APPENDIX C - CITRUS HEIGHTS AB 686 FAIR HOUSING ASSESSMENT

Introduction and Overview of AB 686

Assembly Bill 686, signed in 2018, establishes new requirements to Government Code Section 65583 requiring cities and counties to take deliberate actions to foster inclusive communities through fair and equal housing choice by establishing policies to address disparities in housing needs, access to opportunity, and patterns of racial and ethnic segregation, a process referred to as affirmatively furthering fair housing (AFFH). Housing elements are now required to include or address the following five components:

- **Inclusive and Equitable Outreach:** Housing elements must make a diligent effort to equitably include all community stakeholders in the housing element participation process.
- **Fair Housing Assessment:** All housing elements must include an assessment of fair housing. This assessment should include an analysis of the following four fair housing issues: integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs, including displacement risk.
- **Analysis of Sites Inventory:** Local jurisdictions must evaluate and address how particular sites available for housing development will meet the needs of households at all income levels. The housing element must analyze and conclude whether the identified sites improve or exacerbate conditions for fair housing.
- **Identification of Contributing Factors:** Based on findings from the previous steps, housing elements must identify, evaluate, and prioritize the contributing factors related to fair housing issues.
- **Priorities, Goals, and Actions to AFFH:** Local jurisdictions must adopt fair housing goals and actions that are significant, meaningful, and sufficient to overcome identified patterns of segregation and affirmatively further fair housing. The housing element should include metrics and milestones for evaluating progress and fair housing results.

Assessment of Fair Housing Issues

This section serves as an assessment of fair housing practices, pursuant to Government Code Section 65583 (c)(10) in the City of Citrus Heights. It examines existing conditions and demographic patterns — concentrated areas of poverty within the City, concentrated areas of low- and median- income housing, and areas of low and high opportunity — to identify any presence of segregated living patterns in order to develop actions to replace them with integrated and balanced living patterns. It also provides and compares the analysis from a local and regional perspective, describing settlement patterns across the region.

Community amenities and access to opportunities are inherently spatial in nature and are not always readily accessible or attainable due to the different types of social, cultural, and economic barriers in our society. Ensuring that sites for housing, particularly lower income units, are in high resource areas rather than concentrated in areas of high segregation and poverty requires jurisdictions to plan for housing with regards to the accessibility of various opportunities including jobs, transportation, good education, and health services.

Fair Housing Enforcement and Outreach

Fair housing complaints can be used as an indicator to identify characteristics of households experiencing discrimination in housing. Pursuant to the California Fair Employment and Housing Act [Government Code Section 12921 (a)], the opportunity to seek, obtain, and hold housing cannot be

determined by an individual's "race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, or any other basis prohibited by Section 51 of the Civil Code."

Fair housing issues that may arise in any jurisdiction include but are not limited to:
- housing design that makes a dwelling unit inaccessible to an individual with a disability;
- discrimination against an individual based on race, national origin, familial status, disability, religion, or sex when renting or selling a housing unit; and
- disproportionate housing needs across the City/County including cost burden, overcrowding, and risk of displacement.

The City works with Sacramento Self-Help Housing and the jurisdictions within Sacramento County to provide a telephone and internet-based "Renter's Helpline". This hotline provides telephone counseling and mediation services for residents of Sacramento County to help resolve a housing crisis or dispute. The program counselors deal directly with concerns regarding landlord-tenant disputes and help refer fair housing issues to the appropriate agency. During the fiscal year of July 2019 to June 2020, the Renter's Helpline received a total of 411 intake calls from Citrus Heights residents. Of those 411 calls, 34 cases were referred to Project Sentinel, 23 were screened for fair housing, and 7 cases were investigated.

Moreover, the City publicizes the U.S. Department of Housing and Urban Development (HUD), the California Department of Fair Employment and Housing (DFEH) and regional non-profits to any resident with a question or concern related to fair housing. A major source of complaints for the City are related to code enforcement. Therefore, in 2019, the City established a Rental Housing Inspection Team to regularly inspect the rental housing stock.
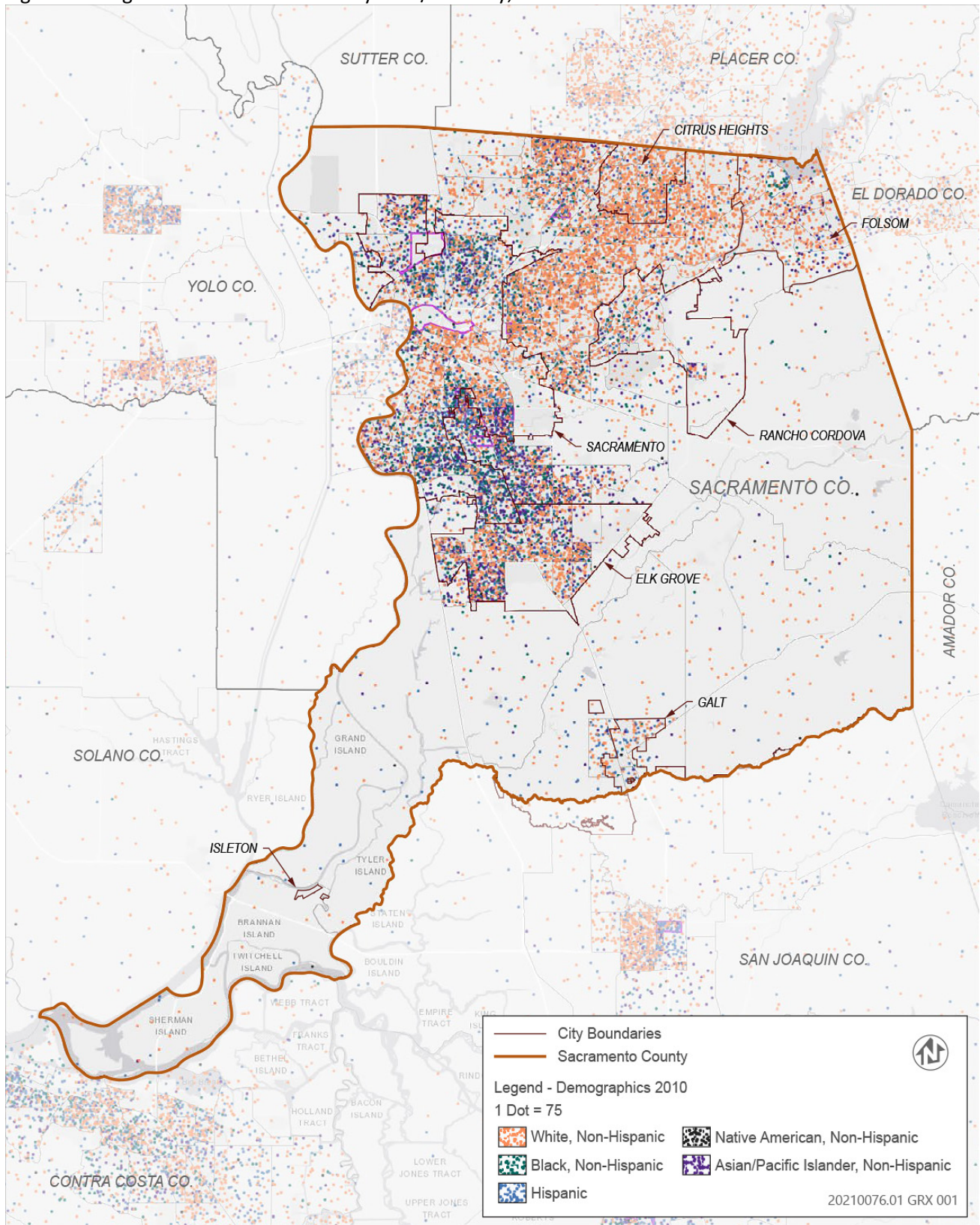
The City also enforces a Reasonable Accommodation Ordinance to accommodate people with disabilities in accommodations in the housing of their choice. The City also has a program to eliminate barriers for people with disabilities for projects that include public facility accommodations, public facility alterations, and the removal of transportation barriers. For the past several years, the City has regularly allocated Community Development Block Grant (CDBG) funding to city-wide accessibility projects, which provide improvements such as curb ramps, sidewalks, crosswalks, and pedestrian push buttons.

Integration and Segregation
Race and Ethnicity
The Sacramento Valley region has grown in diversity in recent decades and has higher shares of Hispanic/Latino and Asian residents than the national average. In 2017, non-Hispanic White residents made up 55.7 percent of the population within the region, compared to 73 percent in 1990. Figure 1X shows the racial and ethnic distribution in the Sacramento Region as of 2010. Generally, patterns of settlement indicate that the majority of non-White residents and residents that identify as either Hispanic or Latino reside in and around the Cities of Sacramento and Elk Grove.
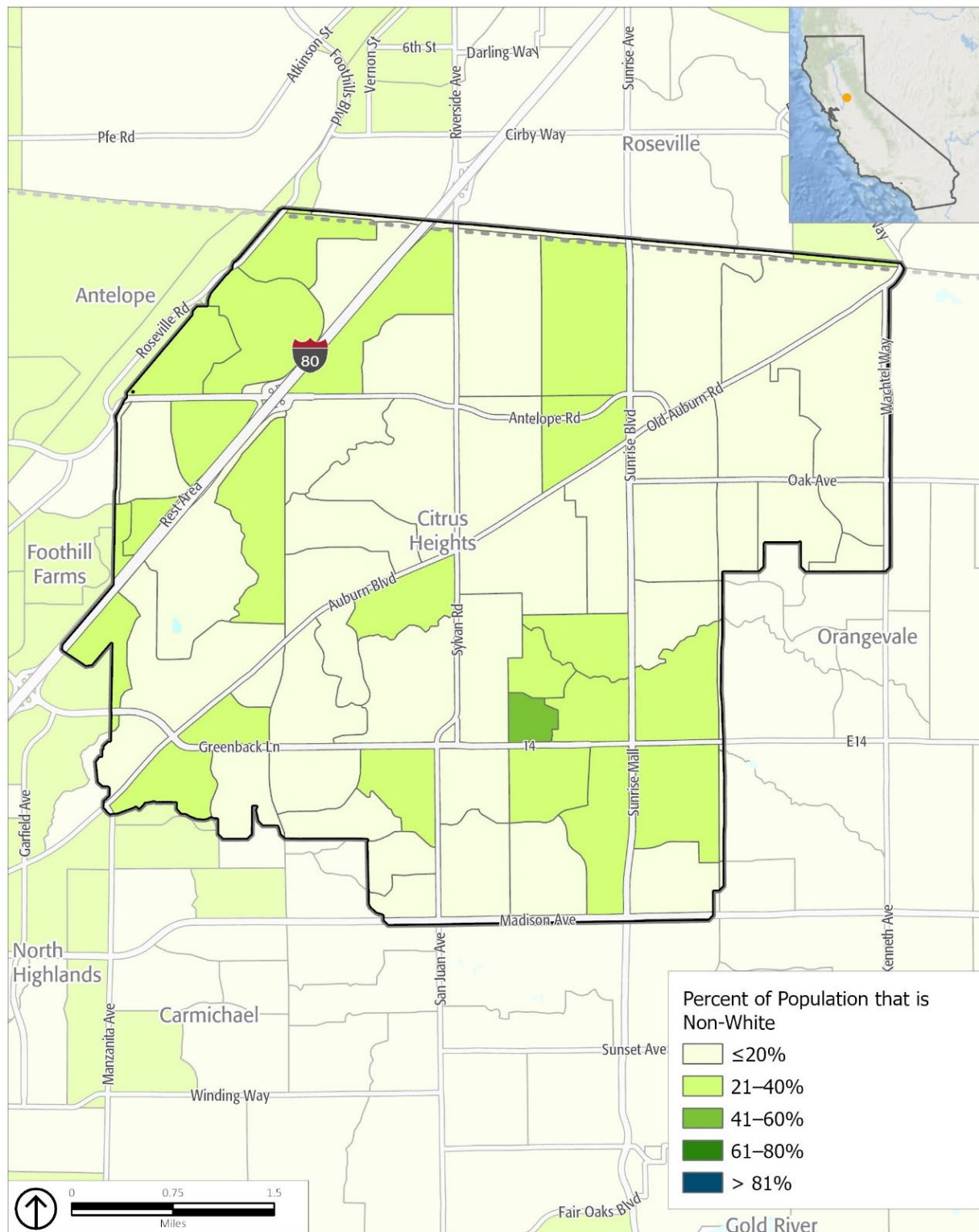
Figure 1X: Regional Settlement Trends by Race/Ethnicity, 2010

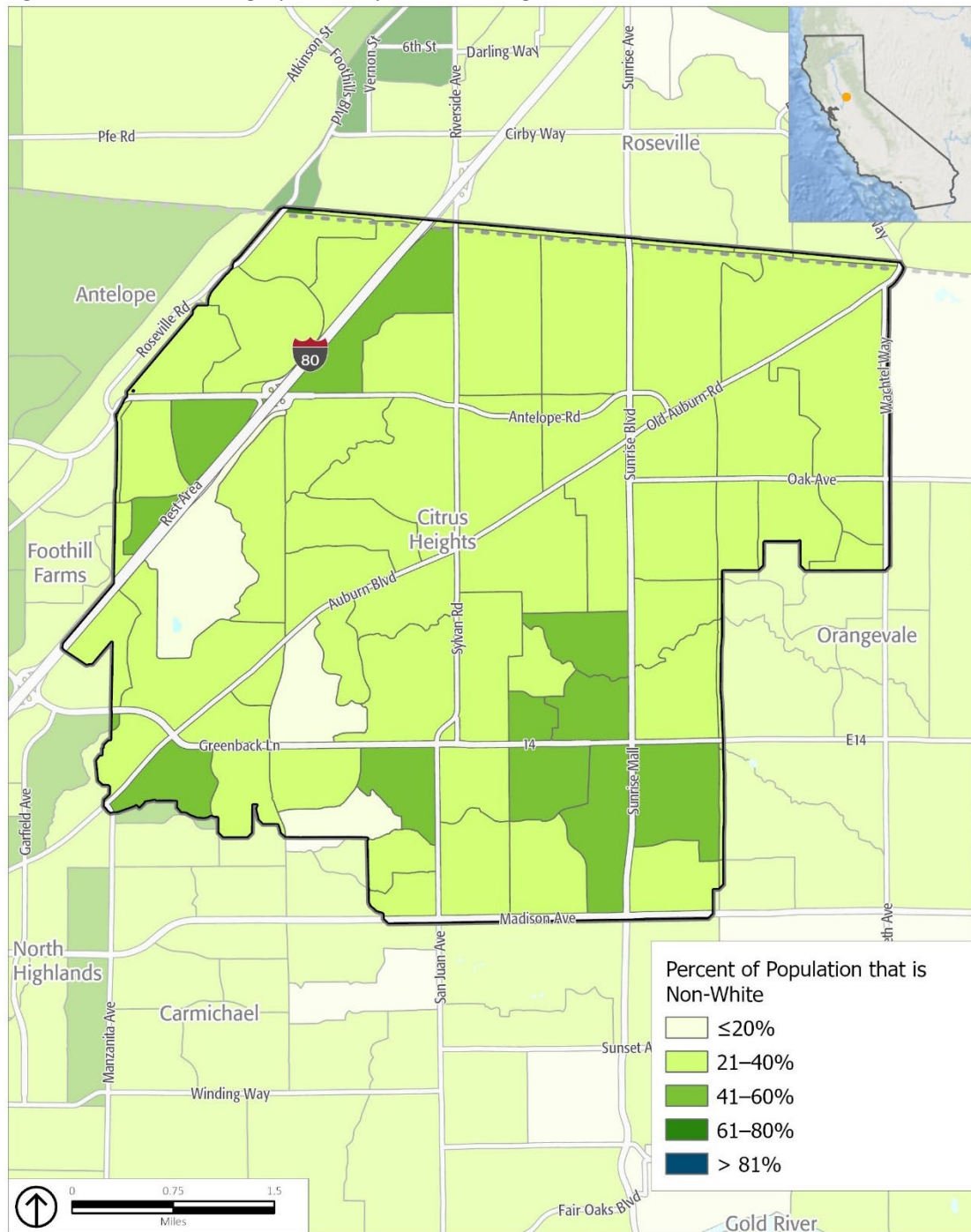Source: HUD AFFH Mapping Tool; Adapted by Ascent, 2021.

Similar to the overall regional trends, Citrus Heights has also become more diverse over the past decade. Between 2010 and 2018, the percent of the total non-white population for most of the census block groups in the city increased from less than 20 percent in 2010 to 21-40 percent in 2018, with some areas as high as 41-60 percent (see Figures 2X and 3X). However, as was described in Section 2.12, 69.6 percent of the population in the city identifies as White and most census tracts in the city are still predominately made up of White households (see Figure 4X). The eastern areas of the city have the lowest diversity levels while the central city near Greenback Lane and Sunrise Boulevard have the highest diversity levels, as is shown in Figure 5X.

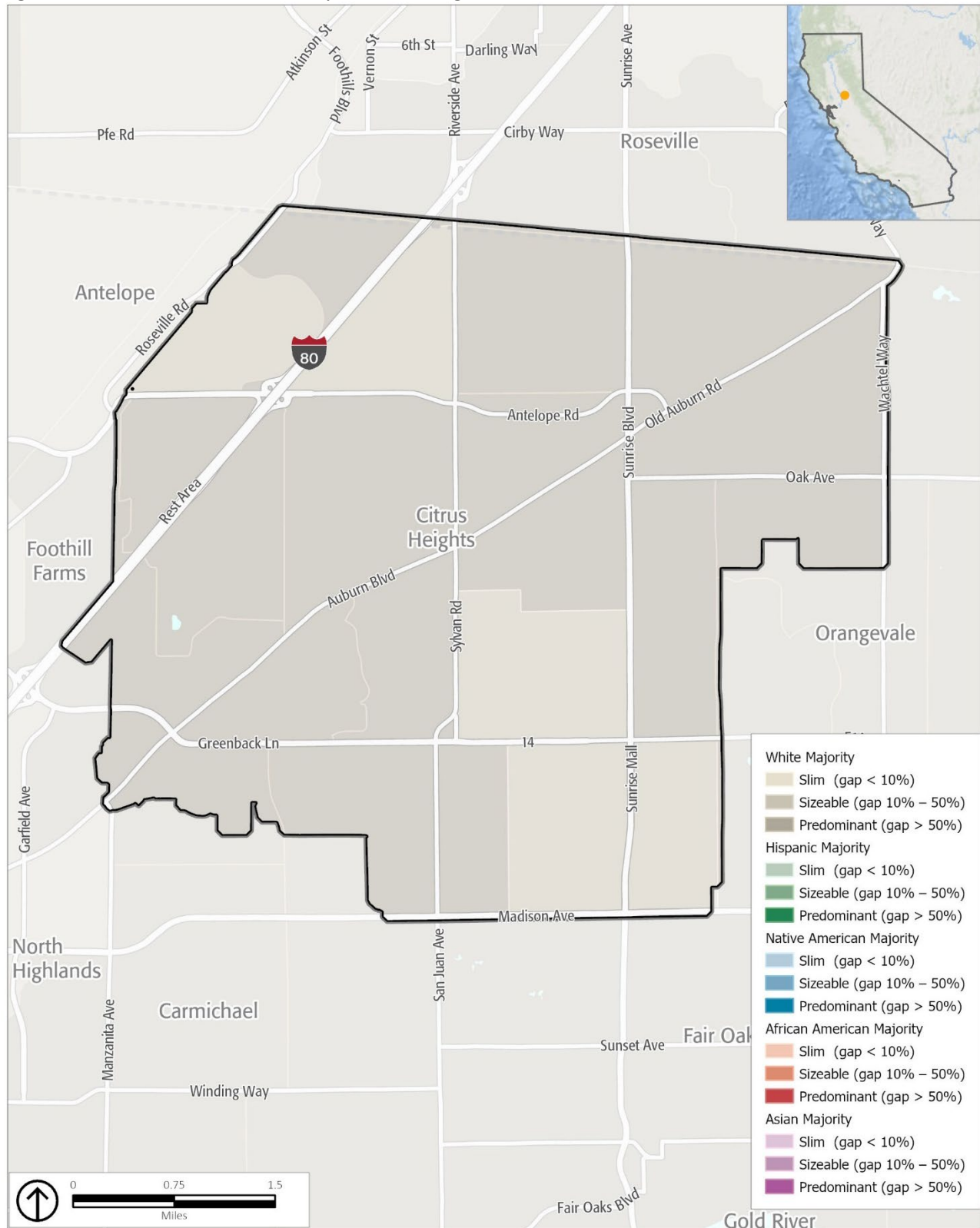Figure 2X: Racial Demographics, City of Citrus Heights, 2010

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2010.

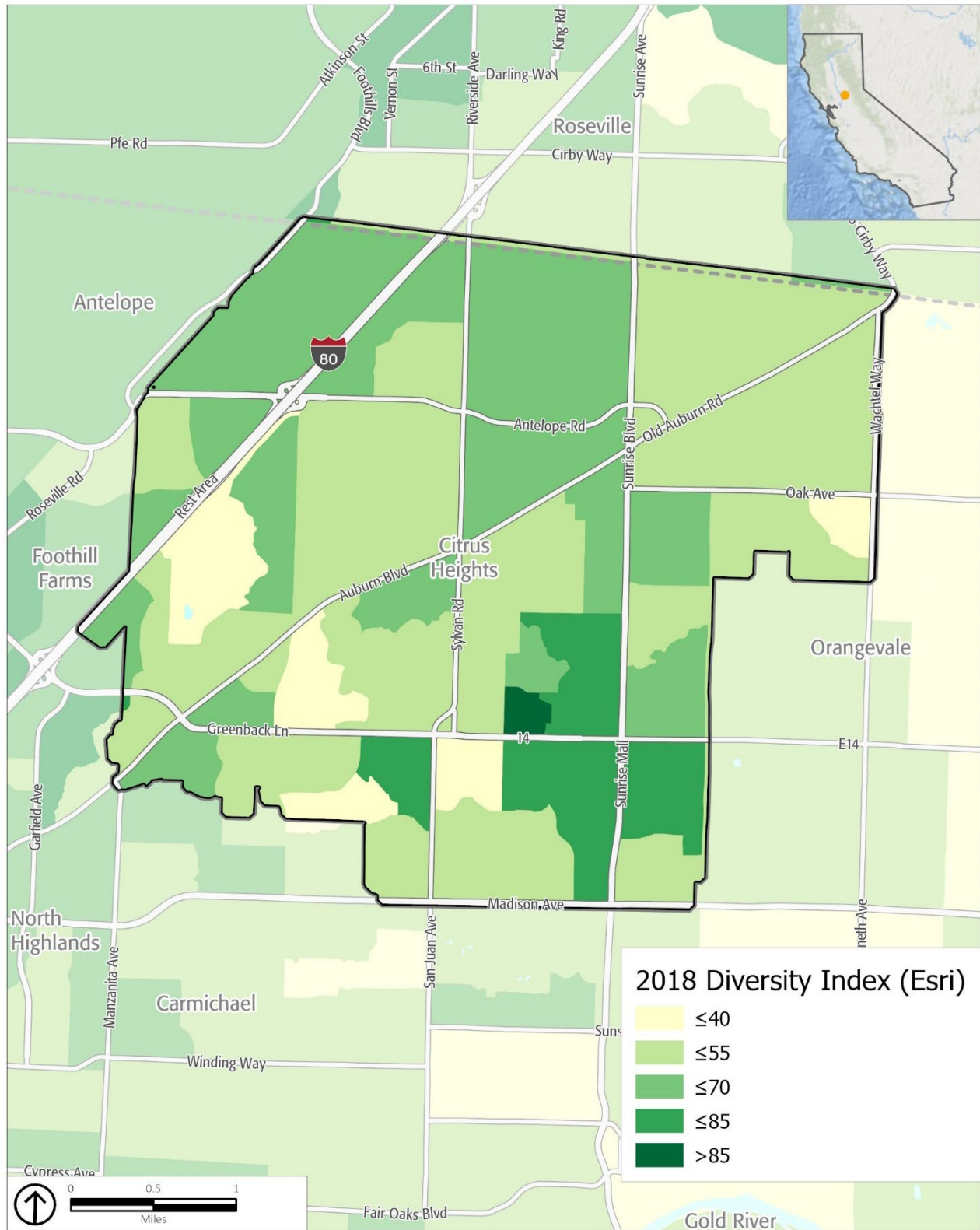Figure 3X: Racial Demographics, City of Citrus Heights, 2018

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2018.

Figure 4X: Racial Predominance, City of Citrus Heights

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2018.

Figure 5X: Diversity Index, City of Citrus Heights, 2018

Source: HCD AFFH Data Resources and Mapping Tool, 2018.

Dissimilarity Index

A common measure of the magnitude of segregation within a city or county is the dissimilarity index (DI). The DI measures the degree to which two specific groups are distributed across a geographic area. The DI varies between 0 and 100 and measures the percentage of one group that would have to move across neighborhoods to be distributed the same way as the second group. A dissimilarity index of 0 indicates conditions of total integration under which both groups are distributed in the same proportions across all neighborhoods. A dissimilarity index of 100 indicates conditions of total segregation such that the members of one group are in completely different neighborhoods than the second group.

It is important to note that the DI provided by HUD uses non-Hispanic White residents as the primary comparison group. That is, all DI values compare racial and ethnic groups against the distribution of non-Hispanic White residents and do not directly measure segregation between two minority groups (e.g., Black and Hispanic segregation).

Most of the Sacramento region has a low to moderate index rating. The low dissimilarity index ratings for race and ethnicity in Citrus Heights indicate that most communities of color are dispersed evenly into neighborhoods throughout the city relative to their proportion in the city. At most, 25 percent of Black residents in Citrus Heights would need to move across neighborhoods to be evenly distributed in comparison to non-Hispanic White residents (see Table 1X).

Table 1X: Dissimilarity Index, 2013

Jurisdiction	Minority/NHW Dissimilarity Index		Hispanic/NHW Dissimilarity Index		Black/NHW Dissimilarity Index		Asian/NHW Dissimilarity Index	
	Index	Rating	Index	Rating	Index	Rating	Index	Rating
Citrus Heights	18.54	Low	20.64	Low	25.50	Low	18.52	Low
Elk Grove	27.10	Low	19.63	Low	28.80	Low	34.68	Low
Davis	17.96	Low	16.62	Low	21.90	Low	23.63	Low
Rancho Cordova	17.87	Low	18.52	Low	25.16	Low	36.80	Low
Roseville	15.92	Low	20.19	Low	19.41	Low	29.67	Low
Rocklin	12.74	Low	13.44	Low	21.48	Low	24.21	Low
Balance of Sacramento	36.41	Low	36.76	Low	48.52	Moderate	45.19	Moderate
City of Sacramento	37.80	Low	39.56	Low	44.92	Moderate	43.73	Moderate
W. Sacramento	19.26	Low	27.57	Low	29.52	Low	24.27	Low
Woodland	21.58	Low	22.69	Low	30.89	Low	39.69	Low

Note: NHW is Non-Hispanic White.
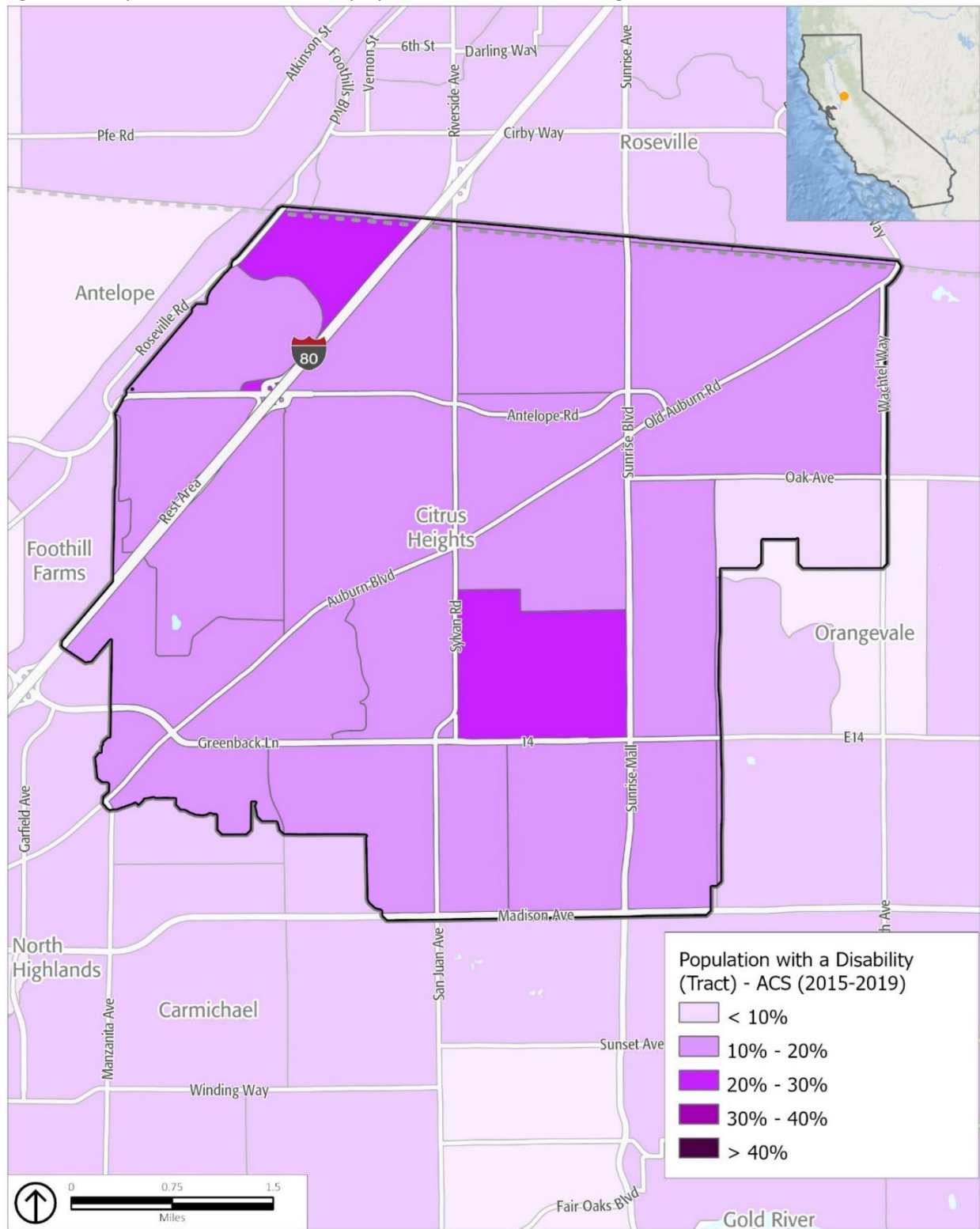Source: Decennial Census 2010 pulled from the HUD Exchange and Root Policy Research.
Source: Root Policy Research, 2020.

Disability
The U.S. Census Bureau defines disability as one of the following: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. In Citrus Heights, 13,776 residents had a disability in 2019 according to 2015-2019 American Community Survey data. This equates to 15.8 percent of the total non-institutionalized population, which is a higher proportion than Sacramento County (11.8 percent) and California (10.6 percent).

Figure 6X shows the population of persons with a disability by census tract in the city using American Community Survey data from 2015-2019. At a regional level, Citrus Heights is similar to the rest of the county in that almost all of the census tracts have less than 20 percent of their population living with a disability. However, the map reveals a slightly higher concentration of residents with disabilities in the northwestern area of the city and in the area between Greenback Lane and Highland Avenue.

Figure 6X: Population with a Disability by Census Tract, Citrus Heights (2015-2019)
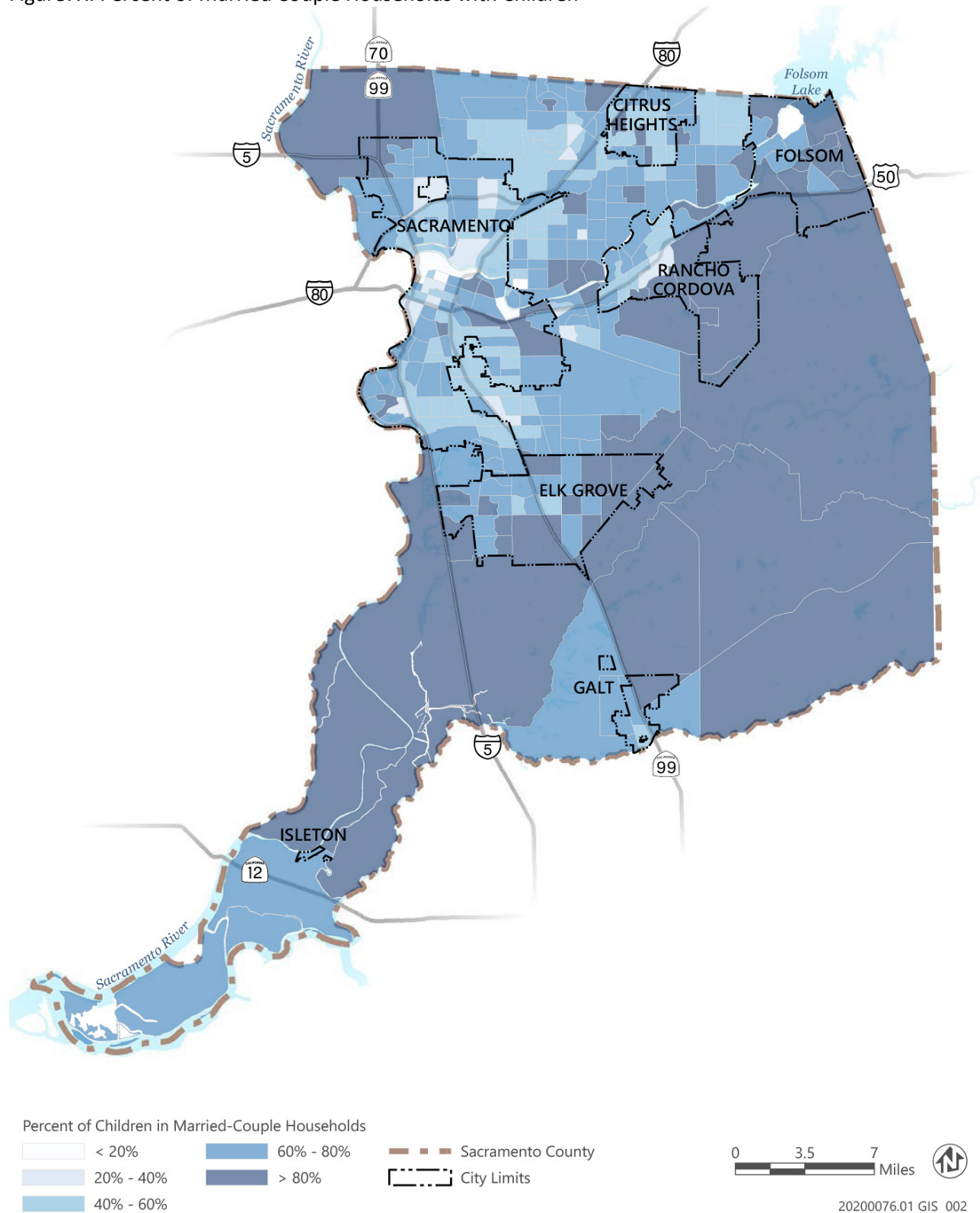

Population with a Disability (Tract) - ACS (2015-2019)
- < 10%
- 10% - 20%
- 20% - 30%
- 30% - 40%
- > 40%

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Familial Status

About 42 percent of all households in Citrus Heights were married-couple families in 2018 (see Table 2-30). Of the approximately 34,000 households in Citrus Heights, 17 percent are married-couple households with children under 18 years of age. Figure 7X shows the percent of children in married-couple households in the region using ACS data from 2015-2019. The composition and distribution of family households in Citrus Heights are generally like that of the region, in which approximately 40-60 percent of children in a given census tract live in a household with a married couple.
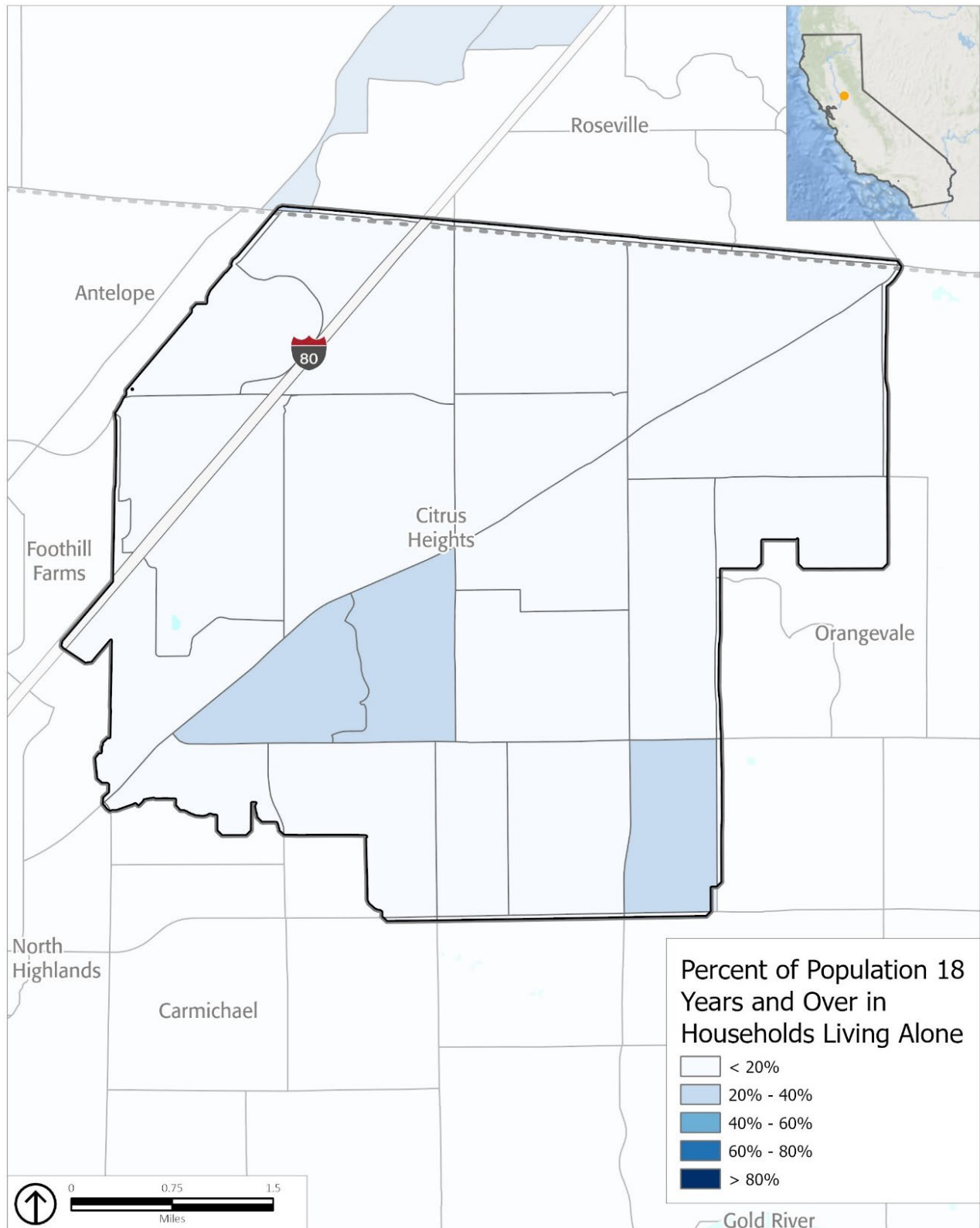
On the other hand, Citrus Heights has a sizeable population of nonfamily households (38 percent), which includes the portion of the population 18 years and older living alone. Of the nonfamily households in Citrus Heights in 2017, 76 percent were householders living alone and 33 percent of householders living alone were 65 years of age or older. Figure 8X shows the distribution of householders 18 years and over that are living alone in the city. Generally, the city is reflective of the region in that less than 20 percent of most census tracts are householders living alone. There are higher concentrations of single-person households in a few census tracts along Auburn Boulevard and Greenback Lane.

Figure7X: Percent of Married Couple Households with Children

Percent of Children in Married-Couple Households

< 20%	60% - 80%	Sacramento County
20% - 40%	> 80%	City Limits
40% - 60%		

0   3.5   7 Miles

20200076.01 GIS 002

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 5 Year Estimates 2015-2019.

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Figure 8X: Percent of Population 18 years and Over in Households Living Alone
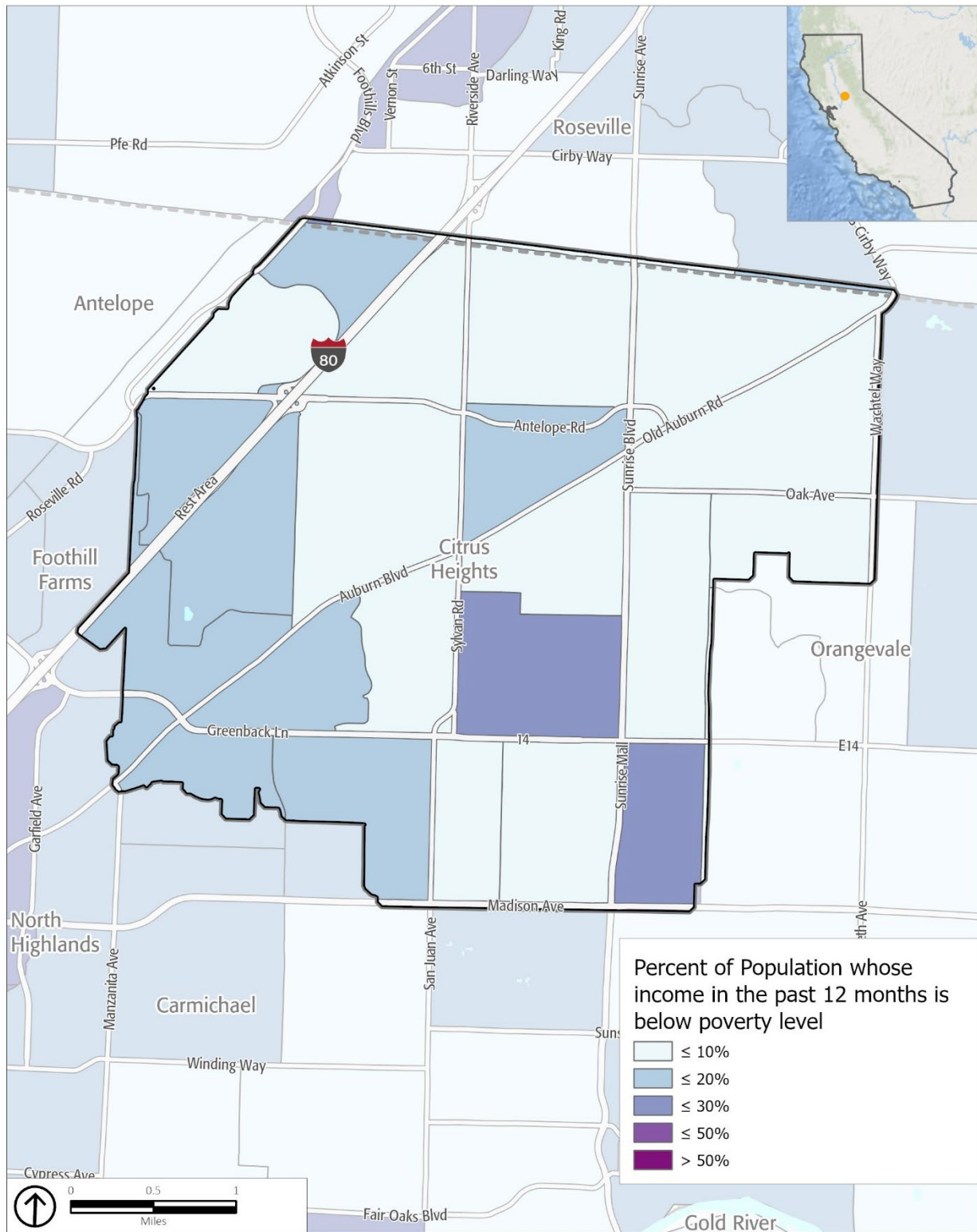

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Income
The 2015-2019 American Community Survey (ACS) revealed that the area east of Sunrise Boulevard and south of Greenback Lane has the highest percentage of the population below the poverty level in the city (see Figure 9X). As of 2019, this area had a poverty rate of 29.6 percent, which is nearly double its poverty rate of 15.1 percent in 2014 (see Figure 10X). Moreover, the second highest area of concentrated poverty in Citrus Heights is the area between Greenback Lane and Highland Avenue, which had a poverty rate of 23.4 percent in 2019. In 2014, the ACS reported that this area had a poverty rate of 30.8 percent, which represents a 7.4 percent reduction in this area's poverty rate.
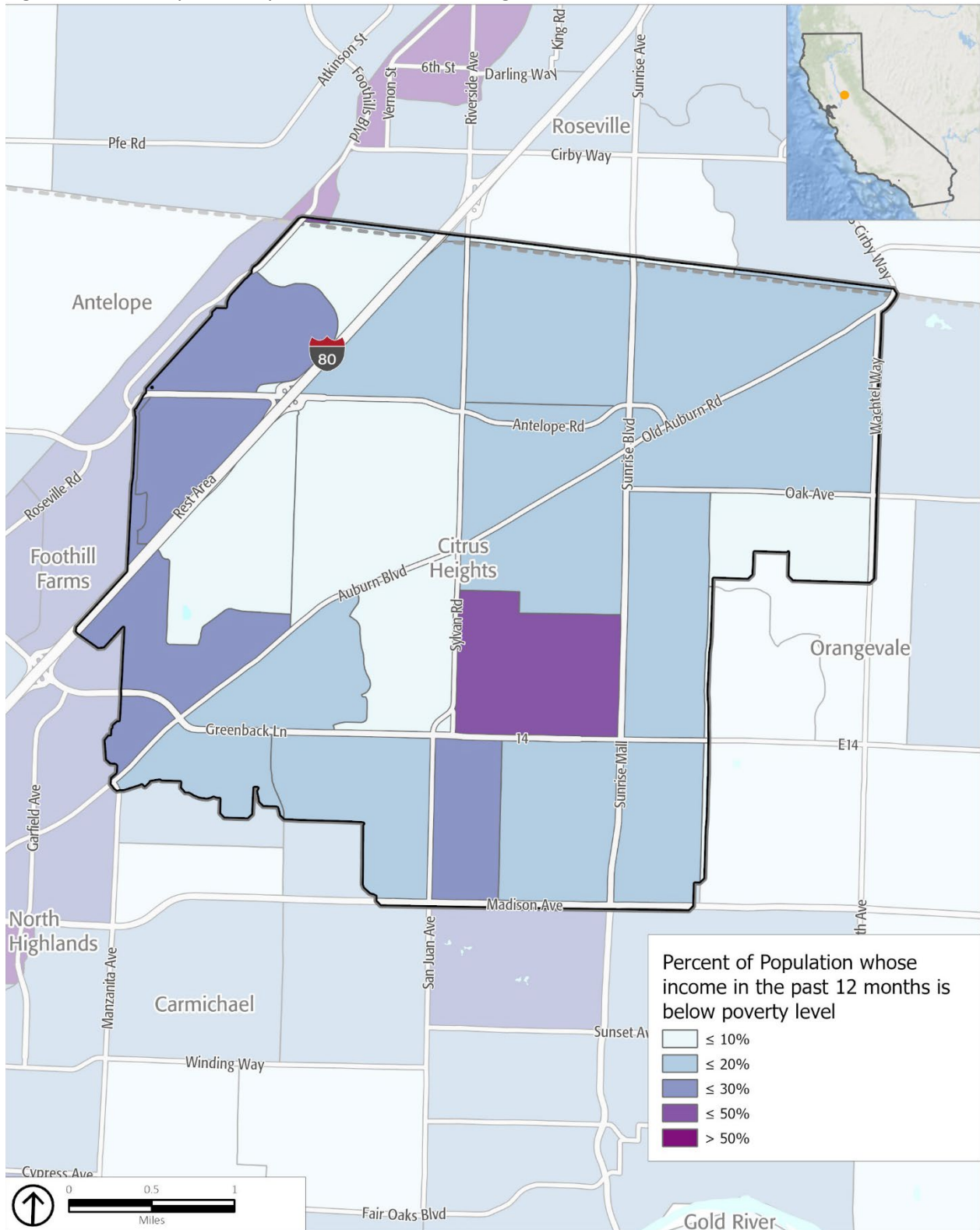
The disparity between poverty rates in these two neighborhoods and surrounding areas has decreased slightly since 2014. By 2019, households living below the poverty line had dispersed across the city, resulting in fewer significantly concentrated areas of poverty and a more consistent median income between neighborhoods, except for the two areas with a poverty status higher than 20 percent shown in Figure 9X. The rate of poverty outside of this central area of the City mirrors much of the region, with Roseville and Rancho Cordova showing similar patterns of income segregation and integration. In contrast, the City of Citrus Heights has significantly lower rates of poverty than the City of Sacramento.

Figure 9X: Poverty Status by Census Tract, Citrus Heights, 2015-2019

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2015-2019.

Figure 10X: Poverty Status by Census Tract, Citrus Heights, 2010-2014

Source: HCD AFFH Data Resources and Mapping Tool, U.S. Census American Community Survey 2010-2014.

Furthermore, race and ethnicity are critical factors in understanding patterns of segregation and integration by income. Although the citywide poverty rate was 11.7 percent in 2019, not all racial and ethnic groups in Citrus Heights had the same likelihood of experiencing poverty. As shown in Table 2X, residents who identified as non-Hispanic White, Asian, or Native Hawaiian and Other Pacific Islander were much less likely to experience poverty. In contrast, residents who identified as Black, Hispanic or Latino, or American Indian and Alaskan Native were disproportionately represented in the share of the total population in poverty in comparison to their actual proportion of the city's population.

TABLE 2X: POVERTY BY RACE AND ETHNICITY, CITY OF CITRUS HEIGHTS, 2014-2019

	Below Poverty Line			Total Population	
	Number	Poverty Rate	Share of Total Population in Poverty	Number	Percent
WHITE (NON-HISPANIC)	5,503	9.1%	51.3%	60,238	65.8%
BLACK	972	28.6%	9.1%	3,394	3.7%
ASIAN	294	9.7%	2.7%	3,033	3.3%
NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER	7	5.7%	0.1%	123	0.1%
AMERICAN INDIAN AND ALASKAN NATIVE	210	41.1%	2.0%	511	0.6%
SOME OTHER RACE	560	18.9%	5.2%	2,962	3.2%
TWO OR MORE RACES	640	13.6%	6.0%	4,691	5.1%
HISPANIC OR LATINO	2,533	15.2%	23.6%	16,661	18.2%
TOTAL	**10,719**	**11.7%**	**100.0%**	**91,613**	**100.0%**

Source: U.S. Census, American Community Survey 5 Year Estimates 2015-2019, Table S1701

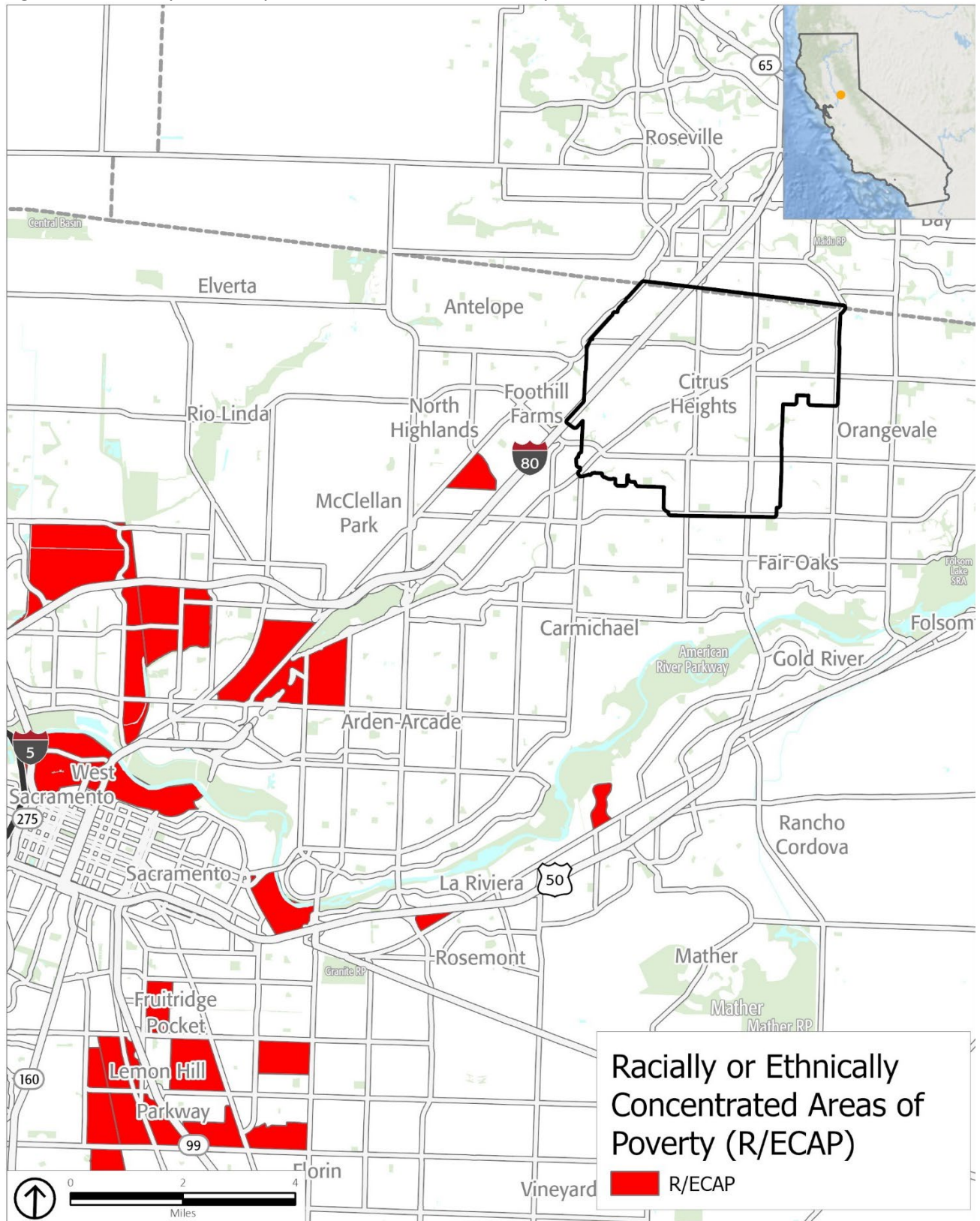**Racially and Ethnically Concentrated Areas of Poverty**

Racially/Ethnically Concentrated Areas of Poverty
Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are neighborhoods in which there are both racial concentrations and high poverty rates. HUD defines R/ECAPs as census tracts with:
- a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average poverty rate for the county, whichever is lower.

While there are no R/ECAPs in the City of Citrus Heights, there are concentrated areas of poverty that correspond within areas of high diversity and there are R/ECAPs located near Citrus Heights in North Highlands and in the Cities of Rancho Cordova and Sacramento (see Figure 11X).

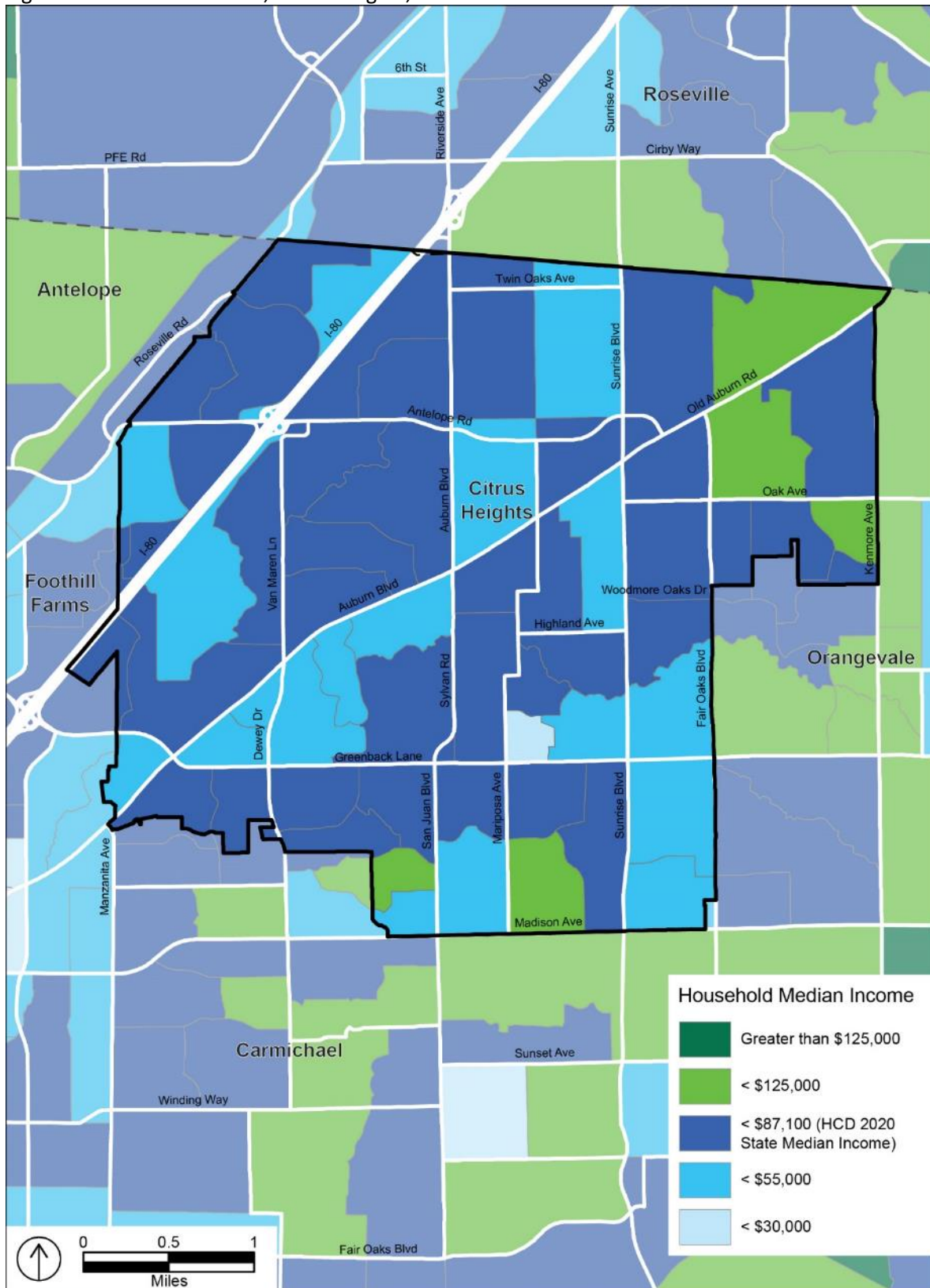Figure 11X: Racially/Ethnically Concentrated Areas of Poverty, Sacramento Region

Source: HCD AFFH Data Resources and Mapping Tool; HUD AFFH Tool 2013

Racially/Ethnically Concentrated Areas of Affluence

Although there are not standard definitions for Racially or Ethnically Concentrated Areas of Affluence (RCAAs), they are generally understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. Comparing Citrus Heights relative to the surrounding Sacramento region, the city has a lower presence of high-income households and a lower diversity than other nearby incorporated cities. As was discussed previously and shown in Figure 4X, non-Hispanic Whites are the predominant racial/ethnic group throughout Citrus Heights. Additionally, the median household income in most census block groups is equal to or less than the 2020 state median income (see Figure 12X). However, there are a few areas in the northeastern and southern parts of the city above the state median household income. In fact, there is one block group south of Oak Ave and west of Kenneth Ave with a median household income of about $115,000. This predominantly white neighborhood with higher income households fits the criteria of a local RCAA.

Figure 12X: Median Income, Citrus Heights, 2015-2019

Source: HCD AFFH Data Resources and Mapping Tool, 2021. U.S. Census American Community Survey 2015-2019.

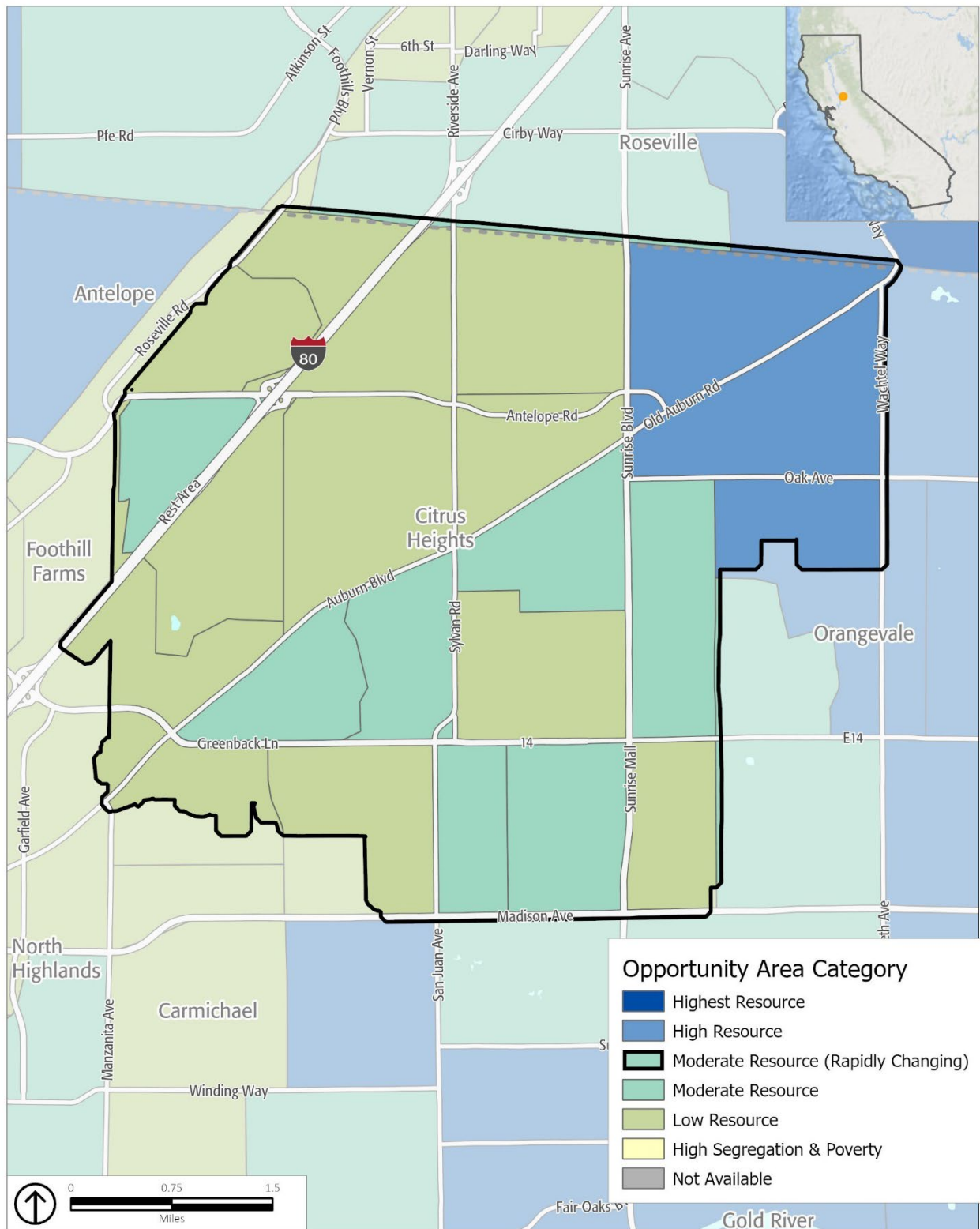**Access to Opportunity**

HCD/TCAC Opportunity Areas

Across the nation, affordable housing has been disproportionately developed in minority neighborhoods with high poverty rates, thereby reinforcing the concentration of poverty and racial segregation in low opportunity and low resource areas. Several agencies have developed "opportunity indices" to assess and measure geographic access to opportunities, including HUD; the University of California at Davis, Center for Regional Change; and HCD in coordination with the California Tax Credit Allocation Committee (TCAC). For this assessment, the opportunity index prepared by HCD and TCAC is used to analyze access to opportunity in Citrus Heights.

HCD and TCAC prepare opportunity maps to determine areas with the highest and lowest resources. The TCAC/HCD Opportunity Maps are intended to display the areas, according to research, that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The primary function of TCAC is to oversee the Low-Income Housing Tax Credit (LIHTC) Program, which provides funding to developers of affordable rental housing. The opportunity maps play a critical role in shaping the future distribution of affordable housing in areas with the highest opportunity.

According to the HCD/TCAC 2020 Opportunity Areas Map, only a small portion of Citrus Heights is considered a "High Resource" area, which includes the area southeast of Old Auburn Road and south of Oak Avenue (Figure 13X). High Resource areas are areas with high index scores for a variety of educational, environmental, and economic indicators. Some of these indicators include high levels of employment and close proximity to jobs, access to effective educational opportunities for both children and adults, low concentration of poverty, and low levels of environmental pollutants, among others. The northwest and southeast area of Old Auburn Road and Auburn Boulevard are considered "Moderate Resource" areas. These areas have access to many of the same resources as the High Resource areas but may have longer commutes to place of employment, lower median home values, fewer educational opportunities, or other factors that lower their indexes for economic, environmental, and educational indicators.

Most of the city however, is considered "Low Resource", including all areas west of Sunrise Boulevard and north of Auburn Boulevard, as well as areas east of Sylvan Road and South of Greenback Lane (see Figure 13X). TCAC and HCD define these as areas where there are fewer opportunities to access jobs, education, and lower home values in this tract in addition to other economic, environmental, and educational indicators. The expansive designation of Low Resource in the city is likely a result of weak educational opportunities and environmental indicators in most of Citrus Heights, meaning there is a need for the City to prioritize its resources towards improving opportunities for current and future residents.
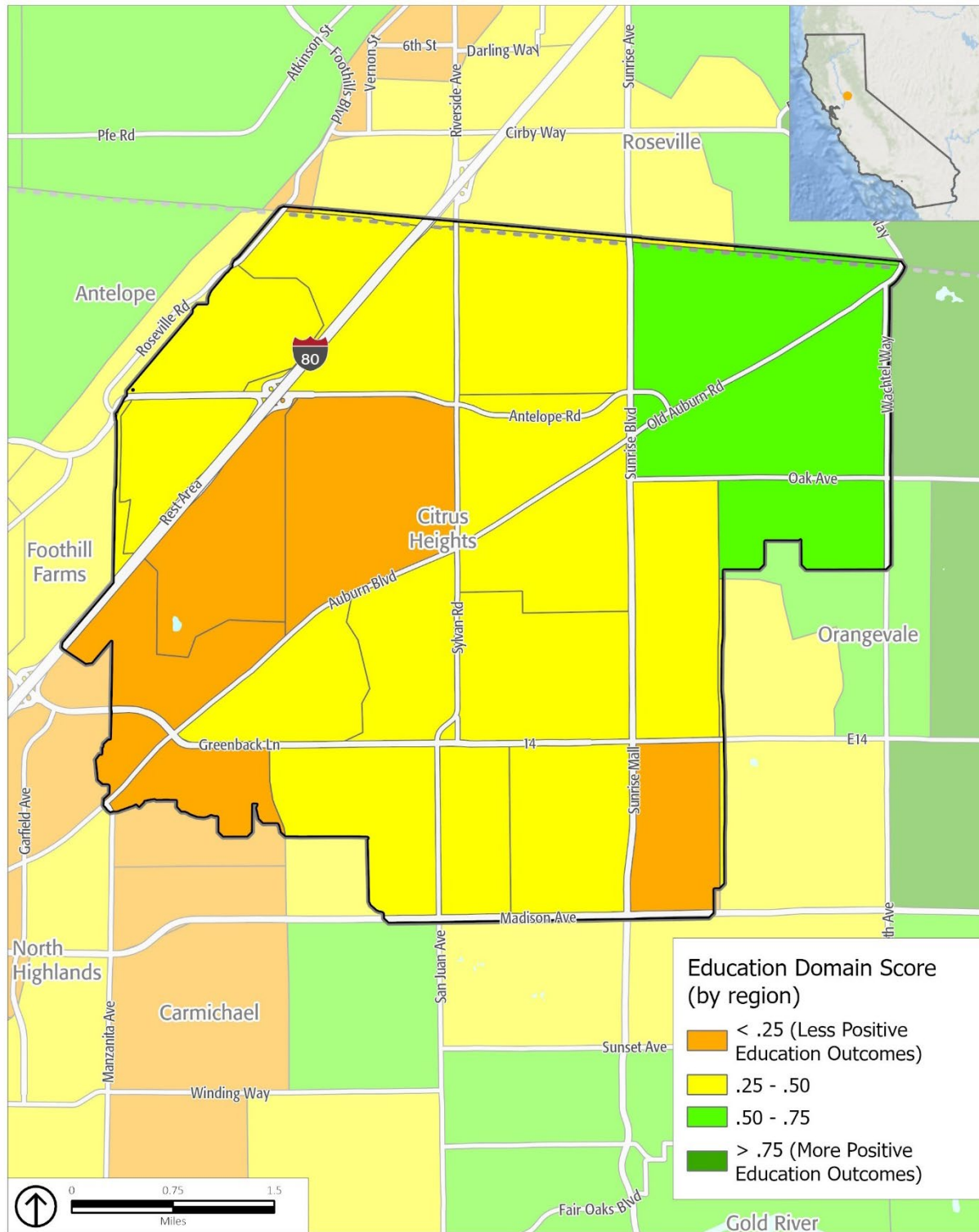
Figure 13X: TCAC Opportunity Areas - Composite

Source: HCD AFFH Data Resources and Mapping Tool, TCAC and HCD Opportunity Areas 2021.

Educational Opportunity

Most of Citrus Heights has very low education scores. Figure 14X shows that only a small area of the city has an education score above 0.5. This area was also classified as high resource (see Figure 13X). The area Northwest of Auburn Boulevard and east of Sunrise Boulevard has the lowest education score (0-0.25), which means that children receive a less positive educational outcome. The area east of Sunrise Boulevard also has the City's highest poverty level, with 29.6 percent of its population being below the poverty level (see Figure 9X). This data indicates that access to proficient school opportunities throughout Citrus Heights are not available especially for those areas with concentrated poverty.

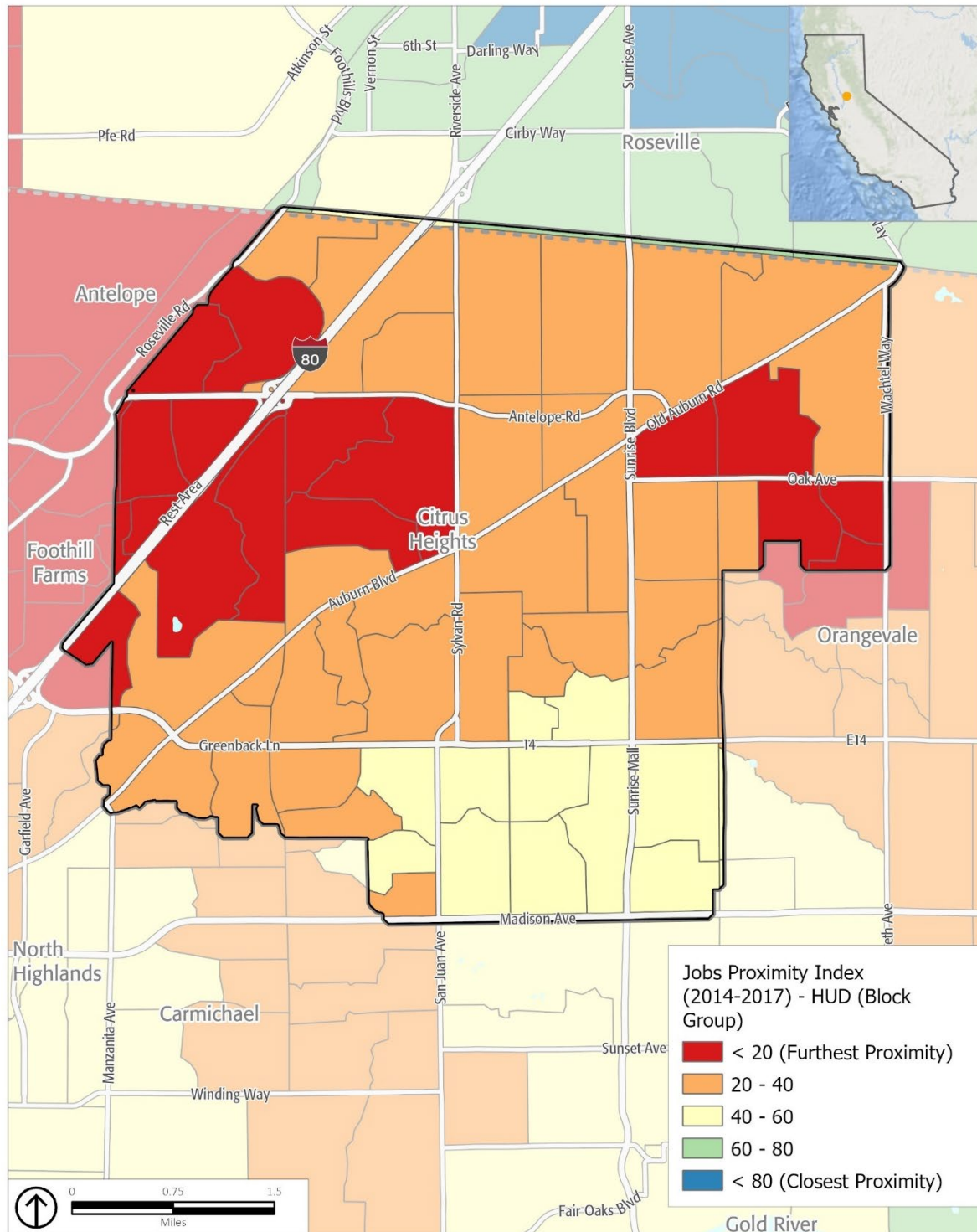Figure 14X: TCAC Opportunity Areas - Education Score, Tract

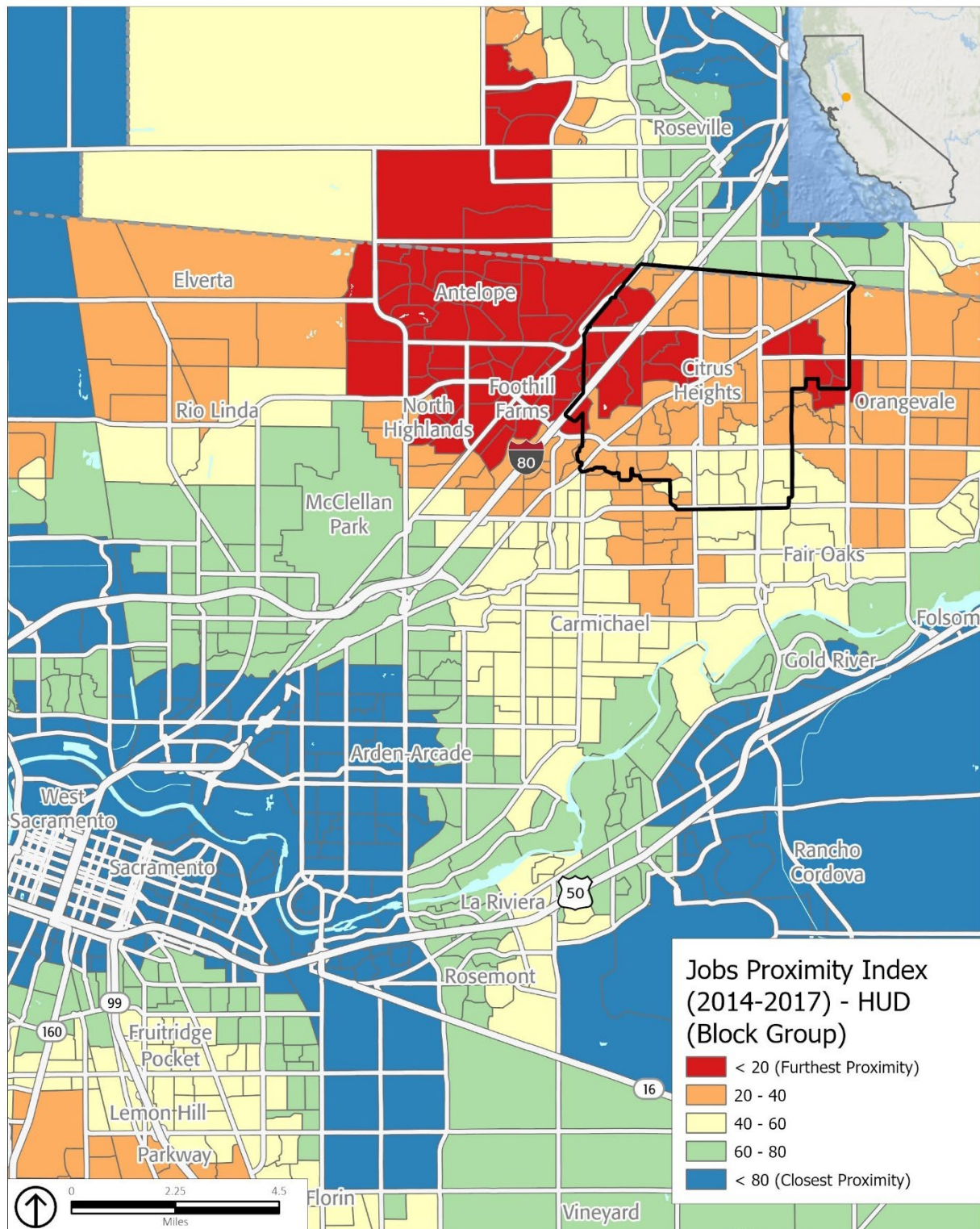Source: HCD AFFH Data Resources and Mapping Tool, 2021.

Proximity to Jobs
The 2014-2017 U.S Department of Housing and Urban Development's (HUD) job proximity index quantifies the accessibility of a given neighborhood to all jobs within a core-based statistical area (CBSA). Most of the western and eastern portions of Citrus Heights have a job index ≤ 20, meaning that those residents have the furthest proximity to jobs (see Figure 15X). The southern portion of the City has the highest job index and closest proximity to jobs. Most of Citrus Heights falls within the 20-40 job index indicating a moderate but longer commute to job opportunities. In comparison to the region, the City of Citrus Heights has significantly lower job opportunity index scores than Roseville, Rancho Cordova, and Folsom (see Figure 16X).

Figure 15X: Job Opportunity Index, City of Citrus Heights, 2014-2017

Source: HCD AFFH Data Resources and Mapping Tool, 2021.

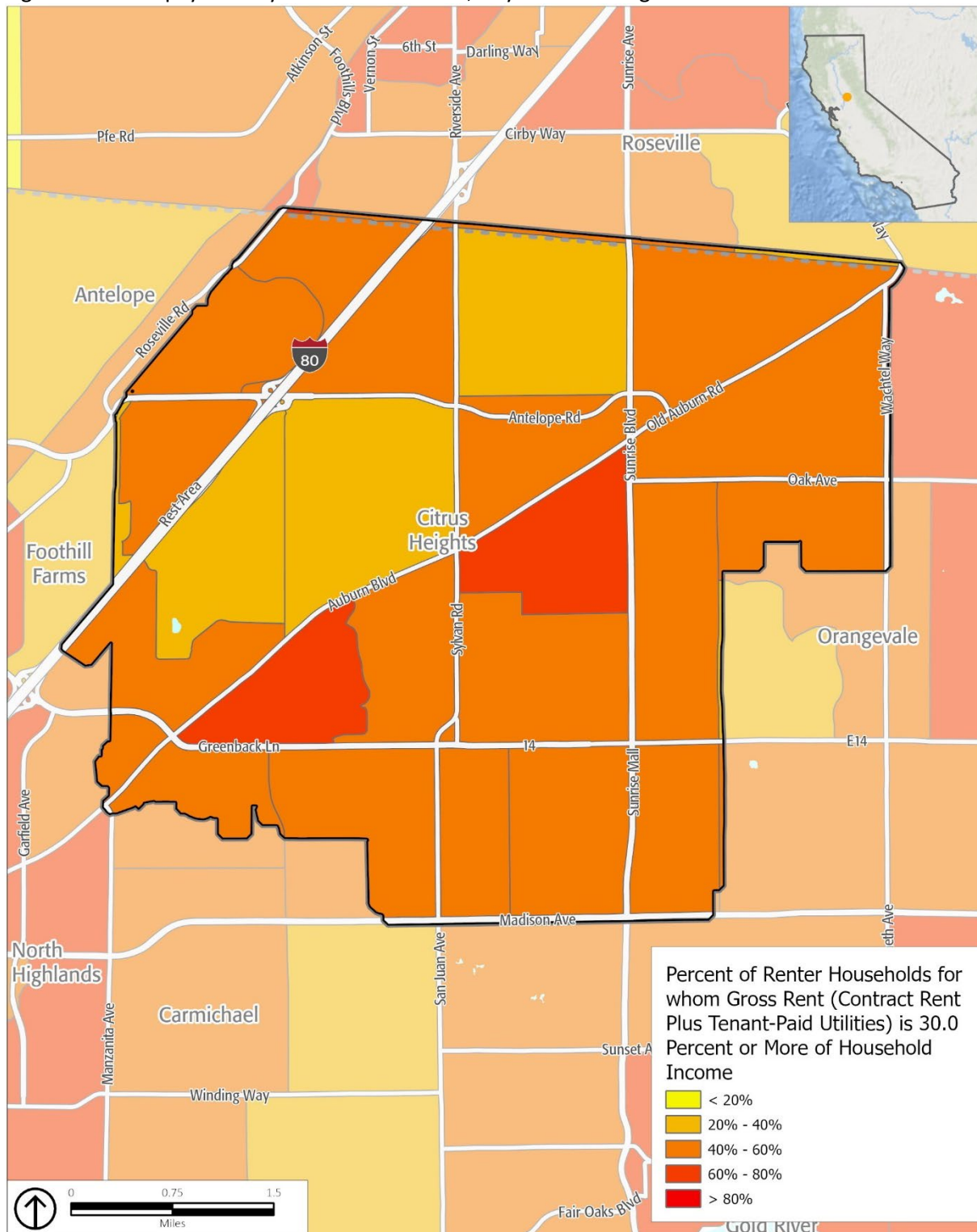Figure 16X: Job Opportunity Index, Sacramento Region, 2014-2017

Source: HCD AFFH Data Resources and Mapping Tool, 2021.

Disproportionate Housing Needs
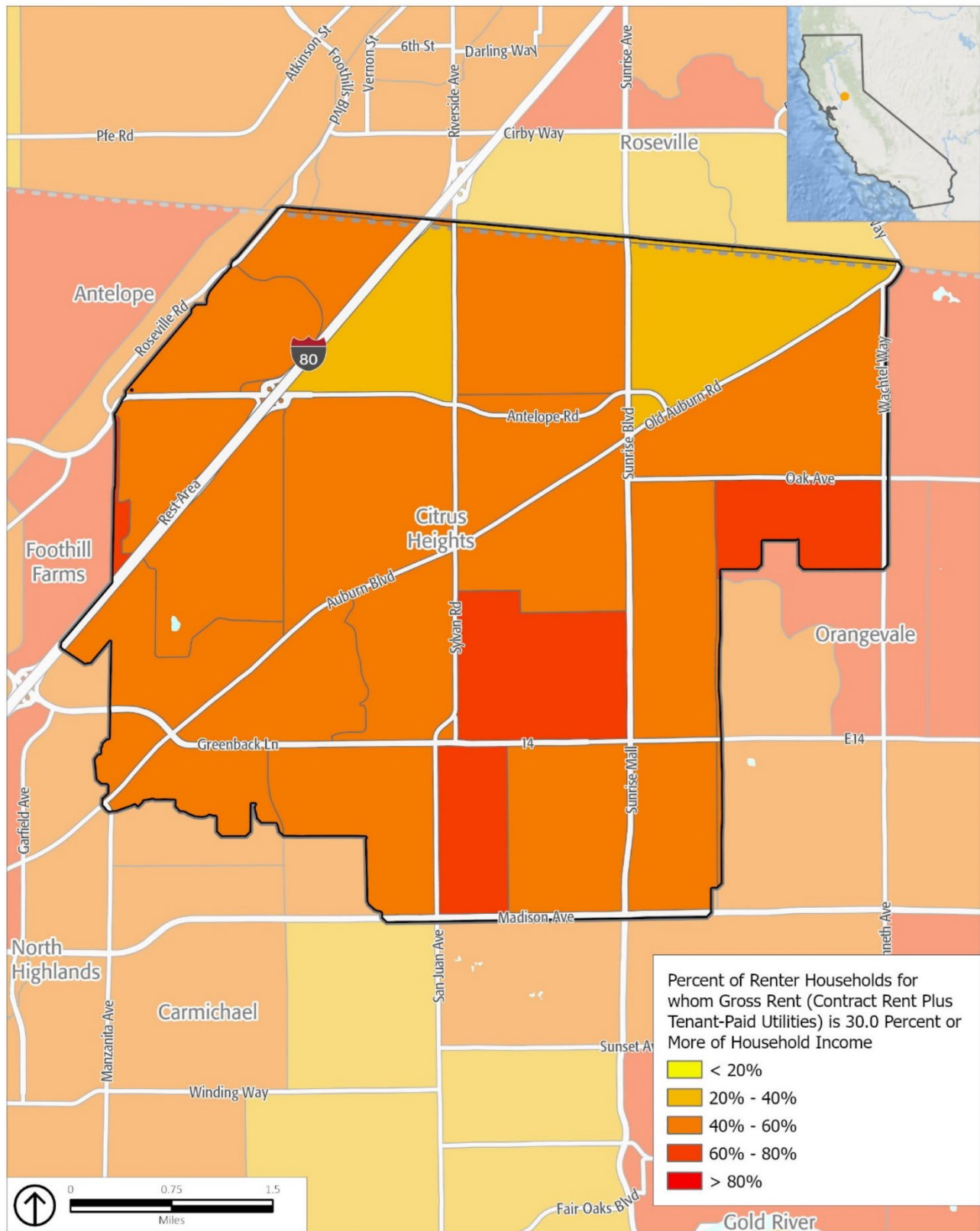
Cost Burden

Overpayment for renters is a chronic issue and has increased across the city since 2014, mainly in neighborhoods that are low-resource (Figures 17X and 18X). As shown in Figure 18X, many renters who are overpaying for housing are in the southern part of the city, and especially in the area neighboring Orangevale which has an average of 58 percent of renters overpaying for housing. Although overpayment among homeowners is less prominent and has declined since 2014, there are still about 34 percent of homeowners overpaying for housing in Citrus Heights (See Figures 19X and 20X). Overpayment among homeowners is more concentrated in the areas along Interstate-80 and near the Sunrise Mall. The pattern of overpayment is reflective of the Capital region as there is a disproportionate number of renters overpaying compared to homeowners. This trend generally reflects the lack of affordable rental housing in the region.

Figure 17X: Overpayment by Renters 2010-2014, City of Citrus Heights

Source: HCD AFFH Data Resources and Mapping Tool, 2021. U.S. Census American Community Survey 5 Year Estimates 2010-2014 and 2015-2019.

Figure 18X: Overpayment by Renters 2015-2019, City of Citrus Heights

Source: HCD AFFH Data Resources and Mapping Tool, 2021. U.S. Census American Community Survey 5 Year Estimates 2010-2014 and 2015-2019.

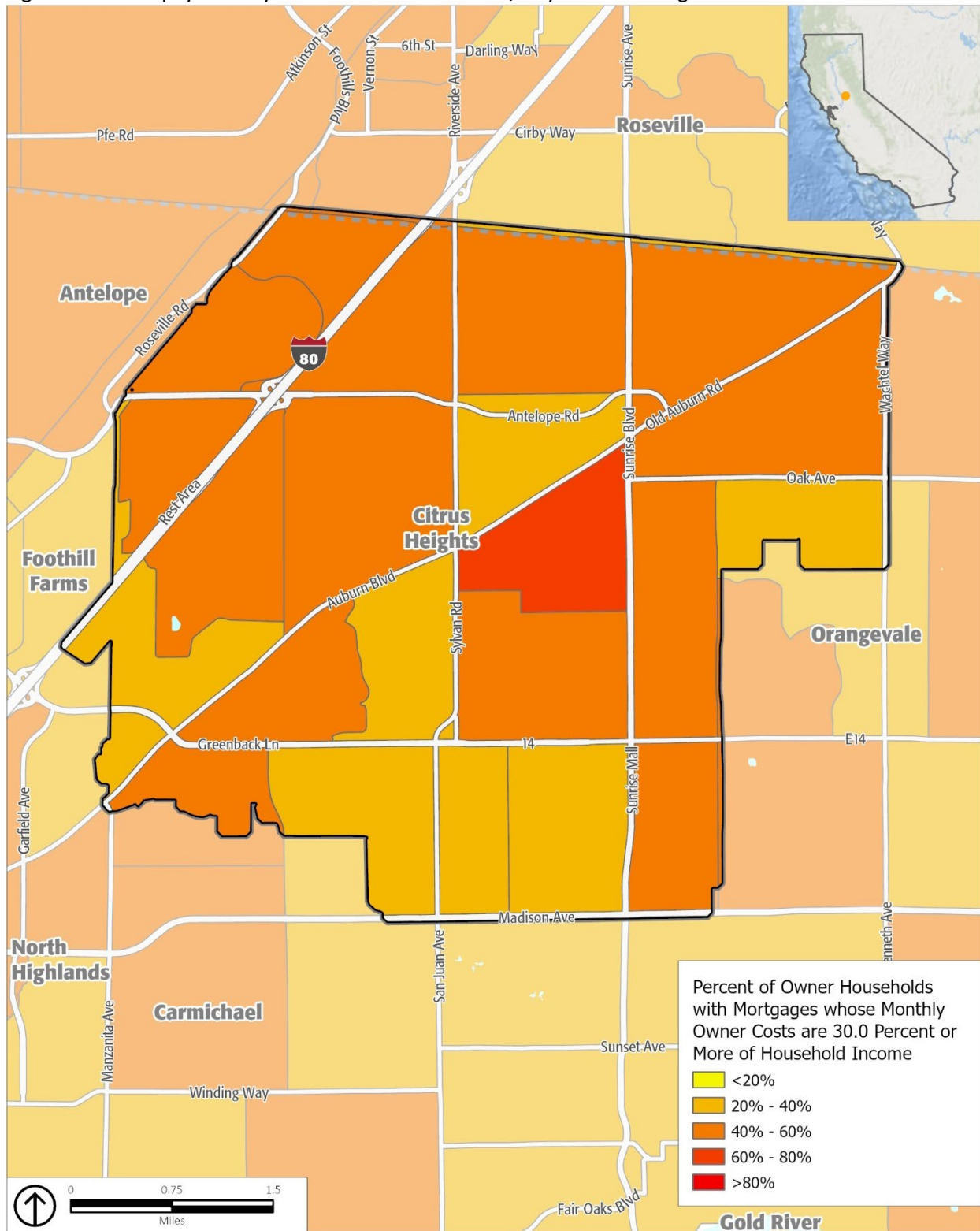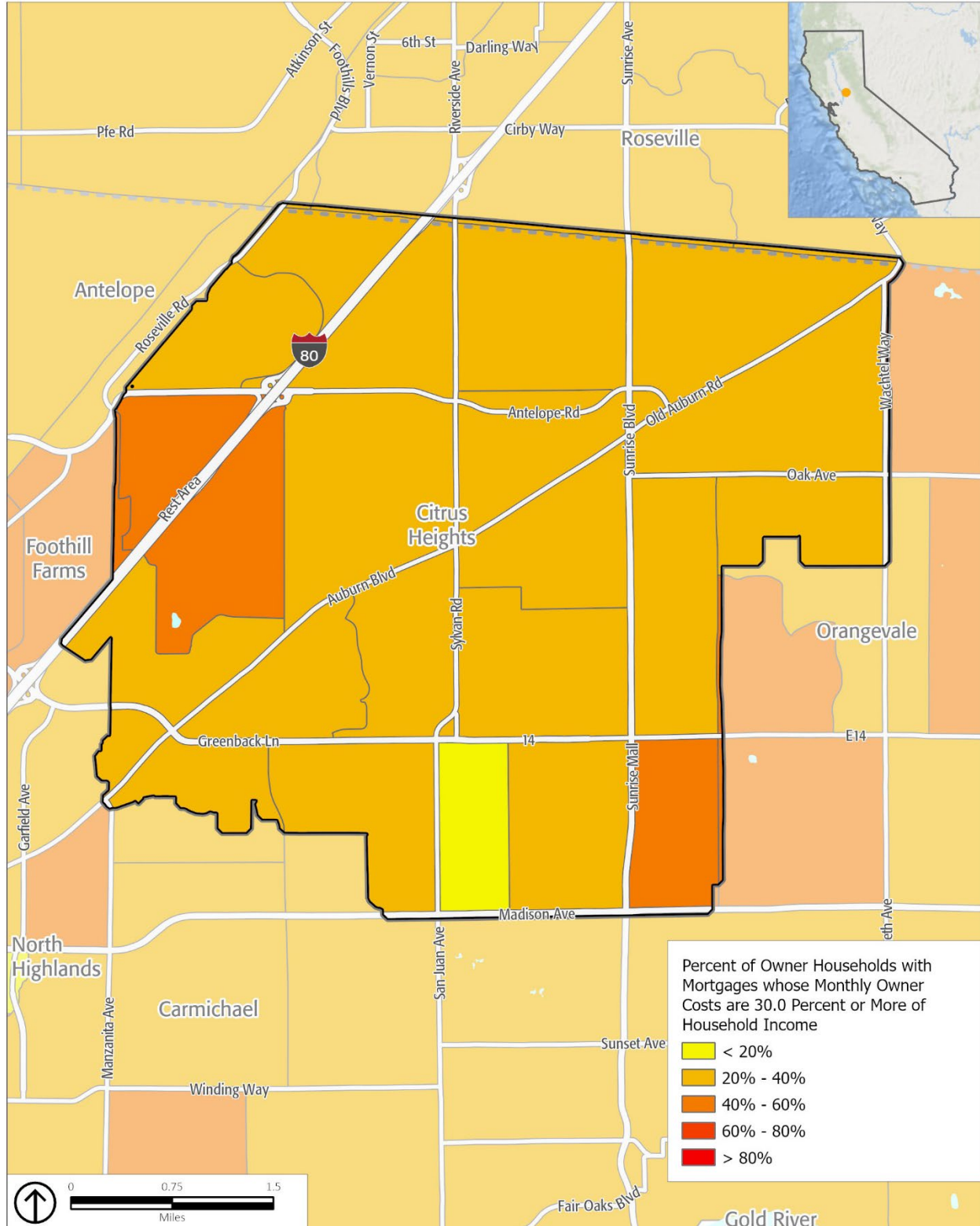Figure 19X: Overpayment by Homeowners 2010-2014, City of Citrus Heights

Source: HCD AFFH Data Resources and Mapping Tool, 2021. U.S. Census American Community Survey 5 Year Estimates 2010-2014 and 2015-2019.

Figure 20X: Overpayment by Homeowners 2015-2019, City of Citrus Heights

Source: HCD AFFH Data Resources and Mapping Tool, 2021. U.S. Census American Community Survey 5 Year Estimates 2010-2014 and 2015-2019.

Overcrowding

Overcrowding of residential units, in which there is more than one and half persons per room, can be a potential indicator that households are experiencing economic hardship and are struggling to afford housing. According to CHAS data from 2013-2017, at least 4.1 percent of households are overcrowded in Citrus Heights (see Table 2-24). Overcrowding in Citrus Heights is similar to overcrowding rates in the county (4.9 percent) but lower than the state average (8.2 percent). Most census tracts in the city are less than or equal to the statewide average of 8.2 percent; only two tracts in the city were over 8 percent overcrowded.

Substandard Housing

According to 2015-2019 American Community Survey data, less than 0.1 percent of housing units in Citrus Heights lacked either complete kitchen or plumbing facilities, 352 units and 135 units respectively. However, as discussed in Section 2.24, Condition of the Housing Stock, approximately 343 units may be dilapidated since they were built prior to 1939 and nearly 86 percent of the homes in the city were constructed prior to 1989 indicating potential need for repair or rehabilitation. Therefore, the Housing Element includes a program to assist homeowners to make needed home repairs.
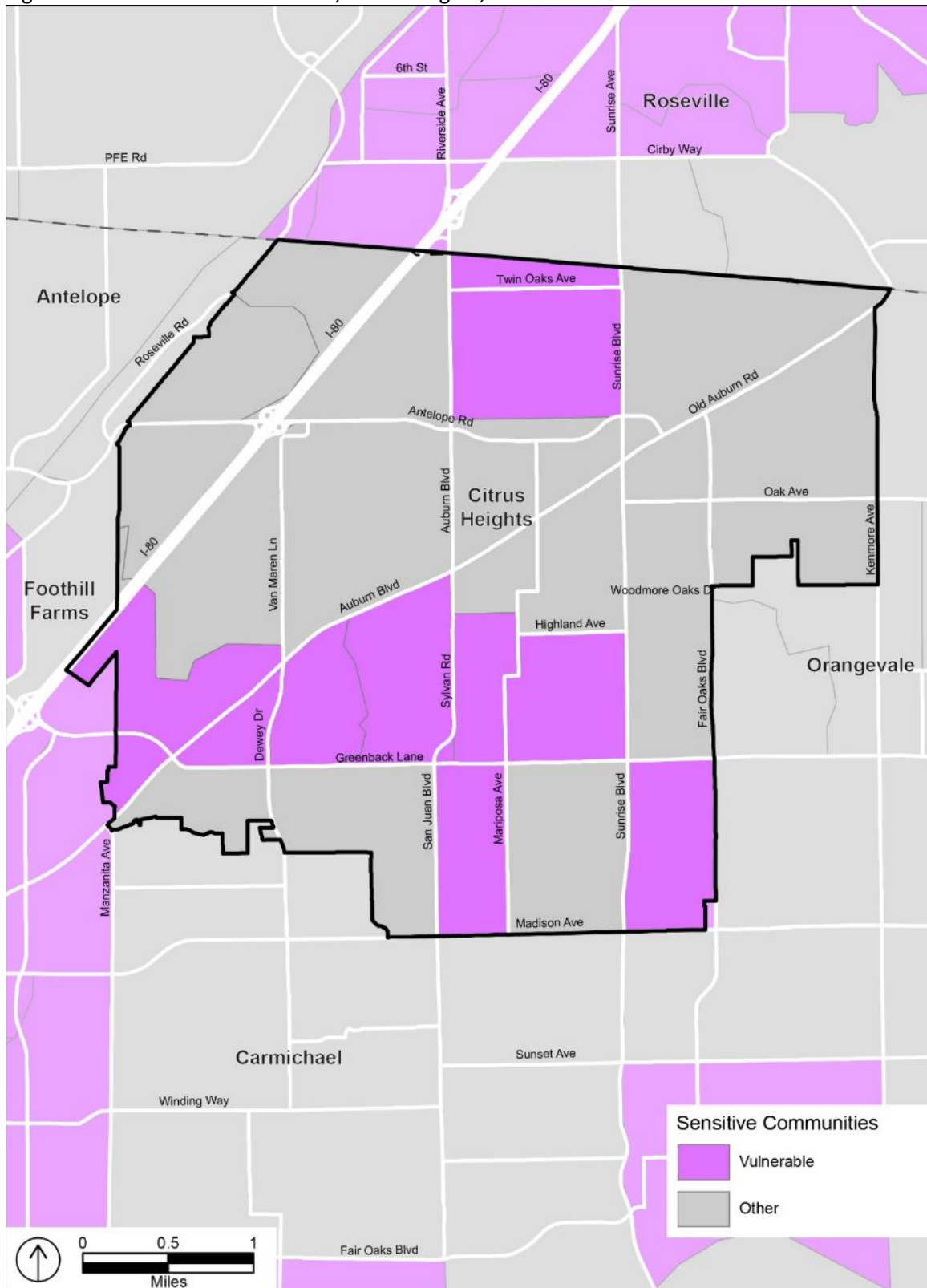
Displacement Risk

The rising cost of housing is becoming an increasingly important housing security issue in the Greater Sacramento region, especially for renters. Gentrification, or the influx of capital and higher-income residents into working-class neighborhoods, is often associated with displacement, which occurs when housing costs or neighborhood conditions force people out and drive rents so high that lower-income people are excluded from moving in. Areas identified as sensitive contain populations that could be particularly susceptible to displacement in the face of exacerbated market-based pressures at the neighborhood-level. According to the UC Berkeley Urban Displacement Project, a census tract was flagged as a sensitive community if it met the following criteria as both vulnerable and experiencing market-based displacement pressure:

1. Proportion of very low-income residents was above 20 percent in 2017; and
2. The census tract meets two of the following criteria:
   a. Share of renters is above 40 percent in 2017;
   b. Share of people of color is above 50 percent in 2017;
   c. Share of very low-income households (50 percent AMI or below) that are also severely rent burdened households is above the county median in 2017; or
   d. Nearby areas have been experiencing displacement pressures.

According to these metrics, seven census tracts in Citrus Heights are susceptible to displacement because of the high proportion of households that are renters and low to moderate income (see Figure 21X). The census tracts at-risk of displacement in the future are the neighborhoods in the southern part of the city along Greenback Lane and one tract north of Antelope Road.

Figure 21X: Sensitive Communities, Citrus Heights, 2013-2017

Source: HCD AFFH Data Resources and Mapping Tool, 2021. UC Berkeley Urban Displacement Project, U.S, Census American Community Survey 5 Year Estimates, 2013-2017.
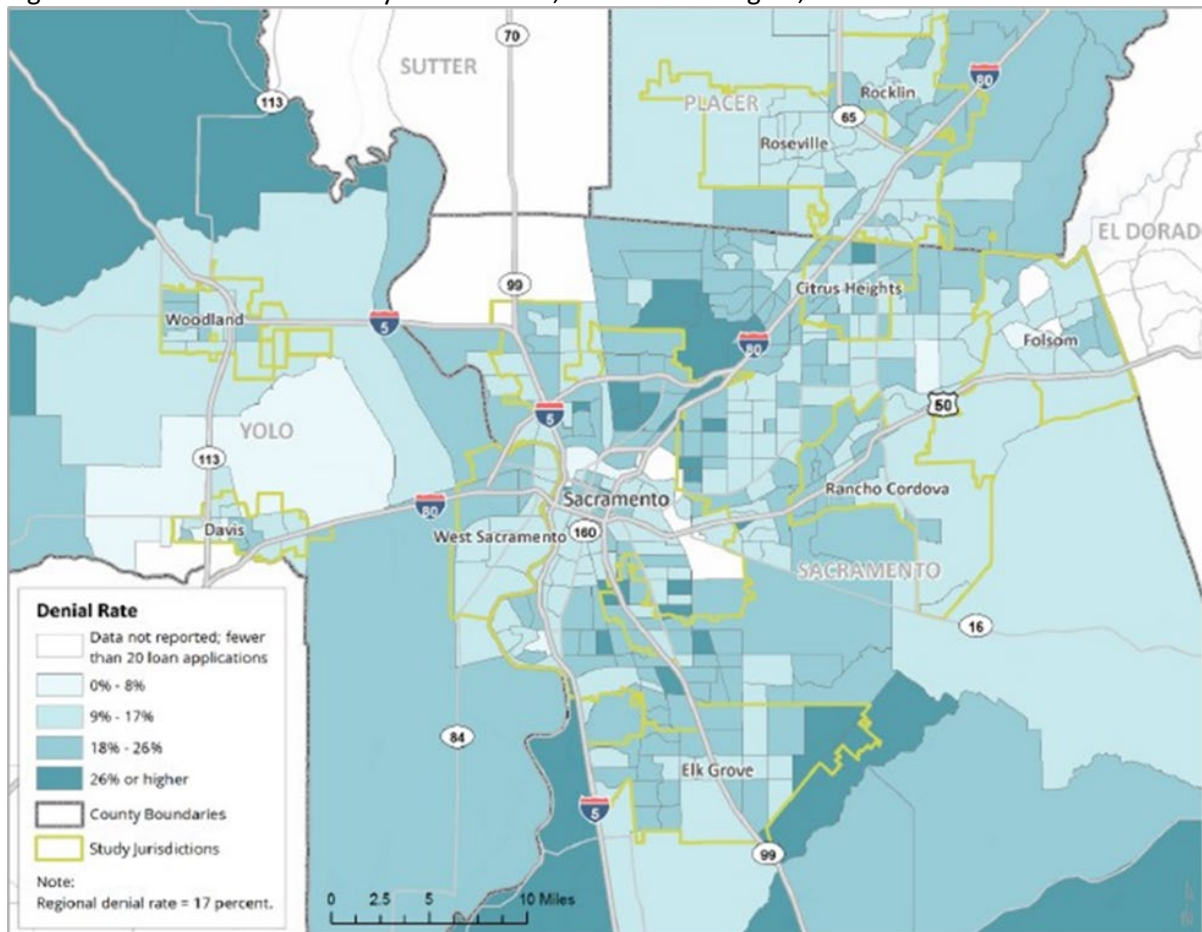
Other Relevant Factors
Regional Loan Denial Rates
Throughout the Sacramento Valley region, homeownership rates vary widely by race and ethnicity. However, all minority groups experience higher rates of loan denial than non-Hispanic White applicants. In addition, Hispanic/Latino households are more likely than any other group to receive a subprime loan. Subprime mortgages are a type of housing loan most often given to individuals that have weak credit history. Subprime mortgages carry higher interest rates, and thereby are more expensive, because there is a pre-determined higher risk of default. A concentration of subprime mortgages in areas with concentrations of minorities is a potential consequence of historically punitive practices, such as redlining. Despite efforts to reform long-standing practices of discrimination in the housing credit system, patterns of inequality still exist. The Great Recession and housing crisis brought to light the unusually high concentration of non-White residents with subprime mortgages and property foreclosures across the country.

In 2017, there were 89,838 loan applications filed in the Sacramento region for owner-occupied homes, 4.7 percent of loans were subprime, which is slightly higher than the national rate of 4 percent. There was a regional denial rate of 17 percent. These denial rates varied substantially by individual census tract. Figure 22X shows loan denial rates by census tract for the region.

According to the Sacramento Regional AI, low-Income households and those receiving Section 8 housing choice vouchers were most likely to experience being denied housing to rent or buy. African American (53 percent), Native American (49 percent), and Hispanic respondents (42 percent) were more likely than non-Hispanic White (27 percent) or Asian survey respondents (21 percent) to have experienced denial of housing to rent or buy. Large families, households that include a member with a disability, and households with children under age 18 all experienced housing denial at rates higher than the region overall. Common reasons for being denied housing among survey respondents included income (including type of income), credit, and eviction history.

Figure 22X: Loan Denial Rates by Census Tract, Sacramento Region, 2017

Source: FFIEC HMDA Raw Data, 2017; Root Policy Research, 2020.

Rates of Homeownership

Homeownership is a powerful vehicle for counteracting rising housing prices and the effects of gentrification and displacement, especially for lower-income households. Although the citywide homeownership rate was 57 percent in 2019, not all racial and ethnic groups in Citrus Heights had the same likelihood of owning a home. As shown in Table 3X, residents who identified as non-Hispanic White or Asian had much higher rates of homeownership than the citywide average. In contrast, residents who identified as Black, Hispanic or Latino, or multiracial had much lower rates of homeownership and, thus, they are at higher risk of displacement from rising rental prices.

TABLE 3X: HOUSING TENURE BY RACE/ETHNICITY - CITY OF CITRUS HEIGHTS

	Owner Occupied		Renter Occupied		Total Occupied Units
	Number	Percent of Total	Number	Percent of Total	Number
WHITE NON-HISPANIC	15,680	61%	10125	39%	25,805
BLACK	310	26%	881	74%	1,191
ASIAN	638	58%	464	42%	1,102
NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER	11	100%	0	0%	11
AMERICAN INDIAN AND ALASKAN NATIVE	101	51%	99	50%	200
SOME OTHER RACE	282	29%	679	71%	961
MULTIRACIAL (TWO OR MORE RACES)	715	50%	720	50%	1,435
HISPANIC OR LATINO	2,046	43%	2,696	57%	4,742
TOTAL	**19,356**	**57%**	**14,723**	**43%**	**34,079**

Source: U.S. Census, American Community Survey 5 Year Estimates 2015-2019, Table S2502.
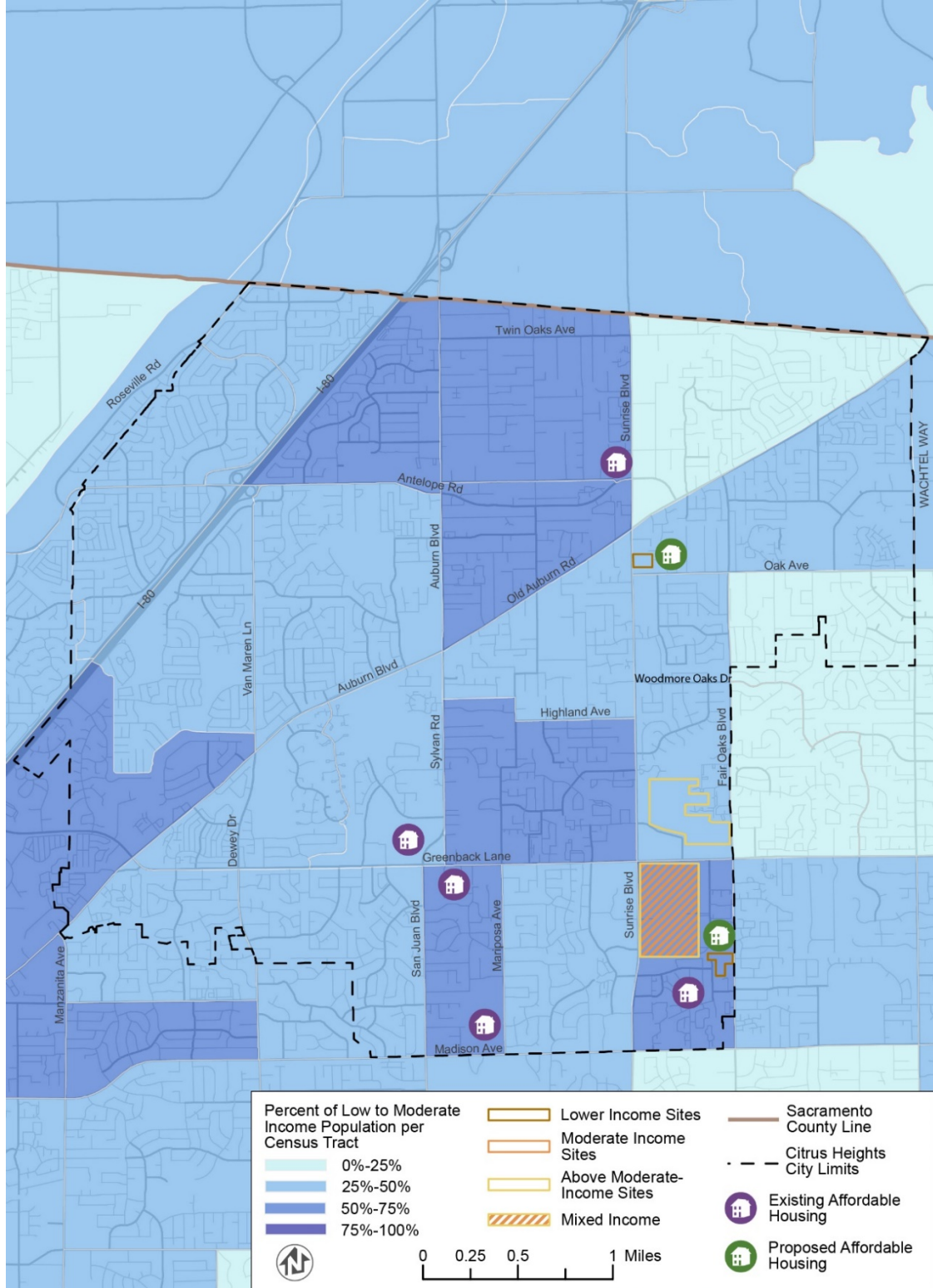
Sites Inventory

A primary goal of the assessment is to ensure available sites for lower-income housing are located equitably across a region and within communities with fair access to opportunities and resources. Ensuring that sites for housing, particularly lower income units, are in high resource areas rather than concentrated in areas of high segregation and poverty requires jurisdictions to plan for housing with regards to the accessibility of various opportunities including jobs, transportation, good education, and health services.

Figure 23X shows the location of vacant and underutilized sites in the sites inventory compared to the distribution of low and moderate income populations by census tract and Figure 24X shows these same sites in comparison to the TCAC/HCD Opportunity Areas. Both figures highlight the location of existing affordable housing and proposed affordable projects. An examination of the opportunity areas identified by HCD and TCAC shows that approximately half of all census tracts in Citrus Heights are low-resource (see Figure 13X). Using the statewide opportunity area map as an overlay to the City's sites inventory, the City was able to identify if any of the sites to accommodate lower-income households are located in high and/or moderate opportunity areas.
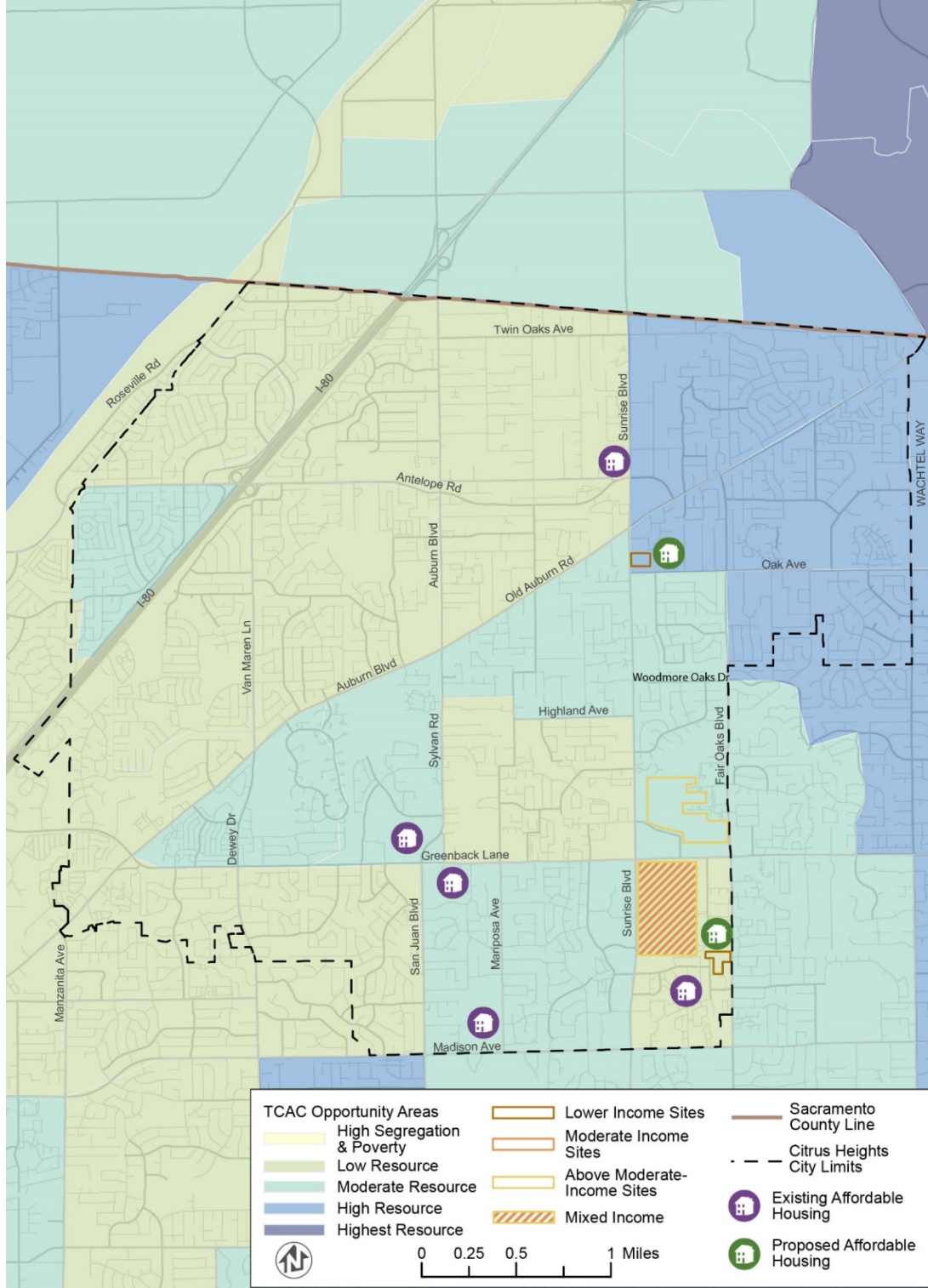
The analysis revealed that Citrus Heights is largely a built-out community with limited sites available for new housing. The analysis does not indicate an overconcentration of sites in low resource areas. Of the two affordable housing developments proposed, one is located in a low resource and low-income area and the other is located in a high resource and high-income area. While a significant share of the RHNA is being met on the sites at the Sunrise Mall, which is in a census tract considered low resource, this area is targeted for investment in the future, which will increase access to transportation, infrastructure, amenities, and other resources. Additionally, any development on the mall site will be required to integrate all levels of affordability to ensure equitable housing opportunity.

Figure 23X: Sites Inventory and Existing and Proposed Affordable Developments in Relation to Low to Moderate Income Census Tracts, Citrus Heights

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-year estimates. California Department of Housing and Community Development AFFH Data and Mapping Tool. California Housing Partnership, Affordable Rental Housing Benefits Map, 2020. City of Citrus Heights, 2021. Ascent, 2021.

Figure 24X: Sites Inventory and Existing and Proposed Affordable Developments in Relation to TCAC/HCD Opportunity Areas, Citrus Heights

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-year estimates. California Department of Housing and Community Development AFFH Data and Mapping Tool. California Housing Partnership, Affordable Rental Housing Benefits Map, 2020. City of Citrus Heights, 2021. Ascent, 2021.

Fair Housing Issues, Contributing Factors, and Priorities, Goals, and Actions

Fair housing issues in Citrus Heights are primarily related to small, concentrated areas of poverty within areas of high diversity. Contributing factors to the City's fair housing issues include: (1) limited public and private investments in specific neighborhoods; and (2) an abundance of single-family housing. The City is taking several actions to address contributing factors to fair housing issues and affirmatively further fair housing throughout the city including:

Investment in Low Resource Areas

- **Sayonara Drive** – The Housing Element includes Program 27.1.F to continue to take efforts to revitalize the Sayonara Drive Neighborhood, which has historically been low resourced. The City has already invested over $6.2 million into the neighborhood and has leveraged the Community Reinvestment Act, and other resources, to acquire and demolish 15 substandard multi-family structures on Sayonara Drive. Moreover, the City's replacement housing plan calls for the future construction of a variety of housing types affordable to various economic segments of the community. The City's Permanent Local Housing Application includes funding to begin the pre-development work on this redevelopment project.
- **Auburn Boulevard** – The City and the region (via SACOG) have invested nearly $40 million into transforming Auburn Boulevard into a complete street. The City prepared the Old Auburn Complete Streets Plan to develop a Complete Streets Plan for Old Auburn Road between Sylvan Corners and Fair Oaks Boulevard. This area is lacking adequate infrastructure such as sidewalk, drainage facilities, and lighting. The Complete Streets plan will result in public improvements and investments along this corridor and promote safe, convenient, and affordable transportation options. Furthermore, the Auburn Boulevard Specific Plan calls for leveraging public investment to encourage private investment along this corridor. The Specific Plan allows for over 600 units of flats, apartments, and mixed-use housing. The City approved a 46-unit townhome project at Sylvan Corners called Bear Paw Village. These efforts to facilitate mixed use development along Auburn Boulevard are enshrined in Program 25.3.A of the Housing Element.
- **New Sylvan Property** – After the San Juan Unified School District closed and Sylvan Middle School relocated, the City purchased the 12-acre property to ensure a cohesive plan was developed to meet City objectives. The City is currently under contract with a home builder to construct over 90 homes at various densities in this location, including 15 percent that will be affordable for lower-income families and individuals.
- **Antelope Crossing Special Planning Area** – The City adopted a Special Planning Area (SPA) at the Antelope Crossing, west of Interstate-80, to incentivize redevelopment of the property. The SPA allows for a mixture of housing types.
- **Green Zones –** The City has identified three Green Zones for the SACOG Green Means Go Pilot Project. These Green Zones include Auburn Boulevard (Sylvan Corners to Roseville), Sunrise Marketplace, and Antelope Crossing. Green Zones are areas where the City will promote infill, reduce regulatory and economic barriers to infill, and support new transportation options. By identifying Green Zones, the City is eligible for future SACOG funding to incentivize and promote housing along these corridors.

Overconcentration of Single Family

As a suburban community built substantially in the 1970s and 1980s, Citrus Heights is dominated by single family housing. As a city that is over 98% built out, limited opportunities exist to introduce new housing types. However, to support the development of multi-family housing the City has created a suite of tools to aid in the transition from commercial/retail development into housing opportunity:

- **Small Lot Housing Ordinance** – The City adopted a Small Lot Housing Ordinance in 2017 that allows the development of for-sale housing product on lots that are generally more challenging to provide multi-family housing due to the location, shape, and size of parcels suitable for housing available. These parcels are typically along commercial corridors such as Auburn Boulevard, Sunrise Boulevard, and Greenback lane. The Small Lot Housing Ordinance created a process to allow for smaller than typical lots for smaller housing products in the City.
- **Residential in Commercial Zones** – Since 2006, the City has allowed multi-family housing in all of its Commercial Zones. In 2020, the City expanded this policy and adopted a General Plan amendment to allow up to 40 units per acre in the GC, SC, and LC commercial zones.
- **ADUs** - The City's Permit-Ready Accessory Dwelling Units (PRADU) program — funded by a grant from the California Department of Housing and Community Development and set to launch in the summer of 2021 — will provide more than 10 different pre-approved plans for accessory dwelling units (see Program 25.1.C). The available plans will be offered in three different sizes, including a 496 sq. ft. studio unit, a 599 sq. ft. one bedroom/one bath unit, and a 749 sq. ft. two bedroom/one bath unit. By providing the PRADU plans for free to residents, each applicant saves an estimated $6,500 in design fees, with additional savings from waived plan review fees.
- **Sunrise Tomorrow** – The Housing Element includes Program 25.3.B for the City to develop a Specific Plan for the Sunrise Tomorrow, 100-acre Sunrise Mall site. The Draft Specific Plan would allow up to 2,200 units of housing at varying densities, income levels, and product types ranging from flats, to townhomes, to apartments, and senior housing.

As part of the Housing Element's programs, the City is also taking additional actions to ensure fair housing. For example, the City will fund and educate, and be a conduit of information for, residents and landlords regarding the fair housing and landlord-tenant dispute services available to them in the community (HE Program 28.3.C). The City will also use any available funding, such as CDBG, HOME, and the General Fund, to support lower and moderate-income housing developments (HE Program 28.8). These actions and others will help to affirmatively further fair housing in Citrus Heights.