

# **Executive Summary**

## **2021-2025 Analysis of Impediments to Fair Housing Choice**

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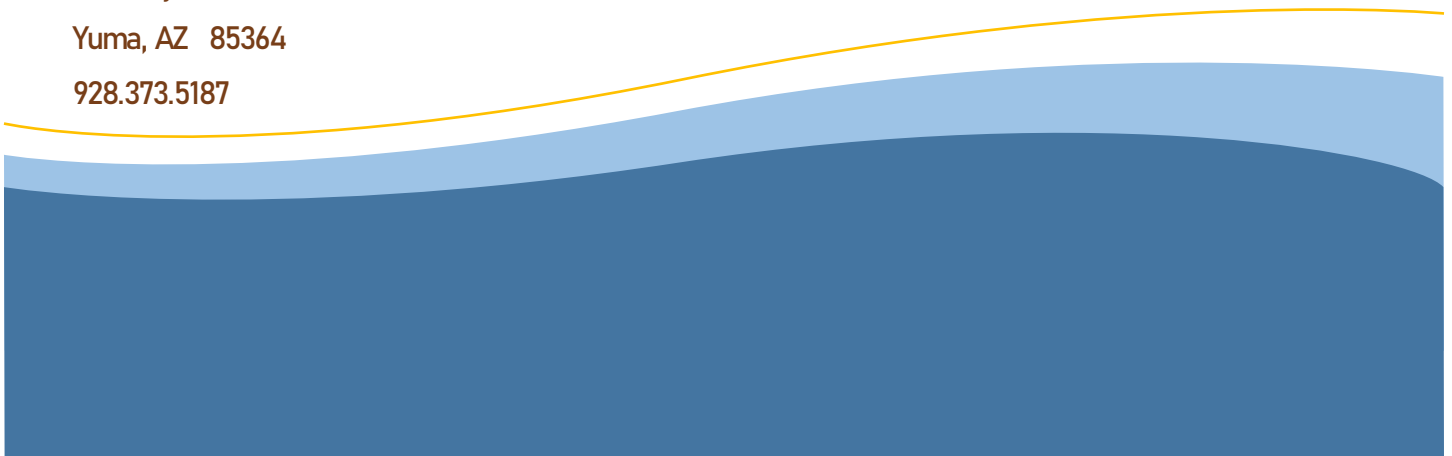
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## EXECUTIVE SUMMARY

# Analysis of Impediments to Fair Housing Choice

The Analysis of Impediments to Fair Housing Choice, or AI, is a planning process to facilitate meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The obligation to affirmatively further fair housing (AFFH) applies to units of local government, counties, and states receiving HUD funds.

### Background

The Federal Fair Housing Act of 1968 requires the U.S. Department of Housing and Urban Development (HUD) to administer its programs and activities in a manner which “affirmatively furthers” the policies of the Federal Fair Housing Act (FFHA). This obligation extends to all federal agencies that administer housing and urban development programs, as well as subrecipients of those funds—including cities, counties, and states.

The method through which subrecipients demonstrate affirmatively further fair housing (AFFH) has changed significantly during the past decade. In 2016, HUD implemented a new rule that strengthened the reporting obligation (“Assessment of Fair Housing”). That rule was reversed in 2020, leaving recipients of federal housing and community development funds with a broad interpretation of how to demonstrate their obligation to AFFH.

This Executive Summary provides an overview of the fair housing landscape in the city and concludes with a detailed fair housing action plan. This analysis, and the actions that the city will undertake over the next five years, help fulfill the city’s obligation to AFFH.

**A note about COVID-19.** It is important to note that the resident survey, which provides a unique and current perspective on barriers to housing choice by different types of residents, was conducted during fall 2020. As such, the survey primarily reflects mid-pandemic economic impacts and seasonal economic conditions of year-round residents. The housing situation and needs of residents during that period can help inform short- and long-term policy responses to stabilize households and preserve and add to the supply of affordable housing.

### Primary Findings

The analyses of demographics and economic trends, public and private barriers to housing choice, disability and access, and fair housing environment, yielded the following primary findings for the City of Yuma.

## Demographic and economic profile.

- Since 2000, San Luis and Somerton have grown at a significantly faster pace than the city of Yuma, and now together account for over 20 percent of Yuma County's population. Demographic trends and growth in these heavily Hispanic jurisdictions have led to an increase in the share of the Hispanic population in the county, from 50 percent in 2000 to 65 percent in 2019.
- Yuma County experienced a decrease in the number of children under 17, and an increase in the number of residents ages 10 to 35, and ages 75 years and older over the last decade. These trends are reflected in changes in household types: The county has experienced a decrease in the share of married couples and increase in the share of non-family households, driven by an increase in residents over 65 living alone.
- Growth in renters far outpaced the increase in owners. The increase in renters was particularly high among households with annual income between \$75,000 to \$100,000, whose share of total renter households increased from 5 to 15 percent.
- A measure of segregation—the Dissimilarity Index, or DI—shows low levels of segregation for all groups in the City of Yuma and moderate levels of segregation for Hispanic and African American residents in Yuma County. However, segregation has increased since 2010 for all groups in the city and county.
- Yuma County residents rely heavily on their cars, and transportation costs make up a significant share of their household incomes: 93 percent of households in the city of Yuma have at least one vehicle per household and 85 percent travel to work by driving alone. The typical city of Yuma resident spends another 32 percent of their household income on housing, meaning the total housing and transportation costs for a typical city of Yuma household is 63 percent of income.

## Public and private barriers to housing choice.

**Publicly supported housing.** The Housing Authority of the City of Yuma (HACY) is the largest single operator of deeply affordable housing in the region. HACY owns and operates 231 units of public housing and administer 1,446 housing vouchers, most of which are choice-based (87 of the vouchers are project based—meaning they are used for specific units within a residential property).

The barriers to choice identified in the publicly supported housing analysis are largely market barriers:

- Racial and ethnic minority residents are overrepresented in publicly supported housing and the Housing Choice Voucher (HCV) program and families with children make up the majority of households on the waitlists for publicly subsidized housing. This signals that these populations are not adequately served by the private housing market in the city. If

HACY were not providing these households with support, they would likely be severely cost burdened.

- Even with public subsidies, HCV holders face significant barriers to finding housing. Most HCV recipients describe their experience trying to find a landlord to accept their voucher as “somewhat difficult” or “difficult.”

This is partially due to the Fair Market Rents (FMRs) that HUD uses to set the rental reimbursement; that rate is far below the market rent after considering utilities. Residents identified this as a barrier to entry to more modern apartment buildings and high opportunity neighborhoods.

There are a few improvements that HACY could make to further housing choice:

- There is a lack of information in the HACY’s administrative plan on accommodations for mental illness and behavioral challenges other than in the context of eligibility. More specific information about those accommodations would be helpful.
- HACY does not currently communicate with residents on their wait list via email, which may cause delays reaching prospective tenants who do not have regular access to a cell phone or a permanent address. This can pose a challenge as low income and precariously housed residents are most likely to experience housing instability and displacement and do not have a regular mailing address.

**Land use development and zoning regulations.** Land use and zoning regulations impact the built environment and ultimately determine development patterns and land uses in the city. Inclusive zoning regulations are vital to eliminating barriers to housing choice and affordability.

- Over the past two decades, building permits in the City of Yuma have been dominated by single family units; multifamily development has been very limited. Although single family units in the city are still relatively affordable to many, multifamily development is typically necessary to reach the deepest levels of affordability (e.g., the federal Low Income Housing Tax Credit program). Medium and low density housing are expected to make up the majority of future residential development in the city based on vacant land and existing zoning and multifamily housing is expected to make up 12 percent of future housing growth. The lack of opportunities to build multifamily housing could limit the opportunity to create affordable units, including deeply affordable units.
- The following recommendations for the City of Yuma are based on a review of the Zoning Ordinance against best practices to encourage inclusive housing development. The city should:
  - Revise the definition of “family” in the zoning code. At a minimum, allow up to six unrelated individuals to live together. A best practice is to not define family

through the zoning code to better facilitate inclusive housing arrangements, reflect changing preferences in sharing of residential units, and instead regulating through occupancy restrictions to prevent overcrowding.

- Include definitions of disabled and/or handicapped that are compliant with the FHAA.
  - Include ADA parking requirements in the zoning ordinance.
  - Allow compatible, community-based group homes by right in all residential districts to facilitate inclusive shared living arrangements for residents with special needs, including persons with disabilities and persons in recovery.
  - Remove spacing requirements for group homes. Spacing requirements have been found by the courts to be a violation of the FHAA because of their effective limitations on housing choice for residents with a disability.
  - Embrace zoning best practices that facilitate a wide range of housing choices and opportunities in both lower density residential and higher density settings. Consider expanding the zone districts in which duplexes and townhomes are allowed and reduce minimum lot size requirements. Expand the use of mixed-use districts, compatible uses, and shared parking arrangements.
  - Allow land zoned for multifamily development by right to protect against a fair housing challenge related to the zoning review process—which can attract NIMBYism and bias to the zoning process.
  - Consider implementing Action Items from the General Plan Housing Element.
- The following recommendations for Yuma County are based on a review of the Zoning Ordinance and best practices to encourage inclusive housing development.
    - Include definitions of disabled and/or handicapped that are compliant with the FHAA.
    - Clarify the definition of “group homes” in the zoning ordinance. Currently both “group care facility” and “health and personal care facilities” may qualify as a group home. Providing clear requirements and regulations for group homes that do not differentiate based on the type of disability experienced by residents alleviates the potential for fair housing challenges.
    - Allow compatible, community-based group homes by right in residential districts to facilitate inclusive shared living arrangements for residents with special needs, including persons with disabilities and persons in recovery.
    - Encourage flexibility and nuance in parking requirements for multifamily developments based on unit mix and nearby community amenities—such as transit and employment centers.

- Implement the General Plan action item to examine increased density where appropriate in single family settings. Consider expanding the zone districts in which duplexes and townhomes are allowed and allowing detached ADUs on lots with adequate size and configuration.
- Investigate the available land in the county that permits multifamily development by right and consider relaxing maximum density allowances for multifamily development in areas where infrastructure can support higher density development, as indicated in the County's Housing Needs Assessment (2012)
- Implement action items from the county's General Plan.

**Private sector actions.** Home Mortgage Disclosure Act (HMDA) data can shed light on the role of access to credit in homeownership differences by race and ethnicity. During 2019, households in Yuma County submitted 6,648 loan applications for home purchases, loan refinances and home improvements.

- The loan denial rate among American Indian or American Natives was 12 percentage points higher than for White applicants and the denial rate among black or African American applicants was 7 percentage points higher.
- The proportion of high-priced loans among Hispanic households is double the proportion for Non-Hispanics (22% compared to 11%). Similarly, in 2014, 14 percent of the loans were subprime, and there were more than twice as many subprime loans (211 loans) to Hispanic borrowers, compared with non-Hispanic borrowers (101 loans).
- From a policy perspective, these data suggest that Hispanic households in Yuma County may benefit from a range of mortgage loan and personal finance assistance to achieve lower priced loans.

## **Disability and access.**

- In 2019, 12 percent of residents in the City of Yuma were living with a disability—an estimated 11,244 residents. Residents living with a disability are likely to increase as the population ages, as will housing and service needs: Residents living with ambulatory and self-care difficulties need accessible housing units and/or reasonable modifications to age in the community.
- Residents with disabilities face many challenges to housing choice: they are disproportionately challenged by the lack of deeply affordable rentals due to their relatively low incomes leading to higher rates of housing instability (20% of residents with disabilities v. 7% for all residents); are more likely to live in “doubled up” conditions (20% v. 12%); and more likely to live in housing in poor condition (29% v. 20%) and without needed accessibility features (28% of residents with disabilities).

- Most residents living with a disability do not participate in the labor force—and many want to but face significant barriers to employment access. Residents provided the following suggestions to improve employment outcomes for residents with disabilities: improving access to effective Vocational Rehabilitation, Employment Services, and other employment supports, expanding the number of businesses willing to hire residents with disabilities, transportation system improvements, and mental and behavioral health care services.
- Sidewalk improvements and access to effective public transportation are primary concerns for residents living with a disability in the region.

### **Enforcement and fair housing resources.**

- One in 25 (4%) survey respondents believe they experienced discrimination when looking for housing in Yuma County. Residents who identify with a racial group other than White and are non-Hispanic were most likely to say they experienced housing discrimination (19% v. 3% non-Hispanic White and 4% Hispanic).
- Housing instability and displacement are most prevalent among low income households, Limited English Proficiency (LEP) households, non-Hispanic and non-White households, and households that include a member with a disability.
- In order to determine whether any of the jurisdiction's minority groups appear underrepresented in the City of Yuma's HUD-funded programs, Root analyzed CAPERs from the past three years (2017, 2018, 2019) and compared the race and ethnicity of beneficiaries to the overall city population. The review found that the City of Yuma is providing resources and services to populations who are typically vulnerable to discrimination and face barriers to fair housing choice.

### **Impediments and Fair Housing Action Plan**

This section outlines impediments to fair housing choice in the City of Yuma based on the analysis presented in the previous sections of this report including public and private barriers to housing choice, disability and access, and fair housing environment.

It is important to note that the City of Yuma has made great strides in expanding housing choice in the community and facilitating new residential development of a mixture of housing types since the last AI was conducted. Specifically,

- The city updated wastewater capacity charges to alleviate the cost burden on multifamily developers;
- The city provided significant funding for the rehabilitation of public housing; and
- The city reached a settlement with the residential developer Avenue 6E to rezone 360 acres of land and facilitate the construction of up to 1,800 affordable for sale units.

- The City Council approved an infill incentive ordinance that modifies development standards for construction of housing in older, established neighborhoods. The ordinance provides flexibility in regulations regarding lot sizes, setbacks, lot coverage and fees to encourage housing development that is more affordable.
- The city has also made progress on many of the impediments identified in the previous AI. Outreach and educational campaigns about fair housing issues have ramped up in the City of Yuma, and partnerships to improve outcomes for residents have been implemented.

Fair housing areas for further investment include:

**Impediment No. 1. Persons with disabilities face barriers to housing choice.** Consistent with the previous AI, community engagement identified barriers to housing choice for residents living with a disability including increased rates of perceived discrimination and housing instability, denials of requests for reasonable accommodations—particularly for service animals—and lack of infrastructure and supportive services to adequately serve this population.

**Impediment No. 2. Concentrations of poverty, racial and ethnic minorities, and poor housing quality persist.** Racial and ethnic minority residents are overrepresented in publicly supported housing and the Housing Choice Voucher program, which signals that these populations are not adequately served by the private housing market in the city. Additionally, there are two census tracts within the City of Yuma that qualify as racially or ethnically concentrated areas of poverty and have high shares of the population using Housing Choice Vouchers. The resident survey identified low income households, housing subsidy recipients, and residents with a disability to be most likely to deem their home in fair/poor condition.

**Impediment No. 3. Access to homeownership is unequal among protected classes.** Barriers to housing choice, particularly in accessing homeownership, could be interpreted as a potential fair housing barrier to ownership which disparately impacts people of color. Home Mortgage Disclosure Act (HMDA) data can shed light on the role of access to credit in homeownership differences by race and ethnicity. The loan denial rate among American Indian or American Natives was 12 percentage points higher than for White applicants and the denial rate among black or African American applicants was 7 percentage points higher. The proportion of high-priced loans among Hispanic households is double the proportion for Non-Hispanics (22% compared to 11%).

**Impediment No. 4. Residents find it difficult to use Housing Choice Vouchers in the region.** Among the respondents with some type of housing subsidy, half (52%) participate in the Section 8 voucher program. Among these residents, most describe their experience trying to find a landlord to accept their voucher as “somewhat difficult” or “difficult.” The most prevalent reasons tenants cited as difficult include:



- Not enough properties available,
- Voucher is not enough to cover the rent for places I want to live,
- Have a hard time finding information about landlords that accept Section 8,
- Not enough time to find a place to live before the voucher expires,
- Landlords have policies of not renting to voucher holders,
- Condition of housing does not pass Housing Quality Standards (HQS), and
- Vouchers require utilities be included in the rental rate.

**Impediment No. 5. Zoning and land use regulations could be improved to better facilitate housing choice.** The lack of “missing middle” housing—duplex, triplex, townhome products and accessory dwelling units being allowed throughout the city—creates a product bottleneck and keeps families who could own as renters.

Over the past two decades, housing development has been dominated by single family. Zoning and land use regulations in the city and especially the county limit the future multifamily and missing middle housing development potential and, as such, may create barriers to the construction of affordable housing. Section II provides detailed recommendations to ensure zoning and land use regulations promote inclusive development.

**Impediment No. 6. Discrimination in rental housing persists.** Fair housing testing by the Southwest Fair Housing Council indicates discrimination in rental housing transactions is prevalent in the City of Yuma. For more information about discrimination and enforcement under the FHAA see Section IV.

## **Fair Housing Action Plan**

The recommended fair housing action plan (FHAP) for the city follows. These action items focus on what the City of Yuma can reasonably do to address the impediments and affirmatively further fair housing (AFFH) given its staff and financial capacity. Other public entities, nonprofit, and private sector partners can play a role and buttress the city’s AFFH activities.

The action plan is contained in the matrix on the following page, which links the action items to the identified impediments, potential partners, timeline and outcomes.

**Figure ES-1.**  
**Fair Housing Action Plan**

#	Fair Housing Actions	Fair Housing Issues/Impediments	Responsible Party	Metrics and Milestones
1	<b>Maintain a regular 10-year schedule for updating the City of Yuma and Yuma County General Plans and corresponding zoning and land use regulations.</b>	Zoning and land use regulations limit housing choice, Access to homeownership is unequal among protected classes, Persons with disabilities face barriers to housing choice	City of Yuma and Yuma County	Consider the land use recommendations presented in the Public and Private Barriers to Fair Housing Choice section of this AI.  Based on a 10-year update schedule the City of Yuma and Yuma County are due for updates based on the following milestones: (last updated/update due) - City of Yuma 2012/2022 - Yuma County 2012/2022
2	<b>Collaborate with the Southwest Fair Housing Council to continue and expand fair housing testing efforts in the City of Yuma.</b>	Discrimination in rental housing persists	City of Yuma and Southwest Fair Housing Council	Develop a schedule for fair housing testing and reporting. File allegations of fair housing violations with HUD.
3	<b>Consider bridge financing or a utility fund to support residents with Housing Choice Vouchers in finding landlords to accept vouchers. Bridge financing or a utility fund could be used by voucher holders to guarantee utility payments to landlords who do not traditionally include utilities in rent.</b>	Residents find it difficult to use housing choice vouchers in the city	City of Yuma and HACY	Research best practices for implementation of bridge financing or utility funds in other communities. Identify potential funding sources for the program.
4	<b>Advocate for source of income protections in the state legislature and locally.</b>	Residents find it difficult to use housing choice vouchers in the city	City of Yuma, HACY, and Southwest Fair Housing Council	Support source of income protection legislation at the state level. Consider adopting source of income protections locally.

## Fair Housing Action Plan Continued

#	Fair Housing Actions	Fair Housing Issues/Impediments	Responsible Party	Metrics and Milestones
5	Expand landlord training on fair housing issues and provide technical assistance in granting reasonable accommodations as well as funding for reasonable accommodations for residents living with a disability and the Housing Choice Voucher program.	Residents find it difficult to use housing choice vouchers in the city, Persons with disabilities face barriers to housing choice	City of Yuma, HACY, and Southwest Fair Housing Council	Develop and deliver at least two technical assistance trainings for landlords per year. Focus topic areas on granting reasonable accommodations and the HCV program.
6	Prioritize sidewalks and accessible infrastructure in the city's capital improvement plan to provide residents living with a disability equal access to opportunity in the community.	Persons with disabilities face barriers to housing choice	City of Yuma	Evaluate areas of the city that require accessibility improvements, particularly sidewalks. Prioritize the improvement of accessible infrastructure in the CIP.
7	Collaborate with partners to provide targeted homeownership programs including down payment assistance, financial literacy training, and actively discourage the use of predatory lending products, particularly among the most vulnerable populations in the community identified in this AI.	Access to homeownership is unequal among protected classes	City of Yuma, HACY, and Southwest Fair Housing Council	Explore possible funding sources to determine the development of an affirmative marketing plan and plan to provide homeowner assistance with forms/applications targeting under-represented residents. Identify lead organizations to act as the host for financial literacy training and develop a suite of recourses that address the city's specific needs.
8	Expand the geographic reach of the rental inspection programs to ensure the health, safety, and welfare of residents, particularly in low income areas. Institute a rental licensing program to collect data, enforce building code regulations, and maintain a regular inspection schedule. In tandem, provide increased technical assistance and funding for the rehabilitation of rental units in the city.	Persons with disabilities face barriers to housing choice, Concentrations of poverty, racial and ethnic minorities, and poor housing quality persist, Residents find it difficult to use Housing Choice	City of Yuma and HACY	Leverage the existing rental inspection program to assess the potential for expansion into other low income areas. Research and consider developing a rental licensing program for all rental units. Develop technical assistance for landlords with the adoption of increased rental inspections and provide resources for rehabilitation of properties.