



CITY OF MILPITAS

**ANALYSIS OF
IMPEDIMENTS TO FAIR
HOUSING CHOICE**



Prepared by City Staff and Project Sentinel

**Adopted by City Council
September 20, 2016**

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EXECUTIVE SUMMARY

Creation of the AI

The Analysis of Impediments to Fair Housing Choice (AI) report for the City of Milpitas examines the existing demographic patterns, public and private policies, and practices which may create barriers for individuals or households to choose housing in an environment free of discrimination. The AI assesses the practices and policies that have been implemented over the course of the last six years, specifically between December 2010 and February 2016. The AI was originally created by Project Sentinel, a non-profit fair housing agency which provides comprehensive fair housing services with an update by the Staff at the City. This report was funded by the City of Milpitas.

The purpose of the AI is to evaluate the existing public policies and practices in Milpitas, determine whether or not they create barriers to fair housing choice, and propose recommendations and actions to eliminate or minimize those impediments. Recommendations are made based on careful analysis of current practices and by identifying the barriers to fair housing.

Overview of Research

In order to obtain a better understanding of the needs of Milpitas residents, the AI provides a demographic overview of the City's population, and a detailed summary of the City's housing stock. In examining public policies and practices, the AI analyzes the Milpitas Zoning Ordinance, Housing Element, and Consolidated Plan. To assess and provide a better understanding of the types of cases investigated, the AI scrutinizes the cases of alleged housing discrimination investigated by Project Sentinel over the past six years. The AI also assesses the available social service and legal resources available to residents of the City, and the specific service(s) each agency or group provides. The report will also review the 2011 AI for Milpitas, and, when appropriate, make references to evaluate whether or not the City has undertaken the proper course(s) of action to achieve the recommendations made by the previous AI.

Findings and Conclusions of the AI

In reviewing various aspects regarding the City - including public and private practices and policies, demographic trends, and Fair Housing trends and services - the AI found a number of impediments to fair housing choice in Milpitas. In addition to the impediments determined by the AI, the Report also found that the City has addressed a number of the impediments identified in the 2011 AI.

Demographics and Housing Stock

In examining Milpitas' demographics, the AI found that almost half of the City's residents consider language other than English their primary language spoken at home. As a result, a language barrier exists which prevents many residents of the City from taking full advantage of their housing rights. Due to the demand, Milpitas is one of the few cities in the South Bay that is redeveloping and repurposing underdeveloped land. While Milpitas has a relatively young housing stock, and despite an increase of over 2,000 housing units during this reporting period, a significant portion of it is beginning to age, as the median house was built in 1977 .

Land Use and Zoning

While the Milpitas Zoning Ordinance allows for a density bonus which provides incentives for developers to build more units of affordable housing for low-income residents, the Zoning Code places a series of restrictions to allowing the existence of secondary dwelling units. However, these restrictions do not appear to impede Fair Housing choice, as the presence of these units provides additional affordable housing alternatives to elderly and low-income residents.

Public Policies and Barriers to Affordable Housing

Although the shortage of affordable housing in Milpitas remains an impediment to fair housing, the City has developed a strategy to develop more units of affordable housing. The Midtown Specific Plan and Transit Area Specific Plan promote both high-density and low-income housing development, and create mixed-use zones that combine residential zones with commercial and industrial zones.

In addition, on June 16, 2015, the City Council passed a resolution to address the significant shortage of affordable housing in Milpitas by requiring new developments have five percent (5%) of very-low and low –income units in their project. If they do not provide 5% of affordable units as defined in the resolution, they are required to contribute an amount equal to the construction value to the City.

Investigation of Housing Discrimination

Housing discrimination on the basis of disability and familial status were the two most prominent categories of investigated cases of alleged housing discrimination. Whites reported the most allegations of housing discrimination, while the Asian population - which accounts for 63% of Milpitas' population - reported a significantly lower proportion of the cases. The low proportion of complaints filed by Asian households is a concern and contributes to an impediment to Fair Housing choice requiring improved fair housing outreach.

Project Sentinel is addressing the language barrier, by hiring staff that speak Tagalog, Vietnamese, Cantonese Chinese and Mandarin. In addition, there are City Staff that are available to interpret if needed; languages include Cambodian, Chinese, Dari, Hindi, Korean, Punjabi, Spanish, Tagalog, and Vietnamese.

Assessment of Local Fair Housing Services

Project Sentinel contacted local community and social service agencies to evaluate their ability to assess fair housing complaints and refer the complainants to the appropriate fair housing agencies. While many of the agencies were able to refer callers to an agency that could assist with fair housing complaints (i.e. Legal Aid of Santa Clara County and the California Department of Fair Employment and Housing), only 40% of the agencies were able to properly refer the caller to Project Sentinel. The AI also assessed Project Sentinel's outreach efforts, and found that many of the agencies that have had fair housing outreach were not able to correctly refer callers to Project Sentinel, indicating a need to enhance the agency's outreach efforts.

A summary of the impediments to fair housing choice and recommendations is provided in the final chapter of the AI.

PURPOSE AND SCOPE OF THE AI

The AI is a broad analysis of private and public practices and policies whose implementation may impact a person's ability to choose housing in an environment free from discrimination. The purpose of the AI is to increase housing choice, identify barriers, and consolidate fair housing information. The AI:

- Serves as the substantive, legal basis for Fair Housing Planning;
- Provides essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates;
- Assists in building public support for fair housing efforts both with entitlement jurisdictions, boundaries, and beyond, (HUD Fair Housing Planning Guide pages 2-8).

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

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice;
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, familial status, or national origin, (HUD Fair Housing Planning Guide pages 2-8).

Equal and free access to housing choice is fundamental to achieving equality of opportunity. HUD stresses that entitlement jurisdictions become fully aware of the existence, nature, extent and causes of all fair housing problems and the resources available to solve them. By recognizing the barriers to fair housing choice and providing recommendations to eliminate them the AI can assist the jurisdiction in utilizing its available resources effectively to eliminate

impediments to fair housing choice.

To assist policy makers, the AI consolidates fair housing related data which is otherwise located in a variety of sources. The AI also incorporates information which may not otherwise be perceived as fair housing-related. The information used for compiling the Milpitas AI includes the following:

- Demographic patterns
- Land use and zoning policies
- City of Milpitas Housing Element
- City of Milpitas Consolidated Plan
- The nature and extent of fair housing complaints
- Results of testing
- Patterns of occupancy in Section 8, Public and Assisted Housing, and private rental housing.

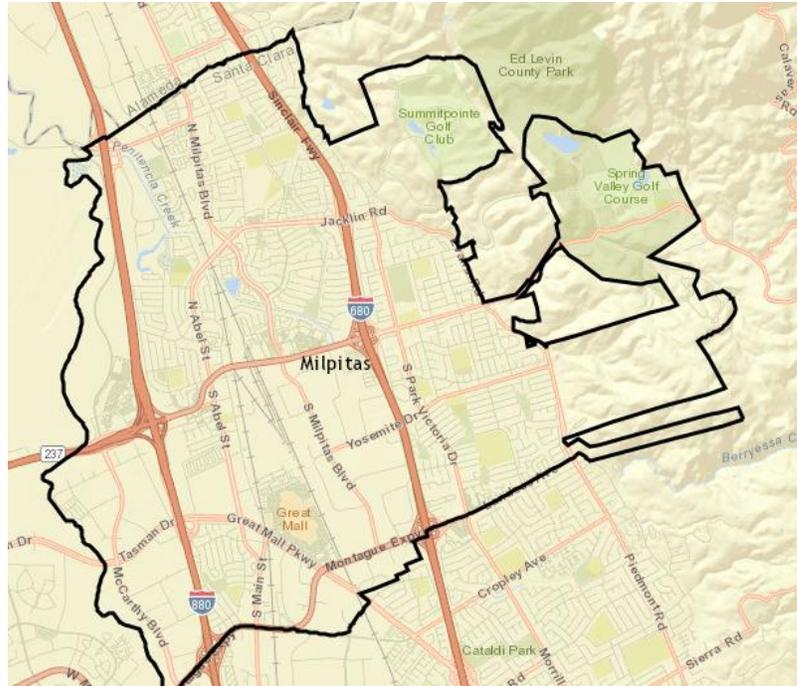
The majority of the demographic data was gathered from the US Census 2010, 2014 American Community Survey and California Department of Finance (DOF). Demographic data was analyzed to determine current trends within Milpitas' population. The City's housing stock was evaluated to identify the extent of opportunities for residents to acquire adequate housing. Land use and zoning policies were reviewed to ensure fair housing compliance, and to assess whether current policies promote or impede the development of affordable housing. Cases of housing discrimination were examined to isolate trends in housing discrimination. In addition, local newspapers and online advertisers were also reviewed for practices of discriminatory advertising.

HUD does not intend for AI's to be the product of original research. Therefore, City Staff and Project Sentinel relied primarily on existing data for this report; however, when necessary, limited original research was conducted.

DEMOGRAPHICS

Size and Location

The City of Milpitas is a suburban city that covers 13.6 square miles. The southern and western frontiers of Milpitas border the City of San Jose, while the City of Fremont lies along the northern border. Interstates 880 and 680 serve as the City's major north/south traffic routes, and Highway 237 leads to Milpitas and terminates at the west end of the City. Milpitas is under the jurisdiction of Santa Clara County, and is a vital part of Silicon Valley. In 2015, the California Department of Finance stated Milpitas' population is 72,606, a 3.9% change from 2014.



Map of City of Milpitas: The southern and western frontiers of the Milpitas border with the City of San Jose, while the City of Fremont lies to the North of Milpitas. Source: HUD, CDP Maps, 2016.

Historical Growth and Development

When the expansion of the Western Pacific Railroad came to Milpitas in 1867, the modernized means of transportation galvanized the local economy, and generated a marketing center for the rural population which lived in the surrounding area. The City of Milpitas was incorporated into Santa Clara County in January 1954, and the Ford Motor Company assembly plant opened in Milpitas in 1955. The opening of the assembly plant created new jobs for many, and resulted in the City's rapid population growth. The former site of the plant is now the current site of the Milpitas Great Mall, a symbol of the City's ascent from a nascent farming community to a growing suburban city. Milpitas continued to rapidly grow and flourish with the Silicon Valley boom, and the City has also emerged as a home to a largely diverse population.

While Milpitas has emerged as one of the fastest growing areas in Santa Clara County, vacant land for new construction has become scarce and more expensive. The decrease of vacant land and simultaneous increase in cost of housing has created a barrier to affordable housing for many of the City's residents. As the City's population continues to increase, it is important that the City is able to continue to assist low-income residents with housing affordability.

Population

According to the California Department of Finance (DOF), the total population of the City of Milpitas in 2015 was 72,606, the 7th greatest percent change in California. Since 2014, the City's population has increased by 3.9%, while the County's population has experienced an increase of 1.2%. Milpitas is one of the few cities left in Silicon Valley with available land zoned to build more housing structures, and with the demand of housing in the Bay Area only increasing, developers

have capitalized on this opportunity. The City ranks as the sixth largest city in the County, and accounts for 3.8% of the County's total population.

Age

The population of Milpitas has aged since the previous reporting period in 2011. According to the DOF, the median age of Milpitas residents in 2014 was 37.2. Previous reports, reported the median age in Milpitas was 35.1 years old. While Santa Clara County's median age in 2015 is 36.6. In 2011, the average age in Santa Clara County was 34 years old. However, the two most prominent age groups in Milpitas are in the ranges of 0-19 years old at 25.44% and 35-54 years old at 31.55% according to 2010 Census.

The two largest age groups, in terms of representation, within Milpitas are now those between 0-19 (25.44%) and 35-54 (31.55%) years old, and the aforementioned shift in the City's age demographic becomes more apparent when considering that residents aged 35 and older now comprise 51.95% of the total population. The percentage of residents aged 65 and older has not increased significantly, from 9.4% during the previous reporting period, to now accounting for 9.5% of the City's total population.

Correspondingly, the proportion of residents 9 years of age and younger - who accounted for 13.8% of Milpitas' population during the previous reporting period - now represent 13.16% of the population, a slight decrease. The most represented age group under 35 years of age exists within those residents aged 25-34 (16.33 %), accounting for nearly a third of the population under age 35. As the previous reporting period the trend there is a steady, and growing working population of adults. As younger residents of Milpitas become older adults, the estimates indicate that the trend towards an older population in Milpitas will continue.

Race and Ethnicity

As in the past, the City of Milpitas has been comprised of a diverse population, and the 2010 Census confirmed that this trend is continuing, albeit not as broadly as the previous reporting period. Similar to Santa Clara County's population trends, Milpitas has experienced a continuing decline of White residents, and a subsequent growing proportion of Asian residents. While the total amount of Hispanic residents in Milpitas also increased, their overall proportion of the City's total population rose only minimally.

Milpitas' White population represent less than one-fifth of its total population, while Asians now accounts for nearly two-thirds of the City's population, as demonstrated in figure below. The increase of Asian residents is a trend both the City and Santa Clara County at-large are experiencing. Since 2000, the percentage of Asian residents in Milpitas has increased by 28%, whereas the percentage in the County increased by 33%. However, while Santa Clara County's Whites decreased by 16% during this same timeframe, Milpitas has witnessed a dramatic decrease of 35%. Hispanic representation within Milpitas increased by 8% in total residents; however, given the simultaneous increase in the City's population, their proportion of the City's residents increased by only .2%. All other races not mentioned experienced declines in their

proportion of Milpitas’ population; this includes the Blacks, whose representation decreased by 14%.

Ethnicity	Milpitas, 2014	Santa Clara County, 2014	Milpitas, 2010
White	14%	34.1%	14.6%
Black	2.2%	2.4%	2.9%
American Indian and Alaska Native	0.2%	0.2%	0.5%
Asian	63%	32.9%	62.2%
Native Hawaiian and Other Pacific Islander	0.6%	0.3%	
Some other race alone	0.1%	0.2%	3%
Two or more races	3.3%	3.1%	
Latino (or Hispanic)	16.6%	26.7%	16.8%

Source: American Community Survey, 2014 and U.S. Census Bureau, Census 2010

Based on 2014 American Community Survey, only 35.9% speak English at home. This figure can be attributed to the diverse population that speak many of their heritage language at home.

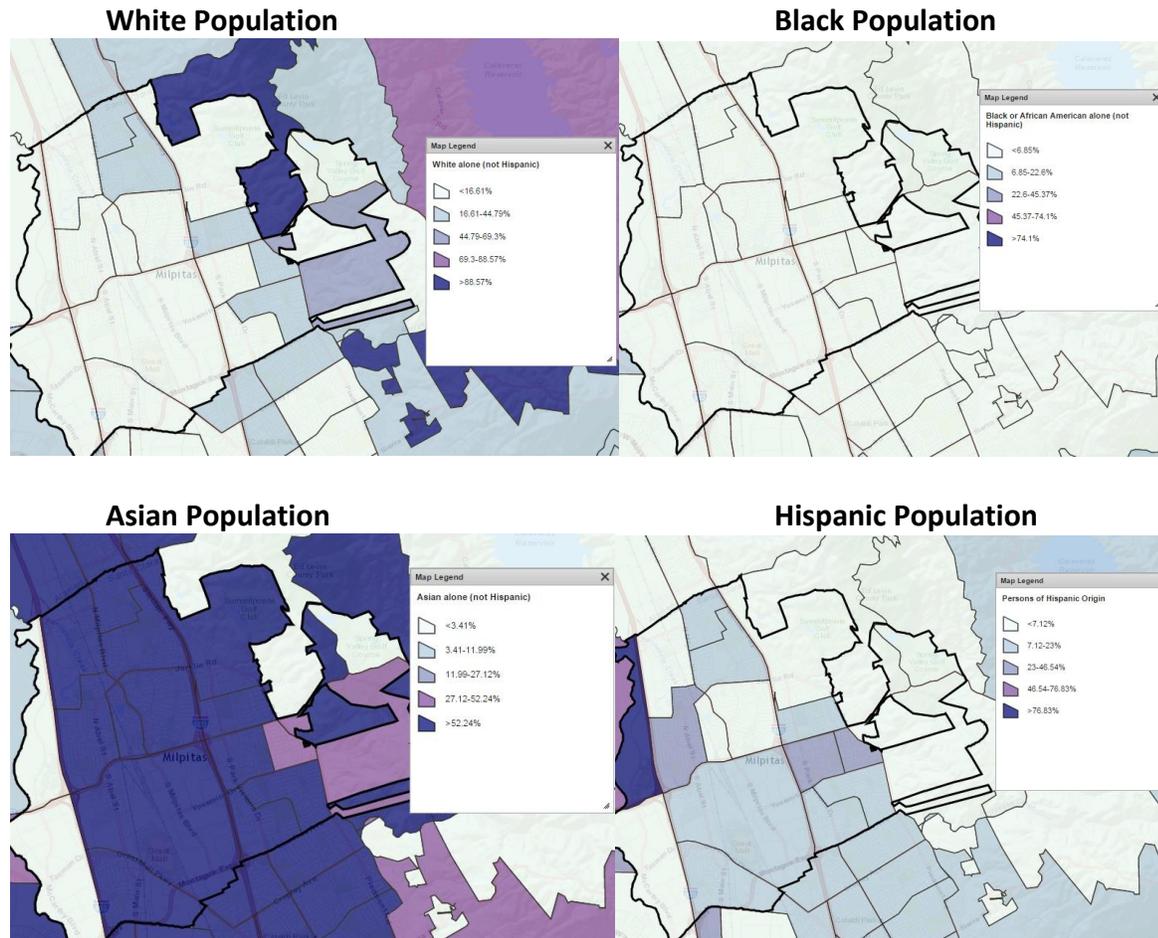
The chart below shows the percentage of the population that speak English primarily at home.

Language Spoken at Home	Milpitas	Santa Clara County
English Only	35.9%	47.9%
Language other than English	64.1%	52.1%

Source: American Community Survey, 2014

Given that 64.1% of Milpitas households speak a language other than English at home, it indicates that the primary language is not English – suggesting official documents need to also reflect this difference. Santa Clara County also portrays the same figures of a greater foreign language spoken in the home, but not to the extent of Milpitas.

Population by Ethnicity Distribution



Source: U.S. Census Bureau, Census 2010

Although these maps refer to data from the Census 2010, they are indicative of a trend already referenced: the decline of White residents in Milpitas and very small population of Blacks. The map indicating the concentration levels of White residents were to the east of the City's border as the deeper purple suggest. While the map to the right representing Blacks, does not show a concentration of Blacks nearby or around the City's borders at all – reinstating the decline of Blacks in the Bay Area. The remaining maps provide a precursor to the current concentration levels of other races and ethnicities within Milpitas, and given the increase in Asian and Hispanic residents.

Type of Households

Results from the Census 2010 indicated that the majority of the households in Milpitas were family occupied. In comparison to Santa Clara County, the disparity between family and non-family occupied households was much wider. According to the *Milpitas General Plan Housing Element (2014)*, 2011 estimates projected these totals to remain intact. However, the estimated median household size in the City decreased minimally - from 3.5 to 3.41 persons - while the

estimated median household size in the County also slightly increased from 2.94 to 2.96. These estimates, as shown in the figure below, continue to validate the trend of larger household sizes in Milpitas than in the County, as well as a higher frequency of family occupied households.

Household Type	Percent of Total Households	
	Milpitas	Santa Clara County
2 or more person household:	86.9%	78%
Family Households	82.1%	70.8%
Married-couple family:	61.5%	54.8%
With own children under 18 years	31.0%	29.6%
Other family:	20.7%	16.0%
Male householder, no wife present:	5.8%	5.2%
With own children under 18 years	1.4%	2.7%
Female household, no husband present:	14.9%	10.8%
With own children under 18 years	11.2%	6.3%
Nonfamily households:	4.8%	7.2%
Male householder	4.4%	4.4%
Female householder	0.4%	2.7%
One person household	13.1%	22.0%
Total households	100%	100%

Types of Households. Sources: American Community Survey, 2011; BAE, 2013.

Household Income

Milpitas has historically enjoyed a higher median household income in comparison to Santa Clara County. In 2013 Nielsen and Bay Area Economics indicate that this trend is not only continuing, but that the disparity between the City and County is increasing. Whereas the median household income in Milpitas exceeded the County’s median household income by 14% during the last reporting period, the 2013 estimates conveyed a 7.97% marginal advantage. While the percentage differences between the City and County within each income bracket do not appear substantial, the figure below demonstrates that overall, household income is less evenly distributed within Milpitas than in Santa Clara County. The difference in median income further indicates that a greater percentage of Milpitas’ population is in the upper tier of the \$75,000 - \$149,999 income bracket - the most represented category in both the City and County - and that the proportion of the populous in the lower income groups continues to decline.

Income (\$)	Household Income, 2013 (Estimate)	
	Milpitas	Santa Clara County
Less than \$35,000	16%	20%
\$35,000 to \$74,999	24%	24%

\$75,000 to \$149,999	38%	32%
\$150,000 or more	22%	24%
Median Household Income	\$99,072	\$93,854

Income. Sources: American Community Survey, 2011; BAE, 2013.

Poverty Rate

Corresponding to Milpitas' household income distribution is the low relative percentage of residents living below the poverty threshold. According to the DOF, 7.5% of the City's residents live below this threshold, compared with 9.9% in Santa Clara County. Although Milpitas has a lower percentage of minors and individuals under the age of 65 living in poverty in comparison to the County, the City has a higher rate of poverty within its population over 65 years old.

Household Type	% Living In Poverty, 2014	
	Milpitas	Santa Clara County
All Families	6.7%	5.6%
Married Couple Families	3.5%	4.2%
Female-Only Households	17.4%	18.4%
Persons Under 18 years	8.4%	11.7%
Percent of All People	7.5%	9.9%

Poverty rates by Families. Source: California Dept. of Finance, American Community Survey, 2014

Education

The overall level of educational attainment within Milpitas' and Santa Clara County's aged 25 years and older has increased since the 2009 American Census Survey, as demonstrated in the figure below. According to 2014 American Community Survey, Milpitas improved upon every educational attainment level, resulting in a decline of those who do not have a high school diploma, and the County reported similar figures. Yet while the City reported a higher rate of the population with a high school diploma or some collegiate experience, it lacks behind Santa Clara County in percentages with either a Bachelor's Degree or a Graduate Degree. Santa Clara County experienced a higher growth rate in percentage regarding both of these degrees, especially regarding Graduate degrees, and the disparity between the City and County at the highest educational attainment level is the widest of any of the comparable categories.

Educational Attainment, Population 25 years and Over	Milpitas 2014	Santa Clara County 2014	Milpitas, ACS 2009
No High School diploma	13.9%	12.6%	14.4%
High School graduate	15.9%	15.5%	21.2%
Less than 4 years of College	27.8%	23.5%	26.5%
Bachelor's degree	25.7%	26.1%	24.5%
Graduate or Professional degree	16.7%	22.3%	13.4%

Highest Educational Attainment. Source: American Community Survey, 2014

Occupations

Relative to the previous reporting period of 1998-2003, the proportion of Milpitas residents in various occupational fields has not varied substantially. The majority (48%) of the City's labor force holds an occupation in the "Managerial and Professional Specialty" category of occupations, while "Technical, Sales, and Office Support" professions (15.7%) comprise the next most populated occupational category, which has decreased from the previous AI report.

Milpitas' geographic location is a significant factor in the types of occupations its residents have, as it is located within the Silicon Valley. As a result, corporations such as Cisco Systems, Life Scan, and Flextronics - all high-technology driven companies located within the City limits - have the highest demand of employees. Although the recent economic recession has adversely affected employment opportunities in both Milpitas and Santa Clara County at-large, the prominence of businesses in this industry throughout the region have a significant impact on the City's and County's occupational distribution.

Occupation	2014	2009
Managerial & Professional Specialty	48%	46%
Service Occupations	14.5%	8.3%
Technical, Sales & Office Support	15.7%	23.1%
Precision Production, Craft & Repair	7.9%	6.1%
Operators, Fabricators & Laborers	13.9%	16.3%

Occupations in Milpitas. Source: American Community Survey, 2014

According to 2009 projections from the Association of Bay Area Governors (ABAG), there was a 1.7% increase - or 790 jobs - in Milpitas between 2005-2010. By comparison, ABAG projected an increase in new employment of 3.8% for Santa Clara County during the same time period. This lower proportion of new jobs has significantly impacted the City's unemployment rate, as the California Employment Development Department reported that as of March 2011, the unemployment rate in Milpitas was 10.6%, and 10.3% in Santa Clara County. Both the County (22.6%) and City (21.8%) have experienced similar increases in unemployment since the June 2003, yet the lack of employment development within Milpitas has significantly the employed labor force, and the City has the sixth-highest unemployment rate within the County.

Means of Transportation

As evidenced by the 2014 American Community Survey estimates, there has not been a significant change in the distribution of commuting methods for Milpitas' labor force since the previous reporting period. The overwhelming majority of the City's residents use a vehicle to

reach their jobs. While most modes of commuting has not change, there has been an increase in “work at home” which has almost doubled. This can be attributed to the rise of the cost of housing closer to work, resulting those to stay in the current location, commuting. Due to the increase of traffic, those opt to work from home instead of commuting.

Method of Commuting	Milpitas, 2014 Estimates	Milpitas, 2009 Claritas
Car, truck or van	91.9%	94.7%
Public transportation	3.1%	2.3%
Walk	1.0%	0.7%
Other means	1.5%	0.8%
Work at home	2.6%	1.5%

Method of Commuting in Milpitas. Sources: American Community Survey, 2014; Claritas, Inc. 2009

Disability

According to the 2014 American Community Survey, 7% of Milpitas’ population identified themselves as disabled, though the “institutionalized population” did not account for any of this data. Given the previously referenced age distribution of the City’s residents, the percentages shown below are applicable even when compared to more current population figures. Considering the decrease in the youth population- and the subsequent increase in the percentage of residents over 65 years of age - the proportions of disabled residents within each age group parallel Milpitas’ population trends in regards to age.

Disabilities often develop and worsen as one gets older, explaining the high proportion of disabled residents over the age of 65. The aging of the City’s population supports the notion that those between 15-64 years old would then comprise the next highest proportion of disabled residents, as it should be noted that this age group represents the majority of Milpitas’ population. The City’s median age in comparison to Santa Clara County further explains why Milpitas has a higher rate of disabled residents aged 18-64 years and older.

Age of Population	% of Civilians with a Disability	
	Milpitas	Santa Clara County
Under 18 years	0.9%	1.7%
18 to 64 years	5.1%	4.9%
65 years and over	32.9%	33.5%

Disability Status of non-institutionalized population. Source: American Community Survey, 2014.

Conclusion

Milpitas is an ethnically diverse city, whose population is comprised of a large proportion of foreign-born residents. Though there is no direct, recent figure of foreign-born population for Milpitas, Santa Clara County shows the percentage of foreign born in the County:

Foreign Born Country	Percentage of Santa Clara's County
Europe	8.1%
Asia	64.1%
Africa	1.6%
Oceania	0.6%
Latin America	24.4%
Northern America	1.2%

As represented by the primary language spoken at home in the previous figure, the charge shows that 64.1% of the County was born in Asia. Sub-sequentially, there is that large portion of the population that English is not their primary language. An effort needs to be made to provide adequate translations of fair housing material - specifically in the many Asian languages which comprise the City's Asian population and Spanish as the next highest foreign-born population is Latin America in order to minimize any language barriers they may experience, and thereby avoid creating or enabling an impediment to Fair Housing choice. In the recent years, Project Sentinel has added translators who fluently speak Tagalog, Vietnamese, Mandarin and Cantonese.

The majority of households in Milpitas are comprised of families, and there are a larger percentage of family households in the City than in Santa Clara County. While the City has a lower rate of households living in poverty in comparison with the county, residents over the age of 65 have the highest rate of poverty in Milpitas. This demographic also experiences the highest disability rate, and it is important that elderly residents are accommodated and assisted in an effort to make Fair Housing choices as available to them as any other demographic group in the City.

Milpitas continues to experience population growth. As the City population continues to increase, it is imperative that City officials and policy makers take the proper courses of action to ensure that all new and existing residents are provided with the same accommodated the vast increase in residents.

HOUSING PROFILE

This section will examine the various characteristics of housing stock in the City of Milpitas. Housing costs, types of housing units, housing unit size, and the age of housing stock are all aspects that play a significant role in determining the quality of the City's housing. Inadequate housing conditions are an impediment to fair housing, which affect a higher proportion of low-income residents within the impacted group.

According to 2014 American Community Survey estimates, there are a total of 21,992 housing units in Milpitas, of that 21,145 is occupied; estimates project that 13,707 or 64.8% of those units were owner-occupied, while 35.2% were renter-occupied. Milpitas has a noticeably higher

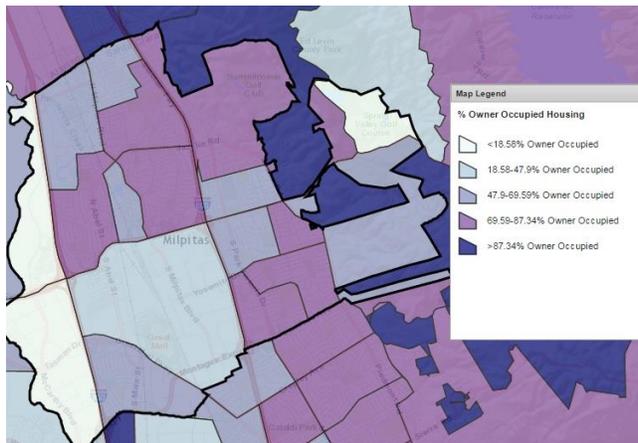
proportion of owner-occupied units, and thus a lower proportion of renter-occupied units, than Santa Clara County. The City’s housing stock accounts for 3.4% of the County’s total housing stock.

Housing Units	Milpitas	Santa Clara County	Milpitas, Census 2010
Total Housing Units	21,992	651,171	19,806
Owner-occupied Housing Units	64.8%	56.1%	69.3%
Renter-occupied Housing Units	43.9%	35.2%	30.7%

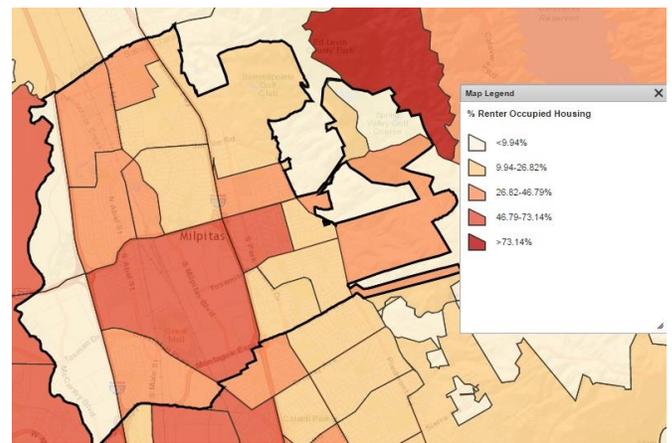
Source: U.S. Census Bureau, Census 2010; American Community Survey, 2014.

Although there has been a slight decrease in the percentage of owner-occupied housing units in Milpitas over the last decade, the decline has been minimal, and is a trend that was paralleled by Santa Clara County during the same time period. The figures below demonstrates that the highest concentration of renter-occupied properties is concentrated on the outskirts on the western side of the City, while the highest rate of owner-occupied housing units are located within City limits in the east.

Owner Occupied Units



Renter Occupied Units



Source: HUD, CDP Maps, 2016

The majority of the City’s owner-occupied units are primarily located in one area, while the renter-occupied units are marginalized to the outskirts on the City’s boundaries.

Type of Dwelling

The Milpitas Zoning Ordinance defines a single family unit as “a detached building designed exclusively for occupancy by one (1) family”. The City’s ordinance defines a multi-family unit as “a building or portion thereof, designed for occupancy by three (3) or more families living independently of each other.”

According to 2014 estimates by the American Community Survey the proportion of single family homes in Milpitas decreased over the previous decade, while the proportion of dwellings with 5 or more units increased. Santa Clara County experienced similar trends, and although Milpitas

continues to have a higher proportion of single family homes in comparison with Santa Clara County, the disparity gap has narrowed. Similarly, the margin between County and City percentages of dwellings of 5 or more units has also narrowed, as these types of dwellings account for 28.8% of the County housing stock, and 17.1% of the City’s housing stock.

According to data from the US Census Bureau, an additional 2,442 housing units were built in Milpitas between 2000-2010. Taking into account the total number of multi-family units in the City (as estimated by the DOF), 66.3% of the newly constructed units are for multi-family purposes. While Milpitas continues to construct both single family and multi-family units, this percentage indicates a concerted effort to reduce the proportion of new single family homes in construction, and increase the proportion of multi-family units built. It is important to note that not only has the percentage of new multi-family units increased, but the total number of these types of units has as well. For instance, in 2000, Milpitas had 2,181 dwellings with 5 or more units; the 2010 estimated total of 3,801 indicates an overall increase of 74.3%, a total of 1,620 new multi-family units. During this same time period, there has been a 5.6% decrease in the percentage of single family homes.

Type of Dwelling	Milpitas, 2014 Estimate		Santa Clara County, 2014 Estimate	Milpitas, 2010 Estimate
	Number	Percent	Percent	Percent
Detached Single Family	11,919	57.6%	53.5%	57.3%
Attached Single Family	3,969	19.2%	10.4%	11.5%
2 to 4 Units	1,155	5.6%	7.5%	8.6%
5 or More Units	3,131	15.1%	25.8%	26.8%
Mobile Homes	529	2.6%	2.9%	3.1%
Total Housing Units	20,703	100%	100%	100%

Type of Dwelling. Source: US Census Bureau, American Community Survey, 2014

Housing Cost

Primarily due to the City’s population growth and the resulting increase in demand for housing, the cost of housing in Milpitas is increasing. Despite having suffered the effects of the economic recession throughout the latter half of the previous decade, Santa Clara County and Milpitas both have begun the process of economic recovery. However, the sales prices of single family residences (SFR) and condominiums in Milpitas remain relatively high in comparison with the County. This presents a significant barrier for the City’s low-income households.

The Bay Area has one of the highest costs of living in comparison to other metropolitan areas in the nation. As shown below in below, the median price of SFRs in Milpitas increased by 54% between 2008 and 2015. More notably, the median price of a condominium increased by 45.5%; this increase nearly doubled the increase in median price of SFRs in the City, and the 2015 median price of a condominium in Milpitas nearly doubled that of Santa Clara County. According to the 2015 Santa Clara County Association of Realtors, Inc. estimates, the median price for a home in Milpitas was valued at \$842,000 and \$600,000, respectively. Santa Clara median prices also increase from 2008. Santa Clara’s SFRs median price was \$447,000, in 2015 it was almost doubled

at \$950,000, which also reflects similar patterns with condominiums (\$294,500 to now \$610,000). But note, the drastic amounts is compared to 2008, when the economy was in the Great Recession.

Dwelling Type	Milpitas 2015 Median Price	Santa Clara County Median Price	Milpitas, 2008
Single Family Residences	\$842,000	\$950,000	\$547,675
Condominiums	\$600,000	\$610,000	\$412,288

Median SFR and Condominium Price. Sources: Santa Clara County Association of Realtors, 2016

Although the information illustrated in the figure below refers to the 2010 Census data, it remains relevant due to the minor variations in Milpitas’ residential distribution proportions. The percentage of the City’s population occupying owned units has not changed substantially, and the rising median prices for SFRs and condominiums - along with the increase in median household income - indicates that the proportions demonstrated below should still be applicable for both the City and Santa Clara County. Housing costs tend to be a greater burden for renter - occupied households than for owner-occupied households. However, across all levels and county, households are spending more than 30% of their income on monthly housing costs. Before, renters in Milpitas paid approximately 31%, on average of all income levels, 44.2% of the households pay more than 30% of their income on housing costs; substantially, even owner-occupied households is experiencing an increase from 19% to now 34.3%.

Monthly Housing Costs	% Of Renter Households		% Of Owner Households	
	Milpitas	Santa Clara County	Milpitas	Santa Clara County
As % of Household Income				
Less than 20%	22.2%	26.1%	40.5%	42.2%
20% to 29%	29.1%	24.1%	24.5%	23.2%
30% or more	44.2%	46.3%	34.3%	33.9%

Housing Costs as percent of income. Source: U.S. Census Bureau, Census 2010; American Community Survey

Age of Housing Stock

The median age of Milpitas’ housing stock has decreased since the previous reporting period. As demonstrated below, and as previously referenced, Milpitas has substantially increased their housing inventory in the last decade. According to 2009 estimates by Claritas, Inc., the percentage of structures built since 1999 has increased by 10.9% in comparison to Census 2000 figures. Although much of this increase is due to the extended reporting period Claritas, Inc. based their estimates on, the increase in newer structures has changed the City’s overall housing profile.

While the proportions of structures built before 1999 have decreased, 56.9% of the housing stock in Milpitas is over 30 years old. Housing structures tend to begin showing signs of aging approximately 30 years after they are built, and home maintenance costs can adversely impact a household’s income, especially low-income and elderly households. Thusly, poor housing conditions can result in an impediment to fair housing.

Year Structure Built, Milpitas	2010
2010 and later	1.3%
2000 to 2009	14.6%
1980 to 1999	30.3%
1960 to 1979	44.9%
1940 to 1959	8%
1939 or earlier	0.7%
Median Year Structure Built	1978

Source: U.S. Census Bureau, Census 2010

Conclusions

While Milpitas continues to retain a greater proportion of single family homes than the County, over the previous decade, there has been a substantial increase in the proportion of new multi-family housing. Due to the lack of vacant land for new construction, and the continuing increase in the City’s population, it is recommended that Milpitas continue to increase the amount of multi-family housing units available to its residents and rezone much of their land. Insufficient available housing presents a barrier to fair housing choice that impacts the City’s entire population. It is imperative that Milpitas continue taking the proper courses of action to oversee that there is enough housing available to accommodate the populous.

The increase in recently built multi-family housing may have shifted the median age of the City’s housing stock, but more than half of Milpitas’ housing is 30 years or older. Many low-income and elderly residents are often unable to afford the home maintenance and repair costs. Due to this reason, it is important that the City ensure that residents have access to all necessary resources available to assist with the cost of repairs. The City has addressed this with CDBG funded low-income Seniors rehabilitation with Rebuilding Together Silicon Valley, San Jose Conservation Corps and also the City’s own Rehabilitation Loan Program.

In addition, it is vital that Milpitas continue to construct new housing structures - specifically multi-family dwellings - and that the City simultaneously monitors the condition of its existing housing stock to maintain an adequate level of living conditions for residents.

Renters in Milpitas continue to undertake a higher cost of housing in relation to their total incomes than home-owners do. The higher relative cost of living in the City compared to Santa Clara County median prices indicates that the residents of Milpitas- specifically renters-

experience a more substantial cost of burden than the County. Due to the increasing costs of housing, it is important that the City ensures that a sufficient proportion of newly constructed dwellings are affordable housing structures to make fair housing choice available to low-income and elderly residents.

LAND USE AND ZONING

Zoning and land use laws utilize systematic planning in an effort to stabilize and preserve the characteristics of a given district within that city. These policies and regulations are implemented to assist in the designation of residential, industrial, and commercial areas. When zoning policies result in the segregation of different demographics of residents from one another, an impediment to fair housing choice is created. However, the effective implementation of land use and zoning policies can also serve as a means to enhance a city's Fair Housing opportunities, and can positively impact a population's accessibility to available resources and housing choices.

The focus of this section is to determine whether or not the existing land use and zoning policies for the City of Milpitas create a barrier to Fair Housing choice. Because the City's housing costs are relatively high and its population is steadily increasing, it is imperative that Milpitas utilize proactive policies, such as the density bonuses and similar strategies, as tools to provide residents with affordable and adequate housing.

Density Bonuses

Density bonuses are implemented to encourage developers to construct affordable housing units for low-income residents. These bonuses provide an incentive for developers to build more units, with the caveat that they reserve a portion of their units for residents that are in need of affordable housing. According to the *2014 Milpitas Housing Element Update*, the City provided information related to the Milpitas Density Bonus Ordinance. In the aforementioned update, it was recommended that the Density Bonus eliminate the Combining District approach, and parallel itself to State Law. This occurred in 2005 after Milpitas adopted a Density Bonus Ordinance (Section XI-10-54-15 of the Zoning Code).

The Density Bonus Law can be applied to all residential zones where the developer agrees to reserve any one of the following options: 10% of the units in the project for lower-income households, 5% for very low-income households, or if the project is a senior housing development. If the development is a condominium, the developer can apply this ordinance by agreeing to reserve 10% of the units for affordable to moderate-income households. Density bonuses may be applied to any project of 5 or more units, and the affordability restrictions must remain in place for at least 10 years; however, these restrictions may be extended to 30 years should certain funding requirements be in-place or if additional incentives are provided to the developer.

Secondary Units

Secondary housing units are attached or detached units that provide complete independent living facilities for one or more persons on the same lot as an existing single family housing unit. The unit must include permanent provisions for living, sleeping, cooking and sanitation. The construction of these types of units can increase affordable housing stock, and offers additional housing opportunities for low-income people, particularly seniors.

State law requires local jurisdictions to either adopt ordinances that establish the conditions under which secondary units will be permitted or to adopt the State Law provisions governing secondary dwellings (Government Code, Section 65852.2).

Milpitas allows the construction of secondary housing units “by right” on any lot located in a single family residential zone, but includes a restrictions for the secondary housing unit. The secondary unit requires a use permit, and restrictions are imposed to control traffic congestion, parking problems, and other concerns resulting from increased density in single family residential neighborhoods. Section XI-10-13.08 of the City’s Zoning Ordinance states that a second family unit may be allowed on a single family zoned lot subject to the following criteria:

- The secondary unit cannot be larger than 1,200 square feet in size (depending on the geographic location of the unit), but shall not be smaller than 150 square feet.
- The lot is residentially zoned and contains only one existing, legal single-family dwelling unit. A maximum of one second family unit shall be permitted on any lot.
- If attached to the main dwelling, the second family unit shall comply with the same building height, setback, rear yard coverage and lot coverage requirements and limitations as the main dwelling
- A detached second family unit shall be located on the rear half of the lot, and no closer than six feet or farther than 100 feet from the main dwelling.
- The secondary unit cannot have more than one bedroom and one kitchen.
- The owner must occupy one of the two units at the time of application, and shall not be sold to a different owner than the main residence, but may be rented.
- The second family unit shall be designed to be architecturally compatible and visually integrated with the main dwelling.
- The second family unit shall provide one (1) more off-street parking space than required for a single family dwelling.

Secondary housing units can be much more affordable for low-income residents, and provide additional housing alternatives to the City’s relatively expensive housing units.

Housing for Persons with Disabilities

The Federal Fair Housing Act (FFHA) of 1988 prohibits discrimination on the basis of disability. Disabled individuals are one of the more marginalized demographic groups in society, and they experience housing discrimination at a higher rate as a result. Zoning policies which disparately impact a disabled individual’s ability to live in certain residential zones, and dwellings that are

not compliant with the American with Disabilities Act's (ADA) accessibility standards are examples of how the disabled population in any city experiences discrimination in a much different manner than other Federal and State categories.

Group Homes for Disabled Persons

Group homes are designated for care-dependent people, specifically those who are disabled. Limiting the number of unrelated disabled persons who may live together in certain residential zones or requiring certain conditions or permits in order for these people to share housing are violations of the FFHA and create systemic impediments to fair housing choice.

As long as the occupancy of a residence does not result in overcrowding, non-related disabled persons should be accommodated if they wish to live in group housing, and should be able to do so free of required City or County special use permits. Denying this type of request would result in the addition of unreasonable conditions to zoning policies.

It is important to note that whether a group dwelling is licensed by the state or not has no impact on the applicability of the FFHA. A license considers the internal conditions and protocols of the group housing unit that affects the day-to-day life of the residents- not an external factor such as geographic location - and should thus have no relevant bearing on zoning requirements.

California state law prohibits local governments from requiring special use permits for 1 to 6 disabled persons in the same household. However, state law does not explicitly prohibit municipalities from requiring special use permits for group housing units of 7 or more disabled persons. In the past, Milpitas had required such a permit for group housing of 7 or more disabled individuals, and had also mandated public hearings when considering granting a group home a special use permit to reside in a residential zone.

The previous AI presented the recommendation, as in the 1998 AI, that Milpitas re-examine its requirement of special use permits for disabled group housing, and take the necessary action of aligning the City's policy to State and Federal regulations. Milpitas has taken such action and, according to the previous *Milpitas Housing Element Update*, there are now "no zoning, design review, or building code provisions" that restrict a group dwelling's ability to establish itself in a residential zone. "Small" group homes (6 persons or less) are allowed in all residential areas, while "large" homes (7 or more persons) are permitted in multi-family residential zones. This change has assisted in eliminating a significant past impediment to fair housing choice in Milpitas.

ADA/Title 24 Regulations

The ADA sets federal accessibility standards for new structures, and Milpitas complies with these in both retrofitting existing buildings and facilities, and applying the regulations to new housing developments in an effort to make more housing units accessible to disabled individuals.

The ADA standards for new structures are known as "Design and Construction" regulations, and they dictate maximum and minimum measurements for the variety of features found within a

given housing unit. Examples include door way width, mail box height, type of door knob, and depth of kitchen counters. These standards may be applied to all single family residential units, as well as all multi-family structures of 4 or more units, and they ensure that compliant new structures are accessible to disabled persons nation-wide.

The ADA equivalent for accessibility standards in the state of California is Title 24 of the California Building Code. The standards established by Title 24 are more stringent than those of the ADA, and also apply to wider range of dwelling types, including multi-level townhomes and condominiums. These standards are known within the industry as “visitability” regulations, and when coupled with ADA standards, encompass a protective and comprehensive set of protocols that provide disabled persons equal access to housing.

The City enforces Title 24 regulations for all new housing development projects, and provides applicants with a checklist to assist with compliance. Milpitas also “requires ADA-compliant parking, accessible entries, accessible paths of travel through areas being altered, and handicap-accessible bathrooms, drinking fountains, and public phones.” Additionally, all new structures exceeding three stories include elevators.

Conclusions

Since the 2004 AI, Milpitas has taken a proactive approach towards updating or revising zoning policies that in the past disparately affected low-income and disabled residents. The continued implementation of the density bonus as a component of the Milpitas’ zoning policy provides additional motivation for developers to build more units of affordable housing for low-income residents. The resulting supplementation to the City’s housing stock has increased fair housing choice for many households that may not have the financial means to afford the relatively high cost of housing in the City.

Regulations for secondary dwelling units have been updated since the previous reporting period, and the building of this type of unit is allowed “by right” in all lots within single-family residential zones. The increase in secondary dwellings, as well as the incorporation of density bonuses, raises the amount of affordable units within the Milpitas’ housing stock, and consequently allows the City to accommodate more low-income households, specifically seniors. By addressing prior restrictions on the building and presence of secondary dwelling units, the City eradicated a significant impediment to fair housing choice.

By updating the Milpitas group home zoning ordinance, the City has provided care-dependent disabled individuals with more housing options, and the inclusion of these dwellings in both single family and multi-family residential zones has demonstrated an effort to de-stigmatize this portion of the City’s population. Furthermore, the adoption of Title 24 accessibility regulations as the standard for new housing structures in Milpitas ensures that more dwellings will be accessible to disabled persons, enhancing their choice of housing.

PUBLIC POLICIES AND BARRIERS TO AFFORDABLE HOUSING

This section discusses the public policies and programs in Milpitas, and assesses the strategies and policies which affect affordable housing.

The City's 2015-2023 *Housing Element Update* describes its strategy to address the housing unit production need, as determined by the Association of Bay Area Governments (ABAG). The California DOF estimated that Milpitas' 2015 population totaled 72,606 residents, a 1.47% increase from the 2010 population of 71,552. The Census 2010 documented 19,806 housing units in the City, indicating an increase of 2,442 units (or 14.1 %) over the past decade. The DOF further estimated that there were 18,379 households in Milpitas in 2009, indicating a surplus of housing units. It is notable that both population and household amounts increased at roughly the same rate during the past decade, as it is an indication that the City has continued to increase its housing stock to keep pace with its growing population.

Due to the scarcity of vacant land for the construction of new housing in Milpitas, the increase of denser multi-family dwellings is vital. The ability to be able to accommodate a growing population within fixed city limits will continue to present a challenge when considering new housing developments. To accommodate the overwhelming majority of family households in Milpitas, 77% of the residential units approved were in structures of five or more units permitted since 2003. The incorporation of previously referenced density bonuses provides additional incentive for developers to include affordable units within new structures, accommodating both low-income family and low-income non-family households. However, sustaining this development will be vital to the City's ability to continue to accommodate its growing population.

Midtown Specific Plan

The Midtown Specific Plan was implemented to develop that particular area of Milpitas. Rather than responding to each specific development plan on a site-by-site basis, the City undertook a comprehensive and cohesive plan in developing this district to incorporate residential zoning areas with industrial and commercial zoning areas, creating a multi-faceted area that would accommodate the City's growing population and the resulting increase in demand for employment and housing. Thusly, one of the primary goals of the Midtown Specific Plan is to increase construction of multi-family units and the proportion of affordable housing units within this area of Milpitas. The Plan will provide 3,000 new housing units, with an immediate priority for the development of very-low income and low-income housings units, and is estimated to take another 10 years to fully complete.

According to the Midtown Specific Plan, the City has set forth the following goals for the land use of this area:

- Encourage a compatible mixture of residential, retail, office, service-oriented commercial and industrial units within the Midtown Area.

- Provide for a significant component of new housing within the area in order to: improve the vitality of the Midtown Area, address local and regional housing needs, and reinforce the use of transit.
- Promote an intensity of development in Midtown that is appropriate to its central location.
- Provide for a land use mix that supports major transit facilities.

Transit Area Specific Plan

Similar to the Midtown Specific Plan, the Transit Area Specific Plan was approved as is currently being implemented in an effort to revitalize this area in southern Milpitas. The same stated goals of utilizing a combination of residential, commercial, and industrial zones in applying the Plan are also being supplemented by the particular geographic location that it is focusing on. The Transit Area Specific Plan will prioritize combining the Valley Transit Authority (VTA) Lightrail system and the proposed site of a future Milpitas BART station to the proposed residential and commercial developments to enhance the quality of life for its residents. In doing so, the Plan has approved over 5,500 additional housing units, many of which will benefit low-income and senior residents. As with the Midtown Specific Plan, the Transit Area Specific Plan will significantly emphasize housing density, creating an increase in multi-family housing units, and also increasing the proportion of affordable units.

According to the Transit Area Specific Plan, the City has set forth the following land use goals for the area:

- Transition from older industrial uses to a high intensity mixed use area with housing, office, retail, restaurants, personal services, hotels, parks, and community facilities.
- Add a large amount of housing in order to meet regional housing needs. Adding housing improves the jobs/housing balance in the South Bay and can thereby reduce regional traffic congestion.
- Develop land uses and high densities that maximize transit ridership, so that land use planning supports the large public investment in transit facilities. Locate the highest densities closest to the transit stations.
- Provide a mix of land uses that responds to market demand over the next twenty years, and provides opportunities for complementary uses, such as by locating hotels and offices near retail and restaurants.
- Site neighborhood-serving retail uses in each sub-district of the Transit Area so residents and workers can easily walk to shops, restaurants, and services.
- Develop retail and hotel uses and other revenue-generating uses to help support the cost of capital improvements and ongoing public services for residents and workers in the Transit Area.
- Minimize noise and traffic impacts on residences

The previously referenced increases in multi-family units within Milpitas since the previous reporting period is evidence of the impact these two Plans have had on housing choice in the

City. However, as the population continues to grow, it is vital that comprehensive development plans such as the Midtown Specific Plan and Transit Area Specific Plans continue to be implemented so that all demographics of the growing amount of residents are accommodated.

Community Development Block Grant

The Community Development Block Grant (CDBG) is a federal entitlement program that began in 1975, and is administered by the Community Planning and Development Division of HUD. The amount of funding a city receives depends on the population growth, poverty rate, overcrowding, and the age of housing stock. According to the 2015-2016 Action Plan, the City of Milpitas received \$393,490.30 in CDBG funds. The funds are intended to primarily benefit very low to moderate-income households, and are often used for economic development and housing rehabilitation projects.

The following are several examples of programs for which the City of Milpitas has allocated CDBG funds.

- **City of Milpitas Housing Rehabilitation Program** provides housing rehabilitation loans to very-low and low-income homeowners in Milpitas. As documented in the Action Plan, the City provided \$135,442.40 in CDBG funds to this program from FY 2015-2016.
- **HomeFirst** provides shelter and supportive services for homeless individuals, families, and youth. Services and programs provided by HomeFirst assist clients in overcoming barriers to housing, employment, and overall self-sufficiency; its services range from emergency shelter to transitional housing programs and after-care assistance. As documented in Action Plan, the City of Milpitas contributed \$5,025.25 in CDBG funds to HomeFirst during FY 2015-2016, providing 500 nights of shelter to 15-20 Milpitas residents.
- **City of Milpitas Senior Housing Project: Terrace Gardens** is a low-income senior housing community that serves the City's senior population. The existence of affordable housing communities such as Terrace Gardens provides this populous with additional housing choice. According to the FY 2015-2016 Action Plan, Milpitas contributed \$112,713.25 in CDBG funds to assist with the façade and exterior improvement that included mildew removal, scarping, sanding and a new paint project. These funds assisted 184 senior residents living at Terrace Gardens.
- **Project Sentinel** investigates housing discrimination and provides fair housing, and tenant-landlord mediation services, along with mortgage default, delinquency, and pre-purchase counseling to Milpitas residents. Public education and outreach activities for all services includes Rent Watch housing advice column, distribution of brochures, radio and television public service announcements. And presentations and workshops. As stated in Action Plan, Project Sentinel received \$10,000 in CDBG funding for FY 2015-2016 to continue providing its services to Milpitas residents. These services potentially benefit all Milpitas residents.

Housing Affordability

Affordable housing is considered housing units which can be rented or purchased by a household without paying more than 30% of their income. It is crucial that housing affordability programs- including those implemented by the aforementioned Midtown Specific Plan and Transit Area Specific Plan- be made available to low-income households that cannot afford to pay the costly price for housing.

The following chart, obtained from the 2015-2023 Housing Element, demonstrates the achievements Milpitas has made in terms of providing affordable housing to its residents:

Affordable Developments	Affordable Units	Tenure	Senior/Family	Target Affordability
Terrace Gardens	148	Rental	Senior	148 Low
Summerfield Homes	22	Ownership	Family	22 Low
Parc West	68	Rental	Family	35 Low, 33 Moderate
Senior Housing Solutions - 751 Vasona	5	Rental	Senior	5 Extremely Low
Devries Place Senior Housing	103	Rental	Senior	102 Very Low, 1 Moderate
Scattered Sites on Edsel Court	4	Rental	Family	4 Low
Aspen Family Apartments	101	Rental	Family	100 Very Low, 1 Moderate
Senior Housing Solutions - 1170 N. Park Victoria	5	Rental	Senior	5 Extremely Low
Total	456			
Mixed Income Projects				
Sunnyhills Apartments	149	Rental	Family	Section 8
Montevista Apartments	153	Rental	Family	77 Very Low, 76 Low
Crossing at Montague	94	Rental	Family	94 Very Low
Parc Metro	28	Ownership	Family	10 Low, 18 Moderate
Parc Place	58	Ownership	Family	18 Very Low, 6 Low, 34 Moderate
Luna at Terra Serena	25	Ownership	Family	25 Moderate
Paragon	29	Ownership	Family	9 Very Low, 20 Moderate
Terra Serena	63	Ownership	Family	63 Moderate

Centria East	26	Ownership	Family	9 Very Low, 7 Low, 10 Moderate
Town Center Villas	16	Ownership	Family	16 Moderate
Cerano Apartments	88	Rental	Family	20 Very Low, 30 Low, 38 Moderate
South Main Street Senior Lifestyles	48	Rental	Family	48 Very Low
Shea Properties	8	Rental	Family	8 Very Low
Coyote Creek	7	Ownership	Family	7 Low
Total	792			
Grand Total of Number of Affordable Units	1,248			

Section 8 Rental Assistance Program

This program provides monthly rental assistance payments to private owners who lease their units to low-income individuals and households, and is administered by the Housing Authority of Santa Clara County (HASCC). Participants who are accepted into the Section 8 program qualify based on income, and typically pay 30% of their adjusted monthly household income in rent. The HASCC pays the remaining rental balance in the form of a voucher to the housing provider of the assisted household’s unit. Ultimately however, it is the housing provider’s choice whether or not to rent to individuals or households participating in the program.

According to the FY 2015-2016 Milpitas Action Plan, 615 households and in Milpitas currently benefit from Section 8 vouchers, while another 1,892 households residing in Milpitas are on the HASCC’s waiting list. Due to high demand for the program, the County’s waiting list for the Section 8 voucher program is currently closed, but the City of Milpitas will notify residents of its re-opening through announcements on the City website and on Cable TV.

Mobilehome Parks

Milpitas has maintained a Mobile home Rent Control Ordinance, which was adopted in 1992, which maintained affordable housing to 527 mobile home owners. According to 2009-2010 CAPER, approximately 70% of the residents in the mobile home parks are senior citizens.

Disability

As documented in Chapter 5’s Section on ADA and Title 24 of the California Building Code, recent Federal and State regulations require that all new housing units must be constructed in a manner accessible to the physically handicapped and disabled. Milpitas has adopted and continues to enforce the standards set forth by Title 24, the more stringent of the two sets of regulations. The City provides developers with an accessibility checklist to assist with compliance when constructing a new housing unit. For additional information, please refer to the above named section.

Transportation

The Midtown Specific Plan, as well as the Transit Area Specific Plan, encourages high-density development near major transit areas in an effort to make public transit more accessible to its residents. Specifically, they require the Transit Overlay District to develop high-density, multi-family dwellings within $\frac{1}{4}$ of a mile from transit stations. Low-income, disabled, and senior households tend to comprise a significant portion of the residents of these types of dwellings, and also comprise a notable proportion of those who most frequently utilize public transit as their primary means of transportation. For this reason, it is vital that a high concentration of multi-family housing be made available near areas of public transit systems. As outlined in the both Plans, the area will be served by the Tasman East Light Rail Line (LRT), the new Bay Area Rapid Transit (BART) station, as well as the Valley Transit Authority (VTA) bus systems. Both are beneficial in helping to increase the availability of public transit throughout the City.

Along with the VTA bus routes, and soon BART station, the entire City is made more accessible to its residents, and the presence of high density housing nearby greatly impacts the amount of residents that can utilize public transit.

Conclusion

While housing affordability continues to be a barrier to fair housing choice for all low-income residents in Santa Clara County, Milpitas has developed a strategic plan to address this issue. The Midtown Specific Plan, currently in the process of implementation, will focus on high-density development. Yet although the amounts of both multi-family units and low-income units have increased, the proportion of low-income units has declined. It is imperative that affordable housing be made available to all residents in the City. Although the Plan utilizes mixed-use zoning to combine residential zones with commercial and industrial zones to address the City's needs and concerns of housing affordability and land scarcity, Milpitas' growing population and high housing costs create more demand for affordable housing. The City should continue to follow through with its high density development strategy for the Midtown Specific Plan and Transit Area Specific Plan, but should increase its proportion of low-income units to better accommodate these residents.

The Housing Authority of Santa Clara County (HASCC) has issued 615 HUD Section 8 vouchers to City residents, but the need for housing assistance has greatly increased, as indicated by the 1,892 people currently on the waiting list. The City should provide affordable housing units as an alternative for its residents who are wait-listed for Section 8, and doing so further necessitates the need for an increase of low-income units within multi-family dwellings.

Milpitas should also continue to utilize Title 24 accessibility standards regarding new construction and restored units, and should continue providing developers with accessibility checklists to ensure that all housing units these accessibility requirements. The availability of accessible housing removes a substantial barrier, almost literally, to fair housing choice for disabled residents, allowing them to have more options in where they choose to reside.

ADVERTISING

The Fair Housing Act explicitly prohibits the publishing of discriminatory housing advertisements. Publishing, or involvement in the publication of, an advertisement that demonstrates housing discrimination is a violation of fair housing Law and leaves that individual subject to investigation and possible enforcement. The purpose of this section is to examine the fair housing law, and determine whether local housing advertisements present an impediment to fair housing.

Federal Law

42 U.S.C § 3604 (c) states that it is unlawful, “To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.”

California Law

In accordance with the federal law, Section 12955.c of the California Government Code prohibits housing providers and the media from printing or publishing an advertisement that indicates a preference, limitation, or discrimination based on a protected class.

Even if the individual or entity which publishes the advertisement does not agree with the message or particular wording of the ad, the publisher is still held accountable for the material which they print. If discrimination is present in a housing advertisement, the real estate owner or developer, the advertising agency, as well as the publisher of the advertisement, are all held liable for the unlawful act of discriminatory advertising.

Court Decisions

United States v. Hunter: The case involved a classified advertisement seeking a tenant for an apartment in a “white home.” The Court of Appeals ruled that the newspaper that published the advertisement violated section 3604(c). The Court held that while the ad was placed by another party, the law, as stated by section 3604(c), still applies to newspapers and other media that publish the discriminatory advertising. The Court’s decision also held that the First Amendment’s guarantee of freedom of the press does not protect a newspaper from a section 3604(c) lawsuit. [United States v. Hunter, 459 F.2d205,211 (5thCir.1972)].

Ragin v. New York Times Co.: The complainant filed allegations on the premise of a recurring pattern in the New York Times of publishing real estate advertisements in which models used to portray the potential customers were always Caucasian, while the African-American models were often depicted as building maintenance or service employees. The Court’s decision held that the use of only White models in a real estate advertisement was a discriminatory action and did not comply with section 3604(c). Plaintiffs were awarded \$150,000 plus \$300,000 of advertising space. [Ragin v. New York Times Co. 923 F.2d 995 (2d Cir. 1991)].

Examples of Discriminatory Ads

Examples of discriminatory housing advertisements range from using direct phrases such as “for whites only” to less obvious examples of language that indicates a housing provider’s unwillingness to make reasonable accommodations for people with disabilities. The following are examples of how advertisements may be discriminatory against members of protected classes.

Race/National Origin: Real estate advertisements should not state any preference or limitation on account of race or national origin. The use of language such as “Whites Only” or “No Asians” are examples of discriminatory acts under this section. Also, as evidenced by the above-referenced Ragin vs. New York Times case, any advertisement which depicts or seems to imply a racially homogenous group as the preferred residents or tenants of the unit(s) in question is considered a discriminatory advertisement. This lawsuit challenged a 20 year practice of publishing real estate ads with only white models. This decision was significant because it recognized that an ad picturing all white models may have implied the same illegal message as the words “Whites only.”

Familial Status:

Familial status refers to the presence of children under age 18. Overly restrictive occupancy standards may also constitute familial status discrimination. Advertisements may not state an explicit preference or limitation based on familial status. Advertisements may not contain limitations on the number or ages of children, or state a preference for adults, couples or singles. Further, though HUD guidelines state a housing provider must be willing to permit at least two people per bedroom of an available unit, the California Department of Fair Employment and Housing employs a more permissive standard of restricting occupancy to no fewer than two people per bedroom, plus one additional person.

Disability: Under the Federal Fair Housing Act, a disability is defined as a physical or mental impairment which substantially limits one or more of a person’s major life activities. California’s Fair Employment and Housing Act broadens the definition of disability by removing the federal requirement that an impairment “substantially” limit a major life activity. Real estate advertisements should not contain explicit exclusions, limitations, or other indications of discrimination based on either physical or mental disability. Examples of discriminatory advertisements based on disability include statements like, “No wheelchairs allowed.” However, advertisements that describe accessibility features, such as “wheelchair ramp,” are lawful. Further, though a housing provider may lawfully advertise a “No Pets” policy, housing providers may be required to make an exception to such a policy as a reasonable accommodation for a person with a disability.

Advertising in Milpitas

Under 42 U.S.C. § 3604 (c), it is unlawful to “make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on membership in a protected class, or an intention to make any such preference, limitation or discrimination.”

Real estate advertisements should not contain explicit exclusions, preferences, or other indications of discrimination based on handicap (e.g., no wheelchairs). Advertisements containing descriptions of properties (e.g., great view, fourth-floor walk-up, walk-in closets), services or facilities (e.g., jogging trails), or neighborhoods (e.g., walk to bus-stop) do not violate the Act. Advertisements describing the conduct required of residents (e.g., “non-smoking”, “sober”) do not violate fair housing laws. Advertisements containing descriptions of accessibility features are lawful (e.g., wheelchair ramp).

Housing advertisements are continuously published, updated, and replaced in local newspapers, and are also frequently posted on the internet. The major newspapers serving the City of Milpitas are the *Milpitas Post* and the *San Jose Mercury News*. Many individuals and families also use www.craigslist.org- a website that posts classified advertisements online- as a service to assist them in seeking available rental units.

Project Sentinel identifies discriminatory ads for available rental units in Milpitas through anonymous tips, complaints from people who may have experienced discrimination, or monitoring sites such as Craigslist.

Between FY 2010 and 2015, Project Sentinel opened 45 fair housing investigations in Milpitas. Twenty-five of these investigations, or more than 55%, were based on discriminatory ads. Although discriminatory ads continue to present a significant impediment to fair housing choice, the reduction in cases opened in Milpitas as a result of discriminatory advertisements stands as evidence of the efficacy of outreach and education efforts to housing providers undertaken by Project Sentinel.

In 1997, Project Sentinel filed a complaint with the California Department of Fair Employment and Housing (DFEH), against the *San Jose Mercury News* for publishing real estate advertisements which used only White models based on precedent set by *Ragin v. New York Times*. As a result, Project Sentinel provided educational presentation to the *San Jose Mercury News*, and continues to print classified ads for discrimination. Between 2010 and 2015, Project Sentinel did not identify any discriminatory ads published by the Mercury.

Conclusions

Advertisements continue to present a substantial impediment to fair housing choice in the City of Milpitas. Although an average of four discriminatory ads per year is low compared to other cities in Santa Clara County, that advertising violations accounted for more than half of Project Sentinel’s investigations in Milpitas over the last six years is evidence of a continuing barrier to fair housing choice. Because homeseekers are increasingly reliant on the internet to locate new housing, impediments created by discriminatory ads must be addressed. Project Sentinel

regularly monitors Craigslist and other online real estate advertisers, and has provided education to Craigslist staff regarding fair housing issues. Craigslist's provision of general information about housing discrimination and a link to report discriminatory ads on every housing listing posted on the site is a testament to Project Sentinel's efforts to curtail the frequency of complaints derived from discriminatory ads.

It is recommended that a specific strategy be developed to regularly examine local newspapers, but especially internet real estate advertisers, for discriminatory practices in real estate advertising. Additionally, continued outreach efforts should be made to both the general public and Milpitas housing providers to raise awareness of potentially discriminatory advertisements and statements; outreach efforts should also be provided to local newspapers and classified advertisers.

INVESTIGATION OF HOUSING DISCRIMINATION

Federal Fair Housing Law

The Federal Fair Housing Act of 1968 prohibits discrimination in the sales, rental, and financing of dwellings, on the basis of race, color, gender, religion and national origin. In 1988, the Fair Housing Act was amended to extend further protection to familial status and people with mental or physical disabilities. Title II of the Americans with Disabilities Act (ADA) of 1990 prohibits discrimination on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.

California Fair Housing Law

Similarly, Section 12955(a) of the California Government Code states that: "It shall be unlawful for the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, or disability of that person."

Local governments are required by HUD to provide an investigative service for those people who feel they have been victims of housing discrimination.

Municipalities often fund private fair housing agencies to process, investigate, and resolve fair housing complaints. Project Sentinel is the primary organization responsible for providing fair housing investigation and education services in the City of Milpitas.

Testing for Housing Discrimination

Project Sentinel investigates allegations of housing discrimination, often through testing. Testing involves comparing the experience of two similarly-situated home seekers, the only difference being that one tester is a member of a protected class. Project Sentinel analyzes the treatment afforded to both tester; significant differences in treatment may indicate discrimination on the

basis of membership in a protected class. Other methods of investigation include surveying and interviewing witnesses for the complainant or other residents at the property.

Between July 1, 2010 and June 30, 2015, Project Sentinel investigated 35 allegations of housing discrimination in the City of Milpitas. The following is an analysis of the data reported by Project Sentinel. The purpose of this analysis is to identify and obtain an understanding of the type of discrimination experienced by those seeking housing in Milpitas.

Protected Category

The majority of the cases investigated by Project Sentinel between 2010 and 2015 involved discrimination on the basis of disability and familial status, accounting for 78% of the total 33 fair housing investigations (including audits) opened in Milpitas during this time. Discrimination on the basis of gender, age, and other categories did not comprise a substantial amount of the cases.

Protected Categ	Percent of Cases		
	2004-2010	July 2010-June 2015	
	Milpitas	Milpitas	Santa Clara County
Disability	61%	67%	58%
Familiar Status	23%	11%	31%
Race/National Origin	6.7%	8%	6%
Sex	2.6%	3%	0.5%
Other	6.7%	11%	4%

Fig. 8.1 Cases based on protected categories. Source: Project Sentinel

The number of complaints alleging disability discrimination increased since 2004 – 2010. In contrast, the number of complaints alleging familial status discrimination decreased. Complaints on the basis of race and/or national origin remain steady, accounting for just under 10% of all discrimination complaints.

Disability complaints may include cases where a housing provider refused to grant a reasonable accommodation or modification for an in-place tenant, or instances where a housing provider rejected an applicant based on a physical or mental disability.

Increased public awareness of fair housing laws may account for the high proportion of cases filed on the basis of disability. While the FHA was enacted over 40 years ago, disability was not added as a protected class until 1988. Further, the Americans with Disabilities Act (ADA), which gives broader protections to disabled individuals and households, was enacted relatively recently in 1990. Over the last 20 years, the general public has become more aware of the protections afforded by both acts, specifically the ADA. This developing awareness- assisted by ever-increasing resources now available on the internet- has provided a solid foundation of knowledge for individuals to report and file fair housing complaints. However, not all members of the general

public are adequately informed about their rights as residents and the resources available to them. This report examines local fair housing services and their outreach programs, whose role is vital in increasing the public’s understanding of fair housing issues, in the next section.

Cases by Complainant’s Race/Ethnicity

According to the 2014 American Community Survey, 63% of Milpitas residents are Asian (primarily Filipino, Chinese, Vietnamese, and Indian); 14% are non-Hispanic white; and 2% are Black. Across all races, 17% of residents identify as Hispanic. However, the majority of discrimination allegations investigated by Project Sentinel in Milpitas between 2010 and 2015 were filed by non-Hispanic white complainants. Complaints received from Hispanic individuals were proportionate to general City demographics: 17% of complaints received from Milpitas were filed by Hispanics. Although Project Sentinel noted a slight increase in the percentage of complaints reported by Asian individuals, data shows Asians are significantly underrepresented as complainants.

Ethnicity	Percent of Cases		
	Milpitas		Santa Clara Co.
	FY 2004-2010	FY 2010-2015	
White	58%	53%	77%
Black	3%	13%	9%
Asian	14%	17%	8%
Other	2%	17%	6%
TOTAL	77%	200%	100%
Hispanic (of all races)	23%	17%	29%

Fig. 8.2 Cases by Complainant’s Ethnicity. Source: Project Sentinel

As previously stated, white complainants filed the majority of the cases investigated in Milpitas during FY2010-2015. Twenty percent (20%) of disability cases were filed by Asians, and 59% by white complainants, the majority of whom were non-Hispanic. This data indicates that although the white population of Milpitas is perhaps more aware of what constitutes housing discrimination, Asians as well as Blacks are now also beginning to report fair housing violations. This data may also indicate the need for further outreach to LEP communities within Milpitas to improve access to reporting resources for people with limited English proficiency.

The willingness of an individual to report housing discrimination, regardless of its specific basis, is vital to identifying impediments to fair housing choice. According to Project Sentinel, individuals are often reticent to proceed with discrimination complaints based on fear of retaliation from their housing provider or other negative impacts on their current or future housing prospects. This is particularly problematic with non-White complainants - especially those for whom English is not their primary language.

Although complaints by white individuals still comprise a majority of the complaints reported to and investigated by Project Sentinel, it is important to note that in comparison with the 2004-2010 distribution of complaints filed in Milpitas, the reporting period of FY 2010-2015 showed an increase in the percentage of cases filed by Asians and Hispanics, the largest and second-largest race and national origin classes in the City. The decrease in the percentage of cases filed by white complainants seems to correlate with general demographic trends in Milpitas, and may be indicative of their decreasing proportions within Milpitas’ total population.

Project Sentinel’s complaint data indicates a growing number of Asian and Hispanic households are willing to come forward with allegations of housing discrimination. Though the overall rise in cases reported by Asian and Hispanic complainants signifies past outreach and education efforts have been successful, there remain significant distinctions within those broad ethnic categories which may indicate remaining barriers to fair housing choice. For example, Vietnamese, Indian, and Filipino residents are all grouped together under the umbrella of “Asian,” though the language needs are varied across those national origins.

Cases by Complainant’s Income

Consistent with the goal of providing the majority of its services to individuals and households of the lowest income bracket, the majority of fair housing investigations filed by Project Sentinel in Milpitas during FY 2010-2015 were reported by very low- and low-income residents. The percentage of cases filed by low-income residents, regardless of ethnicity, was 46% versus 28% filed by moderate-income persons.

The increasing disparity between cases filed by low-income and medium-income households did not just apply to the City of Milpitas; rather, this is a trend shared by Santa Clara County as well. In fact, as shown in Figure 8.4 below, there is a wider disparity between the two income brackets at the County level. Overall however, there are other similarities between the City and County regarding the trends indicated by the income data of Project Sentinel’s complainants. Aside from the growing difference between low and medium-income households, there was a slight increase in the amount of high-income complainants for both Milpitas and Santa Clara County. Thus, the percentage difference between medium and high-income complainants is decreasing as the percentage of medium-income complainants also declines. This data signals that low-income households may experience disproportionate fair housing needs as compared to middle- and high-income households, and highlights the need for targeted education, outreach, and advocacy for low-income households in Milpitas.

CASES BY COMPLAINANT’S INCOME				
	FY 2010-2016		FY 2004-2010	
Income Level	Milpitas	Santa Clara County	Milpitas	Santa Clara County
Low (0-30% & 31-50% AMI)	50%	72%	67%	74%

Medium (51-80% AMI)	8%	15%	27%	22%
High (80%+ AMI)	28%	11%	6%	4%
Other (Above 80% AMI)	2%	2%		

Fig. 8.3: Cases by Complainant's income. Source: As reported by Project Sentinel

Cases by Complainant's Gender

Despite the fact that only 3% of the housing discrimination complaints in Milpitas were filed on the basis of gender during the reporting period of FY 2004-2010, only 7% (five of the 71) total cases were reported by males. To put this data in better perspective, one out of every 13 investigations conducted in Milpitas by Project Sentinel during the reporting period was filed by a male. Although the trend in Santa Clara County during the same time period was somewhat similar, the staggeringly low amount of male complainants might be explained in part by the fact that in cases without an actual complainant (anonymous or otherwise), the gender listed for the "complainant" is the gender of the tester being used to investigate the claim. Therefore, given the amount of cases that were opened as a result of anonymous tips- particularly for discriminatory advertisements- one could surmise that the extremely lopsided ratio of female to male complainants was due in large part to the amount of cases involving female testers, whose use may have been a result of tester availability or profile need.

Seen on the following page, Table 8.4 demonstrates the ratio of female to male complainants in Milpitas and Santa Clara County for the reporting period of FY 2004-2010. The more typical ratio in this case is Santa Clara County's, as Milpitas' ratio in the previous reporting period of 1998-2003 indicates. Project Sentinel's case data for most jurisdictions typically reflects a ratio of female to male complainants closer to 3-1 than 12-1, as was the case during the reporting period of FY 2004-2010.

Cases by Complainant's Gender, FY 2004-2010			1998-2003
Gender	Milpitas	S.C. Co.	Milpitas
Female	93%	75%	76%
Male	7%	25%	24%

Fig. 8.4. Cases by Complainant's Gender. Source: Project Sentinel

Cases by Disposition

The following are brief descriptions of the various potential dispositions of a fair housing investigation conducted by Project Sentinel. Each disposition is determined by the circumstances surrounding the particular case.

Types of Dispositions

- **Counseled:** The fair housing agency does not find sufficient evidence of housing discrimination while investigating the allegation. The agency informs the complainant of the results, and the case is closed. The complainant reserves the right to file the complaint with HUD and/or the DFEH.
- **Conciliated:** Evidence of discrimination is found; agency mediates an agreement between the complainant and the housing provider. Possible agreements may include granting an accommodation request, such as waiving a “no pets” policy to allow a service animal or waiving a certain fee or deposit where it disparately impacts disabled tenants.
- **Educated:** Some evidence of discrimination is found, and the fair housing agency educates the housing provider through a letter and/or training.
- **Referral:** Evidence of housing discrimination is found, and the case is referred to a private attorney, or a government agency such as the DFEH or HUD. Mediation, and possibly litigation, may be used to reach a fair settlement for the complainant, including damages suffered.
- **Declined to pursue:** The complainant chooses not to pursue the case, and it is closed.
- **Pending further investigation:** These are cases in which the investigation process has not yet been completed. Cases with this disposition are not closed, and require a final decision by the agency, depending on the evidence obtained regarding the particular allegation.

CASES BY DISPOSITION				
	2004-2010		2010-2016	
Disposition	Milpitas	Santa Clara County	Milpitas	Santa Clara County
Accommodation*				6%
Counseled	45%	39%	43%	39%
Educated	17%	13%	19%	16%
Conciliated	11%	19%	14%	21%
Referral	10%	18%	14%	14
Pending Further Investigation	9%	4%	3%	3%
Declined to Pursue	9%	7%	8%	1%

Samples of Case Settlements

2011 – Project Sentinel v. Confidential – Housing provider refused to permit a service animal for a disabled tester. Case conciliated through DFEH, terms included training for property owner/manager.

2012 – Project Sentinel v. Confidential – Project Sentinel received a complaint that an apartment complex's staff requested disabled tenants visit the office to sign a medical record release and allegedly sent notes to tenants requesting their medical providers' name and contact information. Case referred to the Fair Housing Law Project.

Trends in the disposition of cases held steady as compared to the previous AI period. The majority of the cases investigated in Milpitas by Project Sentinel resulted in a disposition of “counseled,” meaning that the investigation did not result in clear evidence of differential treatment based on membership in a protected class. The increase of cases which resulted in the education of the housing provider is further indication that awareness was provided to the general population as result of the investigation.

The number of cases that were referred to the DFEH, HUD, an attorney, or another agency also held steady compared to the previous reporting period. A referral occurs when clear evidence of housing discrimination is discovered during the investigation. In these types of cases, conciliation is typically not possible without one of the aforementioned groups becoming involved.

ASSESSMENT OF LOCAL FAIR HOUSING SERVICES and OUTREACH EFFORTS*

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing-based complaint or inquiry.

Outreach efforts and presentations are the primary method used to educate and raise awareness within agencies and members of the community regarding housing discrimination. Project Sentinel’s routine outreach efforts include:

- Designing and distributing English, Spanish, and Chinese language brochures and flyers throughout the County at community centers, government offices, churches, schools, social service agencies, and libraries;
- Distributing public service announcements to over 30 Bay Area radio stations and various cable television government access channels. Radio PSAs that include agency telephone numbers are sent quarterly to stations;
- Placing newspaper ads in the classified sections of local newspapers informing the public to call the Hotline number if discrimination is suspected. These phone numbers can also be easily found in the phone directory under “Community Services and Social Services”;
- Publishing the newspaper column “Rentwatch” in numerous local papers and housing-

industry trade magazines, including the San Francisco Examiner, the San Jose Mercury News, La Voz, and Filipino Guardian;

- Submitting articles to the Tri-County Apartment Association monthly magazine, which reaches over 5,000 property owners;
- Distributing press releases of significant court cases involving fair housing issues as well as cases resolved outside of litigation;
- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Providing fair housing training to housing providers;
- Providing air housing presentations to the staff and clients of various community and social service agencies;
- Hosting an educational booth and/or making a feature presentation at local trade shows and community fairs, including the Tri-County Apartment Association trade shows and the Abilities Expo;
- Operating a website (<http://www.housing.org>) to provide fair housing information and resources to those seeking knowledge of their fair housing rights on the internet; and
- Placing posters in trains, buses, and transit stops providing riders with fair housing information and telephone numbers.

Outreach efforts are intended to educate social service agencies, community partners and general public, and also to provide lasting knowledge and awareness.

Project Sentinel developed a series of questionnaires to gauge the effectiveness of outreach presentations, including those provided to housing providers, community and social service agencies, and the general public. These questionnaires “test” the audience’s knowledge of fair housing issues both before and after the presentation, and also give the audience members an opportunity to provide recommendations to improve the presentation. The information gathered from these questionnaires has provided Project Sentinel valuable insight on how to modify presentations depending on the specific audience.

Conclusions

Fair housing agencies- not just Project Sentinel- will never be able to optimally serve the public if their community’s residents and social service agencies are not aware of the services available to them. While Project Sentinel continues to make a concerted effort to increase awareness and knowledge regarding housing discrimination and fair housing services in Milpitas and throughout Santa Clara County, a large portion of the community remains inadequately educated and unaware of where and how to seek assistance with these types of issues.

As a result, many individuals may contact a social service agency seeking assistance; if that particular agency is unable to assist and also cannot refer the individual to the appropriate fair

housing service provider, then cases of housing discrimination cannot be properly identified and investigated. Therefore, it is vital that outreach efforts are increased- in both scope and frequency- among social service providers and members of the community. Methods of ensuring the effectiveness of these efforts should be consistently examined and updated when necessary.

Investigation of Housing Discrimination

Between FY 2010-2015, an overwhelming majority of the fair housing cases investigated by Project Sentinel were based on disability. This may be due in part to the wide range of possible investigations t conducted within this category, but notable nonetheless. Complaints on the basis of disability increased slightly, while allegations of discrimination on the basis of familial status decreased. Investigations into national origin/race discrimination remained steady. However, reporting of complaints from Asians – including the diverse Filipino, Chinese, Vietnamese, and Indian communities – remain at disproportionately low numbers, indicating the need for targeted increased outreach and education to groups based on national origin.

Assessment of Local Fair Housing Services

Although Project Sentinel has implemented a strategy to gauge the effectiveness of its outreach efforts, disproportionately low numbers of complaints from non-white residents indicates the need for a more effective approach in raising and sustaining awareness within the community.

Recommendations and Conclusions

Section	Impediments	Recommendation
Demographics	<ul style="list-style-type: none"> • Many of the City’s residents are foreign born, and the 60% does not consider English their primary language. Consequently, a language barrier may create an impediment to fair housing. 	<ul style="list-style-type: none"> • Increase the distribution of fair housing pamphlets and brochures in multiple languages.
Housing Stock	<ul style="list-style-type: none"> • Vacant land remains scarce for the construction of new homes. • Milpitas has a relatively young housing stock, but over half of the dwellings are now older than 	<ul style="list-style-type: none"> • Continue to carry out plans for high density development and continue the utilization of density bonuses.

Land Use and Zoning

- The Conditional Use Permit (CUP) for group homes of 7 to 12 persons is no longer required; these types of dwellings are now permitted in multi-family zones.
- The specific requirements of a secondary dwelling unit have been reduced; homes in single-family residential zones can have this type of dwelling “by right”
- Continue to monitor State regulations for group homes of 7 to 12 persons. The City’s policy should be consistent with both the State and Federal regulations
- Any changes to California Law regarding secondary dwellings need to be posted on the City website.

Public Policies and Housing Affordability

- Although the City has constructed additional multi-family housing units, the proportion of those that are reserved for low-income households has declined since the previous reporting period. The shortage of affordable housing continues to be an impediment to fair housing.
- The City should continue to follow the strategies specified by the Midtown Specific Plan and the Five Year Consolidated Plan, and should specifically focus on increasing the amount of low-income housing through the plans’ implementations.

Advertising

- No significant evidence of discriminatory housing advertising was identified in the *Milpitas Post* or the *San Jose Mercury News*; however the majority of Project Sentinel’s investigated cases originated from discriminatory ads, specifically from *Craigslist.org*.
- Continue to regularly monitor the *Milpitas Post*, *San Jose Mercury News*, and *Craigslist.org* for discriminatory real estate advertisements.
- Increase outreach to residents and housing providers regarding what constitutes a discriminatory advertisement.

Cases of Housing Discrimination

- Although it has increased since the previous reporting period, the proportion of complaints filed by Asians is very low in comparison with their proportion of Milpitas’ total population.
- Increase outreach efforts targeting the City’s Asian community. As mentioned above, multi-language brochures and presentations should also be made available to the Asian Community.

**Awareness of
Local Fair
Housing Services**

- Not all recipients of outreach were able to correctly refer callers to Project Sentinel.
- Many community and social service agencies could not properly refer a caller with a Fair Housing complaint to the appropriate agency
- Increase the amount and frequency of outreach efforts made to community and social service agencies.
- Continue and improve methods of ensuring the effectiveness of these outreach efforts to raise and sustain community awareness of Fair Housing issues.

Analysis of Local Fair Housing Services

When presented with either of the two discrimination scenarios, 40% of the agencies contacted referred the caller to Projected Sentinel, while 20% of the agencies referred the caller to an agency that would then direct the caller to Project Sentinel; 40% of the agencies referred the caller to agencies defined as “other referrals”.

Of the referrals made to agencies within the category of “Agency that would refer caller to Project Sentinel”, three of the four were to legal groups that typically refer complaints in Milpitas to Project Sentinel, while the other referral was to the City of Milpitas, which had referred a tester to Project Sentinel when contacted. The category of “Other Referrals” is comprised of all remaining referrals made by the agencies contacted by testers. This category included a wide array of organizations ranging from the DFEH, to agencies such as the Better Business Bureau and the Housing Authority of Santa Clara County. These agencies nevertheless failed to provide the caller with a referral to Project Sentinel.

Referral	Number of Referrals	Percentage of Referrals
Project Sentinel	8	40%
Other Referral	8	40%
Agency that would refer the caller to PS	4	20%

It should be noted that a referral to the DFEH or to HUD is not incorrect, as these agencies can assist an individual with a fair housing related complaint in Milpitas. Yet when considering the large amount of calls and complaints received by each respective agency, a referral to Project

Sentinel would ensure quicker attention to the complainant's matter, enabling a more efficient investigation. Similarly, since the Legal Aid Society of Santa Clara County also includes a fair housing division, a referral to Legal Aid does not constitute an improper referral. However, specifically for the City of Milpitas, a more appropriate referral would be to Project Sentinel, which is funded to specifically investigate housing discrimination in the City.

The 2004 AI netted similar results in assessing the referrals provided by Santa Clara County and Milpitas agencies; out of the 40 agencies which testers contacted, 15 of them (37.5%) referred the caller to Project Sentinel. Given that the sample size of the "tested" agencies contacted for the current AI is half that of the previous AI's, the percentage of agencies that properly referred callers has remained relatively constant, indicating that outreach efforts for the City are inadequate.

If agencies are unaware of the available fair housing resources- and thus unable to properly refer callers to the appropriate assistance- then an impediment to fair housing is created. Because of the nature of housing discrimination, the average individual does not typically know where to immediately obtain assistance when faced with it. Referrals therefore play a vital role in directing the general public to agencies and organizations that can investigate and file these complaints on their behalf. The inability to refer callers to the appropriate fair housing agency poses an immediate barrier to identifying the matter as a case of housing discrimination, thus impeding the ability of the individual to find the assistance he or she needs to resolve the matter.

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing -based complaint or inquiry.

Analysis of Outreach Efforts

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing-based complaint or inquiry.

Outreach efforts and presentations are the primary method used to educate and raise awareness within agencies and members of the community regarding housing discrimination. Project Sentinel's routine outreach efforts include:

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- Distributing press releases of significant court cases involving fair housing issues as well as cases resolved outside of litigation;
- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Providing fair housing training to housing providers;
- Providing air housing presentations to the staff and clients of various community and social service agencies;
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Project Sentinel developed a series of questionnaires to gauge the effectiveness of outreach presentations, including those provided to housing providers, community and social service agencies, and the general public. These questionnaires “test” the audience’s knowledge of fair housing issues both before and after the presentation, and also give the audience members an opportunity to provide recommendations to improve the presentation. The information gathered from these questionnaires has provided Project Sentinel valuable insight on how to modify presentations depending on the specific audience.

Conclusions

Fair Housing agencies - not just Project Sentinel- will never be able to optimally serve the public if their community’s residents and social service agencies are not aware of the services available to them. While Project Sentinel continues to make a concerted effort to increase awareness and knowledge regarding housing discrimination and fair housing services in Milpitas and throughout

Santa Clara County, a large portion of the community remains inadequately educated and unaware of where and how to seek assistance with these types of issues.

As a result, many individuals may contact a social service agency seeking assistance; if that particular agency is unable to assist and also cannot refer the individual to the appropriate fair housing service provider, then cases of housing discrimination cannot be properly identified and investigated. Therefore, it is vital that outreach efforts are increased- in both scope and frequency- among social service providers and members of the community. Methods of ensuring the effectiveness of these efforts should be consistently examined and updated when necessary.

IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTIONS

Overview of Impediments

IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTIONS

Overview of Impediments

Demographics

Milpitas is an ethnically diverse city, and for many of its residents, English is not their native language. For example, the Asian population accounts for almost two-thirds of the City's residents, and within that specific demographic there are a variety of cultures. Furthermore, less than half of the City's residents consider English their primary language. If each statistical race category is comprised of a multitude of different dialects and languages, the inherent benefits of such a diversely populated community are neutralized by the prevalence of various language barriers. The presence of these barriers creates an impediment to fair housing.

Housing Stock

Milpitas is mostly built-out, and as a result, the availability of land for new construction remains scarce. Despite the effects of the economic recession, the cost of housing in Milpitas remains relatively high. While the City's housing stock is remains relatively young, a significant proportion of the housing stock is beginning to age, and more than half is older than 30 years.

Land Use and Zoning

The City provides a density bonus and other incentives for developers to increase the construction of affordable housing for low-income residents. This is commendable and should be continued. Allowing the presence of more secondary dwellings, as well as easing guidelines on group homes, are also ways that Milpitas is making housing more accessible to all residents, but specifically low-income and disabled households. To that end, the City should also continue utilizing Title 24 of California Building Code accessibility standards when designing and constructing new housing units and restoring older units.

Public Policies and Barriers to Affordable Housing

The high cost of housing in Milpitas remains a substantial burden for many low-income residents, especially when considering the effects of the economic recession. Through the Midtown Specific and Transit Area Specific Plans, the City has developed a plan to increase high density development, and develop a greater proportion of affordable housing units. However, the proportion of low-income units within the new housing units has decreased, and this is an issue that must be addressed as the Plan is implemented. High housing costs and growing population indicate that the demand for affordable housing will only grow. This is especially true when considering the amount of residents on the waiting list for the Section 8 voucher program.

Advertising

Though there were no significant discriminatory real estate advertisements identified in the *San Jose Mercury News* or *Milpitas Post*, the presence of discriminatory real estate advertisements on internet-based advertisers remains problematic. A majority of the cases investigated in Milpitas by Project Sentinel during FY 2010-2015 originated from complaints based on discriminatory ads. While Project Sentinel routinely monitors online advertisers, specifically *Craigslist*, society's increasing dependence on the internet as a source of advertising vacant units and assisting the housing search indicates that this trend will continue without an aggressive course of action to eradicate discriminatory advertisements and impose penalties on online advertisers who publish such ads.

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Investigation of Housing Discrimination

Between FY 2010-2015, an overwhelming majority of the fair housing cases investigated by Project Sentinel were based on disability. This may be due in part to the wide range of possible investigations conducted within this category, but notable nonetheless. Complaints on the basis of disability increased slightly, while allegations of discrimination on the basis of familial status decreased. Investigations into national origin/race discrimination remained steady. However, reporting of complaints from Asians – including the diverse Filipino, Chinese, Vietnamese, and Indian communities – remain at disproportionately low numbers, indicating the need for targeted increased outreach and education to groups based on national origin.

Assessment of Local Fair Housing Services

Although Project Sentinel has implemented a strategy to gauge the effectiveness of its outreach efforts, disproportionately low numbers of complaints from non-white residents indicates the need for a more effective approach in raising and sustaining awareness within the community.

Recommendations and Conclusions

Section	Impediments	Previous Recommendation	Action
Demographics	Over 60% of the City’s residents do not consider English as their primary language. Consequently, a language barrier may create an impediment to fair housing.	Increase the distribution of fair housing pamphlets and brochures in multiple languages.	With the collaboration of Project Sentinel and City Staff, provide interpreters as needed and translate documents as needed. Greater outreach to ethnic groups to educate them regarding fair housing.
Housing Stock	Vacant land remains scarce for the construction of new homes. Milpitas has a relatively young housing stock, but over half of the dwellings are now older than 30 years.	Continue to carry out plans for high density development and continue the utilization of density bonuses. Monitor the conditions of the housing stock.	Due to lack of vacant land, the City have made strides to rezone and repurpose underdeveloped areas. Continue to provide funding for rehabilitation projects to keep affordable housing stock and homeownerships.

<p>Land Use and Zoning</p>	<p>The Conditional Use Permit (CUP) for group homes of 7 to 12 persons is no longer required; these types of dwellings are now permitted in multi-family zones. The specific requirements of a secondary dwelling unit have been reduced; homes in single-family residential zones can have this type of dwelling “by right.”</p>	<p>Continue to monitor State regulations for group homes of 7 to 12 persons. The City’s policy should be consistent with both the State and Federal regulations</p> <p>Any changes to California Law regarding secondary dwellings need to be posted on the City website.</p>	<p>In 2015, the City passed a resolution to require new developments to include 5% affordable housing or pay into the affordable housing fund if they chose not to comply. The City is also preparing a Nexus Study to help determine potential affordable housing impact fees.</p>
<p>Public Policies and Housing Affordability</p>	<p>Although the City has constructed additional multi-family housing units, the proportion of those that are reserved for low-income households has declined since the previous reporting period. The shortage of affordable housing continues to be an impediment to fair housing.</p>	<p>The City should continue to follow the strategies specified by the Midtown Specific Plan and the Five Year Consolidated Plan, and should specifically focus on increasing the amount of low-income housing through the plans’ implementations.</p>	<p>In 2015, the City passed a resolution to require new developments to include 5% affordable housing or pay into the affordable housing fund if they chose not to comply. The City is also preparing a Nexus Study to help determine potential affordable housing impact fees.</p>
<p>Advertising</p>	<p>No significant evidence of discriminatory housing advertising was identified in the <i>Milpitas Post</i> or the <i>San Jose Mercury News</i>, however the majority of Project Sentinel’s investigated cases originated from discriminatory ads, specifically from <i>Craigslist.org</i>.</p>	<p>Continue to regularly monitor the <i>Milpitas Post</i>, <i>San Jose Mercury News</i>, and <i>Craigslist.org</i> for discriminatory real estate advertisements.</p> <p>Increase outreach to residents and housing providers regarding what constitutes a discriminatory advertisement.</p>	<p>Staff reviews the newspaper often and seek residents to forward complaints to Project Sentinel.</p>

<p>Cases of Housing Discrimination</p>	<p>Although it has increased since the previous reporting period, the proportion of complaints filed by Asians is very low in comparison with their proportion of Milpitas' total population.</p>	<p>Increase outreach efforts targeting the City's Asian community. As mentioned above, multi-language brochures and presentations should also be made available to the Asian Community.</p>	<p>Make interpreters as available as possible if unable to reach Project Sentinel for assistance.</p>
<p>Awareness of Local Fair Housing Services</p>	<p>Not all recipients of outreach were able to correctly refer callers to Project Sentinel.</p> <p>Many community and social service agencies could not properly refer a caller with a fair housing complaint to the appropriate agency</p>	<p>Increase the amount and frequency of outreach efforts made to community and social service agencies.</p> <p>Continue and improve methods of ensuring the effectiveness of these outreach efforts to raise and sustain community awareness of fair housing issues.</p>	<p>With the help of organizations like Senior Adults Legal Assistance and Project Sentinel, residents are aware of the services that are available to them. Greater City staff outreach to various ethnic groups.</p>