of the multiplicity of parties involved in the development of the Regional Plan, the City's ability to influence its contents has limits. Thus, the City will not adopt a specific quantitative benchmark for determining how successful this step is but will report on whether it is successful and fine-tune its approach accordingly.

Action Step 2.2: Encourage the Housing Authority of the County of San Bernardino to adopt several policies that facilitate the use of Housing Choice Vouchers to promote residential racial and ethnic integration.

Along with the Low Income Housing Tax Credit program, the Housing Choice Voucher Program is one of the two most significant affordable housing programs in the country and in the Inland Empire. The City of Ontario does not have direct control over how the program is administered within its boundaries as the Housing Authority of the County of San Bernardino administers the program in the area. A comprehensive review of the Housing Authority's policies that affect fair housing choice has been included as part of

this Analysis of Impediments. The City should submit the recommendations in that review to the Housing Authority for incorporation into its next annual Moving to Work plan.

Timeline: July 1, 2015 through June 30, 2020.

Benchmarks: Because the City does not have control over the Housing Authority of the County of San Bernardino, the City cannot directly implement these policy changes. Thus, the City will not adopt a specific quantitative benchmark for determining how successful this step is but will report on whether it is successful and fine-tune its approach accordingly.

Action Step 2.3: Encourage the California State Treasurer's Tax Credit Allocation Committee to reduce barriers to greenfield development and provide incentives for developments in Census Tracts with low poverty rates.

The Tax Credit Allocation Committee accepts public comments, including from municipalities, during the process of developing its annual Qualified Allocation Plan. The City of Ontario should submit comments during that process advocating in favor of the provision of a substantial number of incentive points for developments proposed in Census Tracts in which less than 10% of residents are below the poverty line. The City should also recommend that the Tax Credit Allocation Committee either reduce incentives for proximity to certain kinds of amenities that are lacking in greenfield areas, like the New Model Colony, or institute complementary incentives that make greenfield developments in areas like the New Model Colony attractive despite those competing incentives. The City should submit comments in late 2015 in advance of the anticipated January 2016 Qualified Allocation Plan.

Timeline: Fourth Quarter for 2015.

Benchmarks: Because the City does not have control over the Tax Credit Allocation Committee, City cannot directly implement these policy changes. Thus, the City will not adopt a specific quantitative benchmark for determining how successful this step is but will report on whether it is successful and fine-tune its approach accordingly.

Impediment 3: Disability Discrimination, Particularly Denials of Reasonable Accommodation Requests, Is Common.

Complaint data from IFHMB, DFEH, and HUD confirms that complaints alleging discrimination on the basis of disability are the most common type of housing discrimination complaint filed, both in the City of Ontario and in the region. Of these complaints, denials of reasonable accommodation requests make up the majority, and two types of denied requests are particularly common. One, complainants allege that landlords or property managers either refuse to allow tenants with disabilities to have service or support animals or impose burdensome conditions such as breed and size restrictions and deposit requirements. Two, complainants allege that landlords or property managers refuse requests for designated parking spaces. These are types of accommodations that landlords may be legally required to provide depending on the specific factual circumstances.

Action Step 3.1: Require developers to adopt written reasonable accommodations policies and take steps to notify residents of such policies as a condition for approval of individual development agreements.

Most new large-scale development in the City of Ontario is subject to the approval of individual development agreements. The negotiation of individual development agreements provides the City with an opportunity to educate housing operators on their legal obligations to their tenants or homebuyers who may be subject to homeowner association rules. By requiring developers to adopt reasonable accommodations policies to which their successors in interest will be bound and which they must publicize to residents, the City may be able to avert some discrimination before it would otherwise occur.

Timeline: July 1, 2015 through June 30, 2020.

Benchmarks: The annual number of housing discrimination complaints alleging denials of reasonable accommodation requests for which the respondent is subject to individual development agreement will decrease by 25% from the first full year in which each development is occupied to the second full year in which the development is occupied.

Action Step 3.2: Incorporate a more pronounced specific focus on service and support animals and parking into fair housing education and training materials and curriculum.

IFHMB, CAA-AAGIE, the Inland Valley Association of Realtors, and the Citrus Valley Association of Realtors currently provide fair housing education and training in the City of Ontario and the broader region. Their offerings cover the duty to provide reasonable accommodations and may use common fact patterns involving service and support animals and parking as examples. In light of how common complaints involving these two sets of issues are, the emphasis on them should be increased throughout fair housing education and training materials and curriculum. Since the City provides CDBG funds to IFHMB, the City can specifically contract for this emphasis. With the other training entities, the City should encourage those groups to consult with IFHMB about the content of their training materials though ultimately they will have to choose to cooperate.

Timeline: Fourth Quarter of 2015.

Benchmarks: The City can only recommend this change in emphasis. It cannot direct the organizations to implement revisions to their training materials. Additionally, data on complaints of denials of reasonable accommodation do not break complaints down by the type of accommodation sought. Thus, the City will seek IFHMB's qualitative assessment of whether there appear to be fewer complaints in Ontario alleging denied accommodations requests with respect to service and support animals and dedicated parking spaces.

Action Step 3.3: Utilize the City's Systematic Health and Safety Inspection Program to disseminate information regarding reasonable accommodation for disabilities and companion/service animals to tenants and property managers.

The City of Ontario through its Systematic Health and Safety Inspection Program inspects every rental unit within the City every four years. During these inspections, the City will disseminate information provided by a fair housing provider with general information

about reasonable accommodations for disabilities and companion/service animals to both tenants and property managers, along with contact information for a fair housing provider for additional information.

Timeline: July 1, 2015 through June 30, 2020.

Benchmarks: The City will document the number of developments where outreach materials were distributed.

Impediment 4: Possible Covert Discrimination Against Latino Residents.

Latino residents comprise 68.9% of the population of the City of Ontario and 48.4% of the population of the Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area. However, complaints of national origin discrimination in Ontario and the region are rare in comparison to disability status complaints and race discrimination complaints. That there are fewer national origin complaints than disability complaints is consistent with national trends and with the fact that such discrimination – most commonly in the form of refusals to grant reasonable accommodations – is often overt. That there are more race discrimination complaints, however, suggests the existence of barriers to filing complaints.

Action Step 4.1: Refer matters for national origin discrimination testing to the Inland Fair Housing & Mediation Board when city staff have reason for suspicion.

Private discrimination against individual homebuyers or renters is very difficult to detect. Fair housing testing is an effective means for uncovering such subtle discrimination. In addition to helping to provide a more accurate picture of the prevalence of discrimination, fair housing testing also provides a strong platform for enforcement. When tests are conducted properly, the evidence is usable in litigation or administrative enforcement. Fair housing organizations like IFHMB are able to establish standing to bring complaints based on testing evidence. IFHMB has existing capacity to conduct fair housing tests. In order to ensure that national origin discrimination does not slip through the cracks, the City should refer matters in which staff suspects possible national origin discrimination to IFHMB for follow-up testing.

Timeline: July 1, 2015 through June 30, 2020.

Benchmarks: The City should document the number of potential matters referred to IFHMB each year, the results of follow-up testing, and whether any enforcement action was taken on the basis of the test results.

Impediment 5: Access to Public Transportation Is Limited in Higher Income Areas

Lower income people, who are disproportionately likely to be Latino or African American in Ontario and in the Inland Empire, are more likely to rely on public transportation than higher income people. Although the presence of public transit service must not be a prerequisite for the development of affordable housing since most low-income people in the region drive to work, extending transit service to high opportunity areas where affordable housing is being developed is an important strategy for ensuring that inclusive development has the effect of promoting integration. Currently, bus service in South

Ontario is limited to the 81 bus, which skirts the northern edge of the New Model Colony along Riverside Drive. Without extending service further south, public transit will be inconvenient for residents of the New Model Colony and that inconvenience may deter low-income individuals and families from moving to that section of the City of Ontario. Omnitrans is the transit operator in Ontario and the City is currently actively engaged in transit planning around the future needs of the New Model Colony. Transit planning and development is largely dependent upon the completion of the long-range housing and other development in the New Model Colony.

Additionally, South Ontario has weak transit linkages to adjacent and nearby portions of western Riverside County, including the high income cities of Eastvale, Norco, and Corona. To access these areas by public transit, it is necessary to go through either Jurupa Valley or Riverside in Riverside County and North Ontario in San Bernardino County, switching buses multiple times. The lack of linkages between the two counties reduces low income Latino and African American residents' access to these high opportunity communities in Riverside County.

Action Step 5.1: Advocate for a plan that extends efficient, reliable bus service to the New Model Colony.

Once that planning process results in a concrete proposal that would extend efficient, reliable bus service to the New Model Colony, the City should provide the necessary support to ensure the prompt implementation of that plan.

Timeline: July 1, 2015 through June 30, 2020

Benchmarks: The City does not have the ability to direct Omnitrans' activities but can make recommendations and serve as a collaborative partner. The City will report on its efforts to influence Omnitrans and will fine-tune its strategy if limited progress is being made. If transit service is extended to the New Model Colony, the City will track data on the percentage of workers who commute by public transportation. This data should show increased percentages over time.

Action Step 5.2: Encourage Omnitrans to coordinate service delivery with the Riverside Transit Agency and to develop a plan to increase connectivity between their two systems.

The availability of public transit across communities may be critical to ensuring that arbitrary boundaries do not limit housing choice for low-income people of color in the region. In order for the product of the planning process to have a meaningful chance of resulting in an extension of service, coordination with Omnitrans and the Riverside Transit Agency, as well as other local governments, will be essential.

Timeline: July 1, 2015 through June 30, 2020

Benchmarks: The City does not have the ability to direct Omnitrans' activities but can make recommendations and serve as a collaborative partner. The City will report on its efforts to influence Omnitrans and will fine-tune its strategy if limited progress is being made.

Impediment 6: Lack of Supply of Integrated, Permanent Supportive Housing for Persons with Disabilities.

Integrated permanent supportive housing, provided in accordance with Housing First principles, is an evidence-based practice for promoting community integration for persons with disabilities, ending chronic homelessness, and meeting the housing needs of persons with psychiatric disabilities and/or intellectual and developmental disabilities. HUD has indicated that furthering compliance with the ADA's community integration mandate is central to the duty to affirmatively further fair housing. The City of Ontario has taken significant steps toward these goals, but more progress is needed. The City has developed policies to assist formerly homeless individuals meet the requirements to obtain permanent housing and is working with the planning group for the countywide coordinated entry program in an effort to continue moving forward to meet these goals. Existing programs sometimes incorporate transitional housing as an intermediate step between homelessness and permanent housing. Although that is consistent with traditional continuum of care programs for reducing homelessness, there is strong evidence that providing permanent housing first and foremost, without any intermediate step, is more effective. Additionally, as evidenced by the abundance of congregate settings, such as residential care facilities, board and care homes, and "room and boards," there is inadequate supply of permanent supportive housing.

Action Step 6.1: Support efforts to use Low Income Housing Tax Credits, Section 811 Project Rental Assistance, and Mental Health Services Act Housing Program funds to increase the supply of integrated permanent supportive housing by ensuring appropriate zoning and providing CDBG or HOME funds as gap financing.

Multiple state and federal programs have the potential to serve as vehicles for increasing the supply of integrated permanent supportive housing. The City should work with nonprofit and for-profit affordable housing developers that are seeking to make use of these resources to develop permanent supportive housing. By ensuring proper zoning and supplying gap financing, the City will make these entities' applications more competitive. To the extent that such developers are interested in building in the New Model Colony, the City can provide the same support to simultaneously increase the supply of affordable, multi-family housing in that area and increase the supply of permanent supportive housing.

Timeline: July 1, 2015 through June 30, 2020.

Benchmarks: The City will document the proposals that include permanent supportive housing that it receives and the steps that it takes to enhance the viability of the proposals. As the goal of the action step is to increase the supply of permanent supportive housing, the City will document any changes in the overall supply of such housing. However, since sources of subsidy for permanent supportive housing are scarce and subject to extremely competitive allocation processes, it is not possible to project a quantitative benchmark for success.

Action Step 6.2: Encourage the Housing Authority for the County of San Bernardino to adopt waiting list preferences for persons with disabilities who are at risk of institutionalization or homelessness.

Ultimately, the most effective means of providing integrated permanent supportive housing to persons with disabilities is tenant-based rental assistance, such as Housing Choice Vouchers, rather than the development of hard units. The Housing Authority for the County of San Bernardino, rather than the City, administers the Housing Choice Voucher Program, in Ontario. Although the City cannot direct the Housing Authority as to how to use its resources, it should encourage the Housing Authority to prioritize permanent supportive housing. Since the Housing Authority is a Moving to Work agency, the City should encourage the Housing Authority to do this in its 2017 Moving to Work annual plan, which the Housing Authority will submit to HUD in July 2016.

Timeline: Second Quarter of 2016.

Benchmarks: If successful, the City's advocacy would result in the institution of a preference that will result in persons with disabilities receiving a number of turnover Housing Choice Vouchers to use for permanent supportive housing; however, the City ultimately does not have the ability to direct the Housing Authority's decision-making. If the Housing Authority does not institute a preference in its 2017 Moving to Work annual plan, the City should fine-tune its approach before advocating for the institution of a preference in the 2018 annual plan.

Impediment 7: Lack of Affordable Housing.

The demand for affordable housing in the Inland Empire and Southern California far outpaces available supply. To make matters worse, the affordable housing resources brought to bear by Redevelopment Agencies have not been replaced, although the new Affordable Housing and Sustainable Communities program, funded with cap and trade revenue, will fill some of the gap. As people of color and persons with disabilities are disproportionately likely to need affordable housing, this shortfall in resources has serious fair housing implications.

Action Step 7.1: Support applications by developers in Ontario for available resources.

There are a variety of state and federal housing resources available in California. The City of Ontario should encourage developers to apply to use those resources to build affordable housing in the City and should take steps, such as ensuring appropriate zoning, writing letters of support, and providing gap financing that would enhance the attractiveness of those applications.

Timeline: July 1, 2015 to June 30, 2020

Benchmarks: The number of units of affordable housing in the City should increase.

Action Step 7.2: Use incentives to foster the production of affordable units in otherwise market rate developments.

Consistent with the recommended Action Steps for Impediment 1, the City should use incentives to leverage private development activity for the production of affordable housing. Doing so both creates new affordable units and encourages racial, ethnic, and socioeconomic diversity. Because of an uncertain legal landscape, the use of mandatory

inclusionary zoning may be limited to owner-occupied developments for the time being; however, the City should still provide voluntary incentives to encourage the inclusion of affordable units in rental properties.

Timeline: Third Quarter of 2015.

Benchmarks: The number of affordable units in otherwise market rate developments should increase.

Action Step 7.3: Support legislation to create a state affordable housing trust fund.

Proposed A.B. 1335, which is pending in the California State Assembly, would create a state affordable housing trust fund that would be financed through a \$75 fee on the recordation of certain documents. The City of Ontario should support this legislation.

Timeline: Third Quarter of 2015.

Benchmarks: If passed, the legislation should increase the supply of rent-restricted housing units statewide.

Action Step 7.4: Recommend entitlement jurisdiction eligibility for San Bernardino County housing funds.

San Bernardino County administers a variety of state and federal housing and community development programs but has been reluctant to invest resources in entitlement communities like the City of Ontario, particularly in the western portion of the County. These communities are among the higher opportunity areas in the County and have a greater need for affordable housing than other parts of the County. The City of Ontario should advocate that the County use its funds, particularly under state programs, to promote affordability in Ontario and other neighboring communities.

Timeline: Second Quarter of 2016.

Benchmarks: If the County changes its allocation criteria, more developments in western San Bernardino County would receive support from the County.

APPENDIX

SUMMARY OF COMMUNITY PARTICIPATION

In order to ensure that the analysis contained in an AI truly reflects conditions in a community and that action steps are feasible, the participation of stakeholders from the community in the process of developing the AI is of pivotal importance. In particular, the insights of fair housing organizations, civil rights and advocacy organizations, legal services providers, social services providers, housing developers, and industry groups is necessary to drawing accurate conclusions about the state of fair housing in a community. In preparing this AI, the Lawyers' Committee reached out and held in-person meetings with the organizations that fill these roles in the City of Ontario and San Bernardino County. The organizations are listed on the Acknowledgements page of the AI. The broad themes that emerged are cataloged below:

- The City of Ontario has a reputation as a strong and collaborative partner that is committed to advancing equity goals.
- Within the City of Ontario, new multi-family development is focused in the eastern portions of North Ontario while new single-family home development is focused in South Ontario.
- Limited infrastructure in South Ontario makes the development of multi-family housing in that part of the City difficult at present.
- Some jurisdictions in the region have zoning and land use policies that severely restrict the development of multi-family housing.
- Discrimination on the basis of disability is the most widely reported type of housing discrimination.
- The supply of permanent supportive housing for persons with disabilities is limited.
- The consolidation of landlord-tenant court facilities in Fontana, combined with limited transportation services, makes it difficult for tenants in the City of Ontario to vindicate their legal rights.
- Although the City of Ontario was hard hit by the foreclosure crisis, the impact of foreclosures appears to be waning. Other consumer protection issues, including the proliferation of loan modification scams, hit the area, as well.
- Housing prices in the City of Ontario, as well as adjacent communities in western San Bernardino and Riverside Counties, are high in relation to the wages paid at jobs in the Inland Empire. In order to secure market-affordable units, it is often necessary for low and moderate-income households to travel east toward Rialto and San Bernardino or north toward Apple Valley, Hesperia, and Victorville.

In addition to the face-to-face meetings with individual stakeholder groups, the City held a public hearing on Thursday, April 2, 2015, to discuss the AI. Several stakeholder groups were present and provided additional comments that were incorporated into the contents of the AI.

IMPEDIMENTS TO FAIR HOUSING IN HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO PROGRAMS

The Housing Authority of the County of San Bernardino (HACSB) administers the Housing Choice Voucher (HCV) Program in the City of Ontario. As noted in Action Step 2.3 of this Analysis, the City should submit recommendations to HACSB for improvements to its administration of the HCV program during the public comment process for HACSB's next Moving to Work Annual Plan. HACSB should then incorporate the recommendations into that plan and enshrine them as policy.

Impediment

Tenants may encounter barriers to portability, particularly in the housing authority's work requirement. This bars tenants from moving to access better schools, relocate near family, or for other reasons.

Action Step

Remove the work requirement for porting vouchers, and instead ease the administrative burden by eliminating re-screening for incoming tenants.

Impediment

Tenant briefings lack concrete information that can guide tenants to identify and choose opportunity areas, particularly with regard to school quality.

Action Step

Provide clearer, more detailed maps. Include information about school poverty rates and performance in the briefing packet, as well as information about crime statistics, neighborhood services, transportation, and other relevant materials.

Obtain resources for more intensive counseling services in order to support tenants in learning about higher-opportunity areas.

Impediment

Tenants lack guidance in finding landlords to accept vouchers and are left to search online listings.

Action Step

Online listings should be supplemented by vigorous outreach to landlords in opportunity areas (low poverty areas and those with low-poverty schools), with counseling services or housing-authority provided lists that make tenants aware of such properties.

Impediment

Promising initiatives (including the use of local payment standards) lack detailed outcome metrics.

Action Step

Metrics should be developed to track tenant outcomes, including moves to high-opportunity areas.

Impediment

Affirmative marketing requirements are too vague to ensure that underrepresented populations are reached and that choice and integration are furthered on a regional level.

Action Step

Marketing initiatives should be required to extend throughout the full region.

Impediment

PBV site selection fails to reflect opportunity criteria.

Action Step

Criteria should be further developed to promote balance in the location of developments, with scoring prioritizing sites that provide access to good schools, low-poverty neighborhoods, and other opportunity characteristics.