2015

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Housing and Community Development Department
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CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT

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1. Introduction

"All persons living in, working in, or visiting Houston are entitled to be treated with equal dignity and respect and have the right to be free from discriminatory and unequal treatment" (Ordinance 2014-530). The City of Houston (City) strives to provide an environment that is free from discrimination based on selected characteristics, also called protected classes.

Fair housing and equal opportunity are fundamental principles to creating and sustaining communities in Houston. One way that the City demonstrates its commitment to these principles is by completing an *Analysis of Impediments to Fair Housing Choice* (AI). The AI is a review of obstacles that could impede fair housing choice and by creating actions to remove or overcome these barriers through.

The City's 2015 AI coincides with the City of Houston's *2015-2019 Consolidated Plan* and builds upon previous analyses that were completed in 2005, 2010, and 2014 (the amendment to the 2010 AI). Using current data, the AI is not a static document and may be updated periodically.

Title VIII of the Civil Rights Act of 1968 recognized as the Federal Fair Housing Act and Fair Housing Amendments Act of 1988 are federal fair housing laws that prohibit discrimination in all aspects of housing, including the sale, rental, lease, or negotiation of real property. The Fair Housing Act prohibits discrimination based on the following protected classes

- Race
- Color
- National Origin
- Religion
- Sex
- Familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under 18)
- Disability

The existing populations of the protected classes must be described in order to analyze fair housing information.

Purpose of the Report

This AI was performed in order to satisfy the affirmatively furthering fair housing obligation defined by the requirements of 24 CFR 91.225(a)(1), titled "Certifications", which states:

> *Affirmatively further fair housing*. Each jurisdiction is required to submit a certification that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis of actions in this regard.

According to the *Fair Housing Planning Guide*, the U.S. Department of Housing and Urban Development (HUD) interprets the broad objectives of affirmatively further fair housing to mean

- Analyze and eliminate housing discrimination in the jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for inclusive patterns of housing occupancy regardless of race, color religion, sex, familial status, disability, and national origin
- Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The City of Houston's AI 1) presents a demographic profile of the City of Houston and demographic information among specific protected classes, 2) evaluates the availability of a range of housing choices for all residents, and 3) analyzes the conditions in the private market and public sector that may influence the range of housing choices or access to housing.

The purpose of this report is to

- Identify impediments to fair housing choice within the City of Houston
- Recommend appropriate actions to overcome the effects of identified impediments
- Serve as a formal record of the City's consideration of fair housing issues

Sources and Methods

The City of Houston's Housing and Community Development Department (HCDD) conducted this report and is responsible for leading the coordination and submission of this document. Staff time and other costs related to the development of this report were funded with program administration funds allocated for fair housing under the Community Development Block Grant (CDBG).

The information provided in this report was directed by HUD guidance in the following publications: the *Fair Housing Planning Guide*, the Affirmatively Furthering Fair Housing Proposed Rule, and the Draft Assessment of Fair Housing Tool. The Proposed Rule and Draft Tool are HUD's new guidance to help provide additional clarity about HUD's expectations for jurisdictions in regards to affirmatively further fair housing. Even though these have not been finalized, many of the proposed tables and maps from the Draft Tool were included in this document to illustrate the City's intent and best efforts to further fair housing.

In addition to gathering input from citizens, HCDD reached out and worked closely with fair housing organizations, adjacent governments, advocacy groups, housing providers, banks and other financial institutions, educational institutions, and neighborhood organizations throughout the planning and development process of this report.

When developing this report, HCDD endeavored to

- Accommodate diverse views and interests
- Provide input opportunities for persons who are not usually part of the process
- Provide for convenient, accessible meeting places and times

The report utilizes various sources of quantitative data including data from the U.S. Census, Federal Financial Institutions Examination Council (FFIEC), Comprehensive Housing Affordability Strategy (CHAS), Harris County Appraisal District, City of Houston Housing and Community Development Department, City of Houston Planning and Development Department, Houston Housing Authority, and U.S. Department of Housing and Urban Development.

There are limitations to this report. This AI is intended to fulfill requirements set by HUD, and it is not a comprehensive planning document for all issues that might be identified or could be identified. In addition, there are data limitations. Although this AI strives to include the most recent data sources and data that most closely will inform the analysis, there is data that has not been used, whether because it was unavailable during the preparation of this AI or because of funding or other restrictions. Finally, the data used in the report has its own limitations. For instance, race and ethnicity data can be collected in a variety of ways, and so analysis is limited to how the data was collected or reported, since sometimes race and ethnicity are collected separately and sometimes they are reported together.

Summary of Findings

The following summarizes the findings of this report.

Impediments Identified

HUD defines impediments of fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice
- Any actions, omissions, or decisions that have this effect

With an extensive public participation process, data, and policy analysis, the City of Houston found the following impediments to fair housing choice.

Impediment #1: Discrimination in Housing
Impediment #2: Lack of Knowledge about Fair Housing
Impediment #3: Lack of Affordable Housing Options
Impediment #4: Lack of Accessible Housing for Persons with Disabilities
Impediment #5: Affordability
Impediment #6: Imbalanced Distribution of Amenities, Services, and Infrastructure between Neighborhoods
Impediment #7: Lack of Income / Lack of Funding
Impediment #8: Lack of Financial Education
Impediment #9: NIMBY Resistance
Impediment #10: Lack of Transportation Options
Impediment #11: Low educational attainment Among African Americans and Hispanics
Impediment #12: Increased Health Hazard Exposure in Certain Neighborhoods
Impediment #13: Lack of Communication between Government and Residents

Actions to Address Impediments

For each impediment identified, the City of Houston listed an objective with corresponding actions. The actions listed will be addressed in the next five years aligning the accomplishments of the actions with the consolidated planning cycle. Although all of the impediments will not likely be eliminated in a short time period, such as five years, the City of Houston will strive to affirmatively further fair housing and lessen these barriers to promote fair housing choice.

2. Community Participation Process

HCDD encouraged participation from citizens and stakeholders including those from local and regional institutions, business and nonprofit organizations, and other government agencies to inform this report. HCDD emphasized involvement from citizens who live in areas affected most by housing discrimination: minority areas, low-income areas, subsidized housing, and those who may be affected by housing discrimination. In order to most effectively utilize funding, staff capacity, and citizens' and stakeholders' time, the citizen participation efforts for the development the 2015 AI were combined with the efforts to produce the 2015-2019 Consolidated Plan.

The following summarizes the various citizen and stakeholder outreach activities that helped inform the 2015 AI.

Community Development Advisory Council (CDAC)

The Community Development Advisory Council (CDAC) is one way in which HCDD strengthens collaborative partnerships while gaining information about community needs and strategic guidance from Houston's housing and community development stakeholders. Representing a broad spectrum of organizations in the fields of housing, community and economic development, and social services, the CDAC provides input into the development of HCDD's strategic planning process, including the AI. Representative agencies are invited to join based on regulatory requirements. Representatives from the following organizations are currently serving a two-year term ending in 2015

- City of Houston Veteran Affairs
- Coalition for the Homeless
- Greater Houston Fair Housing Center
- Gulf Coast Community Services Association
- Harris County Community Services Department
- Houston Center for Independent Living
- Houston Housing Authority
- City of Houston Department of Health and Human Services
- Houston Food Bank
- Houston Housing Authority
- Houston Regional HIV/AIDS Resource Group
- Legacy Community Health Services
- Mental Health Mental Retardation Authority of Harris County
- Ryan White Planning Council
- United Way of Greater Houston
- Wells Fargo Home Mortgage

The CDAC meets with HCDD's staff several times a year to review data and current HCDD strategies, and to advise on HCDD's citizen participation process. During each meeting, fair housing was addressed.

- Meeting #1: Discussion on regulations and process guiding the Consolidated Plan and AI
- Meeting #2: Discussion on importance of fair housing in Houston and the Fair Housing Stakeholder Survey
- Meeting #3: Discussion on ways to enhance citizen participation for the Consolidated Plan and AI
- Meeting #4: Discussion on trends in private lending related to protected classes

Results

The CDAC enhanced the AI and the citizen participation for the AI in several ways. First, the CDAC helped to define ways in which HCDD could best reach out to Houstonians, including marginalized communities. The CDAC also helped to promote HCDD's citizen participation process by attending and publicizing events. Finally, discussions about data or program activities HCDD shared with CDAC members also helped to inform this report.

Fair Housing Stakeholder Survey

In March and April of 2014, HCDD conducted a Fair Housing Stakeholder Survey. The goal of this survey was to assess local fair housing knowledge and receive qualitative fair housing information from a diverse set of organizations from the private, public, and nonprofit sectors that serve various protected classes. Members from HCDD's CDAC were asked to conduct the survey, and HCDD staff also conducted surveys with public service subrecipients. HCDD received a total of 55 surveys.

Members of the following industries participated in the survey

- Affordable housing development
- Economic development
- Fair housing services
- Government
- Health services
- Public housing
- Residential real estate
- Transit services
- Services for persons with HIV/AIDS, for persons with disabilities, for homeless persons, and for low-income residents

The first survey questions were directed toward determining whether or not stakeholders were receiving fair housing training and which organizations provided that training. Questions also focused on which organizations the stakeholders referred clients to when they needed additional fair housing information. Next, survey questions asked about the kinds of fair housing information needed in the community. Finally, the survey addressed questions regarding existing fair housing impediments and recommendations to address those impediments.

Results

The survey results revealed that stakeholders working with low-income individuals from protected classes or working in industries related to fair housing are not receiving any notable fair housing training. However, based on client information and data, they were able to identify fair housing barriers and provided the top three recommendations to address barriers to fair housing choice were 1) promoting fair housing education, 2) supporting, creating, and/or funding more affordable, accessible units, and 3) promoting and enforce fair housing policies and building codes. Detailed information was also given regarding the kinds of fair housing education needed in the community.

Community Needs Survey

The Community Needs Survey was a quantitative survey conducted primarily to inform the 2015-2019 Consolidated Plan. This survey was made available online and in print from October 1, 2014 to December 15, 2015. The survey was available online. Also, PDFs were available for download and print through HCDD's website and during events attended by HCDD staff.

Results

A total of 2,120 respondents participated in the survey. 1,529 residents completed the survey online, and 466 paper surveys were received by HCDD. 125 respondents participated through the audience response system conducted by HCDD staff. Three percent or 71 participants completed surveys in one of the following languages: Spanish, Chinese, or Vietnamese.

The results of the survey showed that almost all citizens (80%) thought that affordable housing should be available throughout the city and not just certain areas. It also showed that almost one in three respondents had problems with one of the following when buying or renting property in Houston during the last 2 years: limited income (19%), credit issues (16%), loan denial (9%), or potential discrimination (3%). While the priority needs in this survey cannot be broken out by specific neighborhood, 1) affordable housing, 2) infrastructure improvements, and 3) neighborhood

facility improvements and neighborhood services ranked as the top three needs out of five categories. One question asked respondents to rank eight neighborhood services, three of which were related to fair housing. Although ranking the lowest out of eight examples of neighborhoods services, many respondents did think that fair housing education, homebuyer/homeowner counseling, and tenant/landlord counseling were important issues.

Information sessions

HCDD staff went to meetings and other events to inform citizens about the AI development process. HCDD staff was available with information at each event to make a short presentation or conducted the Community Needs Survey when requested. The following is a list of organizations visited

- East Lawndale Civic Association
- Harvest Time Church
- Homeless Coalition Provider Forum
- Houston Center for Independent Living
- Montrose Center's LGBT Seniors
- Project AIDS Nigeria
- United Way Care for Elders
- United Way Senior Services Expo
- United Way THRIVE

In addition, HCDD advertised the availability of HCDD staff to attend meetings to promote information about the development of the AI. While promoting the Community Needs Survey Needs Survey, advertisements and information were available in the following media outlets: *The Chronicle, La Voz, African American News and Issues, Forward Times,* CitizensNet, Facebook, Twitter, Flyers/Emails, Coalition for Community Concerns, The Tribune, and through a press release from Council Member Ed Gonzalez.

Results

HCDD staff was available to go to events in the community to promote the citizen participation process for the Consolidated Plan and AI. During these meetings HCDD reached at least 270 people. Media outlet advertising provided exposure to a broader audience.

Neighborhood Discussion Groups

HCDD worked closely with Texas Low Income Housing Information Service (TxLIHIS) and the Texas Organizing Project (TOP) to host four neighborhood discussion groups, targeting minority neighborhoods in Houston. HCDD staff worked closely with TxLIHIS and TOP to review presentation materials and brainstorm areas to hold discussion groups. Four neighborhood discussion groups were held at convenient locations near or in each area selected

- East: East End and Magnolia Park
- Central: Near Northside, Third Ward and Fifth Ward
- North: Independence Heights, Acres Homes, and Northeast Houston
- South and West: Sunnyside, OST, South Union, and Gulfton

Each discussion group followed the same format with HCDD staff first making a presentation introducing the Consolidated Plan and AI, reviewing general data and maps related to Houston and the specific neighborhoods, and ending with discussion about community needs and strategies related to community and economic development and fair housing choice. Each neighborhood discussion group lasted from two to three hours.

Results

Approximately 70 people attended the neighborhood discussion groups. A detailed report from the discussion groups is included in the Appendix.

Stakeholder Discussion Groups

HCDD worked with organizations that serve or represent groups of various protected classes or groups of citizens that may not always be able to participate. HCDD held discussions at the following organization's meetings

- Houston Housing Authority Resident Council
- Houston Center for Independent Living
- United Way THRIVE
- City of Houston Interdepartmental Fair Housing Group
- United Way Care for Elders

All stakeholder discussion groups included a presentation from HCDD staff describing the Consolidated Plan and AI. Individualized information including data or maps for each group was provided as needed. Some questions for the stakeholder discussion groups varied depending on the expertise of the group, however the questions were similar. The way discussions were conducted also differed depending on the group. Sometimes discussion questions were asked to the whole group while other times, in order to accommodate larger groups, discussions occurred with a smaller group with written reports at the end of the discussion time.

Results

Approximately 175 people were involved in the stakeholder discussion groups. A detailed report from the discussion groups is included in the Appendix.

Key Stakeholder Interviews

Key informant interviews were performed to advise both the AI and the Consolidated Plan. Identifying stakeholders first using the consultation requirements set forth by HUD in 24 CFR 91.100, staff contacted twenty stakeholders. These stakeholders contacted were those that had not yet been part of another part of the consultation process or those that could help refine strategies in the next one to five years.

Results

Staff conducted in-person interviews with nine stakeholders. A report of the findings is included in the Appendix. Some of the feedback regarded the City's responsibility to affirmatively further fair housing, and suggested that the City use consultants to provide fair housing testing and investigations as well as carry out fair housing marketing strategies. Others mentioned the City should maintain the characteristics of neighborhoods by collaborating with schools, social service providers and faith based organizations to develop a plan to attract black citizens back to historically black communities.

Fair Housing Forum

HCDD partnered with the Federal Reserve Bank – Houston Branch, Greater Houston Fair Housing Center (GHFHC) and Texas Low Income Housing Information Service (TxLIHIS) to host its first Fair Housing Forum. The goal of the Forum was to bring together citizens and stakeholders to discuss fair housing needs and strategies to overcome discrimination, as well as to broaden the community's perspective of fair housing issues.

The Forum was a daylong event centrally located at the Federal Reserve Bank – Houston Branch. Researchers, practitioners, and advocates made presentations throughout the day. During the day, there were two opportunities for participants to work in small groups and provide direct written input to HCDD about fair housing needs and impediments and strategies to overcome these impediments and promote fair housing choice.

Results

Over 200 people replied favorably to the Fair Housing Forum and more than 170 people attended. The forum concept was new to City of Houston. We learned that the testimony model is perhaps the most preferred among some; however the objective of the forum was to create a dialogue among participants that resulted in written

feedback to HCDD. This feedback was used to help HCDD staff identify current barriers to fair housing choice and future strategies and partners to lessen such barriers. A detailed report from Fair Housing Forum is in the Appendix.

Public Hearings

HCDD held two Public Hearings open to the public during the development of the Consolidated Plan and AI. These Hearings were held in December 2014 at a central location at the Neighborhood Resource Center and a neighborhood location at the Southwest Multi-Service Center.

HCDD held two additional Public Hearings during the 30-day comment period for the Consolidated Plan which included this AI. More information will be provided later after the 30 day comment period.

A summary of the AI was presented to the City Council's Housing and Community Affairs Committee in April 2015. A public comment opportunity was also available during this meeting.

Results

A summary of the Public Hearings will be available in the Appendix of the 2015-2019 Consolidated Plan.

Conclusion

HCDD used broad methods to solicit information from citizens and stakeholders for this report. Efforts were made to make information available to the public even after events occurred. Past events, including a video of the fall Public Hearing and results from the Community Needs Survey, were posted on HCDD's website. HCDD conducted a robust public outreach process to give all Houstonians an opportunity to participate in the development of the AI.

3. Community Profile

The *2015 Analysis of Impediments to Fair Housing Choice* (AI) reviews demographic and economic conditions of the City of Houston (City) and the region focusing on protected classes. The region is categorized as the Houston-Sugar Land-Baytown Metropolitan Statistical Area (Houston MSA) which includes the following counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller (and Austin only after July 1, 2013). Current and historic conditions are the foundation of future actions to further fair housing. In addition, comparing demographics and existing housing and economic conditions may show the needs and obstacles some groups of citizens face when seeking housing.

Demographic Profile

The following will first provide an overview of the demographic and population characteristics of Houston residents compared to the region, state, and U.S. It will also examine population trends related to each of the protected classes. As a part of describing existing conditions of protected classes, maps will be used in order to analyze locations related to racially/ethnically concentrated areas of poverty (R/ECAP). R/ECAPs are defined by the HUD as areas with a non-white population of 50% or more and with extreme poverty which is census tracts with 40% or more of the residents living at or below the poverty line.

Population

The City of Houston is the fourth most populous city and is part of the third most populous county in the U.S. The Houston MSA ranks fifth in population among other metropolitan areas in the country. According to the U.S. Census 2008-2012 American Community Survey (ACS), the City of Houston's current population is more than 2.1 million residents. As of January 1, 2014, the City of Houston's Planning and Development Department estimated the population to be 2,201,027. The region, as well as the city, has experienced a significant amount of population growth over the last decade.

Table 1: Population Growth Comparison

	2000	2010	2012	% Change 00-10	% Change 10-12
City of Houston	1,953,631	2,099,451	2,107,449	7.5%	.38%
Houston MSA	4,669,571	5,946,800	5,962,416	27.4%	.26%
Texas	20,851,820	25,145,561	25,208,897	20.6%	.25%
United States	281,421,906	308,745,538	309,138,711	9.7%	.13%
Sources: 2000 Census; 2006-2010 American Community Survey (ACS); 2008-2012 ACS					

This growth is projected to continue. According to the Houston-Galveston Area Council's, the region's population is expected to reach 9.5 million by 2040 growing by 3.7 million people over the next 30 years, from 2010-2040. The average annual population increase is expected to be 1.7% per year.

Compared to the top five most populous cities in the United States, Houston ranked first (7.5% increase) in percent gain from 2000 to 2010 followed by Los Angeles and New York (2.6% and 2.1%, respectively). In terms of numeric growth for the same period of time, Houston was second with 145,820 additional residents following New York City with 166,855 additional residents.

Table 2: Population Comparison between the Five Largest Cities in the U.S.

	2000	2010	2012	% Change 00-10	% Change 10-12
New York City	8,008,278	8,175,133	8,199,221	2.1%	.29%
Los Angeles	3,694,820	3,792,621	3,804,503	2.6%	.31%
Chicago	2,896,016	2,695,598	2,702,471	-6.9%	.25%
Houston	1,953,631	2,099,451	2,107,449	7.5%	.38%
Philadelphia	1,517,550	1,526,006	1,525,811	.6%	-.01%
Sources: 2000 Census; 2006-2010 American Community Survey (ACS); 2008-2012 ACS					

Population by Age.
The city of Houston has a slightly younger population than the Houston MSA, Texas and the U.S. Although the median age in Houston has increased from 30.9 years in 2000 to 32.1 years in 2012, the median age in Houston was still less than in the region (33.2 years), Texas (33.6 years) and the U.S. (37.2 years) in 2010.

According to the 2008-2012 ACS, the Hispanic/Latino population in Houston had the youngest median age comparing racial and ethnicity groups at 26.7 years. The oldest racial/ethnic age group was White alone, non-Hispanic, which had a median age of 41.5 years.

Compared to the Houston MSA, Texas, and the U.S., Houston has the greatest proportion of people aged 18 to 64, which is 65.1% of the population.

Table 3: Age Distribution

	Houston		Houston MSA		Texas		U.S.	
	#	%	#	%	#	%	#	%
Under 18	542,848	25.8	1,658,315	27.8	6,849,329	27.2	73,979,859	23.9
18-64	1,371,288	65.1	3,783,742	63.5	15,724,178	62.4	194,487,411	62.9
65 and older	193,313	9.2	520,359	8.7	2,635,390	10.5	40,671,441	13.2
Source: 2008-2012 ACS								

Historic Population Growth.
Much of Houston's historic population growth can be attributed to the rapid annexation of surrounding areas. In 1836, Houston was founded on 147 acres of land which consists of a small northern portion of downtown today. In 1900, the city had grown to approximately 9 square miles and had a population of 44,000. In 1913, the city annexed areas outside of its central core along the ship channel and The Heights. During the 1920s, Houston annexed the former city of Independence Heights, the first African American incorporated city in Texas. Although Houston did not annex much land in the 1930s, the population swelled to almost 400,000 people. The 1940s is the beginning of a three decade expansion through annexation where the city's land size doubled. In 1956, the City conducted its largest single annexation which included Sunnyside and Central Southwest.

With the Passage of the Voting Rights Act in 1965, cities were required to receive preclearance from the Justice Department for annexations. However, this did not preclude the annexation of Acres Homes in 1967, which had been touted as the largest unincorporated African American community in the southern United States. In April of 1979, Houston submitted to the Justice Department a proposed plan of annexations and de-annexations, which were not precleared on the grounds that they would have a discriminatory effect on minority voting strength. Before these annexations were precleared, Houston conducted a referendum that changed Houston's electoral system under which the city council would be enlarged from nine members elected at large to fifteen members, nine of whom would be elected from single-member districts and six, including the mayor, elected at large. After this referendum was approved by the voters in 1979, Houston entered the 1980s with a population exceeding 1.5 million and a size of 557 square miles. (Grofmoan, Bernard and Davidson Chandler (1992), Controversies in Minority Voting: The Voting Rights Act in Perspective, p 61-63)

After the 1980s, there have been limited annexations compared to the previous decades. In 1999, Texas law governing annexations changed, and general purpose annexation became more difficult. Since then, the city has only conducted two general purpose annexations, both of which were requested by the property owners. The City has completed 196 limited purpose annexations. Limited purpose annexations, which usually only include commercial property, are annexations in which the city annexes territory through an agreement with the utility district that provides water and sewer service to that territory. In these areas, sales tax, and not property tax, is collected and typically split between the city and district and the city provides a limited array of services.

Although limited purpose annexations primarily include commercial property, the 2010 Census shows that 70,201 residents lived in the Census blocks that were annexed by the City. The following table shows that minorities made up 82.5% of the annexed areas which is slightly higher than the total minority population in Houston at 74.4% in the 2010 Census. It is also higher than the minority population living in the Houston MSA which is just over 60%.

Table 4: Race and Ethnicity of Areas Annexed by the City of Houston between 2000-2010

	% Total Population (2010)	Census Blocks of Annexed Areas (2000-2010)
White Non-Hispanic	25.6	17.5
Hispanic	43.8	33.6
Black Non-Hispanic	23.1	42.6
Minority	74.4	82.5
Source: Updated 2010 AI		

Population by Protected Class

Race/Ethnicity and Color.

The Fair Housing Act prohibits discrimination by race and color. Although income, educational achievement, English proficiency, and housing status are not determined by race, ethnicity, or color, there is a strong correlation that can be found in current data. There is no information collected by the U.S. Census that specifically addresses the protected class of color. Instead, data and information based on race and ethnicity, and sometimes even national origin, can serve as a proxy for color. When determining descriptive statistics of the city and region on the basis of color, this report will use race information to also describe color.

Houston is a majority minority city with approximately 75% of its population identifying as minority. A quarter of Houston residents (25.9%) are non-Hispanic Whites. This is very different from the U.S., which has a majority of racially White alone, non-Hispanic residents (63.7%). Compared to the region, Texas, and the U.S., Houston has a larger percentage of residents identifying as Black/African American alone, non-Hispanic (23.2%).

Over two in every five residents in the City of Houston identifies as Hispanic/Latino of any race. Although slightly lower compared to Houston, over one third of residents in the Houston region (35.2%) and in Texas (37.6%) are also Hispanic/Latino of any race. This differs dramatically from the U.S. where Hispanic/Latinos of any race make up a much smaller percentage (16.4%) of the entire U.S. population.

Table 5: Race by Ethnicity Hispanic/Latino in Houston, Houston MSA, Texas, and U.S.

	Houston		Houston MSA		Texas		U.S.	
	#	%	#	%	#	%	#	%
White Alone*	546,133	25.9	2,367,963	39.7	11,415,017	45.3	196,903,968	63.7
Black Alone*	489,529	23.2	1,007,073	16.9	2,903,204	11.5	37,786,591	12.2
American Indian and Alaska Native Alone*	3,018	0.1	11,396	0.2	67,134	0.3	2,050,766	0.7
Asian Alone*	128,223	6.1	392,257	6.6	966,343	3.8	14,692,794	4.8
Native Hawaiian and other Pacific Islander Alone*	761	0.0	2,688	0.0	17,955	0.1	480,063	0.2
Some Other Race Alone*	3,659	0.2	12,049	0.2	37,097	0.1	616,191	0.2
Two or More Races*	18,993	0.9	67,904	1.1	322,477	1.3	6,063,063	2.0
Hispanic/Latino	917,133	43.5	2,101,086	35.2	9,479,670	37.6	50,545,275	16.4
*Non-Hispanic/Latino								
Source: 2008-2012 ACS								

Population Change Based on Race/Ethnicity.
The next table compares the population of the city and region by race and ethnicity over time from 2000 to 2010. During this time, Houston's population grew 7.5% and the region grew by 26.2%. The region has grown more than any other in the United States (Michael Emerson, "Houston Region Grows More Racially/Ethnically Diverse, with Small Declines in Segregation).

In 2000 and 2010, Hispanics were the largest racial/ethnic group in the city of Houston at 37.4% and 44.8% of the whole population. In 2010, Hispanics were the second largest racial/ethnic group in the region at 35.5%. The Hispanic population in the region still makes up less than the population of White alone, non-Hispanic in the region (39.4%). The Hispanic population grew 25.8% in Houston and 55% in the region from 2000 to 2010, which both greatly outpaced the growth rate of the total population. The Asian population, although making up a small percentage of the city and region's population, grew at a high rate, like Hispanics, at 21.6% in Houston and 70% in the region from 2000 to 2010.

During the same period of time, the City of Houston had a decrease in population of some racial/ethnic groups. Houston's White alone, non-Hispanic racial/ethnic group declined by 10.6%, but increased slightly in the region by 3.7%. The Black/African American, non-Hispanic racial/ethnic group decreased very slightly in Houston, by -0.4%, and increased in the region at a rate of 27.6% over ten years. Although there was a significant growth of Black/African American, non-Hispanic residents in the region, the proportion of Black/African American, non-Hispanic residents in Houston is still much higher (23%) than in the region (16.9%).

Table 6: Race and Ethnic Growth Rate in the City of Houston and Houston MSA from 2000-2010

	2000				2010				Change 2000-2010	
	Houston		Houston MSA		Houston		Houston MSA		Houston	Houston MSA
	#	%	#	%	#	%	#	%	%	%
Total population	1,953,631		4,669,571		2,099,451	100	5,891,999		7.5	26.18
Not Hispanic or Latino	1,222,766	62.6	3,320,983	71.1	1,179,783	56	3,802,108	64.5	-3.5	14.49
White alone*	601,851	30.8	2,239,893	48.0	537,901	26	2,321,611	39.4	-10.6	3.65
Black or African American alone*	487,851	25.0	778,684	16.7	485,956	23	993,599	16.9	-0.4	27.60
American Indian and Alaska Native alone*	3,234	0.2	11,019	0.2	3,528	0.2	13,745	0.2	9.1	24.74
Asian alone*	102,706	5.3	226,177	4.8	124,859	5.9	384,366	6.5	21.6	69.94
Native Hawaiian and Other Pacific Islander alone*	680	0.0	1,732	0.0	711	0.0	2,906	0.0	4.6	67.78
Some Other Race alone*	2,614	0.1	5,927	0.1	4,128	0.2	10,987	0.2	57.9	85.37
Two or More Races*	23,830	1.2	57,551	1.2	22,700	1.1	74,894	1.3	-4.7	30.14
Hispanic or Latino	730,865	37.4	1,348,588	28.9	919,668	44.8	2,089,891	35.5	25.8	54.97
*Non-Hispanic/Latino										
Source: 2000 Census; 2010 Census										

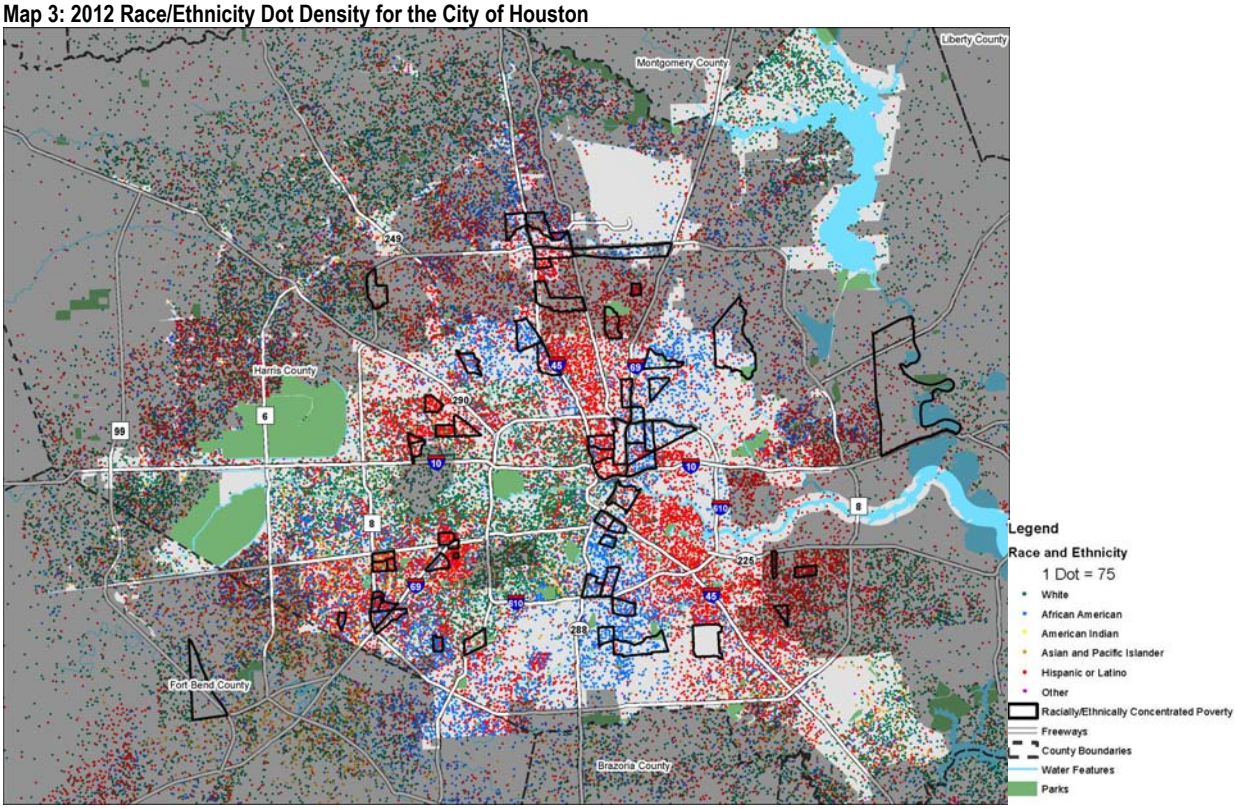
As with other cities in the region, the City of Houston was more diverse in 2010 than it was in 1990. In 2010, the City of Houston was no longer the most diverse city in the region. In 2010 Missouri City and Pearland were the region's most racially/ethnically diverse cities (Michael Emerson Houston Region Grows More Racially/Ethnically Diverse, with Small Declines in Segregation). Examining where residents are living is significant when examining fair housing. Although Houston has become more diverse, there are still distinct separations between different racial and ethnic groups. A Rice University Professor, Michael Emerson recently completed an analysis and found that 1) The City of Houston is substantially more segregated than other areas of the region, 2) African American-Latino segregation in the region has declined most rapidly, 3) African Americans are most segregated where they represent the largest absolute and relative numbers, 4) the smaller the percentage Anglo in an area, the greater their segregation from other groups, and 5) Asians live closest to Anglos, and continue to be significantly segregated from African

Americans and Latinos. The following maps show generalized geographic representations of racial and Hispanic/Latino change throughout Houston and the region at different points in time beginning in 1990 to 2010.

Map 1: 1990 Race/Ethnicity Dot Density for the City of Houston
Map is forthcoming and will be included in the final document.

Map 2: 2000 Race/Ethnicity Dot Density for the City of Houston
Map is forthcoming and will be included in the final document.

Map 3: 2012 Race/Ethnicity Dot Density for the City of Houston



Source: 2008-2012 ACS

These maps show an increase of Hispanic and Asian population in Houston over the past two decades. It also illustrates how areas with minority populations in 1990 still are predominately minority. These maps could represent the results of various kinds of discrimination including remnants of historical discrimination resulting from segregation. They could also represent that people of various race and ethnicities choose to live in areas with others of similar race or ethnicity. Later in this report, racial change and segregation will be analyzed further through several detailed quantitative methods.

Population by Gender.
Gender is a protected class covered by the Fair Housing Act. The following provides a few examples of discrimination on the basis of gender. Discrimination may occur if a lender or landlord denies a female housing based on pregnancy. In addition, a single female-headed household may face significant disparities in income, access to jobs, and public services due to the lack of affordable housing choices throughout the City. Some landlords may deny housing women who have been victims of domestic violence, which could be another form of gender discrimination.

In Houston, the population of males and females is almost even. The Houston MSA, Texas, and the U.S. have a slightly greater proportion of females to males. Since 2000, there has only been a minimal change in population proportion by gender. In 2000, the percentage of males (49.9%) was slightly lower than females (50.1%) in the City of Houston.

Table 7: Sex of Population

	Houston		Houston MSA		Texas		U.S.	
	#	%	#	%	#	%	#	%
Female	1,051,474	49.9	2,996,718	50.3	12,699,085	50.4	157,119,912	50.8
Male	1,055,975	50.1	2,965,698	49.7	12,509,812	49.6	152,018,799	49.2
Source: Table B01001 Sex By Age, 2008-2012 ACS								

Although the Fair Housing Act does not specifically include sexual orientation and gender identity as prohibited bases, HUD includes additional regulations regarding these statuses. Housing providers that receive HUD funding, have loans insured by the Federal Housing Administrating (FHA), and lenders insured by FHA, must ensure equal access to their programs for eligible individuals and families regardless of sexual orientation, gender identity, or marital status. Currently, there is no Houston specific research that has been completed that describes discrimination faced by the local Lesbian, Gay, Bisexual, and Transgender (LGBT) community. The lack of data on the LGBT community could conceal discrimination that this community is facing when accessing housing.

Population by Family Status.

Familial status is defined in the Fair Housing Act as having one or more individuals under 18 years of age who reside with a parent or another person with care and legal custody of the child. Familial status also includes a pregnant woman or person who is in the process of adopting or otherwise securing legal custody of any individual under 18 years of age. Examples of housing discrimination based on protected class would be a landlord refusing to rent to a family with children or a landlord that enforces extra restrictions only on families with children.

In 2000, the percent of families with children in Houston was 33.1% of family households (DP-1, 2000 US Census). Since then, the number of family households with children has decreased to 30.2% of families. Similar to Texas and the U.S., just under one third of family household in the City of Houston have children. The Houston region has a much higher percentage of families with children. This could indicate that families with children choose to live in the suburbs for reasons related to their children, which might include lower housing costs, larger housing units, or better ranked schools.

Table 8: Families with Children

Family Type	Houston		Houston MSA		Texas		U.S.	
	#	%	#	%	#	%	#	%
Families with Own Children	233,937	30.2	740,740	51.2	3,024,991	34.4	34,484,648	29.9
Percentage based on Total Family Households								
Source: Table DP02 and B11003, 2008-2012 ACS								

According to the 2008-2012 ACS, 9.2% of family households in Houston were a single female-headed household with children as opposed to single male family households with children, which only consisted of 2.6% of the families. Single-headed households, especially female-headed households, generally have lower income and can be at much greater risk of limited housing options.

National Origin and English Proficiency.

Fair housing laws protect individuals based on their national origin. Discrimination based on national origin can include an individual's ability to speak, read, or understand English. For instance, it is discriminatory when housing or housing assistance is not provided because of language barriers, whether it is because application materials are not translated or translated appropriately or the landlord refuses to assist someone because of language differences.

Ineffective or no outreach to persons with limited English proficiency could also lead to housing discrimination based on national origin.

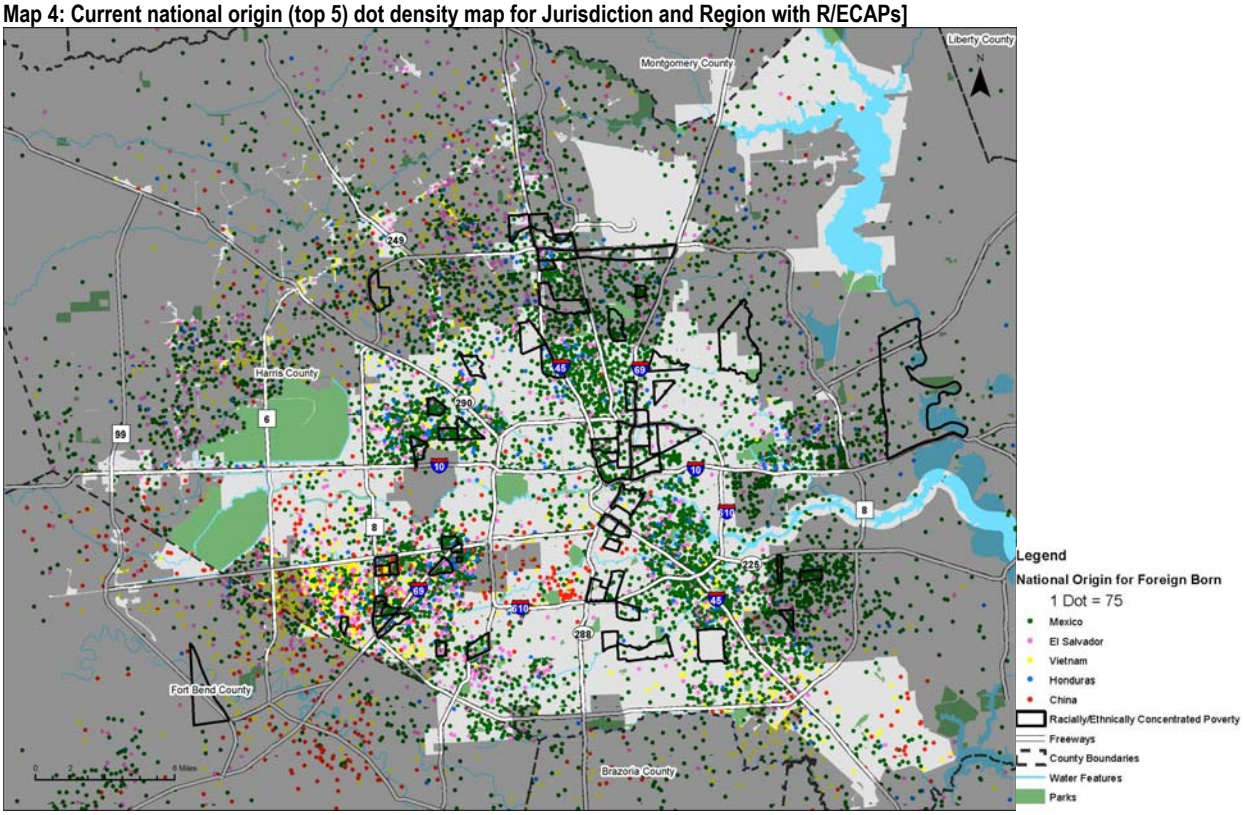
According to the 2000 Census, the total number of foreign-born residents in the city of Houston was 516,105. The top five countries of origin for foreign-born residents living in Houston at this time were Mexico, El Salvador, Vietnam, Honduras, and China. In 2012, the five countries with the most foreign born residents living in the City of Houston had not changed since 2000. These countries were almost identical to the top five countries of origin for foreign-born residents living in the Houston MSA in 2012: Mexico, El Salvador, Vietnam, India, and China.

The top place of birth of foreign-born residents living in Houston, the Houston MSA, Texas, and the United States was Mexico. Almost half of foreign-born residents in Houston and the Houston MSA were born in Mexico (48.3% and 45.4% respectively). Since 2000, the number of foreign-born residents has increased over 80,000 people, or by 15.6%, to 596,552 residents in 2012.

Table 9: National Origin

Houston			Houston MSA			Texas			U.S.		
Country	#	%	Country	#	%	Country	#	%	Country	#	%
Mexico	288,390	48.3	Mexico	599,471	45.4	Mexico	2,448,065	59.7	Mexico	11,599,653	29.2
El Salvador	56,700	9.5	El Salvador	104,091	7.9	El Salvador	170,536	4.2	China	2,166,563	5.4
Vietnam	28,564	4.8	Vietnam	73,725	5.6	India	164,349	4.0	India	1,837,838	4.6
Honduras	27,542	4.6	India	59,544	4.5	Vietnam	151,283	3.7	Philippines	1,810,537	4.6
China	20,239	3.4	China	48,763	3.7	China	106,359	2.6	Vietnam	1,231,716	3.1
Guatemala	20,106	3.4	Honduras	44,819	3.4	Philippines	80,985	2.0	El Salvador	1,201,972	3.0
India	17,582	2.9	Philippines	33,569	2.5	Honduras	79,020	1.9	Korea	1,085,151	2.7
Nigeria	8,040	1.3	Guatemala	30,858	2.3	Guatemala	57,841	1.4	Cuba	1,057,346	2.7
Philippines	7,883	1.3	Pakistan	25,654	1.9	Korea	53,647	1.3	Dominican Republic	866,618	2.2
Colombia	7,515	1.3	Colombia	20,511	1.6	Pakistan	44,683	1.1	Guatemala	822,947	2.1
Percentage based on total foreign-born											
Source: B05006 Place of Birth for the Foreign-Born, 2008-2012 ACS											

Map 4: Current national origin (top 5) dot density map for Jurisdiction and Region with R/ECAPs]



Source: 2008-2012 ACS

The City of Houston is a diverse community with many foreign-born residents living in the city and the region. Because of this, Houston residents speak many different languages and many are multilingual. Almost half (45.7%) of the population living in the City of Houston speaks English and another language, which is a greater percentage compared to the United States (20.5%), Texas (34.6%), and the metropolitan area (37.2%). The most frequently spoken non-English languages are Spanish, Vietnamese, and Chinese (2008-2012 American Community Survey, Table S16001).

Many Houstonians, whose first language is not English, may have a limited ability to read, write, speak, or understand English and are considered limited English proficient or "LEP". The U.S. Census estimates the number of persons over five years of age that speak English less than very well. This can serve as a proxy to show the number of LEP persons in Houston.

Compared to the Houston MSA, Texas, and the U.S, the City of Houston has the highest percentage of residents that speak English "Less Than Very Well." Almost one quarter (24.1%) of the population living in the City of Houston speaks English "less than well", which is a greater percentage compared to the United States (8.7%), Texas (14.4%), and the metropolitan area (17.2%).

Table 10: Breakdown of Population 5 Years or Older – Language Spoken at Home

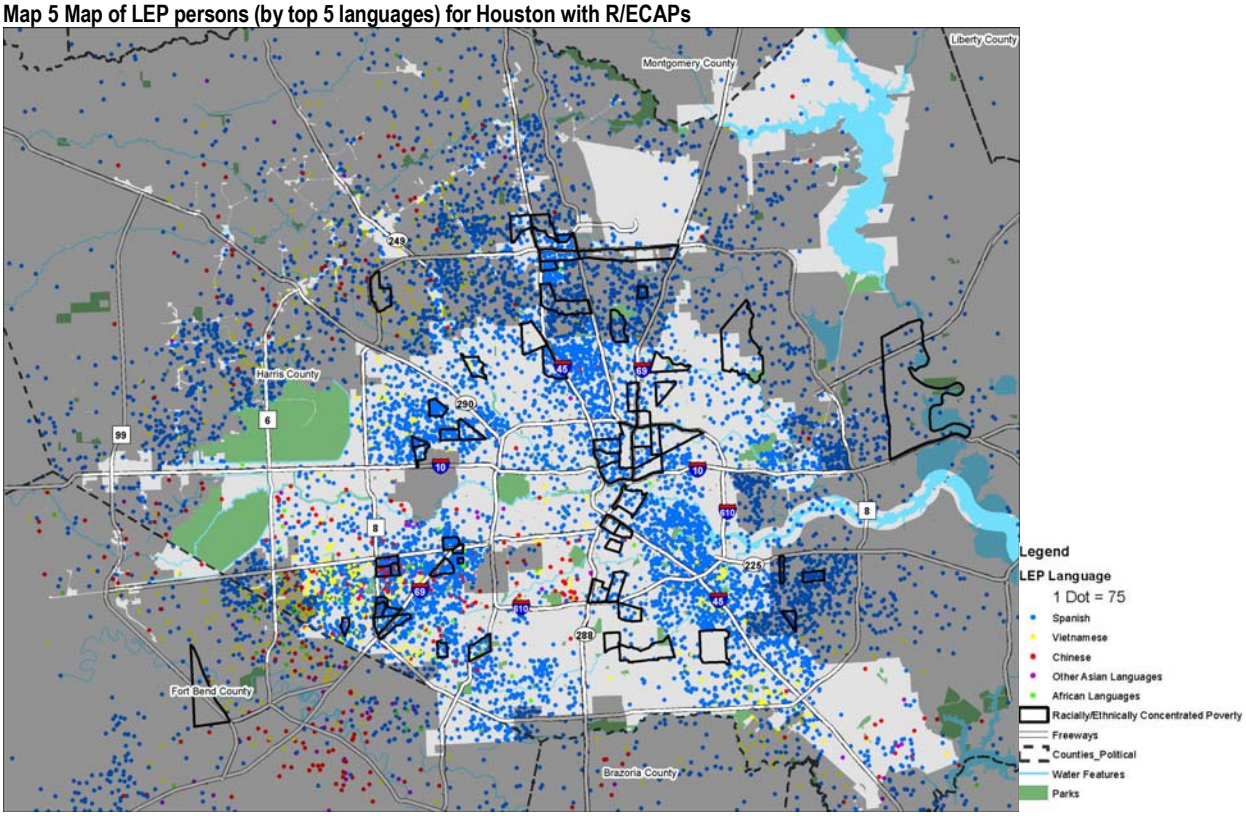
	Houston	Houston MSA	Texas	United States
Total Population	1,938,003	5,490,490	23,280,055	289,000,827
Speak English Only	53.8%	62.8%	65.4%	79.5%
Speak English Only or Speak English "Very Well"	75.9%	82.8%	85.6%	91.3%
Speak English "Less Than Very Well"	24.1%	17.2%	14.4%	8.7%
Source: 2008-2012 ACS				

It is important to estimate the number of residents with limited English proficiency is important when identifying the need for language services. The following shows the number of City of Houston residents that speak English "Less than Very Well". Those with limited English proficiency living in Houston most frequently speak Spanish, Vietnamese, Chinese, Arabic, and Urdu.

Table 11: Populations 5 years or Older by Language That Speak English "Less than Very Well"

Houston			Houston MSA			Texas			U.S.		
Language	#	%	Language	#	%	Language	#	%	Language	#	%
Spanish	397,429	20.5	Spanish	771,884	14.1	Spanish	2,913,000	12.5	Spanish	16,386,716	5.7
Vietnamese	21,584	1.1	Vietnamese	53,787	1.0	Vietnamese	107,934	0.5	Chinese	1,553,500	0.5
Chinese	13,521	0.7	Chinese	31,936	0.6	Chinese	67,854	0.3	Vietnamese	822,537	0.3
Other Asian languages	3,580	0.2	Urdu	9,882	0.2	Korean	30,945	0.1	Korean	630,541	0.2
African Languages	3,364	0.2	Arabic	7,657	0.1	Other Asian languages	22,443	0.1	Tagalog	510,778	0.2
Arabic	3,324	0.2	Other Asian languages	7,632	0.1	African Languages Speak	19,715	0.1	Russian	420,454	0.1
Urdu	2,783	0.1	Tagalog	7,219	0.1	Arabic	18,618	0.1	Arabic	319,831	0.1
Other Indic Languages	2,718	0.1	African Languages	6,749	0.1	Other Indic Languages	17,306	0.1	French Creole	317,056	0.1
Korean	2,498	0.1	Korean	6,240	0.1	Tagalog	16,962	0.1	Other Indic Languages	298,497	0.1
French	2,084	0.1	Other Indic Languages	5,695	0.1	Urdu	16,509	0.1	French	272,872	0.1
Percentage based on population 5 years and over											
Source: 2008-2012 ACS											

Map 5 Map of LEP persons (by top 5 languages) for Houston with R/ECAPs



Source: 2008-2012 ACS

Population with Disabilities.
Under the Federal Fair Housing Act, a disability, with respect to a person, is defined as:

- A physical or mental impairment which substantially limits one or more of such person's major life activities
- A record of having such an impairment or
- Being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance

Fair housing choice for persons with disabilities can be compromised based on the nature of their disability. Persons with physical disabilities may face discrimination in the housing market because of the use of wheelchairs, need for home modifications to improve accessibility, or other forms of assistance like a service animal. Persons with mental disabilities may face discrimination based on their landlord's refusal to rent to tenants with a history of mental illness or public opposition to a new development for persons with cognitive disabilities based on the stigma of mental disability.

In 2012, 205,866 residents had sensory, physical, mental, work, mobility, and/or self-care limitations, representing approximately 9.8% of the City's civilian, non-institutionalized population (B18101, 2008-2012 ACS). This percentage was less than Texas where 11.5% of the population have a disability and the U.S where 12% have a disability. The number of persons with a disability living in Houston has decreased since 2000 when 364,485 residents over the age of five had a disability, representing 20.5% of the population five and older. This decrease could be due to the change in the way the U.S. Census collected disability data. There was growing consensus that the ACS questions did not coincide with the updated models of disability and the questions previously focused on the presence of specific conditions rather than the impact those conditions might have on basic functioning. In 2006 the U.S. Census modified content for the ACS questionnaire.

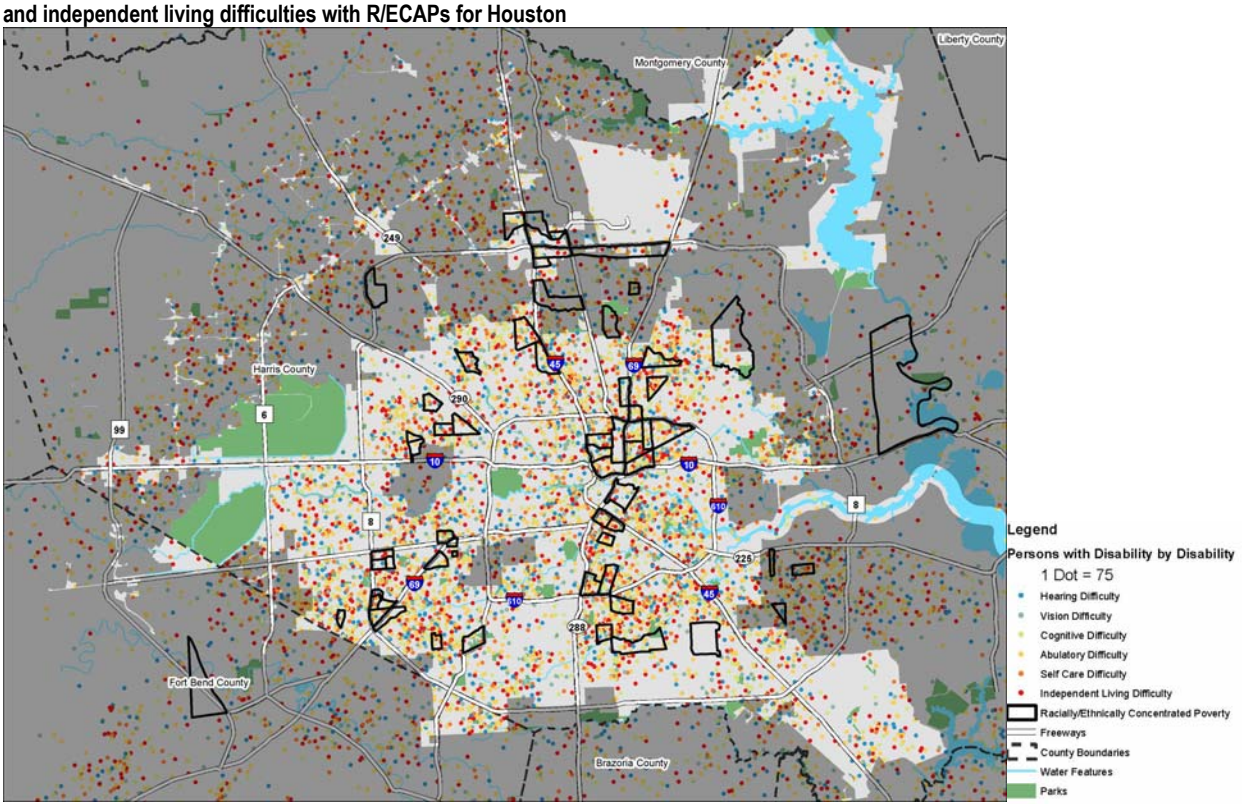
Currently, over half (54.6%) of persons with disabilities in Houston reported having ambulatory difficulty. About one third of persons with disabilities reported having cognitive difficulty (37.6%) and approximately the same (36.6%) reported having independent living difficulty.

Table 12: Disability Types in Houston, Houston MSA, Texas, and U.S.

Disability Type	Houston		Houston MSA		Texas		U.S.	
	#	%	#	%	#	%	#	%
Hearing Difficulty	51,153	2.4	150,136	2.5	818,801	3.3	10,359,827	3.4
Vision Difficulty	46,511	2.2	115,031	1.9	604,521	2.4	6,551,824	2.2
Cognitive Difficulty	77,344	4.0	204,660	3.8	1,051,102	4.6	13,694,297	4.8
Ambulatory Difficulty	112,398	5.8	293,721	5.4	1,525,821	6.7	19,525,039	6.9
Self-care Difficulty	46,717	2.4	117,828	2.2	600,994	2.6	7,373,971	2.6
Independent Living Difficulty	75,416	4.9	189,888	4.5	963,589	5.4	13,037,439	5.7
Percentage for Hearing and Vision Difficulty based on entire population; Percentage for Cognitive, Ambulatory, and Self-care Difficulty based on population 5 years and older; Independent Living Difficulty based on population 18 years and older.								
Source: 2008-2012 ACS								

Eight of the top ten census tracts in the region with the highest percentage of persons with disabilities, ranging from 25% to 34% of the census tract population, are located in east Houston. These tracts are located in the following City of Houston designated Super Neighborhoods: Trinity/Houston Gardens, Greater Fifth Ward, Kashmere Gardens, Sunnyside, East Little York/Homestead (2), Greater OST/South Union, and Denver Harbor. The Greater Fifth Ward has the census tract with the highest number of persons with disabilities inside Houston, 1,276 persons with disabilities living in this census tract.

Map 6: Dot density map of the population of persons with disabilities by persons with vision, hearing, cognitive, ambulatory, self-care, and independent living difficulties with R/ECAPs for Houston



Source: 2008-2012 ACS

Residents between the ages of 18 and 64 years represented the majority of persons with disabilities. This means that most persons with disabilities cannot take advantage of housing and programs designed for persons with disabilities who are also elderly. Providing elderly housing that is accessible for persons with disabilities is important because approximately two in five (38.5%) residents over the age of 65 have a disability. However, housing and services for younger persons with disabilities is also very important for the community.

Table 13: Persons with Disabilities by Age Range

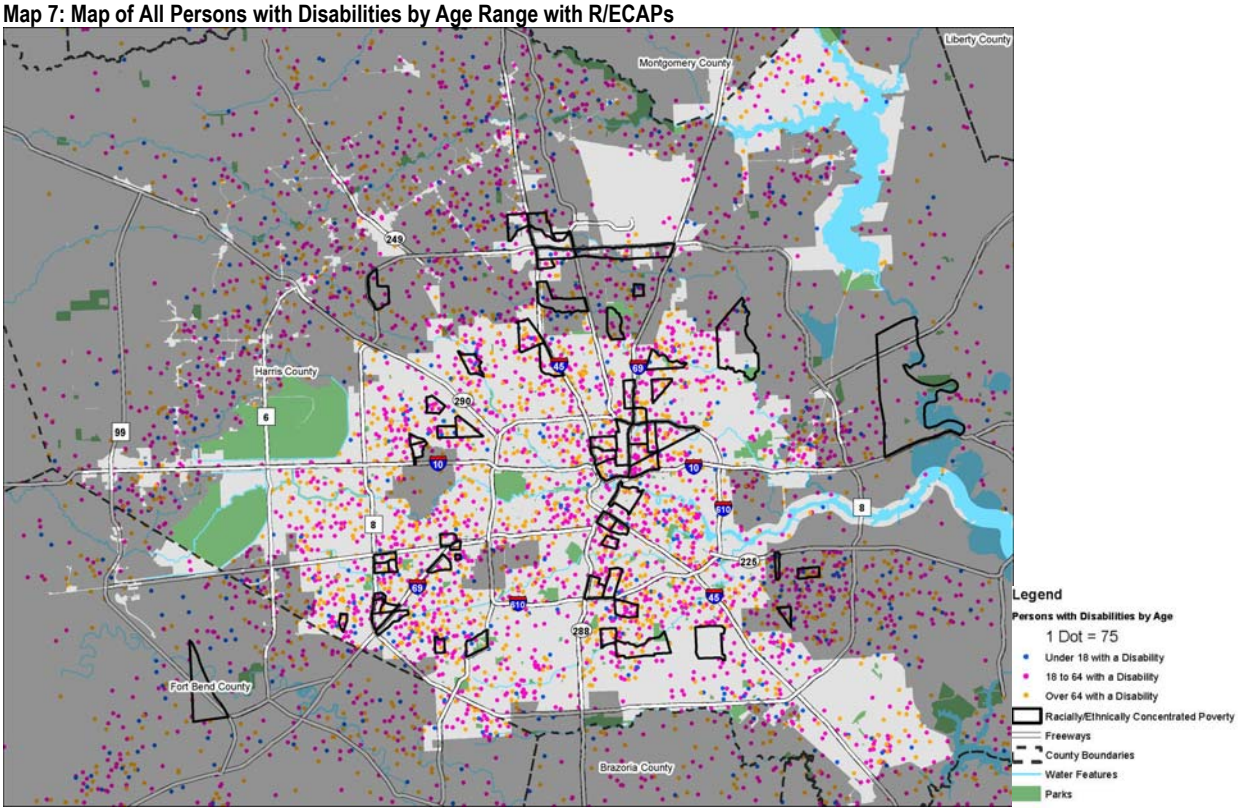
	Houston		Houston MSA	
	#	%	#	%
Under 5 years	1,419	0.1	3,221	0.1
5-17 years	16,927	0.8	53,251	0.9
18-64 years	114,670	5.5	304,978	5.2
65+ years	72,850	3.5	190,883	3.2
% represents a share of the total population.				
Source: 2008-2012 ACS				

The top 20 census tracts in the region with the greatest absolute number of people with disabilities for two age categories zero to 18 and 18 and 64 live outside the City limits of Houston. Of the top twenty census tracts with the greatest number of persons with disabilities aged 64 years or older, three are located in the neighborhoods of South Acres, Golfcrest/Bellfort, and Northside/Northline.

Although age is not a protected class, many older people have disabilities. Similar to the American population, the population within the City of Houston and the Houston region is aging. The number of Houston residents 65 and older grew at a rate of 17.8% from 2000 to 2012, which was much faster than the overall population growth rate of

the City of Houston at 7.9%. This is the same for the Houston MSA. In the Houston area the population 65 and older grew 44.4% while the total population grew 27.7% between 2000 and 2012.

Map 7: Map of All Persons with Disabilities by Age Range with R/ECAPs



Source: 2008-2012 ACS

Some persons with disabilities cannot live alone and need assistance. The City of Houston recently passed an ordinance to regulate group boarding homes for elderly persons and persons with disabilities that were previously unlicensed. It was noted by Houston Police Officers that regulate some boarding homes in Houston, that boarding homes tend to cluster geographically. Boarding homes tend to cluster due to economic reasons, cheaper housing costs like rent or land, and proximity to services. For instance, there are several social services for persons with disabilities including Houston Center for Independent Living and MHMRA located near Highway 59/Interstate 69 outside of Loop 610, and there many persons with disabilities clustered in this area.

Persons with disabilities are overrepresented in the homeless population. The Coalition for the Homeless Houston/Harris County conducted a homeless count in the Houston area on January 30, 2014. The count identified 5,351 experiencing homelessness by HUD's definition, which was a 16% decrease in homelessness from 2013 and a 37% decrease in homelessness from 2011. Approximately 43% were unsheltered. Two in five persons experiencing homelessness had mental health issues.

Given the prevalence of disabilities among the homeless population, the need for emergency shelters and transitional or supportive housing is evident. A continuum of housing options for this special needs population is essential and should include a range of housing from short-term emergency shelters, transitional housing, supportive housing, to permanent housing. Specifically, housing that connects to supportive services including substance abuse treatment programs and mental health counseling is needed. Addressing the provision of such housing will help mitigate the impediment of decent housing for disabled homeless people.

Persons with HIV/AIDS may have physical impairments that limit one or more major lie activities or major bodily functions, and are therefore considered to have a disability and are covered under the law. Persons who are discriminated against because they are regarded has having HIV are also protected. Moreover, the federal law protects persons who are discriminated against because they have a known association or relationship with an individual who has HIV. The *2014 Houston Area HIV/AIDS Needs Assessment* conducted a survey as part of the report. It found that persons with HIV/AIDS often encounter differential treatment or are discriminated against due to their HIV status. Of the respondents who replied to the survey, 15% said they had been treated differentially sometime in the past 12 months because of their HIV status; 3% said they were denied services; 2% said they were asked to leave a public place. From 3% to 8% of the respondents experienced some form of violence in the past 12 months including threats of violence, verbal harassment, violent relationship, physical assault, and sexual assault. Although these findings are not specific to housing, this information shows those with or associated with HIV/AIDS may encounter discrimination when trying to find or maintain housing.

Religion.
Discrimination in housing based on religion is prohibited by the Fair Housing Act. Prohibition under the Act also includes instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as a place of worship.

An individual's religion is not collected or tracked by the U.S. Census. The U.S. Religion Census is conducted by the Association of Statisticians of American Religious Bodies (ASARB) every ten years to coincide with the U.S. Census. The *2010 U.S. Religious Census: Religious Congregations and Membership Study* found that 55.3% of the total population in the Houston Metropolitan area were full members, children of members, or attended services regularly. Almost half (45%) of those were classified as Evangelical Protestant, almost one third (31%) were Catholic, and 12% were Mainline Protestant.

Although this data gives an overview of the Houston area, there is a lack of data involving religious concentrations in the housing market. With a growing immigrant population, it is important to inform residents of their fair housing rights based on religion or other aspects of their life related to religion, including food or dress.

Income Data

While income affects a household's housing choice by limiting or expanding their housing options, a person's earning potential may be influenced by their association with one or more protected classes. There is a strong relationship among household income, household type, race/ethnicity, and other factors. These relationships often create misconceptions and biases that could raise fair housing concerns. Dr. Stephen Klineberg sees the income divide as something that should be addressed:

> The real challenge for the future of America is not a race divide but a class divide. We are heading into a world of division not by ethnicity but by class. It is becoming increasingly rigidified. The more income inequality there is, the more the upper classes live in a different world and in a different reality than the poor kids or the middle-class kids." (Tolson, Mike. Segregation by income in Houston is among the starkest in U.S., *The Houston Chronicle*. August 1, 2012.)

Geographic division by income is seen as a problem for cities trying to racially and ethnically integrate, especially when income can be related to race, ethnicity, and other factors related to protected class. According to some housing advocates, as income stratification becomes more pronounced, it becomes harder to reverse. This division is a problem and can often reinforce discrimination when seen geographically. John Henneberger, a housing advocate in Texas, sees that there are significant costs when isolating the poor.

> There certainly are negative consequences if poor people are isolated and living only with other poor people. The money tends to go where more affluent people live, where the people are politically engaged. Social capital is highly related to economic capital. Those isolated poor are going to be considerably disadvantaged." (Tolson, Mike. Segregation by income in Houston is among the starkest in U.S., *The Houston Chronicle*. August 1, 2012.)

The following will compare income by protected class and examine the distribution of poverty.

Household Income

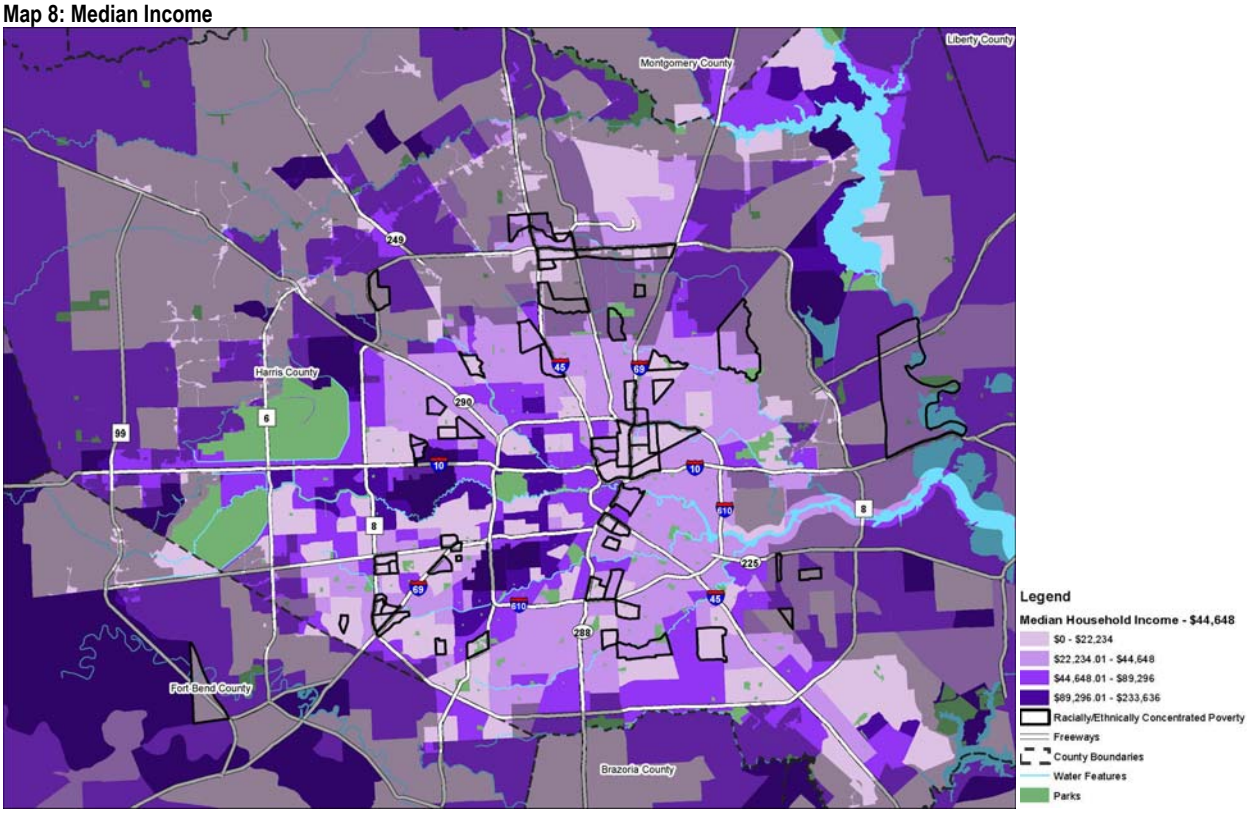
The median household income is lower in Houston compared to the Houston MSA, Texas, and the U.S. The 2012 median income in Houston was $44,648, lower than the Houston MSA at $57,426, the State of Texas at $51,563, and the U.S. at $53,046. The median income in Houston increased 17% from 2000 to 2010, which was less of an increase than Texas and the U.S. each at 24%.

Table 14: Median Household Income

	Houston		Houston MSA		Texas		U.S.	
	$	% Change	$	% Change	$	% Change	$	% Change
2000	$36,616		$42,598*		$39,927		$41,994	
2010	$42,962	17%	$55,207	30%	$49,646	24%	$51,914	24%
2012	$44,648	4%	$57,426	4%	$51,563	4%	53,046	2%
*Harris County Only								
Sources: 2000 Census; 2006-2010 ACS; and 2008-2012 ACS								

The map below shows locations of census block groups that have a median income below and above the Houston's median income. Most areas below the city's median income are located in the east side. Many of the areas in Houston with below the median income are also areas with high percentage of minority populations.

Map 8: Median Income

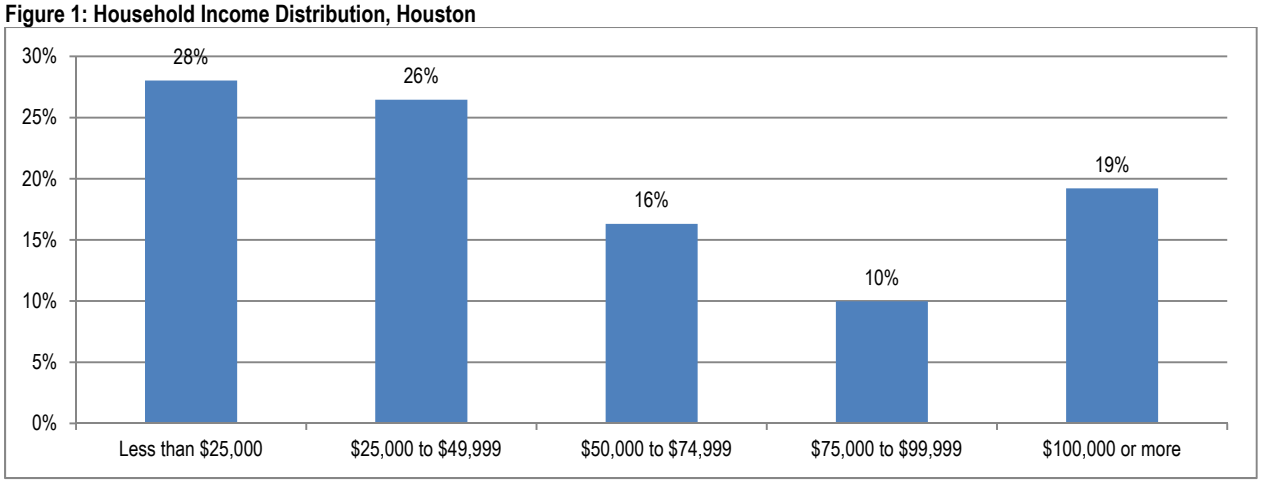


Source: 2008-2012 ACS

Income Distribution

The following graph shows the household income distribution for the city of Houston. According to the 2008-2012 ACS, more than half (54.5%) of Houston's households earn less than $49,999 per year and more than one in four (28%) households in Houston earn less than $25,000 per year.

Figure 1: Household Income Distribution, Houston



Source: 2008-2012 ACS

For purposes of most housing and community development activities, HUD has established four income categories based on the Median Family Income (MFI) for the Metropolitan Statistical Area (MSA). The following are HUD's income categories.

Table 15: HUD Income Categories

		Example of Latest Income limits for Houston MSA for a Family of Four for FY 2014
Extremely Low Income	Less than 30% MFI	Less than $20,000
Low Income	31-50% MFI	$20,000-$33,300
Moderate Income	51-80% MFI	$33,300-$53,300
Middle/Upper Income	Greater than 80% MFI	Greater than $53,300
Source: HUD		

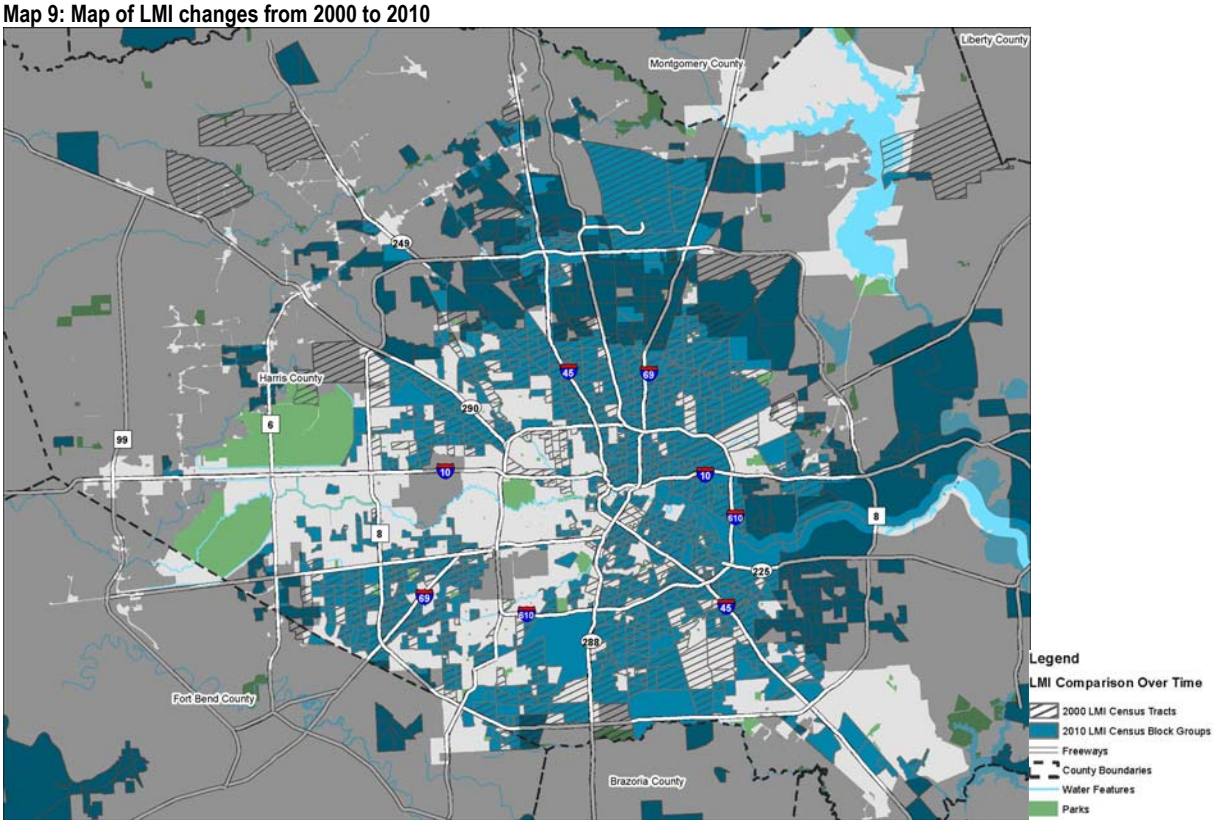
It is important not only to look at Houston's distribution of income, but it is also important to look at the changes in income over time. As the population grows in the city, so does the number of households. According to CHAS data from 2000 to 2007-2011 the number of households in the city grew at rate of 6.7%. The lower income categories grew faster compared to other income categories in Houston. The fastest growing income categories were "Low Income" households increasing at a rate of 13.8% and "Extremely Low Income" households increasing at a rate of 9.3% over the same time period. Although the absolute number of "Middle/Upper Income" households was the largest increase in HUD's designated income categories, the rate of growth was lower than the City's entire population at 5.1%. The absolute growth of all lower and moderate income household categories is increasing faster than the middle and upper income households.

Table 16: Change in Household Income Distribution 2000 and 2008-2011

	2000		2008		Change	
	Households	%	Households	%	Number of Households	Percent of Households
Extremely Low Income	115,253	16.1	127,120	16.5	11,867	9.3
Low Income	96,555	13.4	112,050	14.6	15,495	13.8
Moderate Income	134,136	18.7	138,750	18.0	4,614	3.3
Middle/Upper Income	371,957	51.8	391,945	50.9	19,988	5.1
Total	717,901	100	769,865	100	51,964	6.7
Source: State of Cities Data Systems: CHAS Data 2000; 2007-2011 CHAS						

The following map shows the way low- and moderate-income areas have changed over time. The map compares HUD information regarding areas with 51% or more low- and moderate-income residents. Most areas of the city that had a majority of low- and moderate-income residents in 2000 continued to have the same majority of low- and moderate-income residents.

Map 9: Map of LMI changes from 2000 to 2010

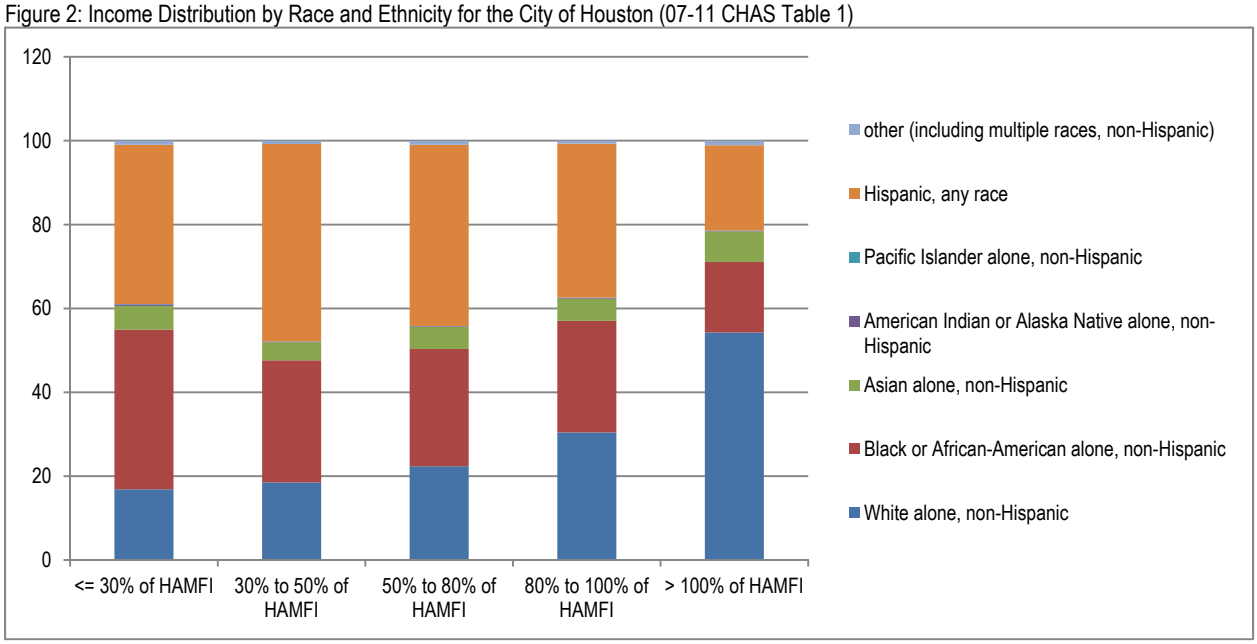


Source: 2008-2012 ACS

Income Distribution by Race/Ethnicity

According to the Comprehensive Housing Affordability Strategy (CHAS), there is a higher percentage of minority households earning less than the area median family income compared to non-minority households. The income group earning above 100% of the area median family income (AMFI) is majority White non-Hispanic households at 54%, which is a much higher proportion compared to the White non-Hispanic percentage of the total population. The percentage of two racial groups, non-Hispanic Black/African Americans and Hispanics, is larger and even increases in the lower income groups. For instance, of the high income category earning above 100% AMFI, Black/African Americans make up 16% of this group. The percentage grows at each lower income category, with the highest percentage of non-Hispanic Black/African Americans making up 38% of the lowest income category, households earning below 30% of the AMFI.

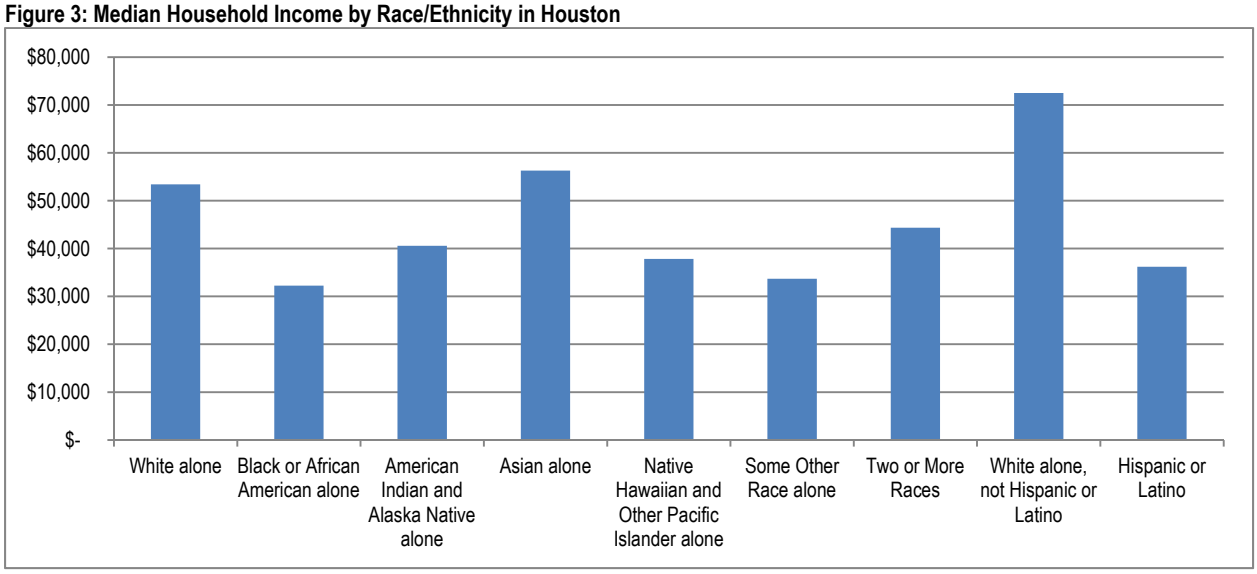
Figure 2: Income Distribution by Race and Ethnicity for the City of Houston (07-11 CHAS Table 1)



Source: 2007-2011 CHAS

Supporting the CHAS data findings, median income from the U.S. Census vary widely between racial/ethnic groups in Houston and the region. Black/African Americans had the lowest median income in Houston at $32,243, while Hispanic/Latinos had the lowest median income in the Houston MSA at $38,848. Median income was highest in both the City and the region for White non-Hispanics at $72,508 and $76,966. Asians had the second highest median income in the City and region; however Houston's median income for Asians at $56,315 was much lower than the median income in the region at $73,742.

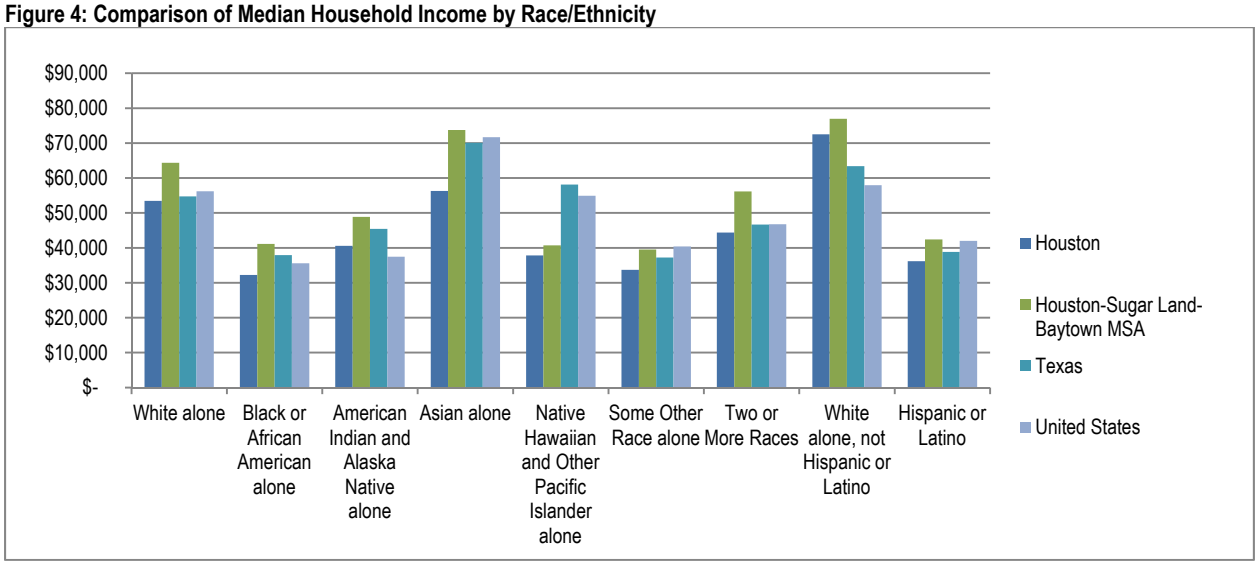
Figure 3: Median Household Income by Race/Ethnicity in Houston



Source: 2008-2012 ACS

This variance of income between racial and ethnic groups is not unique to the Houston area. Median income data from Texas and the U.S. also show that median income changes, sometimes drastically, depending on race or ethnicity. Asians and those who are White alone, not-Hispanic or Latino earned a higher median income than other racial/ethnic groups including Black African Americans and Hispanics of any race.

Figure 4: Comparison of Median Household Income by Race/Ethnicity



Source: 2008-2012 ACS

Comparing the rate of change in median income by racial/ethnic group shows the gains in income are not the same across all racial/ethnic groups. The median income in the city of Houston from 2000 to 2012 grew at a rate of 21.9%. Three racial and ethnic groups had median income increases almost double to that of the median income of Houston, which include Two or More Races (44.9%), White alone, non-Hispanic (39.9%), and Asian (39.0%). Hispanic/Latino saw an increase of 22.1%, almost matching the city's increase. The median income of Black/African American residents rose at a rate of 16.9%, lower than the total city's change in median income.

Figure 5: Median Household Income by Race in Houston

	2000	2012	% Change
White alone	$44,625	$53,432	19.7%
Black or African American alone	$27,577	$32,243	16.9%
American Indian and Alaska Native alone	$36,200	$40,577	12.1%
Asian alone	$40,514	$56,315	39.0%
Native Hawaiian and Other Pacific Islander alone	$43,712	$37,841	-13.4%
Some Other Race alone	$29,152	$33,697	15.6%
Two or More Races	$30,628	$44,372	44.9%
Hispanic or Latino	$29,650	$36,197	22.1%
White alone not Hispanic or Latino	$51,830	$72,508	39.9%
Median household income	$36,616	$44,648	21.9%
Sources: 2000 Census and 2008-2012 ACS			

The difference in median income among racial/ethnic groups could be due to several reasons. Higher educational attainment correlates to income. White alone, non-Hispanic residents have higher educational attainment compared to other racial/ethnic groups according to the 2008-2012 ACS. Also, those who are White alone, not-Hispanic or Latino have the highest median age compared to other racial/ethnic groups, which could lead to this group earning higher incomes because they have been in the workforce longer.

The difference may also signify one or more forms of discrimination occurring in Houston. Although, discrimination cannot be proven from the differences in median income alone, this shows that discrimination may exist, whether it is attributed to the education system, the employment system, or the proximity of jobs or amenities to a person's

residence. This income information does illustrate that racial/ethnic groups with higher incomes saw the most growth of their incomes during the last twelve years. This could lead to a more income stratified city in the future, further reinforcing the current racial/ethnic divides.

Income Distribution by Household Type

Income can vary by household type (elderly, small family, and large family). Certain groups had a higher proportion of lower income households. Specifically, large family households had a much higher percentage of lower income households than any other household type. Approximately 58.1% of large family households were lower and moderate income. More than one third of all large family households earn below 50% AMI, and almost three out of four of these lower income large family households were renter households. This may indicate the need for more education about the needs of large families for affordable housing rental complexes. It also indicates a need for larger number of rental units with more three or more bedrooms.

Another special needs group in Houston is households with elderly persons, meaning family and non-family households with persons aged 62 and older. Like large family households, elderly households also had a noticeably higher percentage of lower and moderate-income households (54.1%) when compared to the total city households (49.1%).

The majority of lower income and moderate-income (68.2%) households are renter households. The only exception is elderly households. Over half (59.0%) of lower and moderate-income elderly households are owner-occupied. This could signify a greater need for homeowner services including repair for elderly homeowners because with aging often comes a limited income and limited mobility to keep their homes maintained. According to housing advocates, seniors and large families often face discrimination in the rental housing market. Coupled with lower incomes, these households have limited housing choices.

Table 17: Income by Household Type 2007-2011

Household Type	Extremely Low (0-30%)	Low (31-50%)	Moderate (51-80%)	Middle/Upper (81%+)	Total
Elderly (62+ years)*	20.4%	17.0%	16.7%	45.9%	100%
Small Family (2-4 persons)	13.9%	14.5%	17.9%	53.7%	100%
Large Family (5+ persons)	18.0%	18.7%	21.9%	41.4%	100%
Other	17.4%	11.7%	17.5%	53.4%	100%
Total	16.5%	14.6%	18.0%	50.9%	100%
*Family and Non-Family Households					
Source: 2007-2011 CHAS					

Single-headed families earn less than married couples. Comparing single headed households by sex of the head of household reveals a stark difference between median incomes. Female-headed family households, with and without children, made up over a quarter of the households in Houston, 26.5%, and had a very low median family income at $27,180, much lower than male-headed family households at $38,338. (S1903, 2008-2012 ACS)

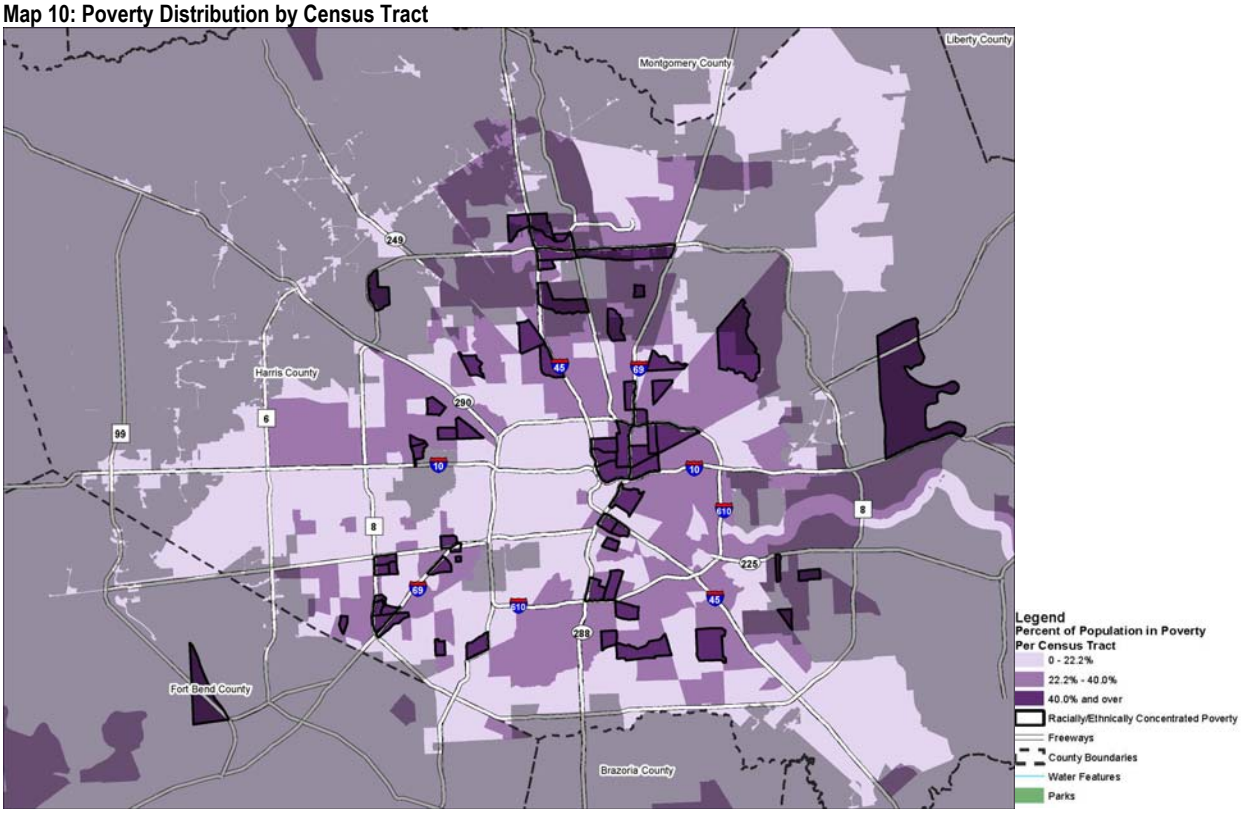
Income information is not available for each of the protected class. In the next section poverty will be used as a measure to describe income in which comparisons can be made within several protected classes.

Poverty

Although it is important to understand the income distribution, it is also important to understand the characteristics of the families and individuals in the lowest income categories that may be most vulnerable to fair housing discrimination because of their lack of income. Poverty describes individuals and families receiving the least amount of income. In addition, living in poverty or near others living in poverty can be an external stressor for families. The following describes Houstonians who live in poverty.

According to the most recent federal poverty guidelines a one person household earning below $11,670 is considered living in poverty and a family of four earning below $23,850 is living under the poverty line (2014 Federal Poverty Guidelines). As illustrated in the following map, the areas with the highest percentage of poverty relate to the areas with income below the median. These areas also include many majority minority areas. In fact, all of the census tracts with a poverty rate of 40% or more are also majority minority. This isn't all that surprising since Houston is a majority minority City, however it does reinforce the fact that minorities in Houston are affected by poverty differently than Whites.

Map 10: Poverty Distribution by Census Tract



Source: 2008-2012 ACS

According to the 2008-2012 ACS, the poverty rate was much higher in Houston at 22.2% compared to the Houston MSA at 15.8%. Of individuals living in poverty, over half in both the city and the region are Hispanic/Latino, 56.1% and 53.5%, respectively. Both the racial group of Black/African American and the ethnic group of Hispanic/Latino are over represented in the poverty category compared to the entire population of the city and region. The percentage of White, non-Hispanic individuals living in poverty was low in both the City and the region. However, the proportion of White, non-Hispanics in poverty was almost twice as high in the region at 17.4% compared to the city at 9.4%.

Table 18: Poverty by Race/Ethnicity

	Houston		Houston MSA	
	#	%	#	%
Income in the past 12 months below poverty level	461,058		928,793	
White alone	230,369	50.0	527,933	56.8
Black or African American alone	134,898	29.3	219,600	23.6
American Indian and Alaska Native alone	2,357	0.5	5,432	0.6
Asian alone	23,166	5.0	44,117	4.7
Native Hawaiian and Other Pacific Islander alone	336	0.1	747	0.1
Some Other Race alone	64,859	14.1	116,231	12.5
Two or More Races	5,073	1.1	14,733	1.6
White alone, not Hispanic or Latino	43,224	9.4	162,049	17.4
Hispanic or Latino	258,799	56.1	496,958	53.5
Source: 2008-2012 ACS				

For both the city and the region there is a slight over representation of persons with a disability living in poverty. Over one quarter (27.8%) of those with a disability in Houston are living in poverty while only one fifth (21.3%) of individuals with a disability in the region are living in poverty.

Table 19: Poverty with Disability

	Houston		Houston MSA	
	#	%	#	%
Civilian noninstitutionalized population for whom poverty status is determined with a disability	205,508		550,823	
Income in the past 12-months below poverty level	57,204	27.8	117,312	21.3
Income in the past 12-months at or above poverty level	148,304	72.2	433,511	78.7
Source: C18130 2008-2012 ACS				

Just as Houston has a greater number of people in poverty than the region, there is also a greater percentage of families in poverty in the city (18.8%) compared to the region (12.6%). Four in five of the families living in poverty in the city and the region have related children under the age of 18. This differs from the families with income above poverty in which about half of the families have related children under 18 and half do not. Families with children are more likely to be in poverty than families without children and therefore fair housing education should be geared to families with children who may be vulnerable to discrimination because of their poverty status.

Table 20: Poverty Status by Family and Presence of Related Children under 18

	Houston		Houston MSA	
	#	%	#	%
Total Families	474,966		1,447,820	
Families with Income in the past 12 months below poverty level	89,115	18.8%	181,796	12.6%
with related children under 18	73,307	82.3%	149,617	82.3%
with no related children under 18	15,808	17.7%	32,179	17.7%
Families with income in the past 12 months above poverty	385,851	81.2%	1,266,024	87.4%
with related children under 18	189,677	49.2%	667,026	52.7%
with no related children under 18	196,174	50.8%	598,998	47.3%
Source: 2008-2012 ACS				

Over half of Houstonians five years and older who are living in poverty speak Spanish at home. Although this data does not include language ability, this information supports the need for providing language assistance, especially in Spanish, for housing and other services that serve persons in poverty.

Table 21: Poverty Status in the City of Houston by Language Spoken at Home for Population 5 Year and Over

	Population	Percent of Total Population	Percent of Population in Poverty
People in Poverty	400,069	21%	100%
Speak Spanish	198,897	10%	50%
Speak Asian and Pacific Island languages	14,133	1%	4%
Speak other Indo-European languages	10,668	1%	3%
Speak other languages	5,172	0%	1%
Source: 2008-2012 ACS			

Sometimes there is a misconception that those living in poverty are poor because they do not want to work. Because minorities, people that do not speak English at home, and persons with disabilities are overrepresented in poverty, this may fuel the misconception that minorities and certain protected classes do not want to work. Of individuals over 16 who are in poverty, just under half are in the labor force and one third are employed.

Table 22: Poverty Status by Employment Status

	Houston		Houston MSA	
	#	%	#	%
Total	1,597,708		4,423,183	
Income in the past 12 months below poverty level:	293,492		585,724	
In labor force:	146,566	49.9	283,076	48.3
Employed	109,261	37.2	213,267	36.4
Unemployed	37,305	12.7	69,809	11.9
Not in labor force	146,926	50.1	302,648	51.7
Universe: Civilian population 16 years and over for whom poverty status is determined				
Source: 2008-2012 ACS				

Income of individuals in Houston, much like other places in the nation, coincides with certain characteristics of protected classes. Minorities consistently have lower incomes than non-minorities. In addition, those living in poverty may have additional special needs like language assistance needs or assistance due to a disability. Advocates argue that often poor people are isolated and this limits opportunity. Because there is a relationship between income and certain protected classes in Houston, it is very important to consider income in strategizing ways to increase fair housing choice.

Employment

A major factor in determining family income is the type of occupation of its residents. To understand income distribution, the relationship between employment and the workforce must be examined.

Historically, much of Houston's economy has been based around energy businesses and this continues today. Houston is home to half of the 52 Texas firms named on the 2014 Fortune 500 companies. All but three of the 26 Fortune 500 companies located in Houston were in the primary business of energy, with the exceptions of Sysco Corp, Waste Management, and Group 1 Automotive (Feser, Katherine, June 2, 2014. Houston is home to half of the Fortune 500 Companies in Texas, *The Houston Chronicle.*).

During the last five years, Houston enjoyed extraordinary growth. According to the Greater Houston Partnership, economic growth, as measured by increases in jobs and Gross Domestic Product (GDP), the value of all goods and services produced within the area, has been consistently strong over time. From 2009-2013, the region's gross domestic product grew by $141.9 billion, exceeding the combined growth of Austin, Dallas-Fort Worth, El Paso, and San Antonio over this same period. With GDP at $517.4 billion, Houston now ranks as the nation's fourth largest metro economy. The Greater Houston Partnership identified more than 1,500 significant corporate relocations and expansions in the region since 2009. Significant is defined as any project creating 50 or more jobs, leasing or construction 20,000 square feet of office or industrial space, or investing $1 million or more in capital improvements. Since the bottom of the recession the Houston metro area has created 463,800 jobs, equaling three jobs for every one lost during the downturn. No other major metro area can make a comparable claim (Greater Houston Partnership, 2015 Houston Employment Forecast, December 11, 2014). With Houston's recent boom, 2015 brings uncertainty of the economy's future as oil prices have drastically fallen.

Employment

Employment has been growing since 2000. According to the 2000 Census and 2008-2012 ACS, Texas civilian employment grew 37%, which was more than the United States at 28.3% and the Houston MSA at 23.9%. Although the growth was not as high in Houston, the Houston civilian employment grew by 14.5% during the same period. The number of government workers was a slow growing class of employment while the number of self-employed workers grew more than one quarter (27.3%).

Table 23: Change in Houston Civilian Employment

	2000		2008-2012		Percent Change
	#	%	#	%	%
Total Civilian employed population	859,961		1,006,147		14.5%
Private wage and salary workers	708,790	82.4	832,524	82.7%	14.9%
Government workers	95,871	11.1	99,264	9.9%	3.4%
Self-employed workers in own not incorporated business	53,331	6.2%	73,354	7.3%	27.3%
Unpaid family workers	1,969	0.2%	1,005	0.1%	-95.9%
Sources: 2000 Census; 2008-2012 ACS					

In the City of Houston, one third of civilians are employed in the following two industries: "Educational services, and health care and social assistance" (18.9%) and "Professional, scientific, and management and administrative and waste management services" (13.9%). The number of persons employed in the Construction industry was much higher in Houston at 10.3% compared to the United States (6.5%).

Table 24: Industry

	Houston		Houston MSA		Texas		United States	
	#	%	#	%	#	%	#	%
Civilian employed population 16 years and over	1,006,147		2,786,304		11,440,956		141,996,548	
Agriculture, forestry, fishing and hunting, and mining	25,348	2.5	85,948	3.1	343,348	3.0	2,699,250	1.9
Construction	103,357	10.3	258,554	9.3	928,574	8.1	9,221,878	6.5
Manufacturing	93,942	9.3	302,989	10.9	1,086,151	9.5	15,079,996	10.6
Wholesale trade	34,081	3.4	102,399	3.7	349,556	3.1	4,018,762	2.8
Retail trade	108,546	10.8	302,372	10.9	1,331,684	11.6	16,422,596	11.6
Transportation and warehousing, and utilities	57,783	5.7	174,812	6.3	636,941	5.6	7,096,633	5.0
Information	14,896	1.5	40,662	1.5	220,371	1.9	3,139,327	2.2
Finance and insurance, and real estate and rental and leasing	58,676	5.8	164,629	5.9	767,868	6.7	9,574,851	6.7
Professional, scientific, and management, and administrative and waste management services	140,196	13.9	346,779	12.4	1,227,671	10.7	15,141,136	10.7
Educational services, and health care and social assistance	190,387	18.9	548,064	19.7	2,461,200	21.5	32,513,621	22.9
Arts, entertainment, and recreation, and accommodation and food services	91,760	9.1	219,536	7.9	968,713	8.5	13,039,332	9.2
Other services, except public administration	61,984	6.2	153,381	5.5	608,319	5.3	7,027,803	4.9
Public administration	25,191	2.5	86,179	3.1	510,560	4.5	7,021,363	4.9
Source: 2008-2012 ACS								

The fastest growing industries in the city of Houston from 2000 to 2008-2012 were “Agriculture, forestry, fishing and hunting, and mining” (35.3%), “Construction” (27.4%) and “Arts, entertainment, recreation, and food services” (24.3%). The two industries in Houston with the largest absolute growth were “Educational, health and social services adding 37,291 employees and “Construction” adding 28,271 employees. The two fastest growing industries in Houston are likely to have low paying jobs including the construction and food service industries.

Table 25: Industry Change over Time in Houston

	2000		2008-2012		Change	
	#	%	#	%	#	%
Agriculture, forestry, fishing and hunting, and mining	16,404	1.9	25,348	2.5%	8,944	35.3%
Construction	75,086	8.7	103,357	10.3%	28,271	27.4%
Manufacturing	85,703	10	93,942	9.3%	8,239	8.8%
Wholesale trade	39,639	4.6	34,081	3.4%	-5,558	-16.3%
Retail trade	91,982	10.7	108,546	10.8%	16,564	15.3%
Transportation and warehousing, and utilities	53,547	6.2	57,783	5.7%	4,236	7.3%
Information	21,037	2.4	14,896	1.5%	-6,141	-41.2%
Finance, insurance, real estate, and rental and leasing	62,025	7.2	58,676	5.8%	-3,349	-5.7%
Professional, scientific, management, administrative, and waste management services	116,926	13.6	140,196	13.9%	23,270	16.6%
Educational, health and social services	153,096	17.8	190,387	18.9%	37,291	19.6%
Arts, entertainment, recreation, accommodation and food services	69,438	8.1	91,760	9.1%	22,322	24.3%
Other services (except public administration)	50,846	5.9	61,984	6.2%	11,138	18.0%
Public administration	24,232	2.8	25,191	2.5%	959	3.8%
Total employed civilian population 16 and over	859,961		1,006,147		146,186	14.5%
Sources: 2008-2012 ACS						

As illustrated in the table showing 2008-2012 ACS data, Houston's unemployment rate is higher than the Houston MSA and Texas but lower than the United States. Since the recession, the unemployment rate has decreased all over the country as shown in the most recent American Community Survey in 2013. Houston's unemployment, although still higher than Texas, has been on a downward trend. With a recent decline of oil prices and the headquarters of many oilfield services companies located in Houston, the direction of Houston's unemployment rate is uncertain.

Table 26: Unemployment

	Houston	Houston MSA	Texas	United States
Percent Unemployed in 2012	9.0%	8.0%	7.7%	9.3%
Source: 2008-2012 ACS				
Percent Unemployed in 2013	7.9%	7.0%	7.1%	8.4%
Source: One year 2013 ACS				

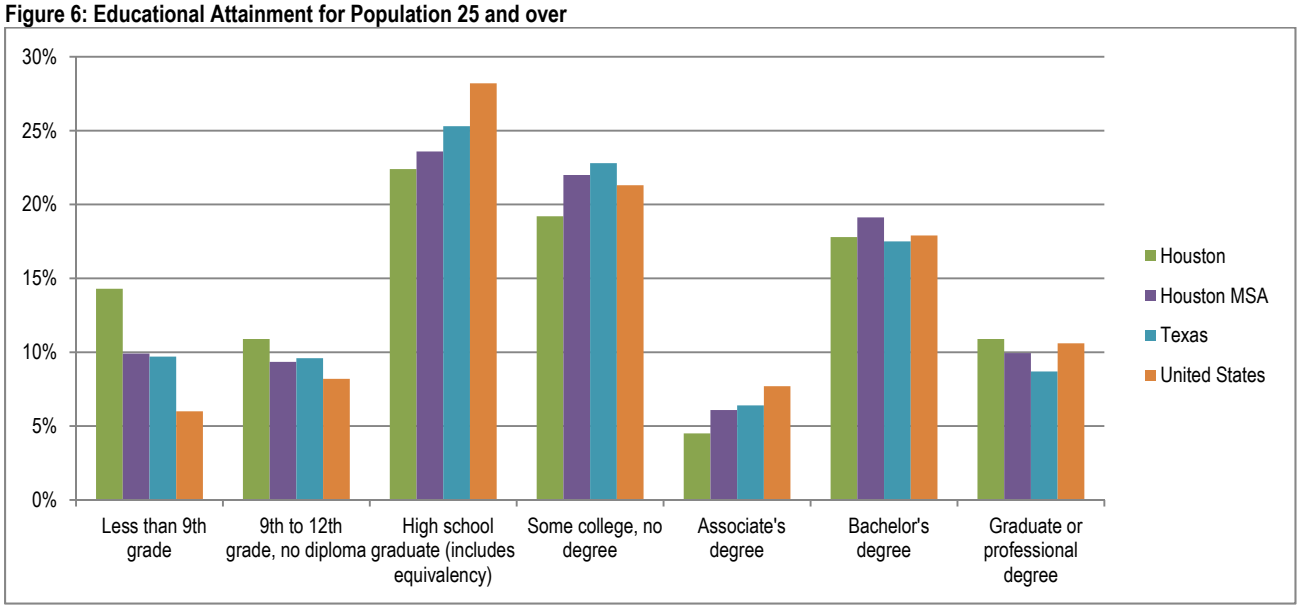
Examining unemployment by race over the past two decades we find that despite some progress, racial employment gaps persist in Houston. With the notable exception of Native Americans, all the region's racial and ethnic communities participate in the labor forces, either working or actively seek employment, at similar rates, but African Americans, Hispanics, and Native Americans face much higher levels of unemployment compared to whites and Asians.

Workforce

To describe Houston's existing workforce, educational attainment is examined. Although Houston has approximately the same percentage of its workforce with Bachelor's degrees or higher compared to the nation, Houston has a much higher proportion of residents who did not complete middle school or high school. Approximately one in four people 25 years and older living in Houston (25.2%) have not completed high school. The City of Houston has a lower percent of high school graduates (74.8%) compared to the Houston MSA (80.7%), Texas (80.8%) and the United

States (85.7%). However, the percent of the population 25 years and older that have bachelor's degree or higher is 28.7%, which is similar to the region (29.1%), Texas (26.3%) and the United States (28.5%).

Figure 6: Educational Attainment for Population 25 and over



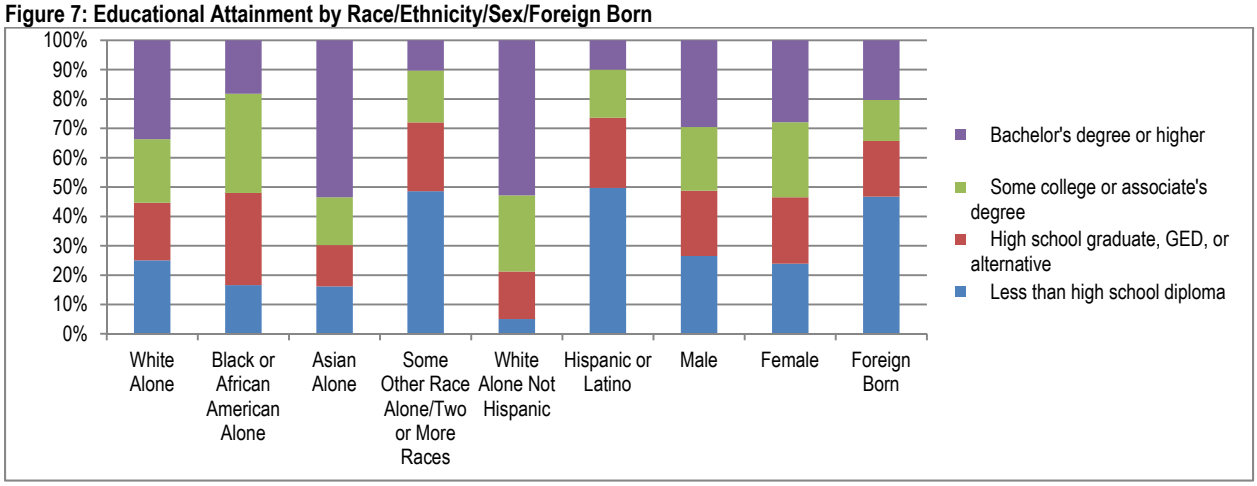
Source: 2008-2012 ACS

Educational Attainment by Race/Ethnicity, Sex, and Nationality

Educational attainment of residents in the City of Houston differs by race and ethnicity. Half of Hispanic residents 25 years and older hold less than a high school diploma. Residents of the group "some other race alone or with two or more races" make up a smaller total number of residents but still have a very high percentage of people who did not have a high school diploma at 49%. These two race/ethnicity groups not only have the highest percentage of people without a high school diploma but are also the two groups with the least percentage of residents who have a bachelor's degree or higher, 10% for each group.

Almost half of Black/African Americans have their highest educational attainment as a high school diploma and less than one in five (18%) Black/African Americans have a Bachelor's degree or higher. Asian residents have a similar percentage of residents with less than a high school diploma (16%) as Black or African American residents, 17%. However, Asian residents have a much higher percentage of residents that complete higher education than Black or African Americans. Asian and White non-Hispanic residents both have the highest percentage of residents with Bachelor's Degree or higher (both 53%). White non-Hispanics also have the lowest percentage of residents (5%) who have less than a high school diploma.

Figure 7: Educational Attainment by Race/Ethnicity/Sex/Foreign Born



Source: 2008-2012 ACS

While race and ethnicity do not determine your educational attainment, there are stark differences in education attainment in Houston. This is important because those with a lower educational attainment have a greater chance of being in poverty. Approximately 17% of the population over 25 years old is in poverty. Of those, over three-fourths of the residents living in poverty did not have any college or an associate's degree: 46% had less than a high school diploma and 26% had a high school diploma or equivalent only (B17003 2008-2012 ACS).

Those with a higher education level are more likely to be employed and may earn higher wages. Residents living in Houston with a Bachelor's degree or higher were more likely to be in the labor force and to be employed than residents who did not have a Bachelor's degree. Of the population between 25 and 64, those with a Bachelor's degree or higher had the highest percentage of people in the labor force at 86% and the highest percentage of persons employed (96%), according to the 2008-2012 ACS. The unemployment rate was higher for residents with some college or associate's degree (9%), with a high school diploma (10%), or with less than a high school diploma (9%) compared to residents with a Bachelor's degree or higher who had a 4% unemployment rate. Those with less than a high school diploma have the lowest rate of participation in the labor force compared to other groups. This could be due to the fact that some people drop out of the labor force due to frustrations when they cannot find employment.

Transportation

Linking residents to jobs in a way that is not burdensome in regards to time, money, and stress is very important. Costly commutes or long commuting times can cause higher-waged job to be not worth the long commute.

The City of Houston is known for its sprawling development patterns and extensive freeway network. The percentage of Houstonians commuting to work alone in a car was less compared to the region, Texas and the United States. According to the 2008-2012 ACS, the mean travel time to work in Houston was 25.8 minutes, only slightly higher than Texas at 24.9 minutes and the U.S. at 25.4 minutes.

Table 27: Commuting to Work

	Houston	Houston MSA	Texas	United States
Car, truck, or van -- drove alone	75.4%	79.2%	79.5%	76.1%
Car, truck, or van -- carpooled	12.6%	11.7%	11.4%	10.0%
Public transportation (excluding taxicab)	4.5%	2.5%	1.6%	5.0%
Walked	2.1%	1.4%	1.7%	2.8%
Other means	2.2%	1.9%	1.8%	1.8%
Worked at home	3.1%	3.4%	4.0%	4.3%

Source: DP03 2008-2012 ACS

Of those who carpooled to work, 62% were Hispanic/Latino while of those who travelled to work using public transit 40.3% were Hispanic/Latino and 37.3% were Black/African American (2008-2012 ACS, S0801). These percentages were higher than the entire percentage of Hispanics and Black/African Americans workers over 16, showing that Hispanics and Black/African Americans carpooled and rode public transit disproportionately compared to other racial/ethnic groups. Of those using public transportation to travel to work, over one third (34.9%) had a travel time of 60 minutes or more, which was much higher than other modes of transportation in which only 4.6% of workers driving alone and 9.7% of workers carpooling travel longer than 60 minutes to work. Minorities experience long commute times on public transportation disproportionally because only 15.4% of workers using public transportation were White, non-Hispanic. Time lost through transit times could negatively affect a family and even earning potential.

Public Transportation System

The Metropolitan Transit Authority of Harris County (METRO) is a multimodal transportation system and the Houston area's main public transportation agency. The METRO service area includes Houston and major portions of unincorporated Harris County. METRO services include a bus network including Park and Ride facilities, METRORail, METROLift, and High Occupancy Vehicle (HOV) lanes.

Ridership data collected by METRO reinforces Census data showing that a majority of minorities use public transportation services. The demographic data from the most recent conducted weekday ridership survey, the 2011 Transit Rider Survey, shows that many minority and low- and moderate-income persons take public transportation and may be transit dependent. However, there is even a racial and ethnic divide between the varied services offered by METRO. In this survey, Hispanic and race were treated within the same category. Black/African American riders were overrepresented in METRO riders compared to the entire population in the region. Black/African Americans made up 44.1% of the total riders and almost half (49.6%) of the riders on local bus routes. White riders, only making up 22.5% of the total riders, represented over half (55.8%) of the riders in the Park and Ride routes and almost one third (31.3%) in the METRORail route. The Park and Ride routes had the highest percentage of riders making above $81,000, at 54.3% of the riders and the lowest percentage of people without vehicles available (8.7%). The majority of local bus riders was low- and moderate-income riders and had no personal automobile as an alternative method of transportation. When job centers and housing are inadequately served by public transportation, minority households, many of whom are low- and moderate-income, can be impacted disproportionally.

Table 28: METRO Ridership

	Fixed Route System (Total)		Local Routes		Park and Ride Routes		METRORail	
	#	%	#	%	#	%	#	%
Respondents-boardings	263,066		198,906		29,945		34,215	
Average Age	41.5		38.8		48.1		40.2	
Male		41.6		41.7		40.3		41.9
Female		52.5		51.8		56.9		52.8
Vehicle Available								
Yes		36.8		25.8		88.2		55.9
No		58.7		69.5		8.7		39.6
Race/Ethnicity								
No Response		4.8		5		3.8		4.4
Hispanic/Latino		20		21.8		11.8		16.4
Asian		5.8		4.7		9.5		8.7
Black/African American		44.1		49.6		16.5		36.1
White		22.5		16.0		55.8		31.3
Of another race or other		2.9		2.9		2.8		3.1
Household Income								
No Response		12.6		13.0		12.0		10.3
<$16,000		26.9		32.4		.8		17.9
$16,000 to $31,999		20.4		23.8		3.7		15.2
$32,000 to $53,999		16.3		16.8		10.2		18.6
$54,000 to $80,999		10.4		8.1		19.0		16.6
Above $81,000		13.5		6.0		54.3		21.4
Source: METRO 2011 Transit Rider Survey								

System Reimagining

In 2013 METRO embarked on creating a plan to make the bus service simpler and more frequent and to better connect people where they live, work, play, and learn. This also coincided with the opening of two new light rail lines. The Reimagining Plan also reflects the Board's change of direction to 80% maximum ridership and 20% maximum coverage, meaning that the new primary goal for METRO will be to maximize the number of people riding instead of bus service that touches every neighborhood. In February 2015, the new bus route system was approved by the METRO Board with implementation of the new system to begin in August 2015.

METROLift

METROLIFT is a transit service provided by METRO for customers who cannot use the local bus routes or rail due to a disability. This is a complementary paratransit service offered by the METRO in accordance with the 1990 Americans with Disabilities Act (ADA). METROLift provides transportation for persons with disabilities who cannot board, ride, or disembark from a METRO fixed-route bus, even if that bus is equipped with a wheelchair lift or ramp. METROLift is a shared-ride service meaning that each vehicle makes several stops en-route to its various destinations.

The service area for METROLift is 751 square miles, and the service area goes beyond the ADA requirements on weekdays by 29% and on weekends by 50%. Eligibility for METROLift requires residents to submit an application with a health professional or doctor's verification of disability and also an in-person interview and functional assessment. Customers may request METROLift's origin-to-destination service by requesting an appointment. METRO Lift uses 118 MV operated lift equipped vans and 197 Yellow Cab wheelchair accessible minivans. The METROLift Subsidy Program offers METROLift riders a same day taxicab trip (up to $8.00) if their same-day trip requirements cannot be met by METROLift.

METROLift Moving Forward is an on-going initiative to review policies and practices associated with nine areas of interest: eligibility, curb to curb service, no-shows/late cancels, service area, fares, same day changes, on-time performance, travel training/feeder service and fixed route accessibility. As a result of 12 workshops based on these nine areas of interest and over 100 contributors who took part in meetings regarding the proposed revisions to METROLift's No-Show Policy and new Late Cancellation policy, a new No-Show/Late Cancel Policy went into effect June 1, 2014.

Table 29: METROLift Services FY2013

Eligible Patrons	17,000
Avg. Passenger Trips/Weekday	5,700
Avg. Vehicle Trips/Weekday	4,900
Trip Request Denials	0
Total Passengers	1.7 million
Average Trip Length	11.3 miles
Total Vehicle Miles	20 million
Average Cost per Trip	$26.47
Fare	$1.15 single ticket; $9.75/10 ticket booklet
Source: METRO	

Feedback from citizens and stakeholders during the citizen participation events held in the development of this report, transportation was a barrier for many to find and maintain housing.

Housing Profile

This section of the AI profiles Houston's housing market, focusing on affordability. It contains information on historical housing production, tenure (renter/owner), vacancy rates, unit sizes, condition, overcrowding and housing cost. The existing housing market will be reviewed followed by an assessment of population demand for housing.

Housing Supply

Housing Growth

In an effort to keep pace with the rapid population growth fueled by company relocations and a favorable employment outlook, many single family and multifamily units have been built within the past five years. Much of the construction has occurred in greenfield developments in the Houston area outside of the city limits. One major development affecting housing in the Houston area was the newly constructed ExxonMobil campus located on 385 acres in The Woodlands designed to accommodate 10,000 employees. During the period between 2000 and 2012, the number of housing units in the Houston area increased over one quarter (28.5%) and the number of units within the City of Houston increased slightly less at 15.4%.

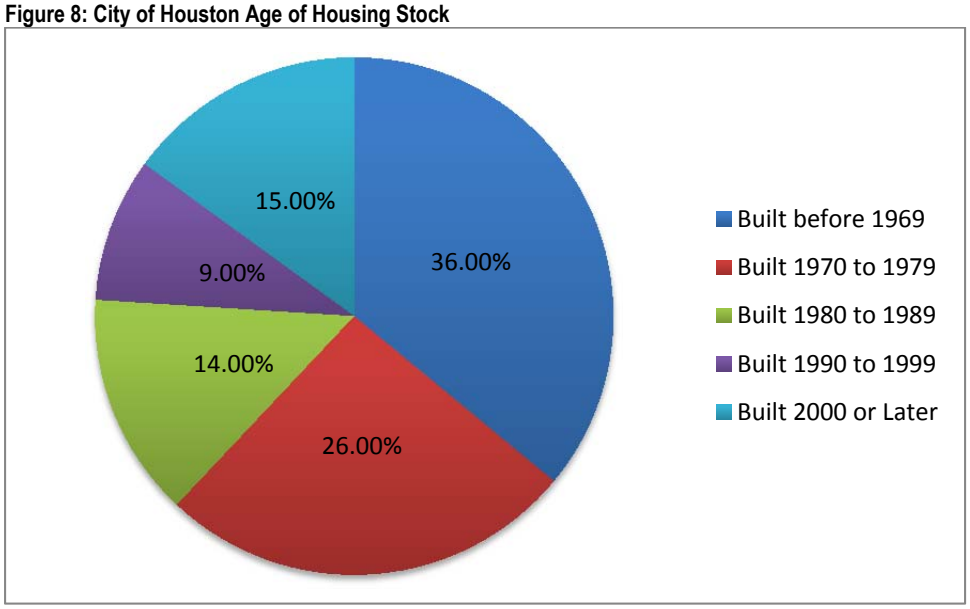
Table 30: Population and Housing Growth

	2000				2012				% Change City 2000-2012	% Change MSA 2000-2012
	Houston		Houston MSA		Houston		Houston MSA			
	#	%	#	%	#	%	#	%	%	%
Population	1,953,631		4,669,571		2,107,449		5,962,416		7.9	27.7
Housing Units	782,009		1,777,902		902,153		2,284,127		15.4	28.5
Occupied Housing Units	717,945	91.8	1,639,401	92.2	773,450	85.7	2,022,104	88.5	7.7	23.3
Vacant Housing Units	64,064	8.2	138,501	7.8	128,703	14.3	262,023	11.5	100.9	89.2
Source: 2000 Census; 2010 Census; 2008-2012 ACS										

Housing Stock

The housing stock in Houston is relatively new with 38% of the housing built within the past 35 years, since 1980. The decade with the largest percent of housing units built in Houston was the 1970s with 26% of the housing units, which corresponds to the rapid growth and expansion that Houston experienced during this time. Although much of the housing stock is new or has been updated in Houston, the majority of the housing stock is older than 1980. Older housing stock tends to be located in minority neighborhoods with new construction located in predominately non-minority areas. Older housing stock can be more expensive to maintain and can contain hazards such as lead-based paint, which is very dangerous to children under six years old with long-term effects and very costly to remediate.

Figure 8: City of Houston Age of Housing Stock



Source: 2008-2012 ACS

Within the City of Houston, housing units with 1-unit, attached or detached, make up half (51%) of the housing stock. Just over one third (35.4%) of the housing stock are buildings with 10 or more units. The Houston area had more single family housing units, or 1-unit attached or detached, making up more than two thirds (65.7%) of the housing stock in the metropolitan area, while structures with 10 or more housing units make up a smaller portion at 20.7% of the area's housing stock.

New Construction

One way to gauge the strength of the housing market is to review the permitting information. Single family permits within the City of Houston represent new construction and residential repairs, additions, or home moves for single family homes and town houses. Studying the last seven years, single family permits have seen a sharp decrease during 2009 but have made a steady increase to reach the highest number of permits with the highest median and average permit value in 2014.

Table 31: Single Family Permits in the City of Houston

	2008	2009	2010	2011	2012	2013	2014
Median Permit Value	$185,587.00	$147,000.00	$188,533.50	$215,000.00	$213,837.00	$216,000.00	$230,000.00
Average Permit Value	$225,005.60	$190,284.29	$222,826.92	$259,473.88	$239,985.55	$245,956.80	$260,003.06
Value of All Permits	$870,321,667	$551,063,297	$621,241,446	$718,742,653	$852,188,687	$1,312,671,467	$1,420,916,724
Number of Permits	3,868	2,896	2,788	2,770	3,551	5,337	5,465
Number of Units	3,844	2,871	3,291	2,758	3,482	5,100	5,437

Source: City of Houston Planning and Development Department

Not only has new single family construction increased in the past few years, but multifamily construction has also grown at a staggering pace, especially within the period of 2012 to 2014. There was limited multifamily construction during 2009 and 2010 due to the nationwide recession. Many planned housing developments were put on hold. As the market recovered and Houston became a popular destination for people to move, some stalled projects received funding and many other multifamily developments were constructed. Although thousands of multifamily rental units

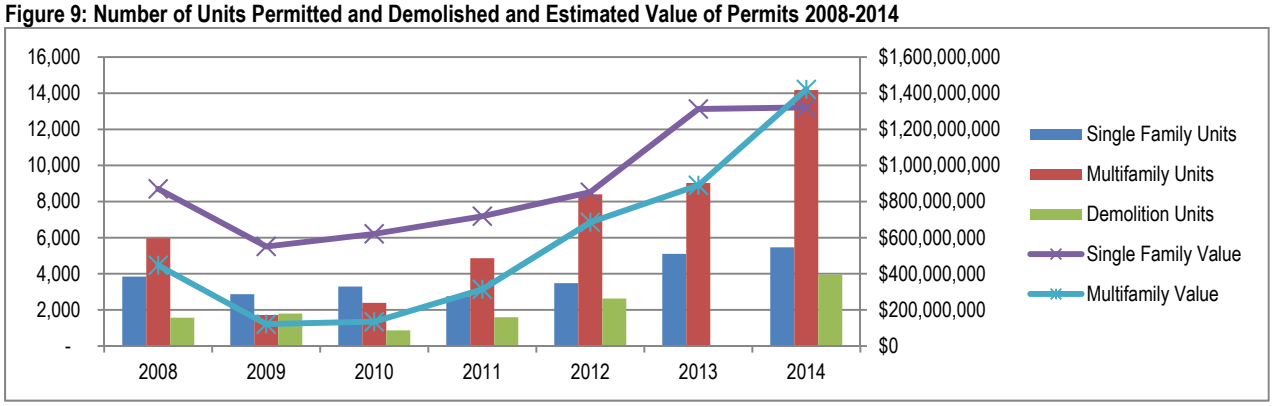
have been recently completed, many of them are high-end, Class A construction with high rents and smaller units. In 2014, over 14,000 thousand multifamily units were approved to be built within the city of Houston, much higher from the 7 year low in 2009 in which the City only permitted 1,718 multifamily units.

Table 32: Multifamily Permit Data

	2008	2009	2010	2011	2012	2013	2014
Median Permit Value	$743,098	$519,754	$585,000	$1,246,555	$1,900,000	$1,550,000	$1,800,000
Average Permit Value	$1,577,563	$1,128,370	$895,244	$ 1,984,687	$2,796,164	$3,036,848	$2,792,209
Value of All Permits	$446,450,375	$120,735,636	$134,286,547	$313,580,489	$685,060,058	$889,796,514	$1,320,714,957
Number of Permits	283	107	150	158	245	288	473
Number of Units	5,968	1,718	2,390	4,867	8,398	9,030	14,174
Source: City of Houston Planning and Development Department							

The following graph shows the growth over the past seven years of both the number of units permitted for single family and multifamily, the number of demolitions permitted, and the growth of the monetary value of the permits issued. In 2014, the value of multifamily permits became more than the value of single family permits for the first time in the last nine years.

Figure 9: Number of Units Permitted and Demolished and Estimated Value of Permits 2008-2014



Source: City of Houston Planning and Development Department

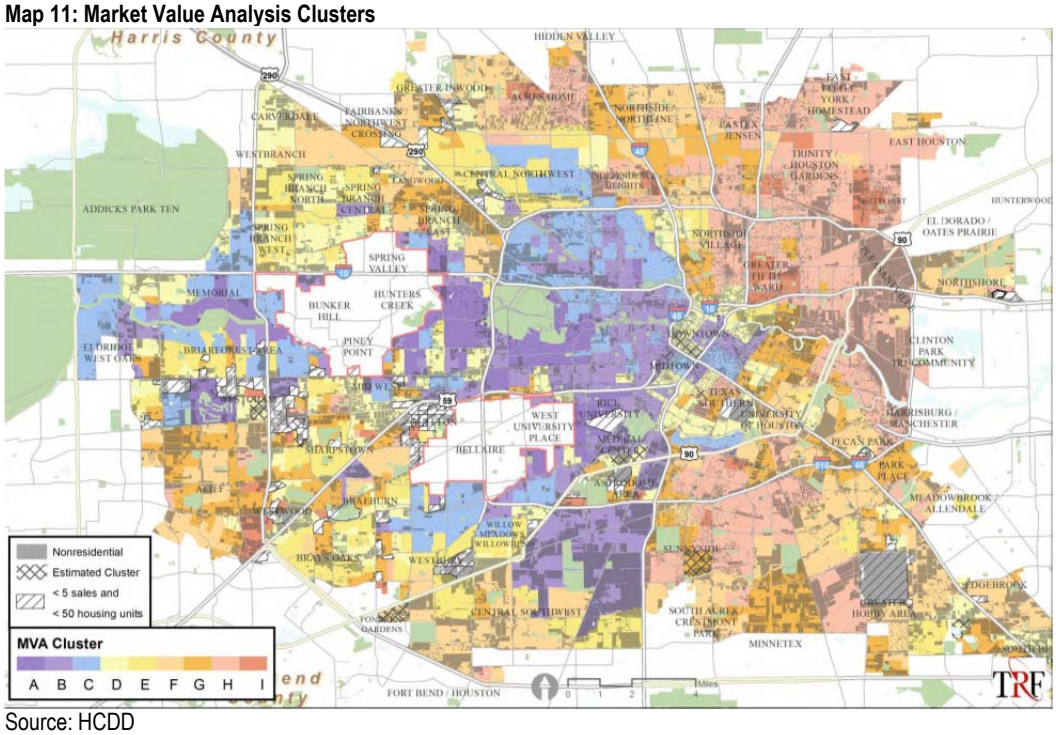
The increase in building activity over the last few years has put a strain on Houston's construction market. According to the Houston Business Journal: "Industry experts say two of the biggest challenges facing Houston's construction industry are the rising cost of building materials and a strained labor market, where builders are reporting that their competitors are poaching workers from their job sites" ("Houston's construction market: short on labor, high on costs", *Houston Business* Journal. 10/8/2014: http://www.bizjournals.com/houston/blog/breaking-ground/2014/10/houston-s-construction-market-short-on-labor-high.html). Increasing costs of labor, supplies, and land for construction including housing will have a direct effect on the cost of housing affecting its affordability.

Houston Real Estate Market

Beginning in 2012, HCDD partnered with a nonprofit organization, The Reinvestment Fund (TRF), to prepare a Market Value Analysis (MVA) for the City of Houston. The MVA gives a snapshot of the Houston real estate market. There were several steps that staff from TRF and the City took to create the MVA. First, various real estate elements were analyzed, including median sales price, foreclosure filings, percent of vacant properties, subsidized rental stock,

and housing violations. Then, areas of the city were categorized by similarity of the real estate elements. Ultimately, a map was produced showing areas where the private real estate market is strong and other areas where the private real estate market is weaker compared to other areas of the city during that period of time. The resulting map is shown below where the existence of a strong private market is indicated in the colors purple and blue and a weak real estate market is indicated in red and pink.

Map 11: Market Value Analysis Clusters



Source: HCDD

Many of the areas with a strong existing real estate market are the same areas of the city that have lower percentages of minority residents and higher median incomes. This is important to note because without a strong or even steady real estate market, some traditional ways to build assets, like through homeownership, do not occur as easily as in areas of the city with stronger markets and greater and constant increases in real estate values. This map does not indicate future market trends in the city, but instead only shows an analysis of the real estate market during one period of time, between 2010 and 2012.

Private investment occurs most in neighborhoods where the private market is strongest. Many areas where low-income families and/or minority residents live have the least private market investment. Although this MVA only studies one period of time, comparing MVAs at different times could show a pattern that the private market is more likely to invest in locations with low percentages of minority residents and higher median income. Although this would not indicate overt discriminatory practices, it could indicate that certain areas of the city are in need of market intervention by increasing government spending or services in those areas. By using this map to understand the existing real estate market, the public and private sector can more precisely create intervention strategies to address weak markets and also support sustainable growth in stronger market segments.

Housing Demand

Understanding the trends of the population in the city and the region can help determine the kinds of housing units that should be built or rehabbed for future use. This can also show the gaps within the current housing market.

Household Growth

Between 2000 and 2012, the number of households increased at a greater rate in the Houston metro region, at 18.9%, than in Houston, at 7.2%. Family and non-family households in the region grew at a similar rate, indicating a need for varied housing types in the region. The number of nonfamily households increased at a substantially higher rate in the city of Houston growing almost four times faster than family households. Nonfamily households are smaller than family households and often contain only one person living alone. Household size in Houston increased very slightly between 2000 and 2012. Family size increased more than household size during the same time period in Houston.

Table 33: Household Size and Composition

	2000		2012		% Change 2000-2012	
	Houston	Houston MSA	Houston	Houston MSA	Houston	Houston MSA
Population	1,953,631	4,669,571	2,107,449	5,962,416	7.9	27.7
Households	717,945	1,639,401	773,450	2,022,104	7.2	18.9
Family Households	457,549	1,169,507	474,966	1,433,213	3.7	18.4
Nonfamily households	260,396	469,894	298,484	588,891	12.8	20.2
Housing Units	782,009	1,777,902	902,153	2,284,127	15.4	28.5
Household Size	2.67	*	2.69	2.88		
*Not Reported						
Source: 2008-2012 ACS						

Tenure (Owner vs Renter)

The ratio of owner and renter housing in Houston remained steady from 2000 to 2012 with homeowners representing 45.9% of the occupied housing. In the region, there is a majority of homeowners and the proportion of homeowners has increased from 60.7% in 2000 to 62.4% in 2012. While Houston remains a predominately renter occupied city and showed little change across the time period. The region is occupied by almost two-thirds homeowners and that percentage increased from 2000 to 2012.

Table 34: Tenure

	2000				2012				% Change 2000-2012	
	Houston		Houston MSA		Houston		Houston MSA		Houston	Houston MSA
Occupied Housing Units	717,945		1,639,401		773,450		2,022,104		7.7	23.3
Owner Occupied	328,741	45.8	994,347	60.7	355,220	45.9	1,262,001	62.4	8.1	26.9
Renter Occupied	389,204	54.2	645,054	39.4	418,230	54.1	760,103	37.6	7.5	17.8
Source: 2000 Census; 2008-2012 ACS										

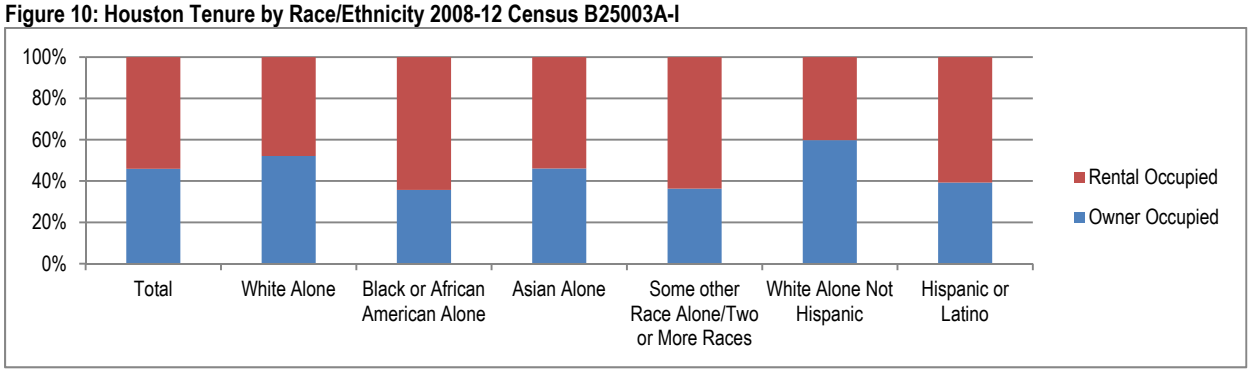
Tenure by Race

Residents of all races are more likely to own a home in the Houston MSA than they are if they live in the City of Houston. Almost two-thirds (59.8%) of White, non-Hispanic residents own their homes within the City, which is by far the racial/ethnic group with the greatest proportion of homeowners. Black/African American Houstonians are the most likely group to rent (64.3%) followed by Other Races (63.7%) and Hispanic/Latino (60.7%).

The homeownership rate in the Houston MSA (62.6%) is much higher than in the City of Houston (45.9%). While the percentage of Black/African American homeowners is larger in the region compared to Houston, it still is the lowest compared to other race and ethnicity groups (45.7%). Almost three fourths (73.5%) of white non-Hispanic residents are homeowners.

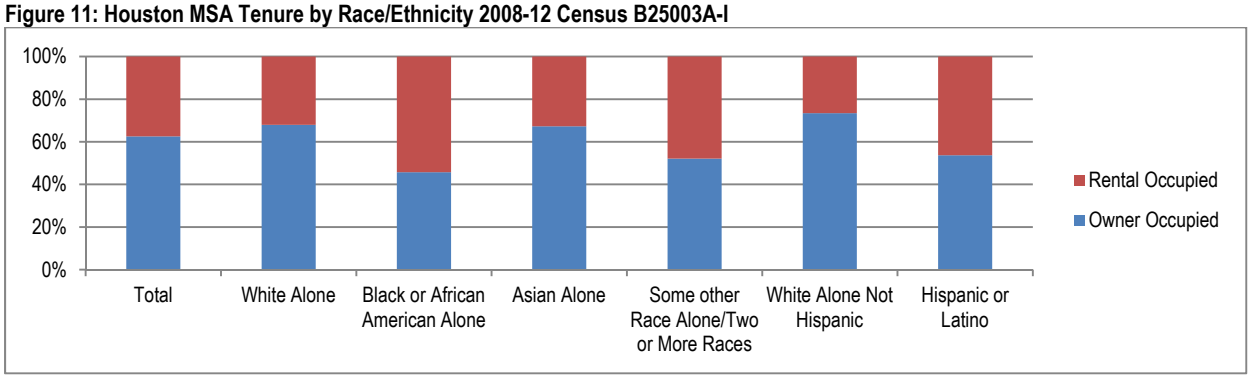
Historically, homeownership has been a way to build wealth in the United States. While this is not always the case, homeownership can be an important asset to families. The stark difference in tenure and racial/ethnic groups may indicate a need for financial education or homebuyer education in minority communities. It could also indicate a disparity in lending practices from private banking intuitions between minority residents and nonminority residents.

Figure 10: Houston Tenure by Race/Ethnicity 2008-12 Census B25003A-I



Source: 2008-2012 ACS

Figure 11: Houston MSA Tenure by Race/Ethnicity 2008-12 Census B25003A-I



Source: 2008-2012 ACS

Disproportionate Housing Needs

CHAS data is one dataset that demonstrates the number of households in need of housing assistance. For instance, it estimates the number of households with housing problems. A housing problem consists of one or more of the following four problems: cost burdened – monthly household costs exceed 30% of monthly income; overcrowding – more than one person per room; unit lacks complete kitchen facilities; and unit lacks complete plumbing facilities. A very small percentage of housing units in Houston and the region have housing problems that include a lack of complete plumbing or kitchen. However, almost all households experiencing housing problems are cost burdened and/or overcrowded.

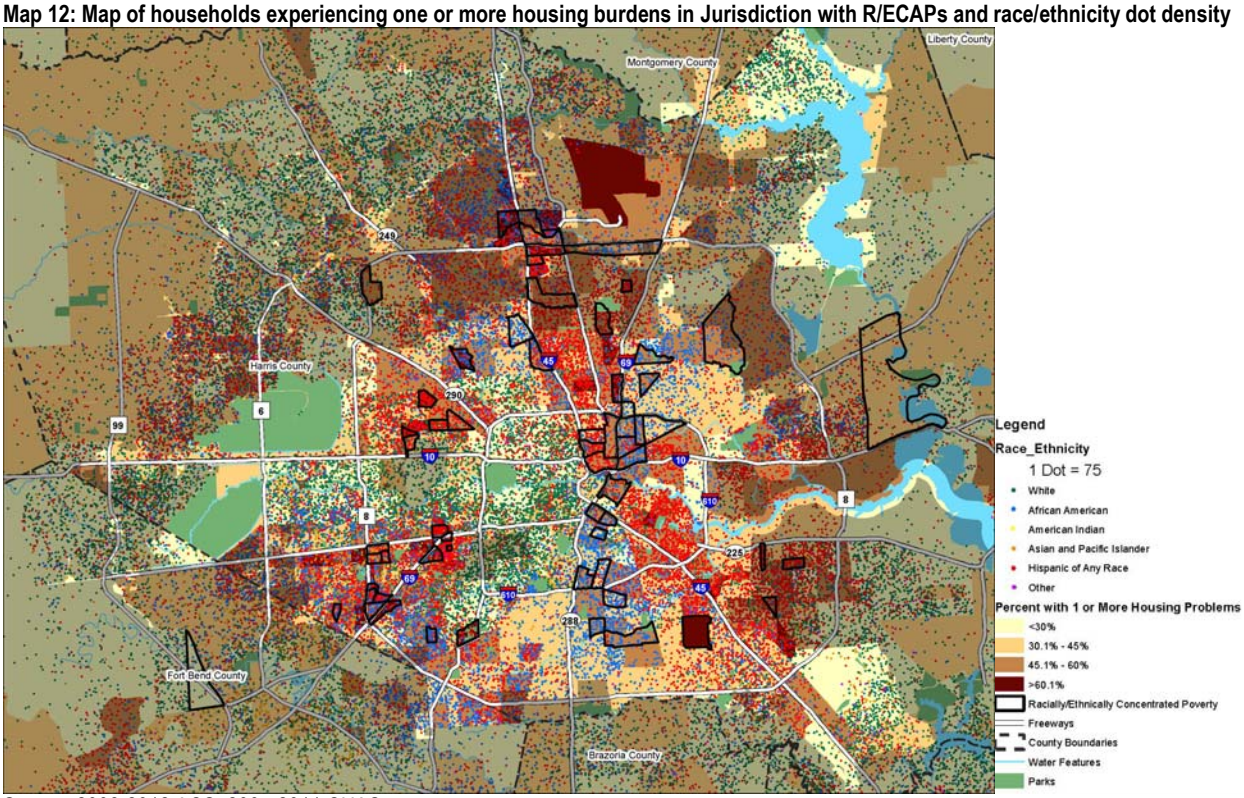
Over two in five households in the City of Houston (41.2%) experience one or more housing problems. Comparing the race/ethnicity of households with housing problems to the overall population in Houston and the Houston area, Hispanic households had highest percentage difference at 8.4% in Houston and 9.4% in the region. This indicates that there is slightly higher proportion of Hispanics with one or more housing problems compared to the entire population. When reviewing household type and size, family households with more than five people had the highest proportion of housing problems compared to the proportion of the population which could indicate higher needs of large families in the Houston area and within the city.

Table 35: Households experiencing one or more housing problems in Houston by race/ethnicity and family size

Race/ Ethnicity	City of Houston		Houston MSA	
	% of Total Households	% of Households With Housing Problems	% of Total Households	% of Households With Housing Problems
White alone, non-Hispanic	34.9	23.4	47.8	33.7
Black or African-American alone, non-Hispanic	25.0	29.0	17.9	22.7
Asian alone, non-Hispanic	6.1	5.2	5.9	5.8
American Indian or Alaska Native alone, non-Hispanic	0.2	0.2	0.2	0.2
Pacific Islander alone, non-Hispanic	0.04	0.1	0.0	0.0
Hispanic, any race	32.8	41.2	27.0	36.5
Other (including multiple races, non-Hispanic)	1.0	0.9	1.0	1.1
Total	100.0	100.0	100.0	100.0
Household Type and Size				
Family households, <5 people	49.9	43.1	57.7	47.7
Family households, 5+ people	11.8	18.0	13.4	19.7
Non-family households	38.3	39.0	28.8	32.6
Total	100.0	100.0	100.0	100.0
Source: 2007-2011 CHAS				

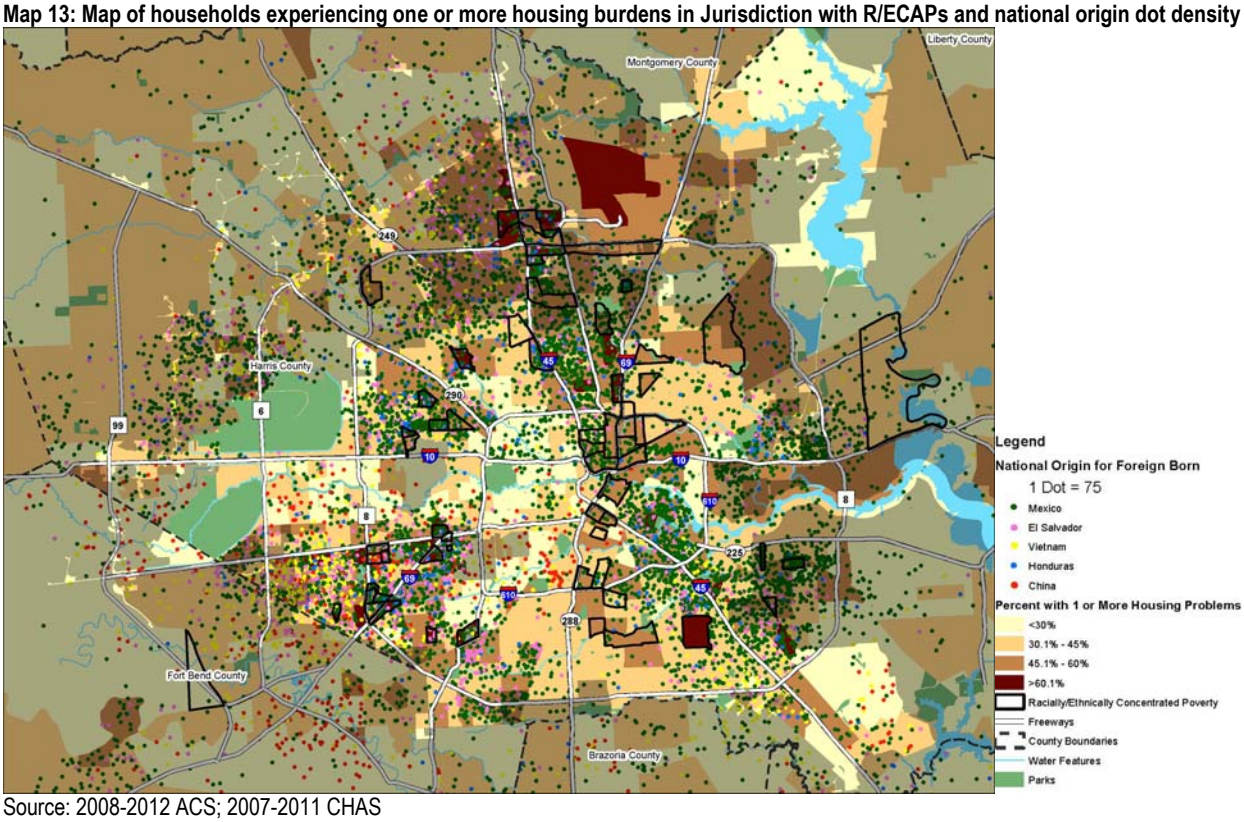
Higher proportions of households with populations of minority residents experience housing problems. This is illustrated in the following two maps. The areas of Houston with the least percentage of household experience housing problems resembles where White non-Hispanic residents live. The majority of foreign born are located in areas where more than 45% of the population has housing problems, concentrated in east downtown and southwest Houston.

Map 12: Map of households experiencing one or more housing burdens in Jurisdiction with R/ECAPs and race/ethnicity dot density



Source: 2008-2012 ACS; 2007-2011 CHAS

Map 13: Map of households experiencing one or more housing burdens in Jurisdiction with R/ECAPs and national origin dot density



Source: 2008-2012 ACS; 2007-2011 CHAS

Severe housing problems consist of one of the following: severe cost burdened – monthly household costs exceed 50% of monthly income; severe overcrowding – more than 1.5 persons per room; unit lacks complete kitchen facilities; and unit lacks complete plumbing facilities. Disparities between racial/ethnic categories of households experiencing severe housing problems are much more pronounced. The proportion of Black/African American households experiencing severe housing problems in Houston was 41.1%, which was disproportionally higher than the proportion of the Black/African American households in Houston. Hispanic households had the greatest percentage difference in the Houston region with 41.4% of the households experiencing severe housing burdens were Hispanic while the Hispanic households only accounted for 27.0% of the total households in the region. Non-Hispanic White households in both the region and the city had a lower proportion of households experiencing a severe housing burden than the percentage of Non-Hispanic White households in the total population.

Table 36: Severe Housing Burdens by Race/Ethnicity for Houston

Race/ Ethnicity	City of Houston		Houston MSA	
	% of Total Households	% of Households With Severe Housing Problems	% of Total Households	% of Households With Severe Housing Problems
White alone*	34.9	16.6	47.8	28.8
Black or African-American alone*	25.0	41.1	17.9	22.8
Asian alone, non-Hispanic*	6.1	8.2	5.9	5.7
American Indian or Alaska Native alone*	0.2	5.1	0.2	0.2
Pacific Islander alone*	0.04	0.9	0.0	0.1
Hispanic, any race	32.8	37.1	27.0	41.4
other (including multiple races)*	1.0	0.7	1.0	1.0
All/Total	100.0	100.0	100.0	100.0
* Non-Hispanic				
Source: 2007-2011 CHAS				

Housing Affordability

The Texas Housing Affordability Index (THAI) gives a general picture of how affordable housing is for a person of median income. The THAI is the ratio of median family income to the income required to buy a median-priced home using currently available mortgage financing. A ratio of 1.0 indicates that the median family income is exactly equal to the income a conventional lender would require for the family to purchase the median priced house. A ratio of less than 1.0 means that the median income family has insufficient income to qualify for the loan to purchase a median priced house and a ratio greater than 1.0 indicates that a median income family earns more than enough to buy the median priced house. According to the Texas A&M Real Estate Center, the Houston area's THAI has decreased from 2.00 in 2009 to 1.80 in 2014. This indicates that the Houston region is becoming less affordable, although families with median incomes can still qualify to purchase homes that are sold at the median price.

Publicly Supported Housing

Publicly supported housing is rental housing funded through federal, state, and local programs that offer lower rents to specific households based on income. The following will discuss publicly supported rental housing units and describe the current existing properties offering rents for low- and moderate-income families.

Public Housing

There are two main public housing authorities that operate in and around the Houston area, the Houston Housing Authority (HHA) and the Harris County Housing Authority (HCHA). Public housing authorities offer different housing opportunities for households earning below 50% of the Area Median Income (AMI). Public housing are rental housing owned by housing authorities offering subsidized rents for low-income households. Low-income families receiving Housing Choice Vouchers can rent any privately-owned rental unit and pay a portion of the rent using a Housing Choice Voucher. The final program is the Project-based Section 8 Program where rental vouchers are paired with specific housing units owned by private or non-profit entities.

Other Multifamily

There are other ways that affordable housing is built using public funding. First, the Texas Department of Housing and Community Affairs (TDHCA) funds the development and preservation of affordable housing units for low-income households mainly through the Housing Tax Credit Program. The Housing Tax Credit Program, although changes requirements each year, creates housing mainly for families earning below 60% AMI.

HCDD also funds the development and preservation of affordable rental housing through several funding sources including CDBG, HOME, HOPWA, local Bond, and Tax Increment Reinvestment Zone (TIRZ). HCDD funded units are usually for households earning below 80% AMI although in some circumstances funding could be used for other income groups.

Finally, various other government funding sources can be used to finance affordable housing including affordable housing for special needs groups. HCDD and TDHCA also funds housing for special needs groups, but other funding sources have stipulations to funding housing for only certain populations. These include Section 202 and Section 811 funding sources which address the housing needs of elderly and persons with disabilities. When "Other Multifamily" is specified in the following information, it includes housing units built with one or more of these public funding sources.

Table 37: Publicly Supported Housing in Houston

	#	%
Total housing units	902,153	100.0
Public Housing	3,261	0.3
Project-based Section 8	200	0.0
Other Multifamily	57,655	6.4
HCV Program	16,515	1.8
Source: 2008-2012 ACS; HHA; HUD; HCDD; TDHCA		

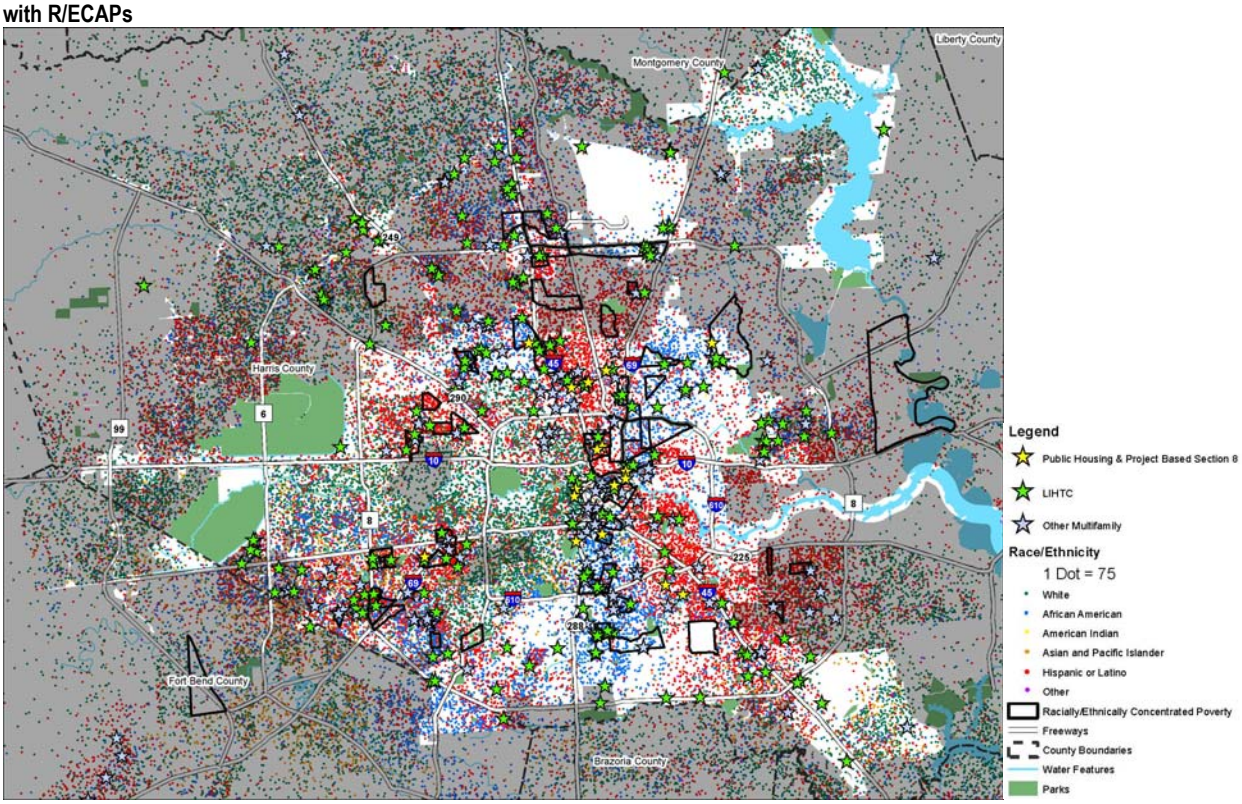
Considering that about half of the population living in Houston is low- and moderate-income, the amount of subsidized housing units is very low. Of course, housing units with rents that are affordable to low- and moderate-income families are not only publicly supported units, but often low rent housing in the private market could be deteriorating, small, or in inconvenient or less desirable locations. One example of the great need for affordable rental housing for low-income families is that HHA received 83,743 applications to apply to the Housing Choice Voucher Waitlist in August of 2012. In addition, with the rise of higher building and rehabilitation costs in the last few years, more developers may focus on market rate units rather than considering developing subsidized units.

Publicly supported housing units are located in most areas of the city. The top five Super Neighborhoods with the most developments of publicly supported housing include

- Northside / Northline (17 developments – 2,727 restricted units – 14.9% of housing units)
- Sunnyside (15 developments – 2,257 restricted units – 25.3% of housing units)
- Alief (14 developments – 1,841 restricted units – 5.1% of housing units)
- Greater OST / South Union (9 developments – 1,202 restricted units – 13.9% of housing units)
- Acres Homes (9 developments – 1,302 restricted units – 12.2% of housing units)

There are several areas where publicly supported housing is not available, mainly in the area west of downtown bordered by Interstate 10 to the north and Interstate 69 to the south. This is the same area of the city where private market investment is strongest according to the MVA. Areas in which the private real estate market is strongest are also areas with higher land costs, which could lead to publicly supported housing locating elsewhere. These areas are also areas in which the private market

Map 14: Public Housing/Project-Based Section 8, Other Multifamily, and LIHTC locations mapped with race/ethnicity dot density map with R/ECAPs



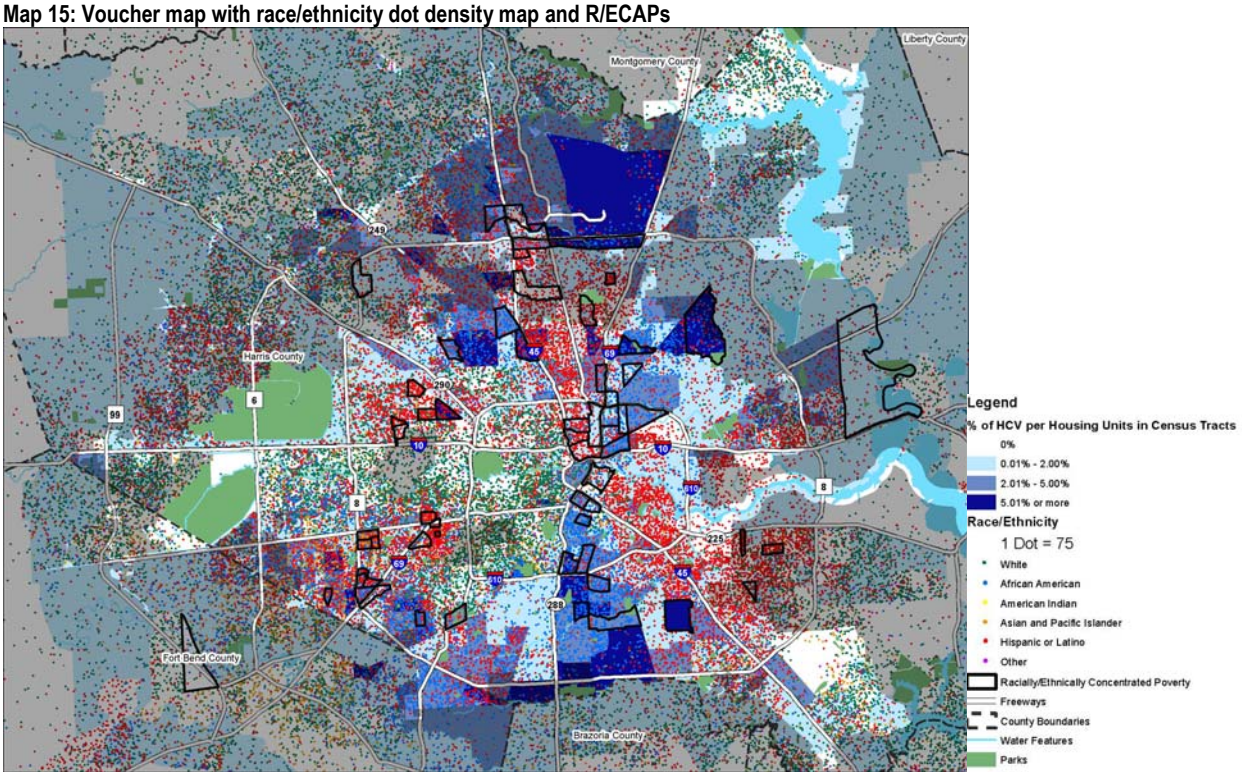
Source: 2008-2012 ACS; LIHTC; HHA; HUD; HCDD

The locations of Housing Choice Vouchers are found in most neighborhoods throughout the city however the most no vouchers are found in the most affluent areas and some areas have a disproportionate amount of vouchers. The five Super Neighborhoods with the greatest absolute number of vouchers include

- Alief (1,078 vouchers – 3.0% of housing units)
- Brays Oaks (929 vouchers – 3.8% of housing units)
- Sunnyside (747 vouchers - 8.4% of housing units)
- Greater OST / South Union (613 vouchers – 7.1% of housing units)
- Fort Bend Houston (548 vouchers – 4.5% of housing units)

The following map shows the number of housing choice vouchers as a percentage of housing units in each census tract. Although persons receiving housing choice vouchers can move to any part of the city and region, voucher holders tend to cluster in areas close to publicly supported housing units.

Map 15: Voucher map with race/ethnicity dot density map and R/ECAPs



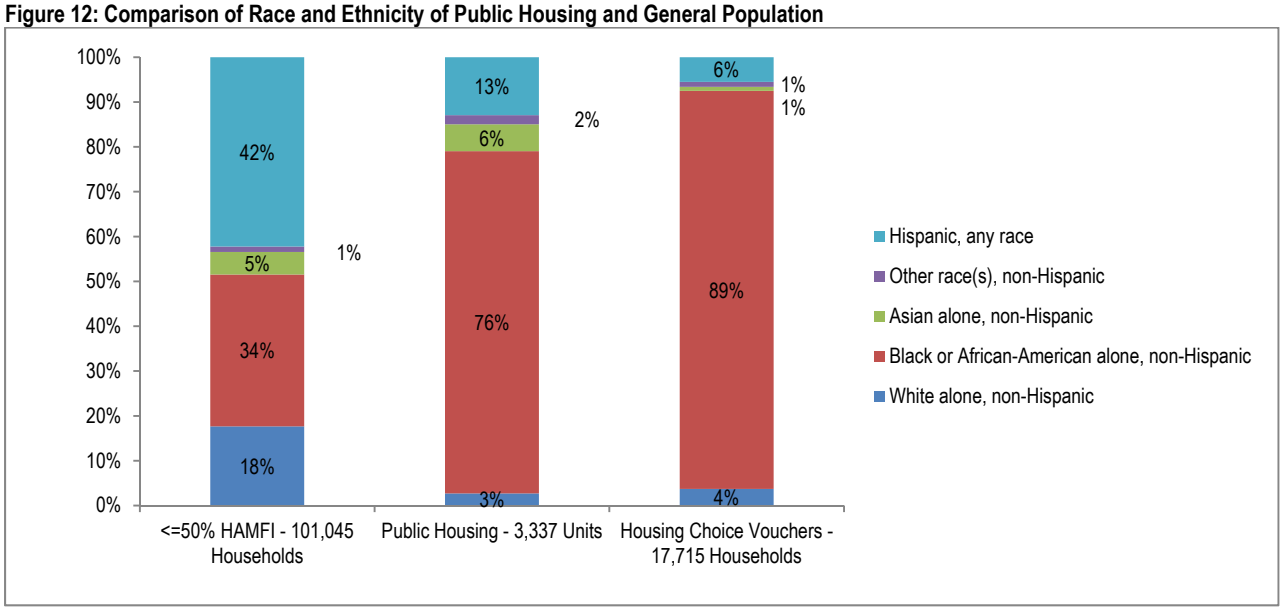
Sources: HHA; 2008-2012 ACS

There are also disproportionate amounts of housing choice vouchers compared to the citywide amount of available vouchers in several census tracts. Approximately 2% of the housing units in all of the city of Houston have housing choice voucher holders. Some areas with over 5% of the housing units with housing vouchers are clustered in predominately Black/African American neighborhoods such as in and around Independence Heights and Sunnyside. Almost all voucher holders are Black/African American households.

When comparing the race and ethnicity of the general population to the race and ethnicity of those taking part in public housing and the Housing Choice Voucher Program, the programs are disproportionately utilized by Black/African American households. Although the proportion of Hispanic households attribute to almost half of households (42%) eligible for these two programs, African/American Black households are the group with the largest proportion of households utilizing public housing and the Housing Choice Voucher Program. This fact was brought up at a Stakeholder Discussion Meeting with residents from HHA. Residents suggested that other racial and ethnic

groups did not have a greater participation in these programs because they either did not know about the programs or because there is a stigma associated with participation in these programs.

Figure 12: Comparison of Race and Ethnicity of Public Housing and General Population



Sources: HHA, 2007-2011 CHAS

Similar to housing programs through HHA, other publicly supported housing is utilized primarily by minority households. The percent of Black/African American residents is highest for the HCV Program, Public Housing , and Project-Based Section 8. Hispanics as well as White individuals are most represented as a percentage in Project-Based Section 8 and Other Multifamily.

Table 38: Race/ethnicity data for 4 categories of publicly supported housing in the City of Houston

	White		Black		Hispanic		Asian or Pacific Islander	
Housing Type	#	%	#	%	#	%	#	%
Public Housing*	340	3	2,581	76	401	13	188	6
Project-Based Section 8*	59	20	226	75	53	18	12	4
Other Multifamily* **	1,576	25	2,022	32	972	15	260	4
HCV Program*	1,293	4	15,554	89	953	6	188	1
*Race and Hispanic calculated separately								
**Data is currently only available for units in HCDD's portfolio.								
Sources: HCDD; HHA								

The following table shows that Public Housing, Project-Based Section 8, and the Housing Choice Voucher Program serve higher percentages of persons with disabilities than there are in the City, showing that there is a need for affordable accessible housing for persons with disabilities.

Table 39: Tabular Data on Disability and Publicly Supported Housing For Houston

	People with a Disability	
	#	%
Public Housing	1,209	36
Project-Based Section 8	155	52
HCV Program	4,324	24
Source: HHA		

4. Community Amenities and Hazards

Residential location including the location of various community assets and the presence of adverse community factors can contribute to fair housing issues on the basis of race, ethnicity, national origin, and familial status. This section will identify patterns and outliers in access to community assets and exposure to adverse community factors

"'Housing lies at the fulcrum of civil rights' because where one lives affects opportunities for education, employment, health care, recreation and other aspects of life, says John Relman, an attorney representing the National Fair Housing Alliance" (http://www.wsj.com/articles/texas-housing-case-tests-civil-rights-doctrine-1421811181)

Analyzing Community Asset Indicators

A two-stage process has been developed by HUD to analyze dispoarities as it relates to access to community assets. The first stage involves determining what level of availability exists in a neighborhood as it relates to community assets such as education, employment, transportation, as well as others. The metrics used by HUD rank each neighborhood by index scores ranking from 1-100 based on key dimensions. The second stage is described by HUD as combining the key dimension rankings with data based on where people in particular subgroups live to develop a measure of that group's general access or exposure to each asset dimension. A comparison is then made across subgroups to describe disparities in access to community assets. HUD considers community assets a multi-dimensional notion. HUD has selected six dimensions upon which to focus:

- Neighborhood School Proficiency
- Poverty
- Labor Market Engagement
- Job Accessibility
- Health Hazards Exposure
- Transit Access

Data for each of the six dimensions has been made available in shape file format on HUDs e-GIS rest (http://egis.hud.gov/ArcGIS/rest/services/oshc/Fhea/MapServer/2). Due to the limitations on editing the spatial data, the GIS platform has been used to store and present the data at the local jurisdictional level.

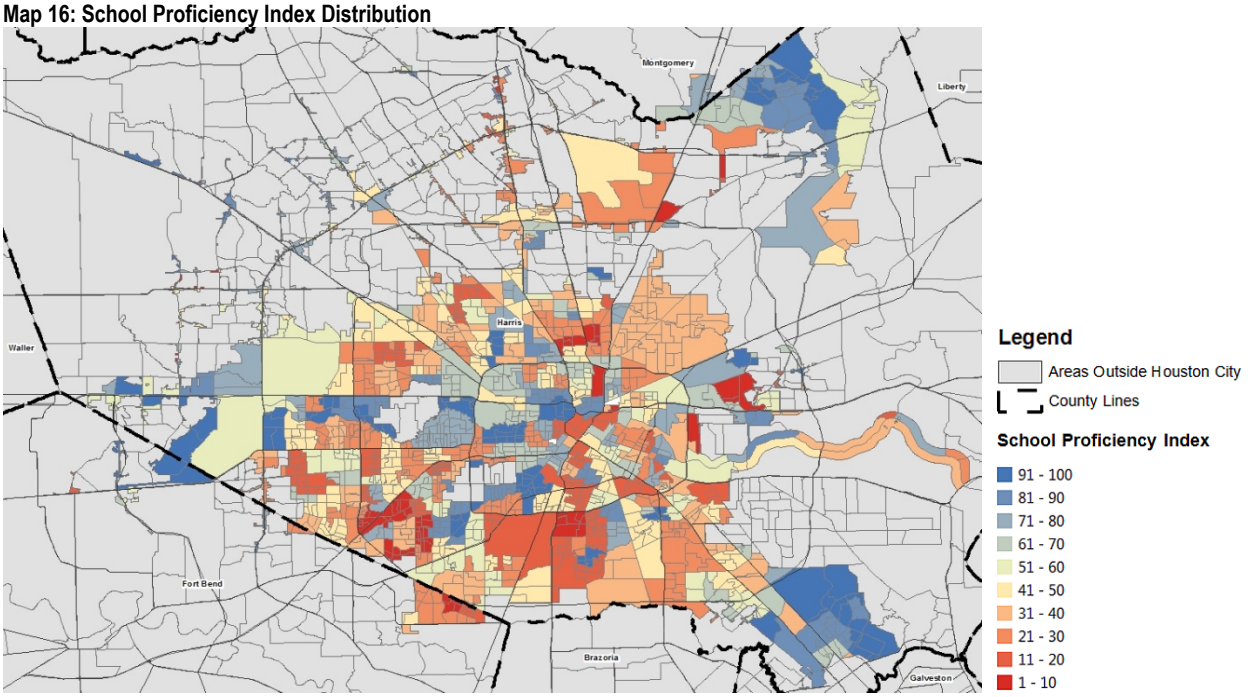
Neighborhood School Proficiency Index

According to HUD, the neighborhood school proficiency index describes which neighborhoods have high or low performing elementary schools. Using HUD e-GIS data provided in shape file format, a spatial distribution of the index scores can be visualized. HUDs method uses the following neighborhood school proficiency index formula to calculate the scores for census block groups:

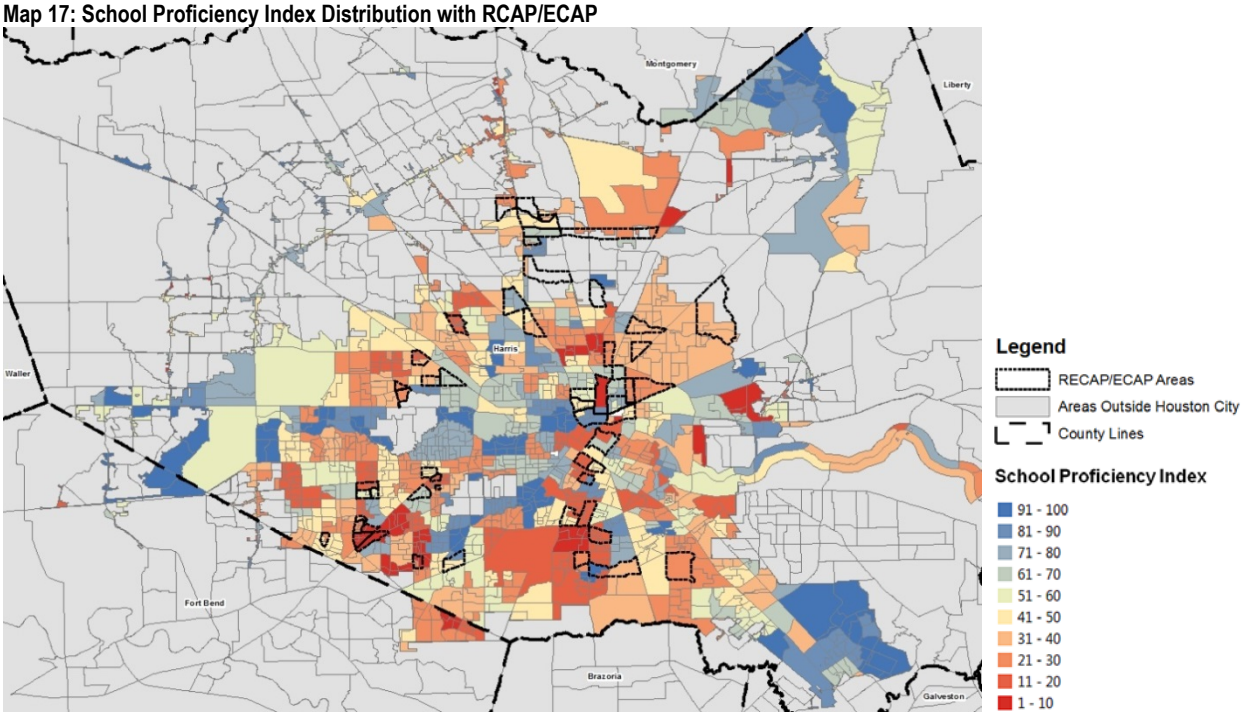
$$School_i = \sum_{i}^{N} \left(\frac{s_i}{\sum^n s_i} \right) * \left[\frac{1}{2} * r_i + \frac{1}{2} * m_i \right]$$

The proficiency index is a function of the percent of elementary school students proficient in reading (r) and math (m) on state test scores for the *ith* school associated with the neighborhood (i = 1, 2,..n) Where N is the maximum number of schools in any block-group in the distribution, and school enrollment.

Map 16: School Proficiency Index Distribution



Map 17: School Proficiency Index Distribution with RCAP/ECAP



Elementary schools are linked with block-groups based on a geographic mapping of attendance area zones from School Attendance Boundary Information System (SABINS), where available, or within district proximity matches of up to the four-closest schools within a mile.

Magnet programs are in schools throughout the Houston area, therefore if there are areas without census block groups with index scores of 61—100 in Map 16

Map 16, it is likely that these neighborhoods are without elementary schools that have magnet programs more than a mile away. An additional assessment may be made with a layer showing where racially and ethnically concentrated areas of poverty (RCAP/ECAP) are correlated with the school proficiency index scores. The east side of Houston has the most RCAP/ECAPs and in Map 17 these areas, along with the city-wide distribution of RCAP/ECAPs have a significant spatial correlation with index scores less than 50.

The Houston Independent School District, with more than 203,000 students and encompassing 301 square miles within greater Houston, is the seventh largest public school system in the nation and the largest in Texas (*2012-2013 Facts and Figures* by HISD). The race and ethnicity of HISD students in the 2012-2013 school year was 24.6% African American, 3.4% Asian, 62.7% Hispanic, 8.2% White, and 1.1% other. Almost one third of students (29.8%) have limited English proficiency and 7.9% are classified in Special Education. Almost four in five students (79.7%) are considered economically disadvantaged, meeting federal criteria for free and reduced-priced lunch. In the 2012-2013 school year, the graduation rate in HISD was at an all-time high of 78.5% and the dropout rate was at an all-time low of 11.8%. In 2012 voters approved a $1.89 billion school construction bond by 69%.

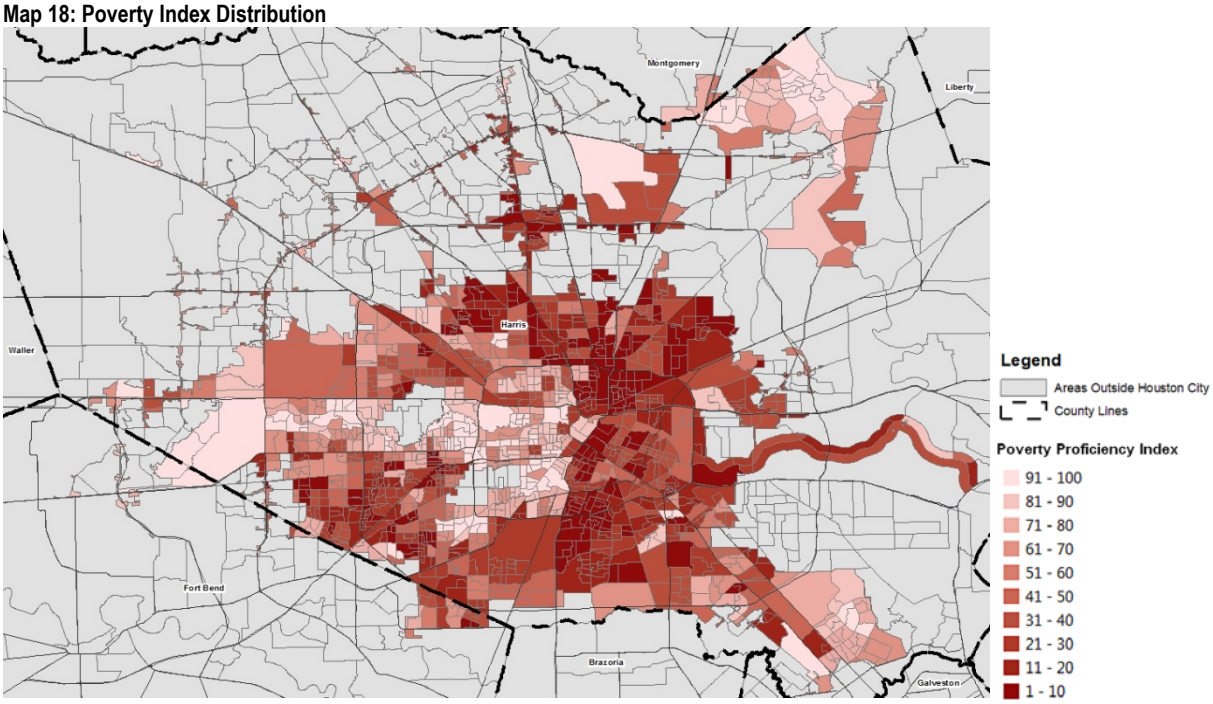
Poverty Index

The poverty index is considered to be a simple index by HUDs standards and is intended to capture the depth and intensity of neighborhood poverty by census block group. It describes which neighborhoods have high or low poverty based on family poverty data and public assistance receipts in cash-welfare such as Temporary Assistance for Needy Families (TANF). The operationalization of both aspects is a linear combination of the two vectors: the family poverty rate *(pv)* and the percentage of households receiving public assistance *(pa).* Using HUD e-GIS data provided in shape file format, a spatial distribution of the index scores can be visualized. HUDs method uses the following poverty index formula to calculate the scores for census block groups where means (μ_{pv}, μ_{pa}) and standard errors (σ_{pv}, σ_{pa}) are estimated over the metropolitan area distribution or balance of state in non-metros:

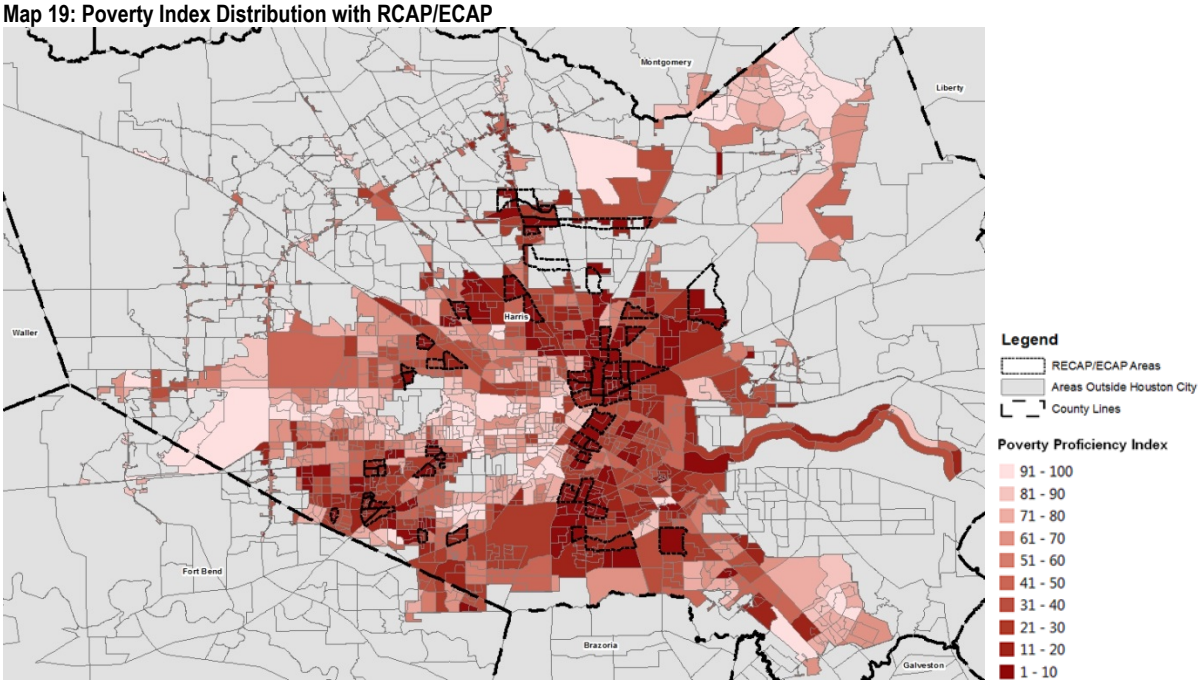
$$Pov_i = \left[\left(\frac{pv_i - \mu_{pv}}{\sigma_{pv}} \right) - 1 \right] + \left[\left(\frac{pa_i - \mu_{pa}}{\sigma_{pa}} \right) * -1 \right]$$

Based on the spatial distribution of census block groups in Map 18, any index score from 1-30 may be considered as neighborhoods that have a concentration of poverty. The distribution of index scores also show that there are more census block groups that are in poverty in the eastern portion of the City of Houston, more so in the central urban area. Map 19 also uses RCAP/ECAPs as an additional layer to the distribution of index scores. Based on the inclusion of the poverty factor in the additional layer, it is not surprising that all the RCAP/ECAPs have poverty index scores between 1-30.

Map 18: Poverty Index Distribution



Map 19: Poverty Index Distribution with RCAP/ECAP



Job Access Index (Gravity Model)

According to the AFFH Data Documentation proposed by HUD, the job access index summarizes the accessibility of a given residential neighborhood as a function of its distance to all job locations, with distance to larger employment centers weighted more heavily.

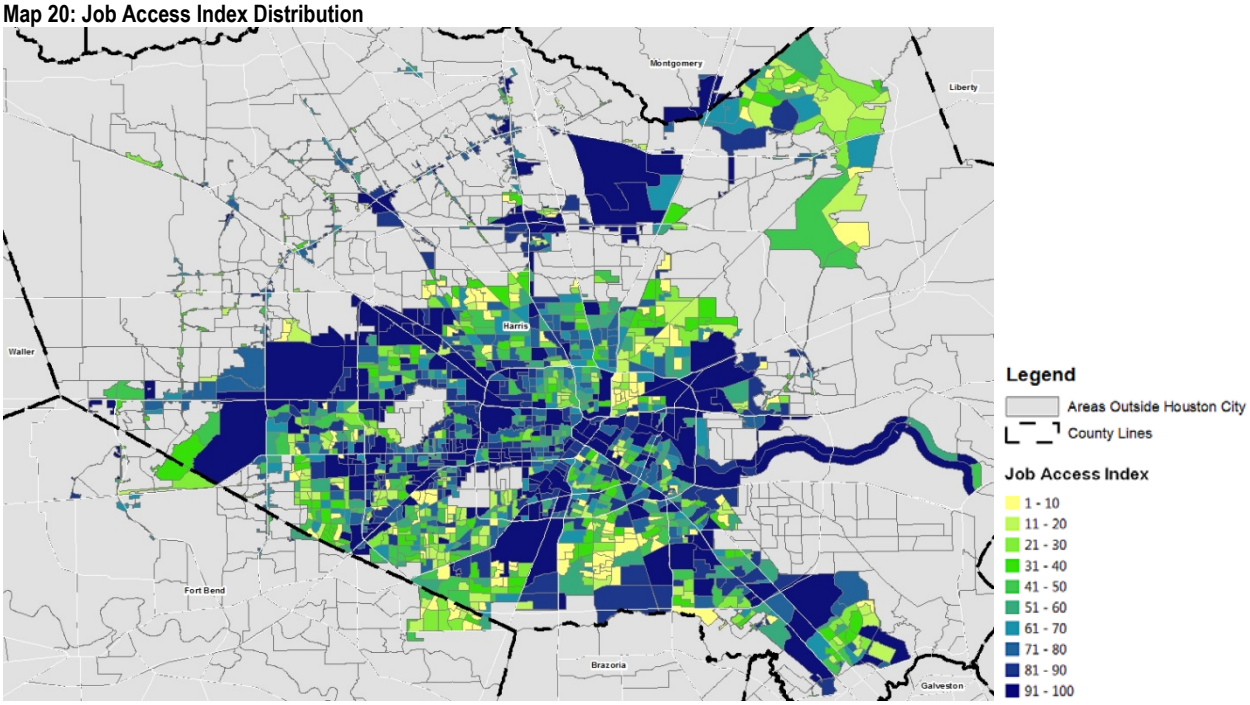
Specifically, a gravity model is used, where the accessibility (A_i) of a given residential block-group is a summary description of the distance to all job locations, with the distance from any single job location positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location. More formally, the model has the following specification where $_i$ indexes residential locations and $_j$ indexes job locations, and distance, $_d$, is measured as "as the crow flies" between block-groups $_i$ and $_j$. E represents the number of jobs in tract j and L is the number of workers:

$$A_i = \sum_{i=1}^{n} \frac{E_j d_{ij}^{-2}}{\sum L_j}$$

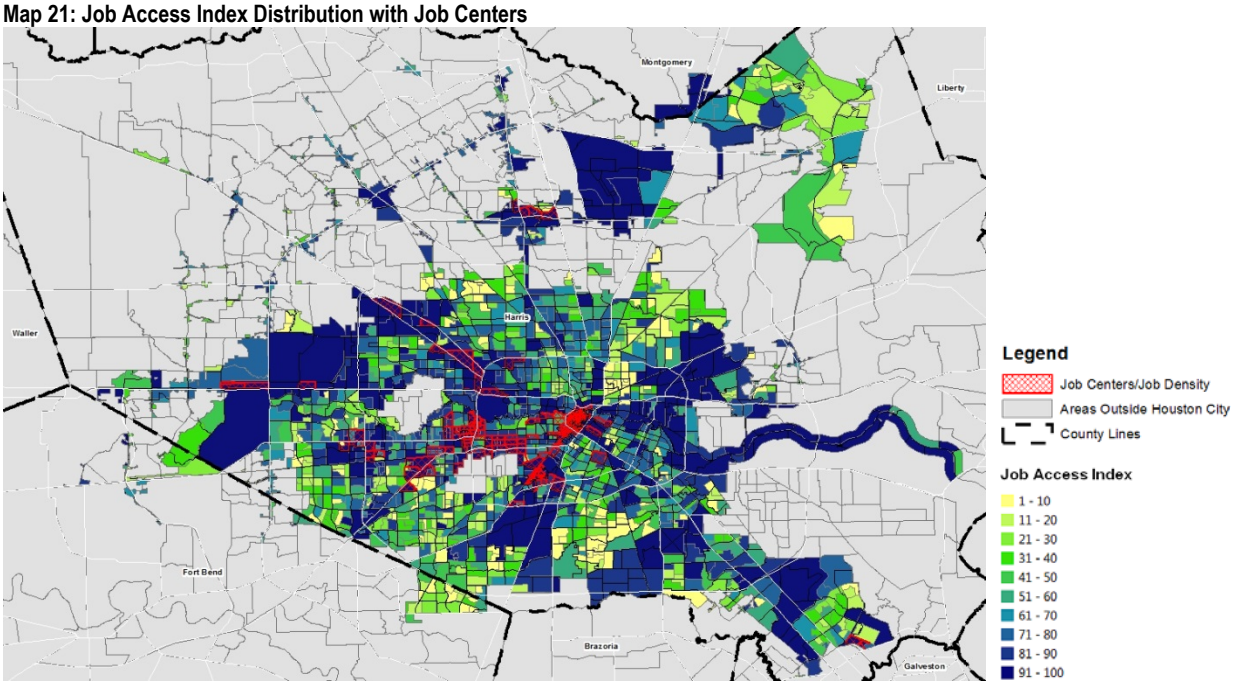
Based on the spatial distribution of the model in Map 20, there are that are closer in proximity based on the index scores of 51-100. There is a smaller distribution of index scores ranging from 1-10 near the central urban area, but the distribution of index scores in census block groups ranging from 1-50 increase in numbers in the south, southwest, northwest, and northeast.

An additional factor added to the transit index, job/employment centers, supports where the higher index scores for job access are. Job/employment centers are calculated based on a density of 10,000 jobs or greater in a given traffic analysis zone. In Map 21 every job center has an index score greater than 70. It is also noticeable that most of the job centers are on the west side of the city away from the east areas of the city which have the most RCAP/ECAPs. Those areas with racial/ethnic and poverty concentrations are longer distances from the larger job centers.

Map 20: Job Access Index Distribution



Map 21: Job Access Index Distribution with Job Centers



Transit Access Index

According to HUD, a transit access index where available data exists to support local analysis has been constructed. HUD utilizes data to assess relative accessibility within metro areas (or balance of state). Because standardized data on the location of amenities is not uniformly available at a granular level, HUD uses the number of jobs in retail, arts entertainment & recreation, and food & accommodations as proxies for the magnitude of amenities at the block-group level from the Local Employment Dynamics dataset published by the Census Bureau. For the index for transit access identified represent the number of jobs in these sectors within 1/2 mile of each bus stop and 3/4 mile of each rail transit stop and summed them. Then for each trip in the transit system, HUD calculated a stop-specific measure of the additional amenities accessed in each ensuing stop on that route, which it then divided by (deflated) the additional travel time to each ensuing stop. Mathematically, this can be expressed in several terms.

Let (*sij*) represent the accessibility of stop *i* on trip *j*, *a* is the amenity radius of a stop (the total jobs mentioned above), and T is the marginal travel time with each stop. Each stop of each trip takes on a value equal to the sum of the amenity radius of each ensuing stop divided be the time to that next stop for all stops on a trip.

$$s_{ij} = \sum_{i}^{N} \frac{a_{i+1}}{T_{t+1}}$$

These stop-journey specific (s_{ij}) values are then summed over all journeys j (where journeys in opposite directions are counted as two trips) made in 24-hours to create a single aggregate accessibility value for each stop in the system (where *k* is the total stops in the system).

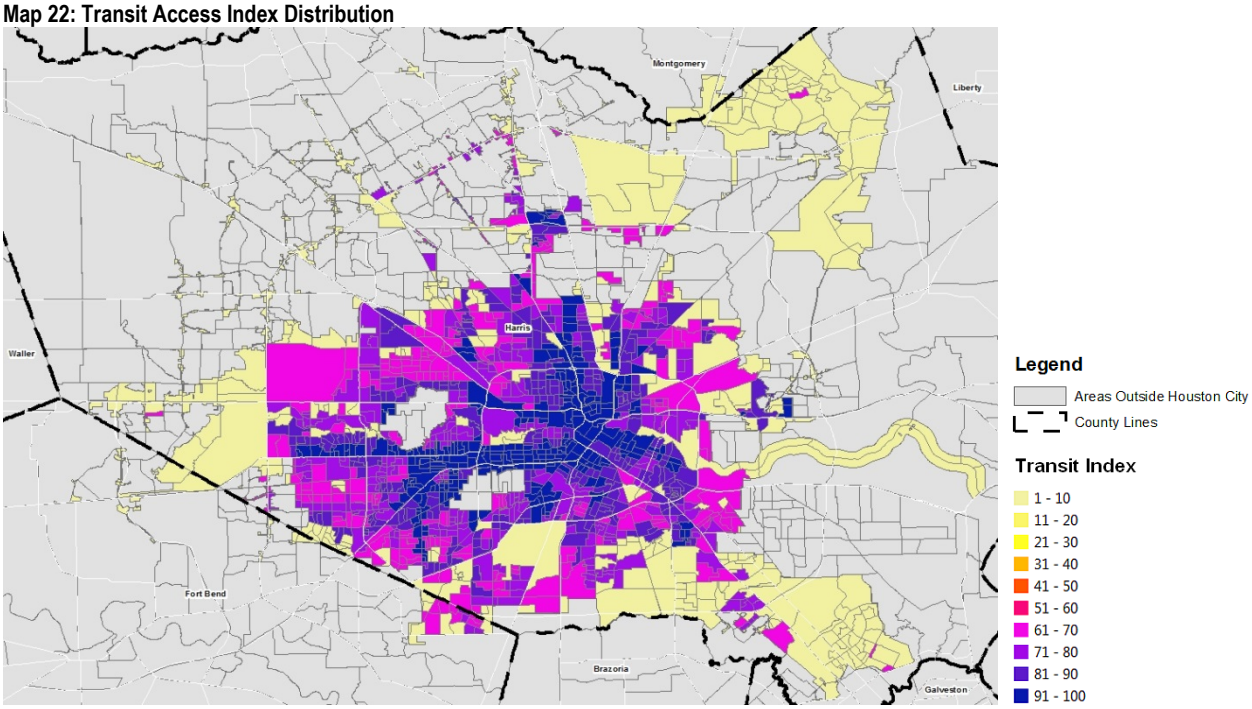
$$A_i = \sum_{j}^{k} s_{ij}$$

To translate these stop accessibility values (A_i) to block-groups, HUD then calculates the distance between each stop and the population-weighted centroid of each block-group. The three highest accessibility stops within 3/4 of a mile are summed to generate a block-group value for accessibility. Finally, these values are placed into decile (10-percentile) buckets within-metro or balance of state, and are scaled up by a factor of 10 to align with the other indices. Block-groups that are not within 3/4 of a mile of either a bus or transit stop are normalized to a value of 1- the

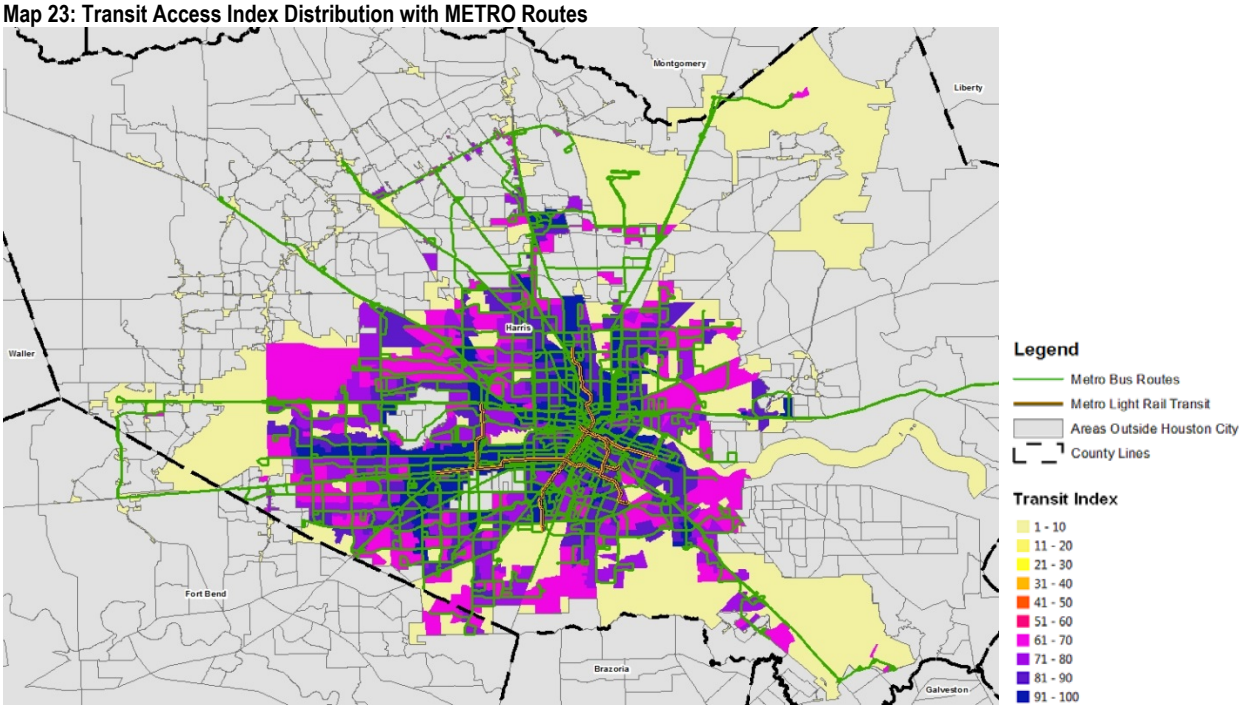
lowest accessibility score. The areas with index scores ranging from 1-30 in Map 23 are areas that lack transit that is at least ¾ miles away. Another proxy that may be used to assess the limits of transit access would be local transportation data confirming why the area with higher index scores ranging from 31-100 has better transit access.

The METRO light rail transit (LRT) lines in Map 23 correspond directly with the census block group that have index scores ranging from 51-100, whereas the lack of LRT correlates with census block groups which have lower index scores. Areas with less than an index score of 30 represent geographies that do not have enough stops along transit lines. Based on the METRO routes and schedules, these are park and ride routes which are intended for long daily commutes during the work week. Although the park and ride lots are outside the central urban area, they are inside the City of Houston's jurisdiction.

Map 22: Transit Access Index Distribution



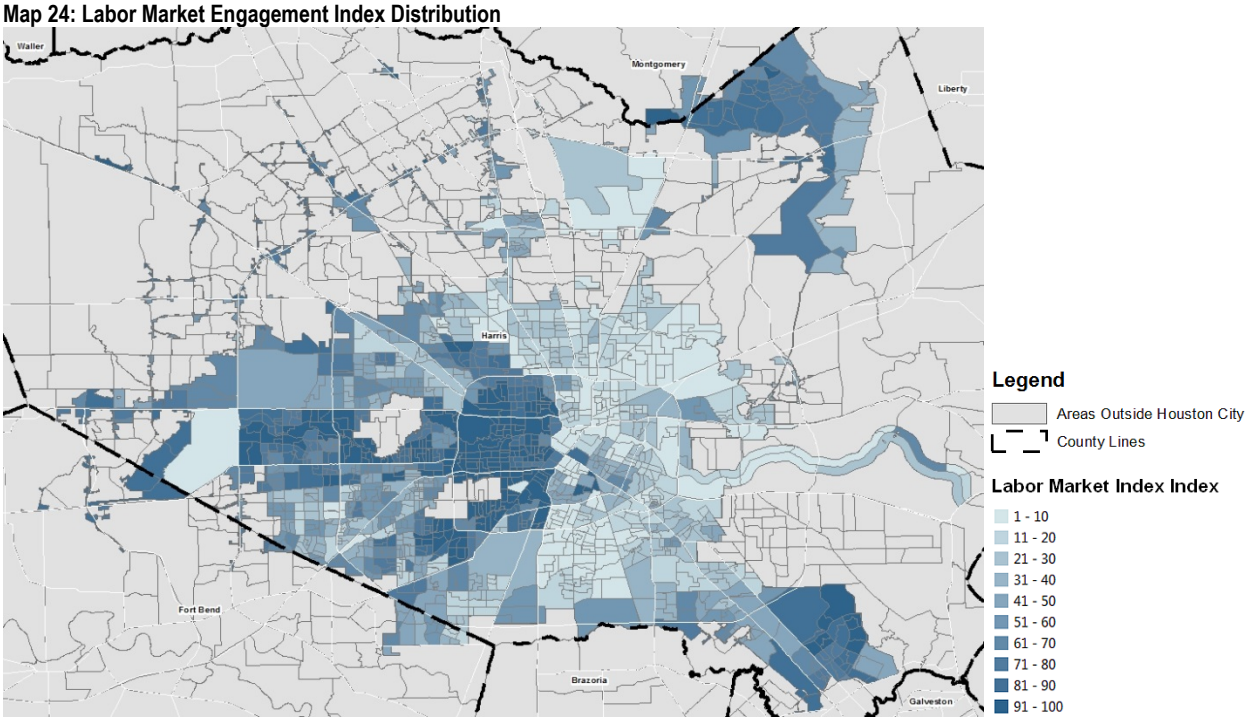
Map 23: Transit Access Index Distribution with METRO Routes



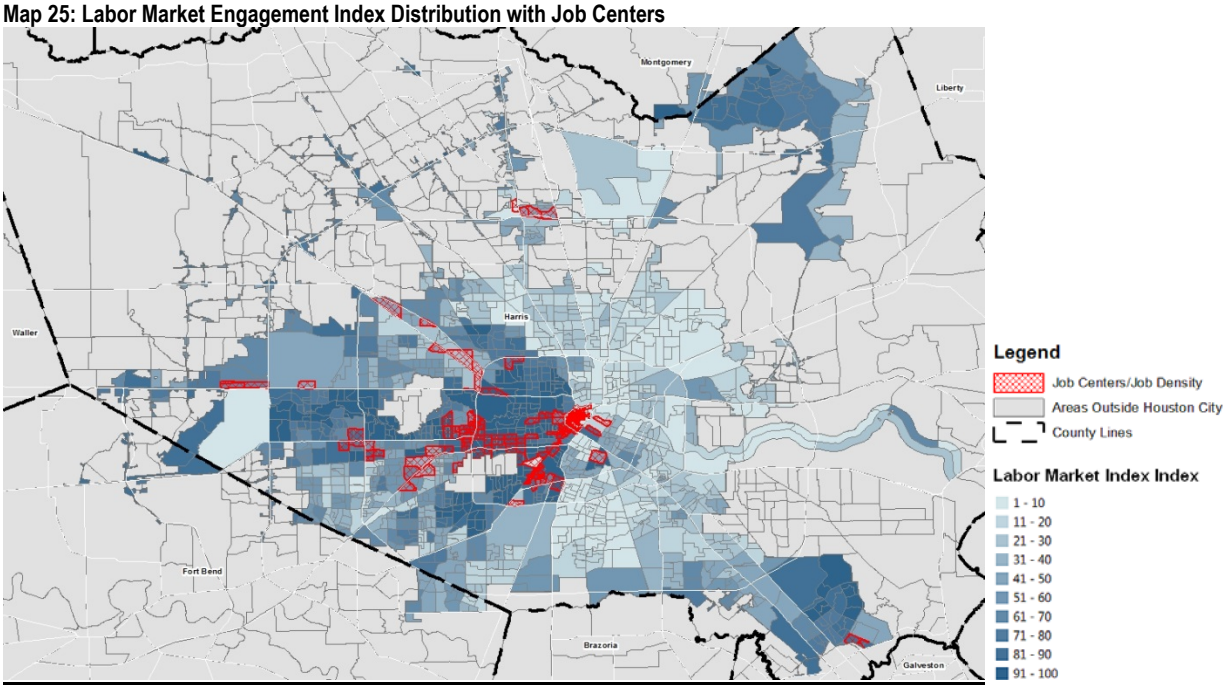
Labor Market Engagement Index

The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in that neighborhood.

Map 24: Labor Market Engagement Index Distribution



Map 25: Labor Market Engagement Index Distribution with Job Centers



Formally, the labor market engagement index is a linear combination of three standardized vectors: unemployment rate (*u*), labor-force participation rate (*l*), and percent with bachelor's or higher (*b*), using the following formula where means (μ_u, μ_l, μ_b) and standard errors (σ_u, σ_l, σ_b) are estimated over the metropolitan area distribution or balance of state in non-metros.

$$LBM_i = \left[\left(\frac{u_i - \mu_u}{\sigma_u}\right) * -1 \right] + \left(\frac{l_i - \mu_l}{\sigma_l}\right) + \left(\frac{b_i - \mu_b}{\sigma_b}\right)$$

The labor market engagement index scores follow the spatial distribution of race/ethnicity, income, and access to jobs. The job density calculations for job/employment centers show that there is definitely a pattern to where opportunity exists (See Map 25). There is a small amount of census block groups that have index scores of less than 50 in the areas with job/employment centers.

Environmental Health Hazard Exposure Index

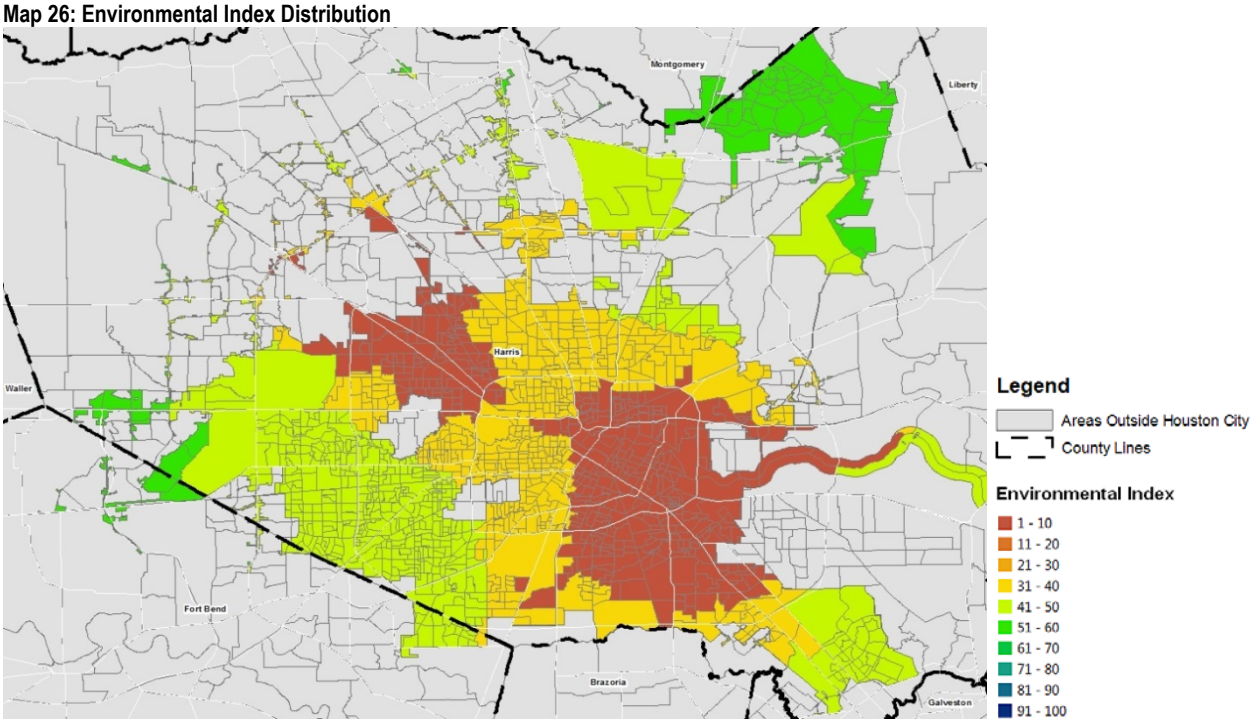
HUD has constructed a health hazards exposure index to summarize potential exposure to harmful toxins at a neighborhood level. Potential health hazards exposure is a linear combination of standardized EPA estimates of air quality carcinogenic *(c)*, respiratory *(r)* and neurological *(n)* with i indexing census tracts.

$$HazExp_i = \left[\left(\frac{c_i - \mu_c}{\sigma_c}\right) + \left(\frac{r_i - \mu_r}{\sigma_r}\right) + \left(\frac{n_i - \mu_n}{\sigma_n}\right) \right] * -1$$

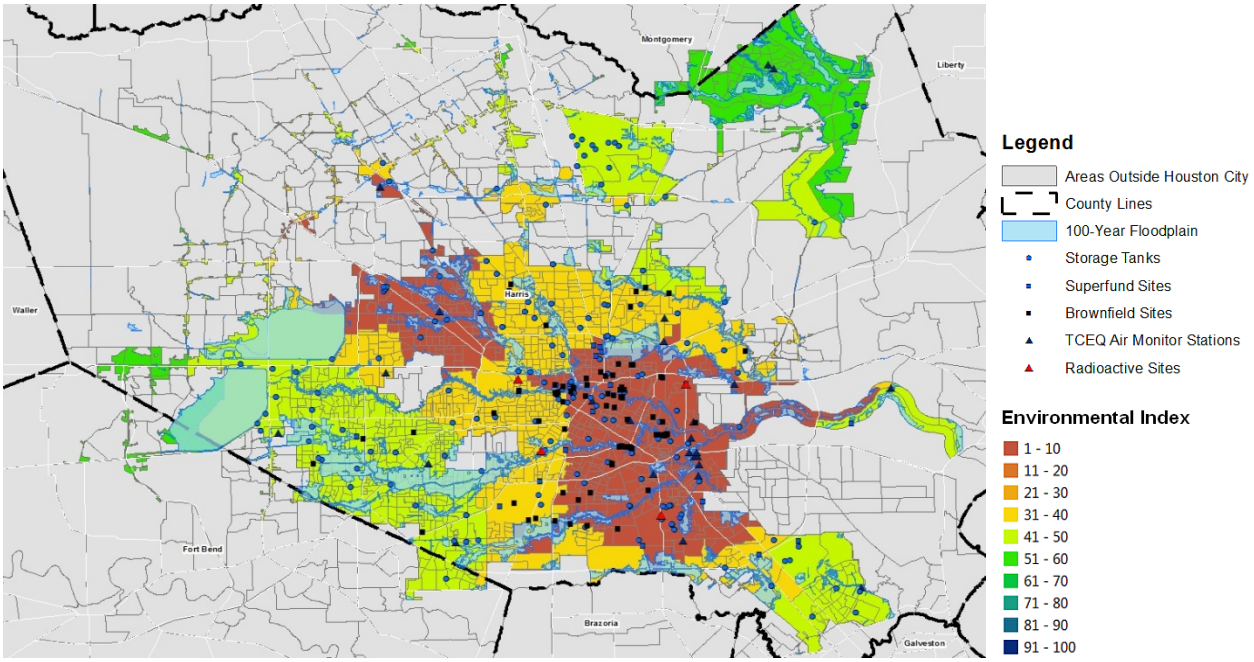
Where means (μ_c, μ_r, μ_n) and standard errors (σ_c, σ_r, σ_n) are estimated over the metropolitan area distribution or balance of state in non-metros.

East Houston was identified by Dr. Heidi Bethel, from the U.S. Environmental Protection Agency (EPA) Office of Water, as being exposed to a multitude of pollutants due to its adjacent vicinity to the industrial and chemical plants east of Houston. In Map 27 it may be observed that several environmental factors utilized in the index calculation significantly correlate with the contributions from each factor's impact. Central Houston does not have an index score greater than 50, which is determined by the health hazards and exposure to the city as a whole.

Map 26: Environmental Index Distribution



Map 27: Environmental Index Distribution with Health Hazards



Fair Housing Concerns

The indicators for community assets have imbalances that can be clearly visualized and quantified. The majority, or clustering, of the community assets are divided into neighborhoods don't have high concentrations of poverty. There is a geographic pattern in the lack of community assets, which is consistent with the geography of concentrated race, ethnicity, and poverty. Within this geography is the largest exposure to health hazards in the entire environment of Houston.

The index scores for school proficiency raise concerns about magnet programs in schools that are located in neighborhoods with concentrated race/ethnicity and poverty. Within the multitude of neighborhoods that have these characteristics of concentration, some have high index scores. Based on further examination of the higher scores amongst lower scores, these areas have magnet schools which do not have a true representation of students from the geographic unit measured. The immediate community has an asset in the community, but it is questionable that they have access to it.

The spatial index distribution for job access, transit access, and labor market engagement ceates a pattern that is based on where the job centers are located. Transportation lines follow this pattern but access to transportation is widely distributed other than LRT. Labor engagement index scores are clearly divided based on where race/ethnicity and poverty exists. The concern for fair housing choice is that the location of economic development is a strong determinant for access to community assets, whereas households in neighborhoods without economic development have imbalances as it relates to access.

5. Segregation, Integration, and Concentration

As discussed earlier, while Houston is one of the most diverse metropolitan areas in the country and the city has a majority minority population. Some racial and ethnic groups are living in the same neighborhoods. Where a person lives has a profound impact on not only the individual's access to services and amenities but also how people view each other and interact. Measuring where members of various racial/ethnic groups live in the Houston region relative to one another is important to understand Houston's racial and ethnic dynamics.

Residential Segregation by Race/Ethnicity

This section will measure racial and ethnic segregation using several different methods. There are several ways to determine segregation. Segregation refers to the unequal distribution of social groups across units (e.g. census tracts) of an urban area. Economic and/or residential segregation, based on evenness, are the two common factors recognized as barriers to a more integrated society. Residential segregation has historically been based on the unevenness of where blacks live in relation to where whites live. According to the U.S. Census Bureau, a minority group is segregated if it is unevenly spread across neighborhoods. Evenness is scaled relative to another group. Segregation is maximized when all units of measurement have the same relative number of minority and majority (white) members as the city as a whole, and is minimized when minority and majority members share no areas in common.

Today there is more racial and ethnic diversity in large cities across America, and in Houston's minority (non-white) groups the Hispanic population has grown by 227% between 1980 and 2010 (see Table 40), giving this particular minority group a larger population than what is considered to be the majority group (white). This demographic is important as it relates to how residential segregation by race looks in Houston today.

Table 40: Population Growth 1980 -2010

30-Year Time Period by Decennial Years	Total Population	Non-Hispanic White	Non-Hispanic Black	Hispanic or Latino	Non-Hispanic Asian*	Non-Hispanic Other Races**
1980	1,595,138	834,061	436,392	281,331	34,259	9,095
	-	52.30%	27.40%	17.60%	2%	0.57%
1990	1,631,766	662,766	448,148	450,556	66,993	3,303
	-	40.62%	27.46%	27.61%	4.11%	0.20%
2000	1,953,631	601,851	487,851	730,865	106,620	26,444
	-	30.81%	24.97%	37.41%	5.46%	1.35%
2010	2,099,451	537,901	485,956	919,668	129,098	26,828
	-	25.62%	23.15%	43.81%	6.15%	1.28%
Net Change 1980-2010	504,313	-296,160	49,564	638,337	94,839	17,733
	31.62%	-35.51%	11.36%	226.90%	276.83%	194.98%

*Note: Asian includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander populations

**Note: Other Races include Two or More Races and Some Other Race

Source: 1980-2000, 2010 PL94-171 Data, US Census Bureau

Each individual tallied in the population totals has a geographic reference related to a census tract, meaning the locational reference is understood to be where the individual lives. Using demographic census data, two methods will be utilized as measures of segregation: dot density distribution of race/ethnicity; and dissimilarity index scores. The Geographic Information Systems (GIS) platform is the tool that displays the tabular data in a spatial context for analyses in the City of Houston jurisdiction. These methods allow for an exploration of descriptive statistics, as it relates to determining where differences occur with residential patterns of one ethnic/racial group in relation to another.

Race/Ethnicity by Dot Density

The display of spatial data in the form of points in a map can provide convincing evidence related to where segregation occurs. A dot distribution map (also known as dot density map) is a map type that is used to display a dot symbol to show the presence of where race and ethnic clusters exist. Dot distribution maps, through their simple and effective displays, are utilized in the following exploratory analyses for showing spatial relationships of race and ethnicity in the City of Houston jurisdiction.

Dots in the following maps represent and show distributions of race and ethnicity with densities of one-to-one and one-to-many. In a one-to-one dot map (See Figure 13), each dot represents one single individual, opposed to the alternative of having one dot represent many individuals as a one-to-many representation (See Figure 14). One-to-one dot density is used in the following maps to display the full impact of the makeup of individuals. Each dot within a census tract represents one individual of race/ethnicity out of a total of individuals of a specific race/ethnicity within a census tract. Therefore, data dots are not necessarily in their correct spatial location, as the dots represent aggregate data from census tables and are often arbitrarily placed on a map. The density placements of dots in ArcGIS are shown in the following Figures.

Figure 13: One-to-One Dot Density

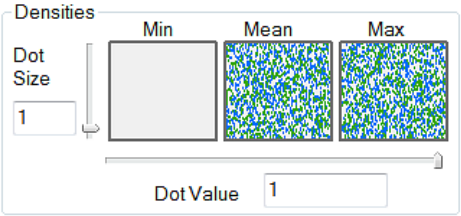
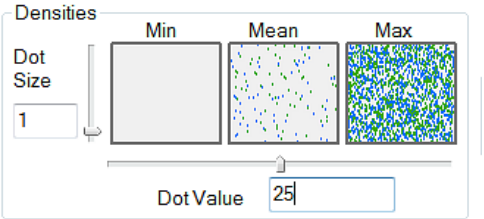


Figure 14: One-to-Many Dot Density



Race/Ethnicity by Dissimilarity Index Scores

The dissimilarity index measures whether one particular group is distributed across census tracts in the metropolitan area in the same way as another group. The Dissimilarity Index is the most commonly used measure for segregation. The Dissimilarity Index measures the evenness of the distribution between two (usually racial or ethnic) groups in a city, and reflects their relative distributions across neighborhoods. Lack of diversity in neighborhood housing often correlates to a similar lack of diversity in schools, churches/houses of worship, neighborhood amenities, etc.

A high value of dissimilarity indicates that the two groups tend to live in different tracts. Dissimilarity (D) ranges from 0 to 100. According to Massey and Denton (1988) a value of 60 (or above) is considered very high. It means that 60% (or more) of the members of one group would need to move to a different tract in order for the two groups to be equally distributed. Values between 30 and 60 are usually considered to be a moderate level of segregation, and values of 30 or below are considered to be fairly low.

The U.S. Housing and Urban Development Department (HUD) also examined the various statistical distributions of dissimilarity values across communities. Based on HUD's criteria in the AFFH (Affirmatively Furthering Fair Housing) Data Documentation Draft (June, 2013) the following values in Table 41 are being proposed for adoption:

Table 41: HUD's Proposed Categories of Dissimilarity

Measure	Values	Description
Dissimilarity Index	< 0.40	Low Segregation
[min: 0, max: 1]	0.41-0.54	Moderate Segregation
	> 0.55	High Segregation

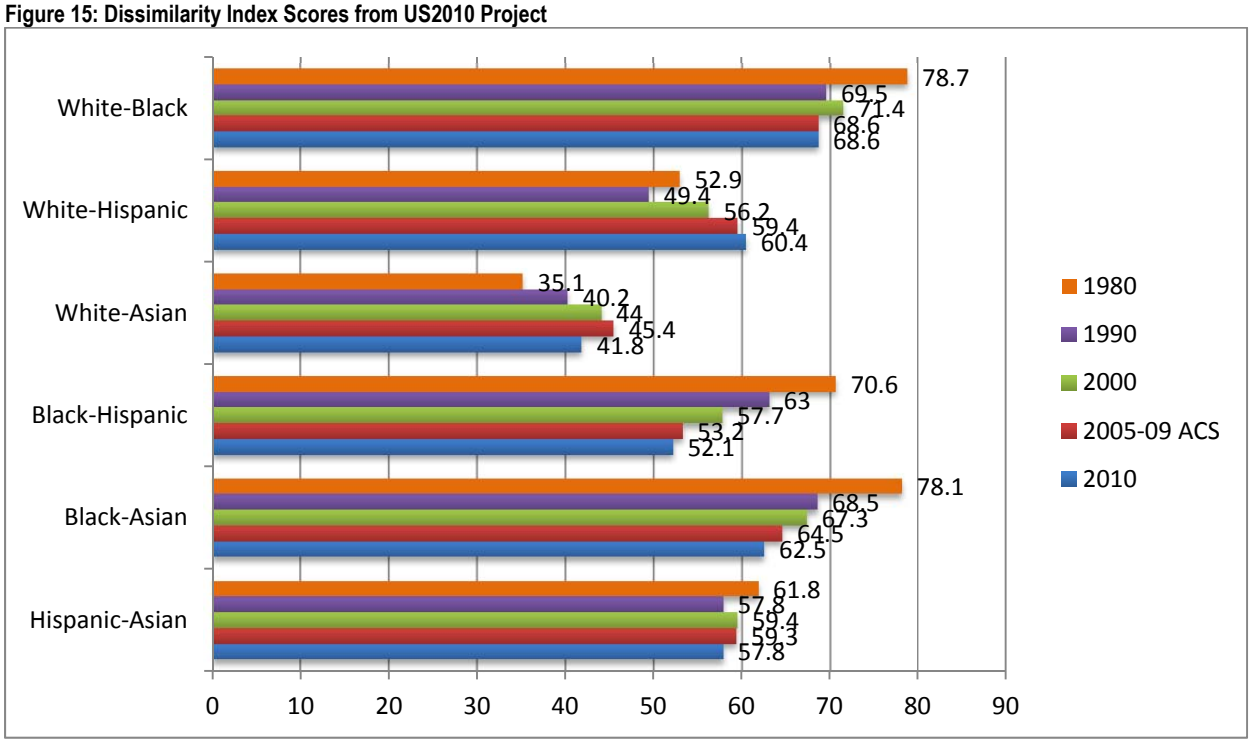
The measurement of segregation in the following maps is limited to the City's Black, White, Asian and Hispanic groups. Also, the values for measurement will reflect the proposed HUD values, as well as the very high segregation value of 60, as identified by Massey and Denton (1988) and is commonly used by scholars and practitioners. An example of the calculation for *D* is shown for Whites and Blacks in the following equation:

$$D = \frac{1}{2}\sum_i \left| \frac{w_i}{W} - \frac{b_i}{B} \right|$$

Where w_i is the number of Whites in each of I sub-areas, W is the total White population, b_i is the number of Blacks in each of i sub-areas, and B is the total Blacks population. D varies between 0 (no segregation) and 1 (complete segregation). The Dissimilarity Index is interpreted as the percentage of a group (in this case, Blacks) that would have to move to achieve a —evenll racial distribution where every neighborhood would have the same racial distribution as the entire city. In other words, if a city's white-black dissimilarity index were 65, that would mean that 65% of white people would need to move to another neighborhood to make whites and blacks evenly distributed. Referencing HUDs AFFH document, the sub-areas for calculation are census block-groups opposed to census tracts.

The extent of Houston's segregation is demonstrated in Figure 15. The exploratory analysis in Figure 3 uses decennial census data from 1980-2010 for its results. The bar chart was produced by *Spatial Structures in the Social Sciences, Brown University in the US2010 Project*. What stands out most in the bar graph is that there has been consistent very high segregation between black and white groups as well as black and Asian groups.

Figure 15: Dissimilarity Index Scores from US2010 Project



Spatial Distribution of Race/Ethnicity

The following maps and tables contain non-Hispanic white, non-Hispanic black, Hispanic, Asian and Native American population data in the City of Houston Super Neighborhoods. The data shows the racial/ethnic composition in the City of Houston using 2010 decennial census block-group data (aggregated to census tracts) for showing dissimilarity and 2012 ACS 5-year estimate data for dot density. The justification for using 2010 data for dissimilarity index is that the ACS census data does not provide data in the HUD suggested unit of measurement (census block-groups). The 2012 ACS 5-year census data is more to date. The distribution of the data within the Super Neighborhoods Boundaries allows for cluster views

White-Black Dissimilarity

White-Black dissimilarity/segregation in Houston's census tracts has been very high (60 and above) over the past 30 years. The following maps show how the two groups are currently blending together. All the dissimilarity index maps serve as points of reference for where segregation between two groups are low to very high as of 2010. These areas may be measured for improvement or decline based on changes over time. The distribution of dissimilarity in Map 28 shows gray areas that have a white-black dissimilarity score greater than 55. There are 242 out of 665 census tracts in Houston's jurisdiction that have high to very high white/black segregation based on the distribution of white/black dissimilarity in Map 28.

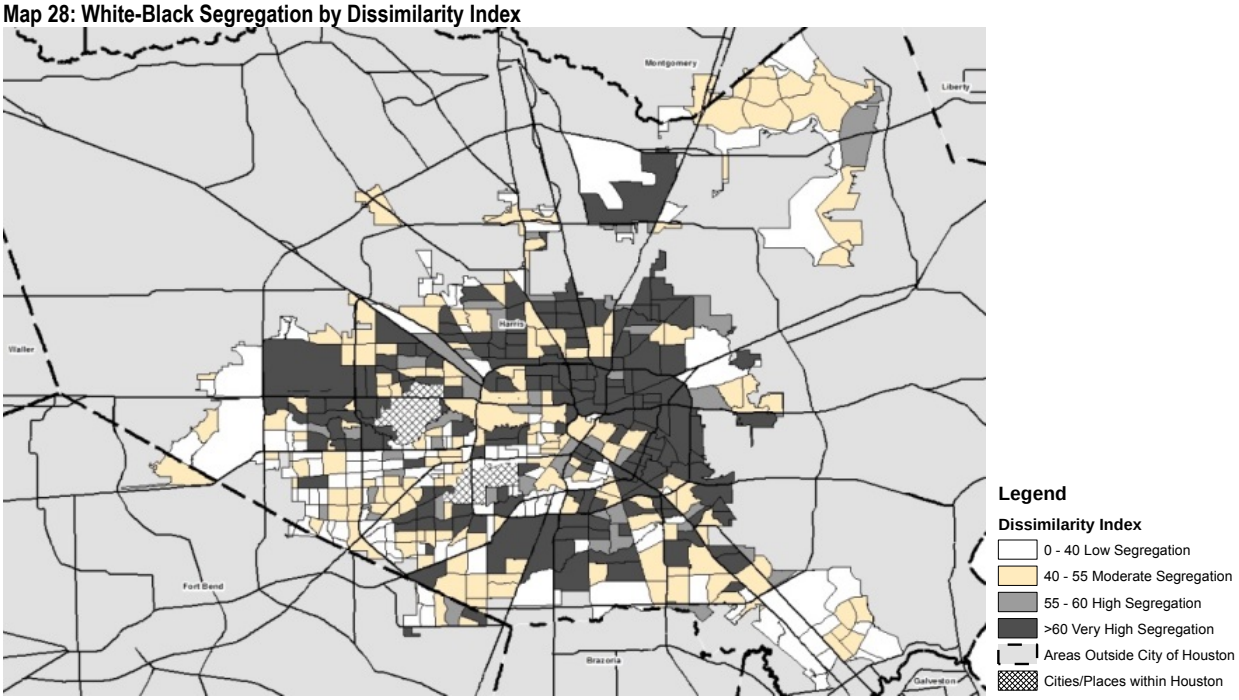
The distribution of green dots in Map 29 show the density of non-Hispanic white individuals, and the blue dots show the density of non-Hispanic black individuals. The spatial data represents where individuals reside in the City of Houston and is reflective of how residentially segregated whites and blacks are. Using downtown Houston as a centroid for measuring in quadrants, an x and y axis through downtown Houston separates the city into a Northeast (NE), Northwest (NW), Southwest (SW), and Southeast (SE) quadrants. The spatial distribution of dot density shows the separation in space as it relates to whites and blacks, and based on where the dots are more dense, it may be discerned which are need more blending of whites and which areas need more blending of blacks.

Table 42: Tracts with Dissimilarity by Quadrants

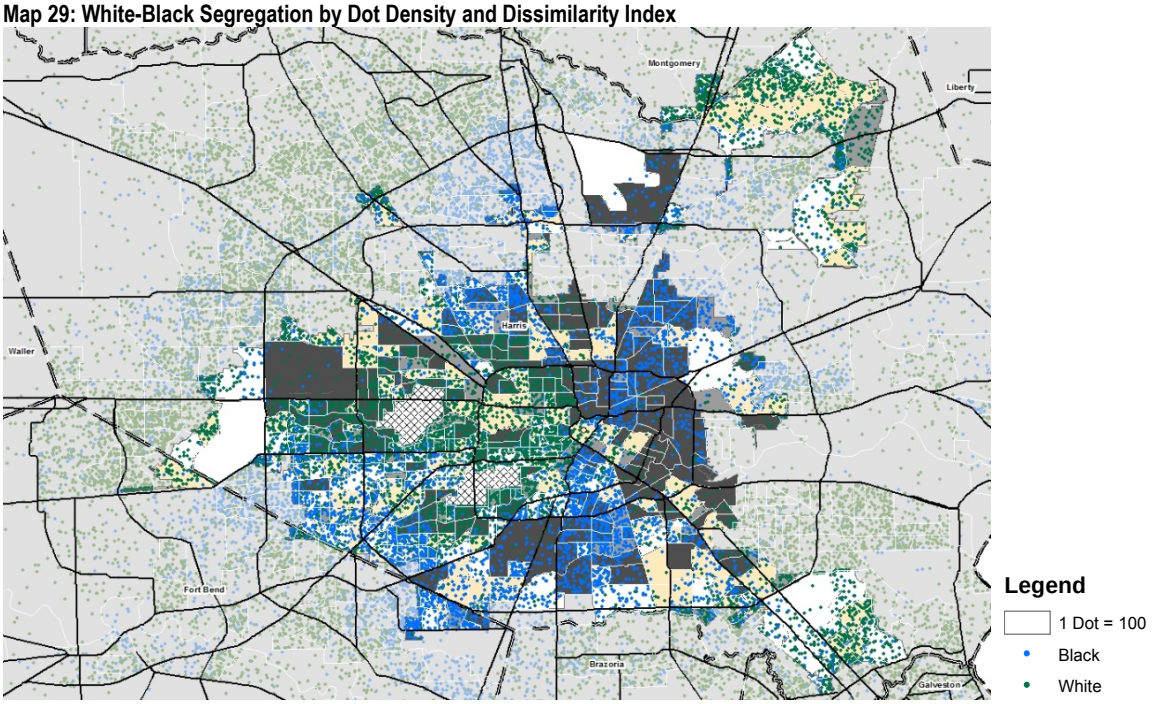
Race/Ethnicity Paired Groups	Census Tracts with High and Very High Segregation by Dissimilarity				Total No. of Tracts with High to Very High Segregation
	NE Quadrant	SE Quadrant	SW Quadrant	NW Quadrant	
White-Black	50	58	61	73	242
White-Hispanic	21	23	29	25	98
White-Asian	98	98	38	53	287
Black-Hispanic	63	75	80	88	306
Black-Asian	91	81	144	130	446
Hispanic-Asian	103	101	68	78	350

Based on the number of census tracts per quadrant, the NW and SW quadrants have the most census tracts with high to very high segregation (See Table 42). The NW and SW quadrants of the City of Houston have more census tracts that are majority (Above 51%) white than that of blacks on the west side of Houston (See Table 44) based on the ACS 2012 5-year estimate data.

Map 28: White-Black Segregation by Dissimilarity Index



Map 29: White-Black Segregation by Dot Density and Dissimilarity Index



White-Hispanic Dissimilarity

White-Hispanic dissimilarity/segregation in Houston's census tracts was moderate from 1980 to 1990, but became high by year 2000. The white and Hispanic groups were highly segregated by 2010, but this could be based on the increase in the Hispanic population as well as the decline in the white population. Map 30 and Map 31 show where the two groups may need more blending. The distribution of dissimilarity in Map 32 shows gray areas that have white-Hispanic dissimilarity score greater than 55. There are 98 out of 665 census tracts in Houston's jurisdiction that have high to very high white/Hispanic segregation based on the distribution of white/Hispanic dissimilarity in Map 30.

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The distribution of green dots in Map 31 show the density of non-Hispanic white individuals, and the red dots show the density of Hispanic individuals. The spatial distribution of dot density shows the separation in space as it relates to whites and Hispanics, and based on where the dots are more dense, it may be discerned which are need more blending of whites and which areas need more blending of Hispanics.

Based on the number of census tracts per quadrant, Hispanics are evenly distributed in three quadrants (See Table 44). The NE and SE quadrants of the City of Houston have more census tracts that are majority (Above 51%) Hispanic than all other race/ethnicity groups (See Table 43) based on the ACS 2012 5-year estimate data.

Table 43: Net Changes by Number Totals and Percentages

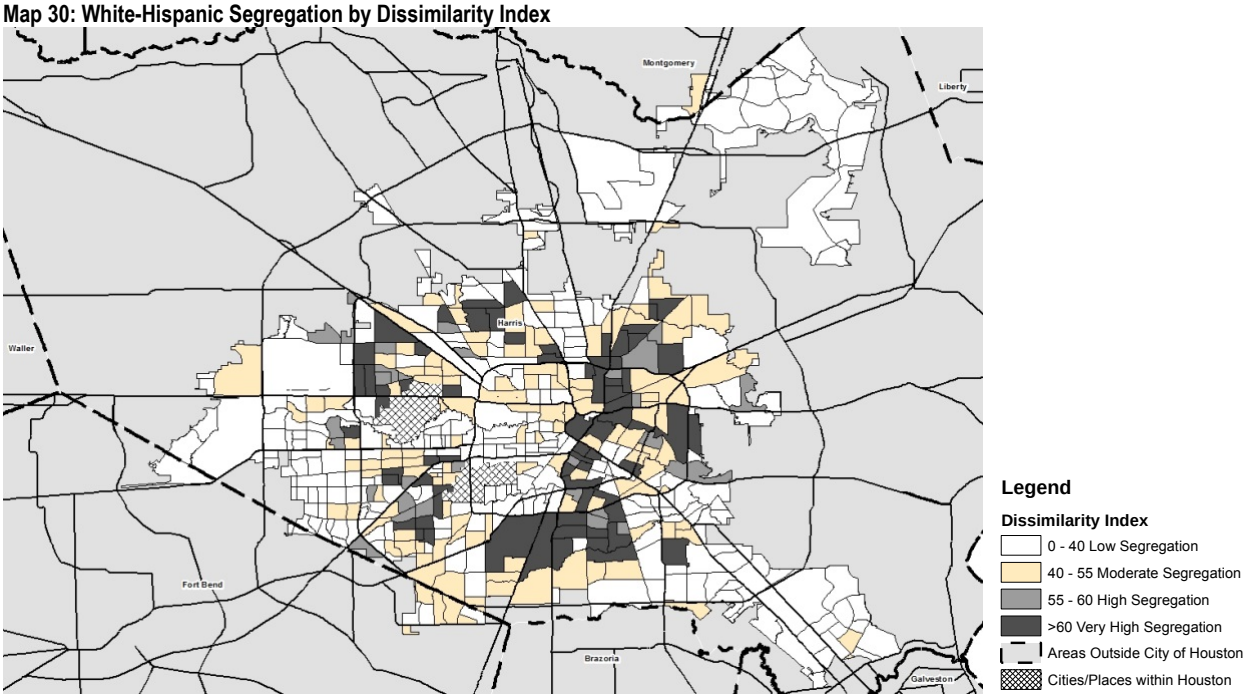
30-Year Time Period by Decennial Years	Total Population	Non- Hispanic White	Non- Hispanic Black	Hispanic or Latino	Non- Hispanic Asian*	Non- Hispanic Other Races**
Net Change 1980-1990	36,628	-171,295	11,756	169,225	32,734	-5,792
	2.30%	-20.54%	2.69%	60.15%	95.55%	-63.68%
Net Change 1990-2000	321,865	-60,915	39,703	280,309	39,627	23,141
	19.72%	-9.19%	8.86%	62.21%	59.15%	700.61%
Net Change 2000-2010	145,820	-63,950	-1,895	188,803	22,478	384
	7.46%	-10.63%	-0.39%	25.83%	21.08%	1.45%
Net Change 1980-2010	504,313	-296,160	49,564	638,337	94,839	17,733
	31.62%	-35.51%	11.36%	226.90%	276.83%	194.98%

Source: 1980-2000, 2010 PL94-171 Data, US Census Bureau

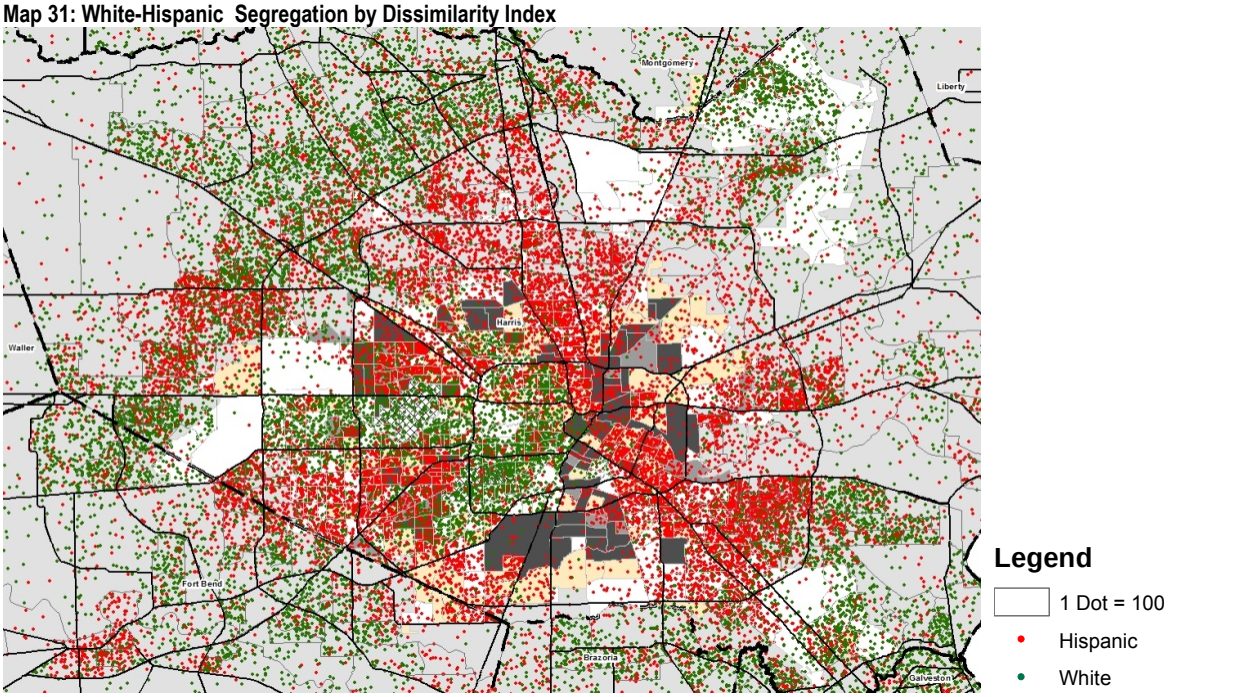
*Note: Asian includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander populations

**Note: Other Races include Two or More Races and Some Other Race

Map 30: White-Hispanic Segregation by Dissimilarity Index



Map 31: White-Hispanic Segregation by Dissimilarity Index



White-Asian Dissimilarity

White-Asian dissimilarity/segregation in Houston's census tracts has been low since 1980. The Asian population is small (6.15%) and there is a larger group of census tracts that a segregated on the east side of Houston, similar to the white group. There are 287 out of 665 census tracts in Houston's jurisdiction that have high to very high white/Asian segregation based on the distribution of dissimilarity in Map 33.

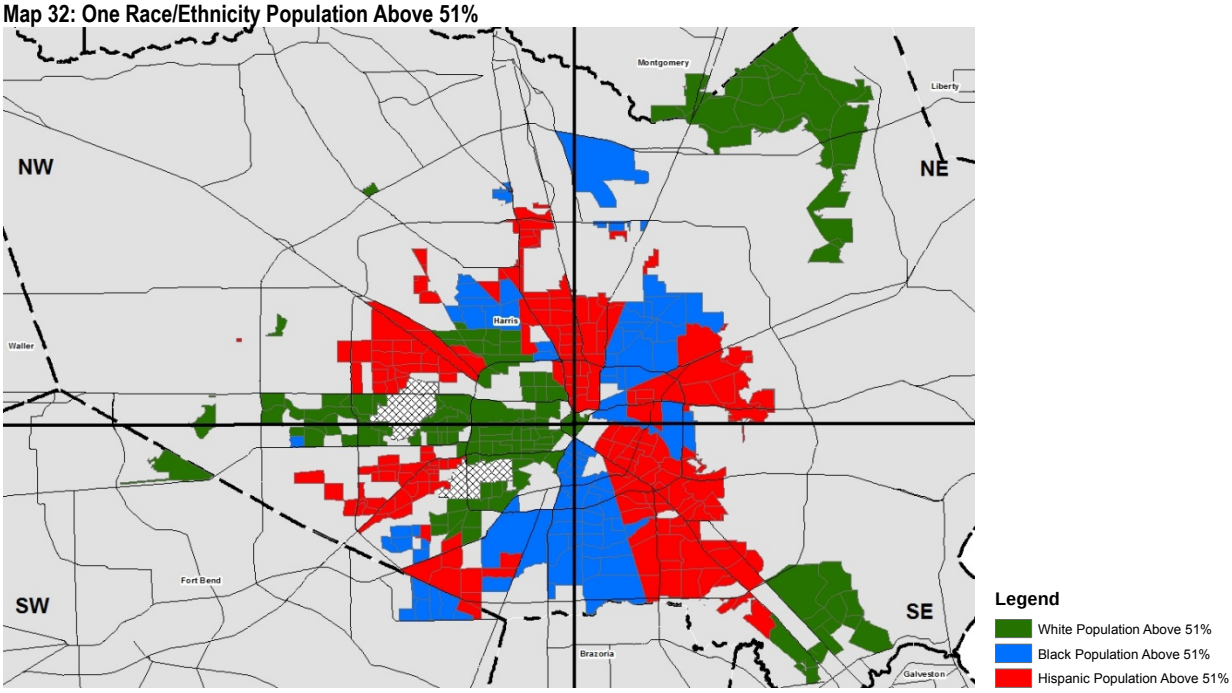
The distribution of green dots in Map 34 show the density of non-Hispanic white individuals, and the yellow dots show the density of Hispanic individuals. There is not a lot of density for the Asian group, but the Asians have a presence of at least 40% in two census tracts in the SW quadrant of Houston.

Table 44: Census Tracts with One Race/Ethnicity at 51% Population

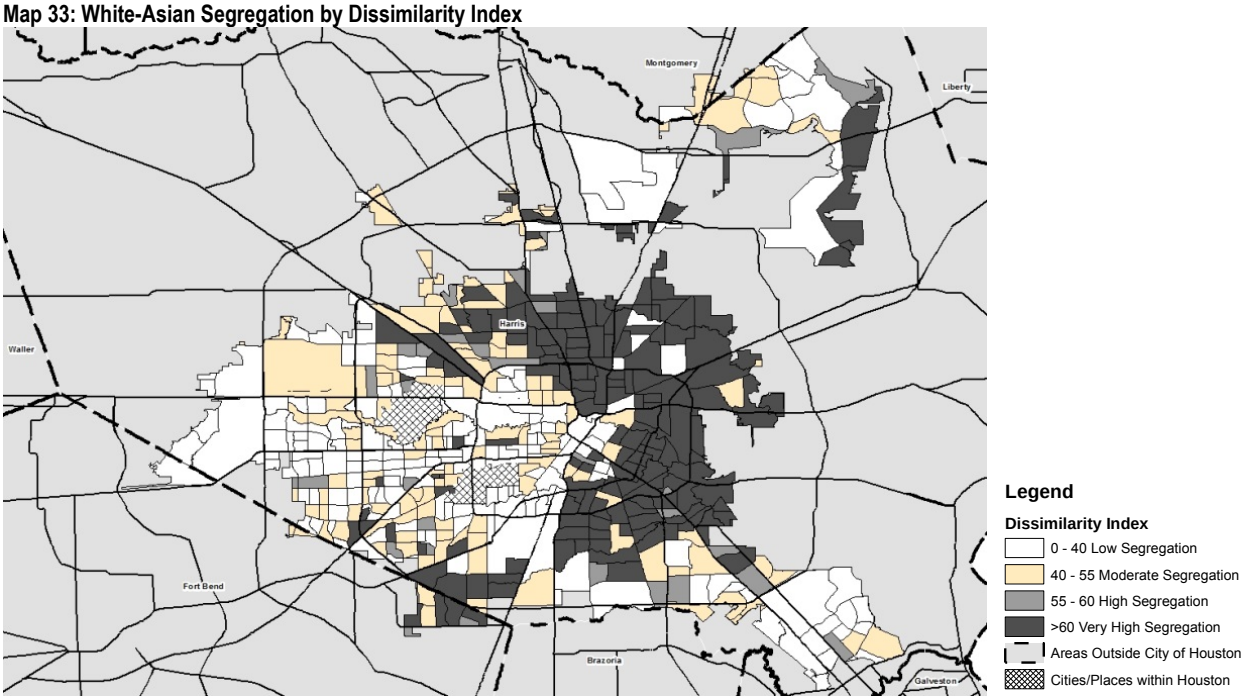
Race/Ethnicity	Census Tracts with One Race/Ethnicity Above 51% of the Total Population				Total No. of Tracts with One Majority Race/Ethnicity
	NE Quadrant	SE Quadrant	SW Quadrant	NW Quadrant	
White	24	51	92	71	238
Black	24	23	29	15	91
Hispanic	65	66	41	61	233

Source: 1980-2000, 2010 PL94-171 Data, US Census Bureau

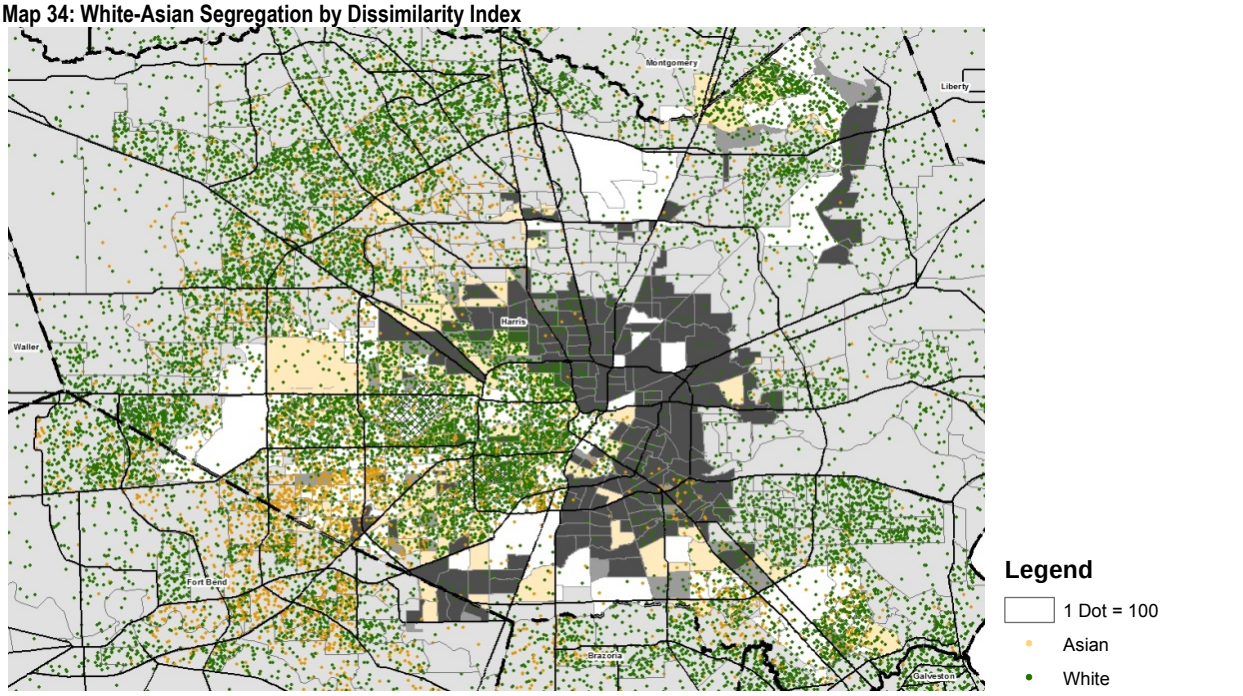
Map 32: One Race/Ethnicity Population Above 51%



Map 33: White-Asian Segregation by Dissimilarity Index



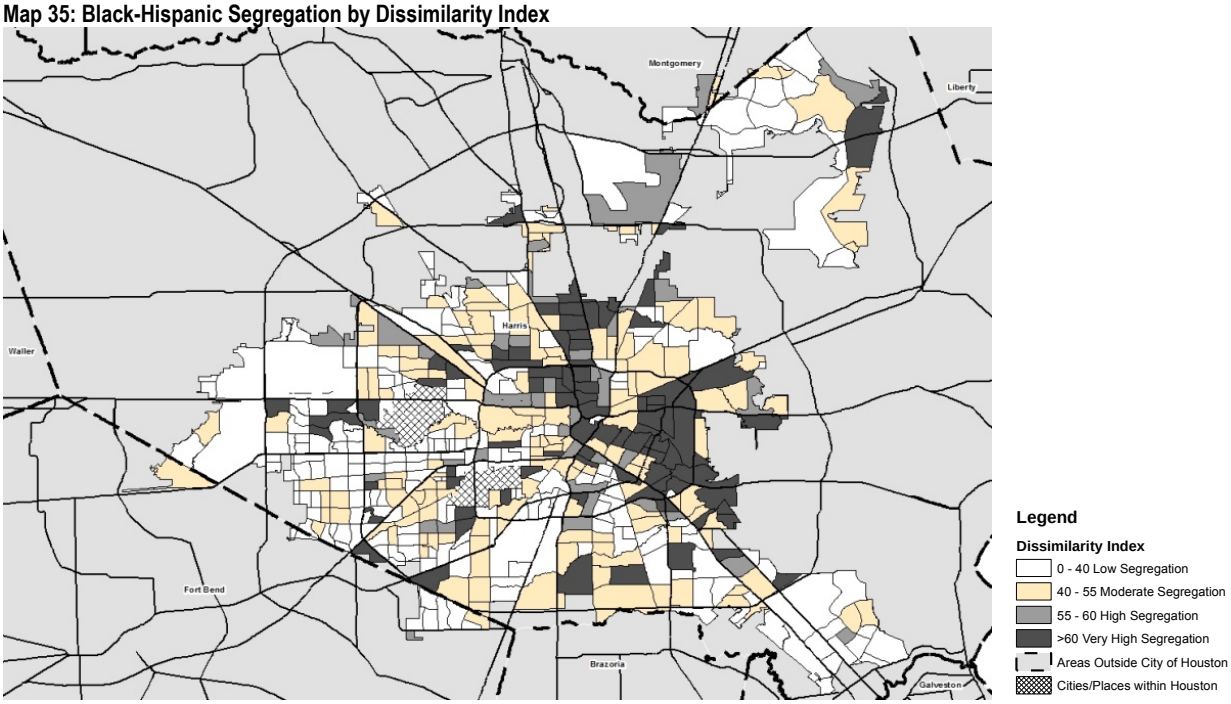
Map 34: White-Asian Segregation by Dissimilarity Index



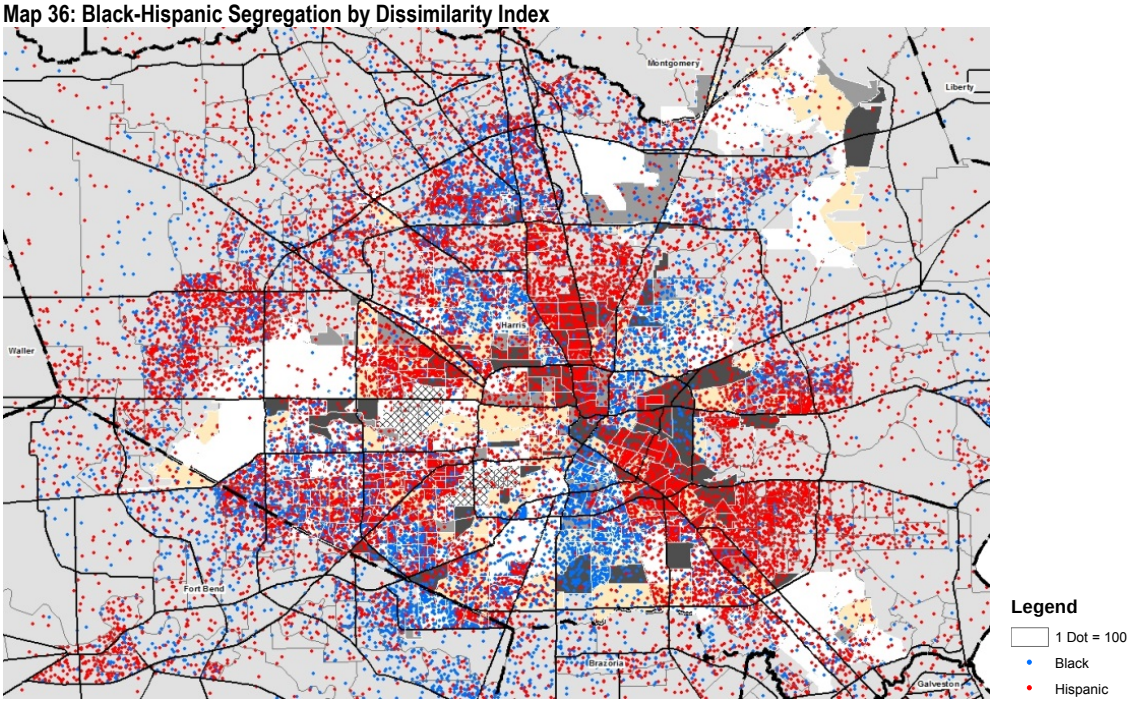
Black-Hispanic Dissimilarity

Black-Hispanic dissimilarity/segregation in Houston's census tracts has declined each decennial year since 1980. Segregation was very high (70.6) in 1980 and declined to 63 in 1990, but was still very high. The Hispanic population increased by 10% of the total population in the 10 year periods of 1980-1990 and 1990-2000. By year 1990, the Hispanic population was the second largest race/ethnicity in Houston. The black population started decreasing by year 2000. The next two maps show how the two groups are currently blending together. There are 306 out of 665 census tracts in Houston's jurisdiction that have high to very high black/Hispanic segregation based on the distribution of dissimilarity in Map 35.

Map 35: Black-Hispanic Segregation by Dissimilarity Index



Map 36: Black-Hispanic Segregation by Dissimilarity Index



Based on the number of census tracts per quadrant, blacks are evenly distributed in three quadrants (See Table 5). Blacks do not have more census tracts with a population above 51% in any quadrants of the city. Blacks and Hispanics have high and very high segregation more so in the SW and NW quadrants of the City. The distribution of blue and red dots in Map 36 indicates that there are more 2012 ACS census tracts populated with blacks and Hispanics in the SE and NE quadrants of the City.

Black-Asian Dissimilarity

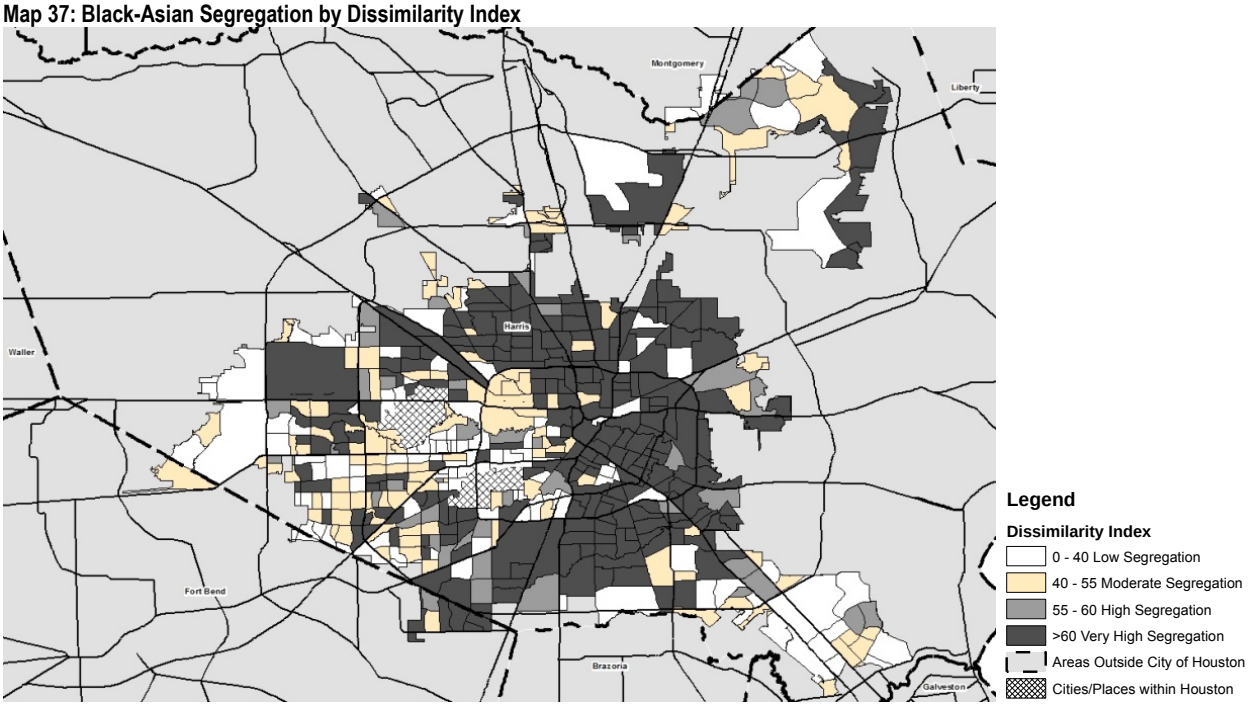
Black-Asian dissimilarity/segregation in Houston's census tracts has been very high since 1980 (See Figure 15). The dissimilarity index score has decreased from 78.1 to 62.5. Based on the 2010 index scores in Figure 15, whites and Asians are most segregated form blacks. There are 446 out of 665 census tracts in Houston's jurisdiction that have high to very high black/Asian segregation based on the distribution of dissimilarity in Map 37.

The increase in the Asian population is not reflected in census tracts blacks where blacks reside nor is the black population reflected where Asians reside. The dot density in Map 38 shows that Asians are dispersed in the W-SW area of Houston with some signs of density in the lower SE quadrant of the city.

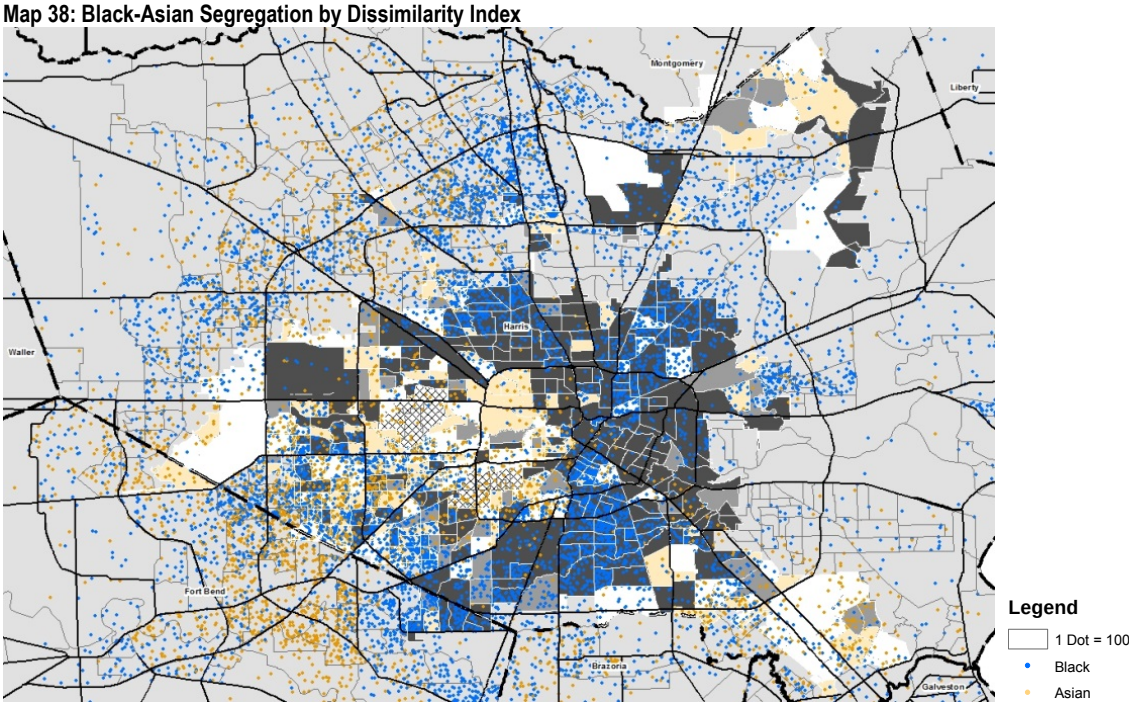
The Asian population has grown but not significantly enough to show an impact on the total population count. With the majority of the blacks residing in the SE and NE parts of the city and Asians residing mostly in the SW quadrant of the city, these two groups are more segregated than any other pairing of race and ethnicity.

Based on the number of census tracts per quadrant, the black population is in more census tracts with their population having more than 51% of representation than the Asian population. With such a low representation in Houston, Asians meet their percentage of the total population (6.15%) in 291 census tracts (See Table 45), whereas blacks meet their percentage of the total population (23.15%) in 233 census tracts.

Map 37: Black-Asian Segregation by Dissimilarity Index



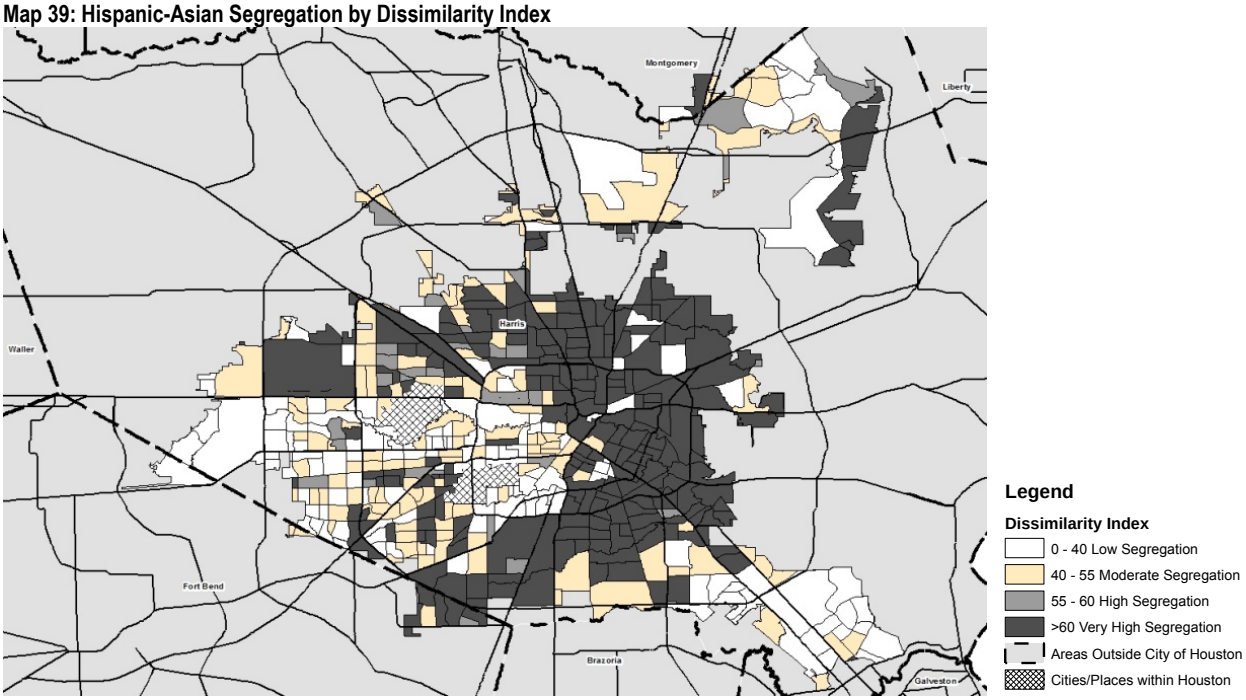
Map 38: Black-Asian Segregation by Dissimilarity Index



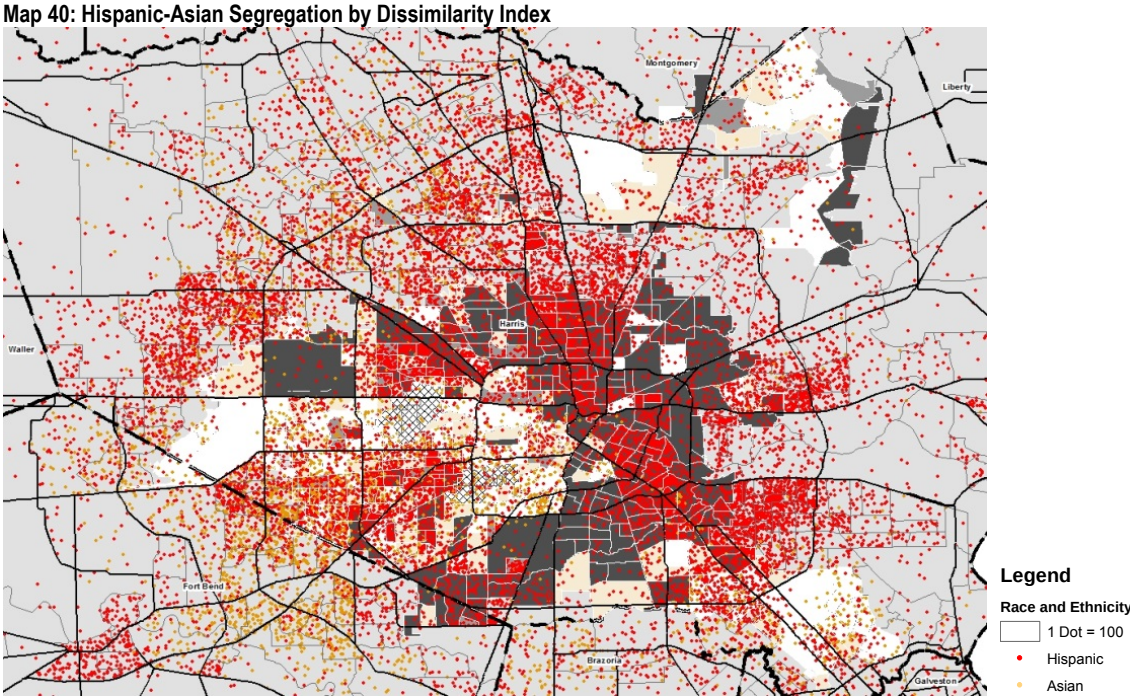
Hispanic-Asian Dissimilarity

Hispanic-Asian dissimilarity/segregation in Houston's census tracts was very high in 1980 (See Figure 15). The dissimilarity index score has decreased in 1990 to a high index score and segregation has remained high since 1990. There are 350 out of 665 census tracts in Houston's jurisdiction that have high to very high Hispanic/Asian segregation based on the distribution of dissimilarity in Map 39. There are more census tracts with dissimilarity between Hispanics and Asians in the NE and SE quadrants of the city.

Map 39: Hispanic-Asian Segregation by Dissimilarity Index



Map 40: Hispanic-Asian Segregation by Dissimilarity Index



Similar to the dot density map of blacks and Asians, the dot density in Map 40 shows that Asians are dispersed in the W-SW area of Houston with density in the lower SE quadrant of the city.

Based on the number of census tracts per quadrant, the Hispanic has more census tracts with their population having more than 51% of representation than the Asian population. Hispanics meet their percentage of the total population (43.52%) in 301 census tracts with the majority of those census tracts being ion the NE quadrant of the city.

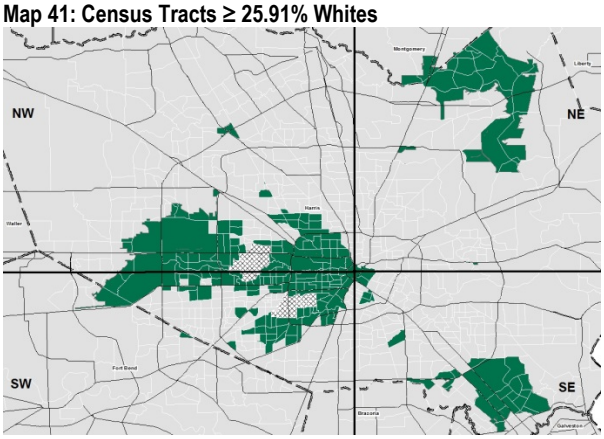
Table 45: Census Tracts that Match Race/Ethnicity by % of the Total Population

Race/Ethnicity (% of Total Population)	Census Tracts that Match ACS 2012 Estimates Total Population Percentages				Total No. of Tracts that Match Total Population %
	NE Quadrant	SE Quadrant	SW Quadrant	NW Quadrant	
White (25.62%)	31	75	130	110	346
Black (23.15%)	69	31	90	43	233
Hispanic (43.81%)	88	73	62	78	301
*Asians (6.15%)	5	45	158	83	291

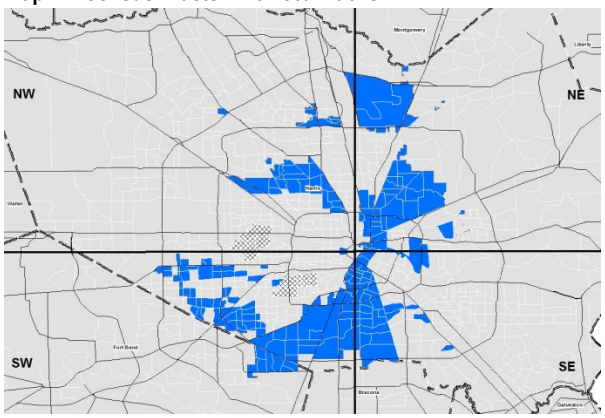
Source: 1980-2000, 2010 PL94-171 Data, US Census Bureau
*Note: Asian includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander populations

The Quadrant View of Race/Ethnicity by % of Total Population

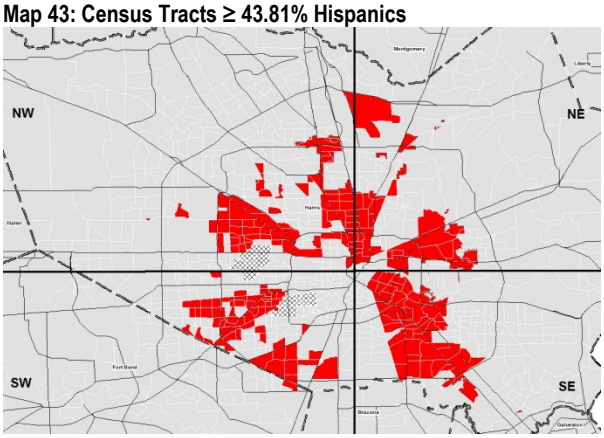
Map 41: Census Tracts ≥ 25.91% Whites



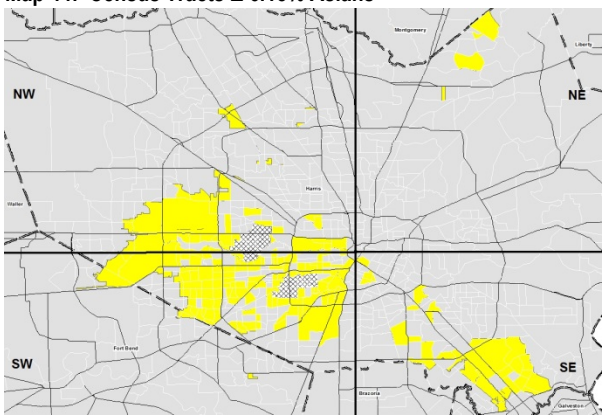
Map 42: Census Tracts ≥ 23.15% Blacks



Map 43: Census Tracts ≥ 43.81% Hispanics



Map 44: Census Tracts ≥ 6.15% Asians



Free Market Analysis

To validate and compare the information found from the dissimilarity index, HCDD is currently working with Planning/Communications to perform a Free Market Analysis. The Free Market analysis compares the actual racial composition of a census tract with what the approximate racial composition would likely be in a free housing market not distorted by discriminatory practices such as steering, redlining, or discriminatory rental policies. This way of analysis differs from the dissimilarity index because it does not assume that every census tract or neighborhood should have the same racial and ethnic percentages as the entire city. Instead, this approach uses income to estimate the likely racial composition. The final analysis will be available as part of the Appendix in AI with available on HCDD's website on or before July 1, 2015.

6. Lending Practices

Home Mortgage Lending Practices

One of the barriers to fair housing choice throughout the country has been discrimination by private sector lenders based largely on race or ethnicity. These practices have led to minorities being denied conventional home loans significantly more frequently than whites and being approved at substantially lower rates. Access to credit for home purchases has long been considered key to helping low-income and traditionally disenfranchised groups build wealth in the United States. When qualified borrowers cannot get home loans, their housing and financial investment choices are unfairly limited.

Fair housing is an issue that extends beyond jurisdiction boundaries; therefore, fair housing data should be analyzed at a regional level. This is why this analysis reviewed Home Mortgage Disclosure Act (HMDA) data using the Houston Metropolitan Statistical Area (MSA). Five years of HMDA data for the Houston MSA was analyzed: 2009, 2010, 2011, 2012, and 2013, which is the most recent data that is available.

HMDA data can be used to reveal potential discrimination in private lending markets by assessing residential capital investment. HMDA, enacted in 1975 and later amended, requires financial institutions to publicly disclose the race, sex, and income of mortgage applicants and borrowers by census tract. This data is widely used to detect evidence of discrimination in mortgage lending. There are limitations to HMDA data, and analysis of the available data cannot prove discrimination because of these limitations. Important constraints include

- Factors relative to the cost of credit including applicant credit information, loan-to-value ratio, or consumer debt-to-income ratio
- Data entry errors or incomplete loan applications

Both depository and non-depository lenders must collect and publicly disclose information about housing-related loans and applications for such loans. The Federal Financial Institutions Examining Council (FFIEC) collects and publishes certain data used in connection with federal reporting responsibilities under the HMDA and Community Reinvestment Act (CRA). HMDA data represents most mortgage lending activity and therefore is the most comprehensive collection of information regarding home purchase originations, home remodel loan originations, and refinancing available.

Summary of Findings

The following summarizes the analysis of HMDA data from 2009 to 2013:

- Over 1 million loan applications were processed for home purchases, home improvements, and refinancing during the last five years. The number of applications for all three types of loans decreased from 2009 to 2011, however, in 2012, all types increased above the amount of applications submitted in 2009.
- As owner occupied applications for homes declined in 2009 to 2011, the number of applications and originations for home loans for non-owner occupied housing increased and has continued to increase through 2013. This could signal that the rental market in Houston has attracted investors and more homes may have been added to the area's rental supply.
- Most applications in the Houston MSA for home purchases are for conventional loans with this proportion growing from 52% in 2009 to 65% in 2013. Although trending downward, there is still a large percentage of applications that are government backed (34% in 2013).
- The most common reasons for denial of conventional home loans were Credit History and Debt-to-Income Ratio followed by the third and fourth most common reasons, Credit Application Incomplete and Collateral.
- The denial rate for conventional home loans of females has been two to five percentage points higher than that of male applicants in the past five years, and the number of applications with a female main applicant is less than half of the applications where the main applicant is male.

- The percentage of conventional home loan applicants was not representative of the racial and ethnic composition of the Houston MSA. The proportion of applicants that identified as White made up more than two-thirds of all applications for conventional home loans. The average percentage of applicants that identified as Black/African American was 4%, as Asian was 12%, and as Hispanic was 13%.
- Denial rates for conventional home loans by race and ethnicity
    - The range of annual denial rates for Black/African American applicants had the greatest discrepancy to that of White applicants as the denial rates were almost twice as high as White applicants during the past five years, 22-29% compared to 12-15%.
    - Hispanics also had a high rate of denial (22-27%), although it was consistently lower, by several percentage points, than of Black/African American applicants.
    - Non-Hispanic Whites had by far the lowest denial rate at 10-12% during the past five years, below the total denial average of 14%.
- Minorities, in particular Black/African American and Hispanic applicants, were denied loans more often than Whites regardless of income in the past five years. Denial rates for higher income applicants include Black/African American at 18%, Hispanic at 13%, White at 9% and White non-Hispanic at 8%.
- In non-minority census tracts, the approval rates are higher, the denial rates are lower, and for every three home loan applications in a non-minority area there is only one application made in a majority minority area.
- Although the majority of subprime loans were made to White borrowers, the ratio of subprime loans to loans originated is highest for Hispanics.

Overview of HMDA

HMDA data reports several types of loans. These include loans to purchase homes, loans to make home improvements, and refinancing of existing mortgage loans, as defined below.

- Home purchase loan – A home purchase loan is any loan secured by and made for the purpose of purchasing a housing unit.
- Home improvement loan – A home improvement loan is used, at least in part, for repairing, rehabilitating, remodeling, or improving a housing unit or the real property on which the unit is located.
- Refinancing – Refinancing is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower. The purpose for which a loan is refinances is not relevant for HMDA purposes.

Over 1 million loan applications were processed for home purchases, home improvements, and refinancing during the last five years. As the national financial crisis resulted in stricter lending requirements, as well as families reevaluating home purchases, the amount of home purchase applications fell significantly from 2009 to 2011 (-11%). Home improvement loan applications fell by 25% and refinancing applications decreased by 7% from 2009 to 2011. But all three types of loan applications rebounded in 2012 with more loan applications submitted than in 2009, and the number of home purchase and home improvement loans continued to increase in 2013.

Table 46: Purpose of Loan Application by Year – Houston MSA

Purpose	2009	2010	2011	2012	2013	Total	5 Year Approval Rate	5 Year Denial Rate
Home Purchase	87,453	80,553	77,805	92,383	114,783	452,977	74%	14%
Home Improvement	14,698	11,020	11,042	12,284	13,554	62,598	41%	52%
Refinancing	110,884	99,737	102,694	127,543	126,605	567,463	61%	22%
Total	213,035	191,310	191,541	232,210	254,942	1,083,038		
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013								

Of the 452,977 home purchase loan applications in 2009 to 2013, almost all, 414,423 or 91%, were related to owner-occupied applications, as shown in Table 47. As owner occupied applications for homes declined in 2009 to 2011, the number of applications and originations for home loans for non-owner occupied housing increased. Although the

number of applications for non-owner occupied housing is still a fraction of the number of home purchase applications, the share of the applications steadily grew during the past five years. This could signal that the rental market in Houston has attracted investors and more homes may have been added to the area's rental supply.

Table 47: Owner Occupancy Status for Home Purchase Loan Application – Houston MSA – HMDA Data 2009-2013

Status	2009	%	2010	%	2011	%	2012	%	2013	%	Total	%
Owner Occupied	81,496	93%	74,230	92%	70,494	91%	84,030	91%	104,173	91%	414,423	91%
Not Owner Occupied	5,640	6%	6,149	8%	7,087	9%	8,064	9%	10,236	9%	37,176	8%
Not Applicable	317	0%	174	0%	224	0%	289	0%	374	0%	1,378	0%
Total	87,453	100%	80,553	100%	77,805	100%	92,383	100%	114,783	100%	452,977	100%
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013												

Table 48 shows the number of owner occupied applications for the four types of home purchase loans. Conventional loans are loans that are not government backed loans. The other types of loans are government loans backed by various federal agencies including the Federal Housing Administration, Veterans Administration, and Farm Service Agency or Rural Housing Service. Through the past five years, the share of conventional loan applications for home purchases has increased, illustrating Houston's housing market recovery from the national financial crisis. Although conventional loan applications are the majority of applications, government backed loans do make up over two in five of the applications, at 45% in the past five years.

Table 48: Loan Type for Home Purchase Owner Occupied Loan Application – Houston MSA

Loan Type	2009	%	2010	%	2011	%	2012	%	2013	%	Total	%
Conventional	42,063	52%	38,837	52%	39,647	56%	49,382	59%	67,829	65%	237,758	55%
FHA-Insured	35,257	43%	31,441	42%	26,018	37%	28,675	34%	28,538	27%	149,929	39%
VA-Guaranteed	3,666	4%	3,376	5%	3,928	6%	4,904	6%	6,523	6%	22,397	5%
FSA/RHS	510	1%	576	1%	901	1%	1,069	1%	1,283	1%	4,339	1%
Total	81,496		74,230		70,494		84,030		104,173		414,423	
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013												

Conventional Home Purchase Lending

To examine the fair lending practices of the private market in the Houston area, the following will concentrate on the owner-occupied, conventional loan applications for home purchases.

Financial institutions can take one of the following actions pertaining to loan applications:

- Originated – The loan was made by the lending institution.
- Approved but not accepted – The loan application was approved by the lender, but not accepted by the applicant. This generally occurs if better terms are found at another lending institution.
- Application denied by financial institution – The loan application failed.
- Application withdrawn by applicant – The applicant closed the application process.
- File closed for incompleteness – The loan application was closed because all necessary documents were not given to the lender.

The outcomes of the conventional loan applications for owner occupied home purchases are presented in Table 49. Between 2009 and 2013, there were 162,027 loans originated and 32,943 loan applications denied, which resulted in denial rate of 14% for the five year period. The origination rate was 67% for 2009, 2010, and 2011, 70% in 2012, and 69% in 2013. The denial rate was lowest in 2012 and 2013 at 13% and highest at 16% in 2010.

Table 49: Owner Occupied Home Purchase Loan Applications by Action Taken – Houston MSA

	2009	%	2010	%	2011	%	2012	%	2013	%	Total	%
Loan Originated	28,077	67%	25,862	67%	26,614	67%	34,662	70%	46,812	69%	162,027	68%
Application Approved But Not Accepted	2,626	6%	2,660	7%	2,935	7%	3,232	7%	4,429	7%	15,882	7%
Application Denied	5,756	14%	6,109	16%	5,953	15%	6,524	13%	8,601	13%	32,943	14%
Application Withdrawn By Applicant	4,741	11%	3,404	9%	3,384	9%	4,094	8%	6,606	10%	22,229	9%
File Closed for Incompleteness	863	2%	802	2%	761	2%	870	2%	1,381	2%	4,677	2%
Total	42,063		38,837		39,647		49,382		67,829		237,758	
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013												

Loan originations and loan denials for owner occupied conventional home loan applications are further analyzed as an indicator of the underlying success or failure of home purchase loan applicants. This information may help identify if there are any trends that may indicate discrimination in lending.

Denials of Owner-Occupied, Conventional Home Loans

Table 50 presents data by rationale for loan denial. HMDA data allows lenders to report up to three denial reasons for each loan application that was denied. The most common reasons for denial between 2009 and 2013 were Credit History and Debt-to-Income Ratio followed by the third and fourth most common reasons, Credit Application Incomplete and Collateral. The top two most common reasons for loan denial may suggest that further education efforts may be needed for future or potential homebuyers regarding financial literacy especially in regards to debt and building good credit.

Table 50: Owner-Occupied Home Purchase Loan Applications by Reason for Denial – Houston MSA

Denial Reason	2009	2010	2011	2012	2013
Credit History	27%	28%	25%	24%	17%
Debt-to-income Ratio	23%	21%	22%	20%	19%
Credit Application Incomplete	12%	11%	9%	11%	14%
Collateral	14%	11%	9%	9%	11%
Unverifiable Information	7%	6%	7%	7%	7%
Insufficient Cash	6%	6%	5%	5%	5%
Employment History	4%	3%	4%	3%	3%
Mortgage Insurance Denied	3%	1%	1%	1%	1%
Other	13%	10%	13%	13%	10%
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013					

Denial by Gender of Owner-Occupied, Conventional Home Loans

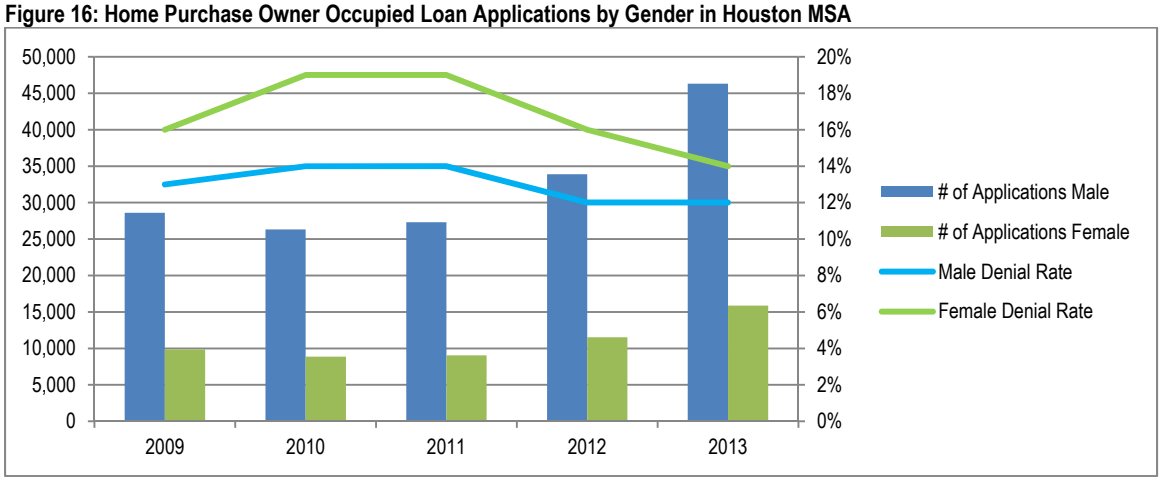
When comparing denial rates of owner occupied conventional home loan applications by gender of the main applicant, females have a consistently higher denial rate compared to males. As illustrated in Table 51, the denial rate of females has been two to five percentage points higher for the last five years than that of male applicants. More importantly, the number of applications with a female main applicant is less than half of the applications where the main applicant is male. This could reflect a social convention that if a married couple is applying for a loan, then

the male is listed as the main applicant. This could indicate that females would benefit from increased knowledge about homeownership, home buying, and general financial literacy.

Table 51: Denial Rate for Owner Occupied Home Purchase Loans by Gender of Main Applicant – Houston MSA

	2009		2010		2011		2012		2013	
	# of Applications	Denial Rate	# of Applications	Denial Rate	# of Applications	Denial Rate	# of Applications	Denial Rate	# of Applications	Denial Rate
Male	28,614	13%	26,333	14%	27,308	14%	33,891	12%	46,320	12%
Female	9,868	16%	8,867	19%	9,058	19%	11,521	16%	15,870	14%
Not Provided	3,742	12%	3,620	18%	3,269	18%	3,962	11%	5,630	13%
Not Applicable	20	5%	17	6%	12	0%	8	13%	9	22%
Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013										

Figure 16: Home Purchase Owner Occupied Loan Applications by Gender in Houston MSA



Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

Denials by Race and Ethnicity of Owner-Occupied, Conventional Home Loans

Not only did the number of applications received between 2009 and 2013 vary by gender, but they also varied greatly by race and ethnicity. The proportion of applicants that identified as White was more than two-thirds of all applications. Of all main applicants that applied during this time period, the percentage of applicants identifying as Black/African American was 4% and applicants identifying as Asian was almost 12%.

As a majority minority region, the percentage of applicants was not representative of the racial and ethnic composition of the Houston MSA, especially among applicants identifying as Black/African American and those identifying as Hispanic. Within the Houston MSA, Black/African Americans make up 17.2% of the population however only represented about 4% of the applications for conventional mortgages as illustrated in Figure 17 (U.S. Census Bureau, 2008-2012 American Community Survey).

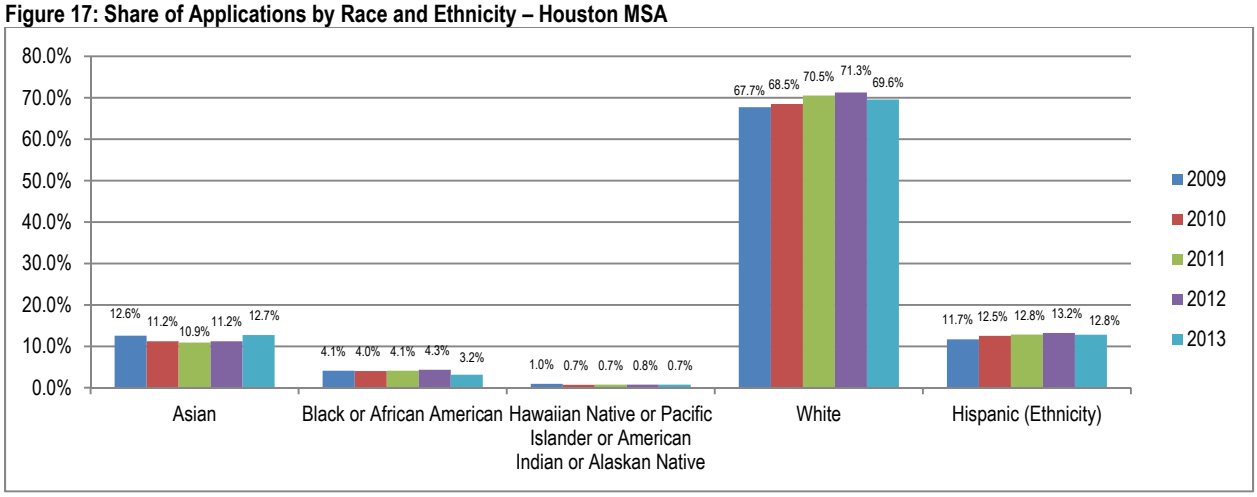
Asians make up approximately 6.6% of the Houston MSA population (U.S. Census Bureau, 2008-2012 American Community Survey), and in the past five years applicants identifying as Asian have made up approximately 12% of the total applications.

HMDA reporting classifies Hispanic as an ethnicity, which is separate from race. In the past five years, there has been a slight, steady increase in the number and proportion of Hispanic applicants, reaching the highest percentage of 13.2% in 2012. However, the percentage of Hispanic applicants still does not represent the percentage of the

population who are Hispanic in the Houston MSA, at 35.2% (U.S. Census Bureau, 2008-2012 American Community Survey).

This data could show that White and Asian residents buy and sell their homes more often than other minority groups or perhaps that some minority groups tend to see more value and flexibility in renting. However, it more likely illustrates that some minority groups are not aware of or are not prepared for the homeownership process. It could also show that some groups do not want to participate in the private lending market whether because of past discrimination or other reasons. Other research, more narrative based, could reveal why some minority groups have such a low percentage applying for homeownership loans. Due to the disparity between the number of applications received from Black/African American and Hispanic applicants compared to their share of the population in the region. Greater outreach by lending institutions may benefit or increased emphasis on financial education and the opportunities of homeownership for minority individuals may be needed in Houston.

Figure 17: Share of Applications by Race and Ethnicity – Houston MSA

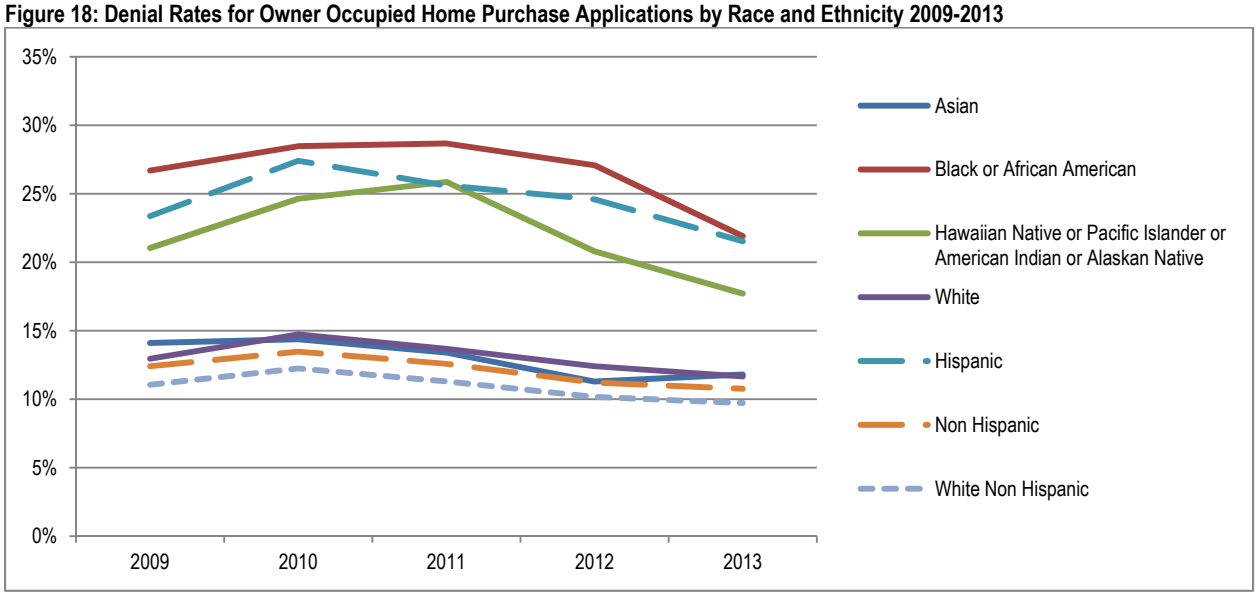


Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

Not only was the share of applications vastly different between Whites and other races, but also the denial rates were considerably higher among minorities. As Figure 18 illustrates, the denial rate for White applicants was less than other races and very consistent to the average denial rate for the past five years at 14%. The denial rate for Asian applicants was very close to the denial rate of White applicants. The denial rates for Black/African American applicants had the greatest discrepancy to that of White applicants as the denial rates were almost twice as high as the White applicants during the past five years.

Hispanics also had a high rate of denial; although it has been consistently lower, by several percentage points, than of Black/African American applicants except when the denial rates were the same at 22% in 2013. Because HMDA data defines ethnicity apart from race, a denial rate was also calculated for White applicants that did not identify as Hispanic. Non-Hispanic Whites had by far the lowest annual denial rate ranging from 10% to 12% during the past five years, below the total denial average of 14%.

Figure 18: Denial Rates for Owner Occupied Home Purchase Applications by Race and Ethnicity 2009-2013



Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

A higher denial rate of Hispanic and Black/African American applicants does not necessarily indicate fair housing problems or discrimination. It may be explained, in part, by these populations having lower incomes than Whites. It is also possible that credit histories vary among applicants with different racial/ethnic characteristics. Without a detailed analysis of each applicant, it is unclear if the reason for the difference is due to a variable other than income that is considered in making the lending decision (e.g., credit history, debt to income ratios) or if discrimination in lending could be occurring.

Denials by Income

When examining denials using race, ethnicity, and income, minorities were denied loans more often than Whites regardless of income. Using data from 2009 to 2013, denial rate was examined using the HUD Area Median Family Income (AMFI) for each corresponding year. Applicants making below 80% of the AMFI are considered low-income. Applicants making between 80% and 120% AMFI are considered average income, and those making above 120% of the area median income are considered upper income applicants. As expected, low-income applicants, making below 80% AMFI, have the highest denial rates. Applicants in higher income brackets are more likely to get a loan and have lower denial rates.

Table 52: Five Year Denial Rates of Owner Occupied Home Purchase Conventional Loan Applications by Race and Income

	<=80% AMFI (Low Income)	80%-120% AMFI (Average Income)	>120% AMFI (High Income)
Asian or Pacific Islander	22%	13%	10%
Black or African American	40%	27%	18%
Hawaiian or Pacific Islander	36%	21%	13%
White	27%	14%	9%
Not Provided by Applicant	35%	18%	10%
Hispanic (Ethnicity)	35%	24%	13%
Non-Hispanic	24%	13%	9%
White Non-Hispanic	23%	12%	8%

FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

Black/African American applicants had the highest denial rate out of all races when considering all income groups. The denial rate for Black/African American denial rates (18%) was twice as high as the denial rate for White applicants (9%) upper income bracket. Asian denial rates were lower than other minority groups and were closest close to that of Whites.

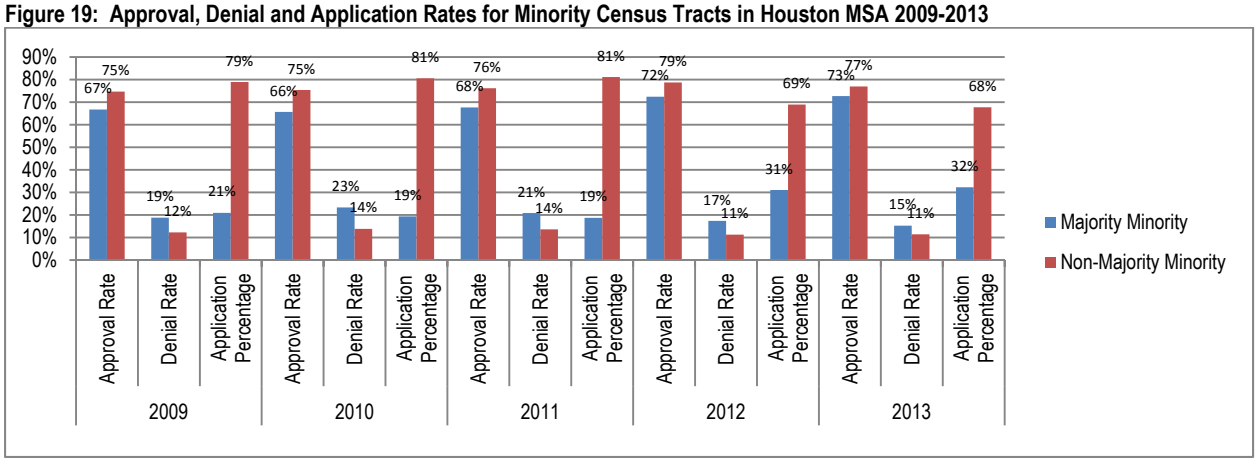
Hispanics had the second highest denial rate of all income levels considering race and ethnicity. Denial rates for upper income Hispanic applicants (13%) were considerably lower, approximately 5 percentage points lower, than that of upper income Black/African American applicants (18%). Non-Hispanic applicants were denied far less than Hispanic applicants for conventional home loans (9%). The denial rate for Hispanics was approximately 10 percentage points higher than Whites in the low and average income categories and approximately 1.5 times as high in the upper income category. Again, the denial rate for Non-Hispanic Whites was calculated. Applications for Non-Hispanic Whites were denied less than any other racial or ethnic group, at 12% and 8% in the average and upper income categories.

Lending in Minority Areas

HMDA data specifies the census tract's minority percentage for each loan application. The Houston MSA is a majority minority area, meaning there are more census tracts in the Houston MSA that have over 50% minority residents, than there are census tracts with non-minority majorities.

In non-minority census tracts, the approval rates are higher, the denial rates are lower, and for every three home loan applications in a non-minority area there is only one application made in a majority minority area. Approximately three-fourths of conventional home purchase applications are concentrated in census tracts in non-minority areas.

Figure 19: Approval, Denial and Application Rates for Minority Census Tracts in Houston MSA 2009-2013



Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

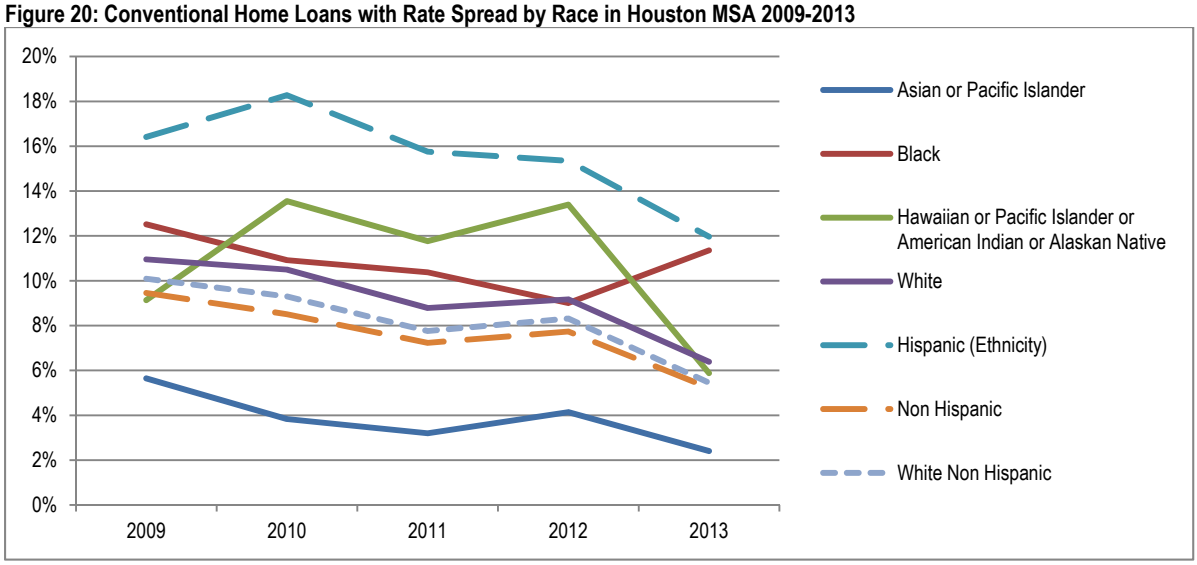
Subprime Loans

HMDA requires banks to provide information about the rate spread above a certain annual percentage rate (APR). This data is one identifier of subprime loans. As such, HMDA data has been used to examine differences in subprime pricing among borrowers of various races and ethnicities. In this section, a "subprime" loan is defined, consistent to HMDA data, as a loan with an APR of more than 3 percentage points above comparable Treasuries.

Of the 162,027 owner occupied home purchase loans originated in the Houston MSA between 2009 and 2013, 12,924 (8%), were considered subprime by this definition (i.e., these loans met or surpassed the pricing reporting threshold required by HMDA data). Of the subprime loans that were originated, 79% were made to White borrowers. The high percentage of subprime loans made to White borrowers could be because White applicants have the highest number of applications and a low denial rate.

About one in five subprime loans were made to Hispanic borrowers (19%) over the past five years. Examining the percent of subprime mortgages compared to those originated within each racial or ethnic group, Hispanic borrowers have the highest rate of subprime loans. Although the majority of subprime loans were made to White borrowers, the ratio of subprime loans to loans originated is highest for Hispanics; 15% of all loans originated to a Hispanic borrower were subprime compared to 11% of loans originated to Black/African American borrowers were subprime. This ratio is lowest for Asians; less than four percent of loans made to Asian borrowers were subprime loans.

Figure 20: Conventional Home Loans with Rate Spread by Race in Houston MSA 2009-2013



Source: FFIEC Home Mortgage Disclosure Act Raw Data 2009, 2010, 2011, 2012, and 2013

Review of Lending Patterns by Specific Lender

In 2013, the top ten conventional mortgage lenders in Houston received approximately 57% of all lending applications. Among these lenders, Wells Fargo Bank, Vanderbilt Mortgage, and JPMorgan Chase Bank received 27% of the market share in the City.

Table 53: Top 10 Conventional Home Purchase Lenders in 2013

	Overall Market Share	Approval Rate	Denial Rate
Wells Fargo Bank	12%	59%	22%
Vanderbilt Mortgage	8%	38%	62%
JPMorgan Chase Bank	7%	42%	45%
Cornerstone Home Lending	6%	56%	5%
21st Mortgage	5%	38%	62%
Compass Bank	4%	50%	13%
Flagstar Bank	4%	74%	26%
Bank of America	4%	51%	31%
Universal American Mortgage Company	4%	41%	20%
Network Funding	3%	63%	4%
Source HMDA Raw Data 2013			

Many of the top lenders for the region corresponded with the list of top lenders for minority applicants during 2013. Almost three in four Black/African American applicants (71%) applied for conventional home loans at one of the five most common lenders for Black/African Americans. Just over half (57%) of Asian applicants applied to one of the top five lenders for Asians in 2013, and only approximately one third (31%) of Hispanic applicants applied to one of the top five lenders for Hispanics during the same year. The list of top five lenders is the same for Black/African

American applicants and Hispanic applicants. However, the majority of Hispanic applicants apply to other lenders, while the majority of Black/African American applicants apply to at least one of the top five lenders.

Table 54: Top Lenders by Minority Applicants 2013

Black/African American		Asian		Hispanic	
Lender	% of Black/African American Applicants	Lender	% of Asian Applicants	Lender	% of Hispanic Applicants
Wells Fargo Bank	22%	Flagstar Bank	16%	Vanderbilt Mortgage	11%
JPMorgan Chase Bank	15%	Wells Fargo Bank	15%	Wells Fargo Bank	7%
Vanderbilt Mortgage	15%	JPMorgan Chase Bank	11%	21st Mortgage	6%
21st Mortgage	10%	Chicago Mortgage Solutions	9%	JPMorgan Chase Bank	4%
Compass Bank	9%	NYCB Mortgage Company	6%	Compass Bank	3%
Source: HMDA Raw Data 2013					

Foreclosures

In the third quarter of 2010 more than 113,000 residential mortgages in the Houston area were 'underwater', meaning the owners owed more on their mortgages than their homes were actually worth ("'Underwater' mortgages increase in Houston area". Houston Business Journal, December 14, 2010; http://www.bizjournals.com/houston/morning_call/2010/12/underwater-mortgages-increase-in.html). Since then the negative equity rate has decreased and is way below the national average of 16.9%. About 7.4% of all Houston area homeowners with a mortgage are 'underwater', or 68,222 homeowners, almost half as many as in 2010. The number of underwater homeowners is an important factor contributing to the foreclosure rate of an area. Although the number of homes has steadily decreased, in 2014 the number of foreclosures has increased. The increase in foreclosures this past year may be due to many foreclosure auctions scheduled in July and November. Although the number of foreclosures has risen recently, over the past five years the number of foreclosures is trending down, and Houston still has a relatively low number of homes in the foreclosure process at 3,535 homes ("Fewer homes underwater, but foreclosure rising in Houston", Houston Business Journal, 12/19/2014, http://www.bizjournals.com/houston/news/2014/12/19/fewer-homes-underwater-but-foreclosures-rising-in.html?page=all).

Fair Housing Concerns

There is a clear disparity between racial, ethnic, and gender groups in the amount of lending applications received as well as in the rate of denials. The next section will discuss recent fair housing complaints that have been filed with HUD in the City of Houston, which reveals that the majority of complaints concern rental housing. This could show that there is underreporting of complaints related to lending and home buying. Without a large number of complaints, it is hard to measure the kinds of discrimination occurring in the private lending market.

In addition, the disparities in lending may not be due to only overt discrimination, meaning denial based on a protected class basis. Overt discrimination practices are easily noticed by individuals affected. Perhaps the low amount of complaints filed is due to discrimination that is historic or institutionalized. For instance, the majority of denials are based on credit history and debt-to-income ratio. Income directly affects both of these. The lower a household's income, the more likely a household is to have credit issues or become burdened by loans. As discussed earlier, median income is lower for minorities and income grows at a slower pace for minorities compared to non-Hispanic Whites.

7. Public Policies

Public policies may affect the pattern of housing development, the availability of housing choices, and the access to housing. This section reviews the various policies that may impact housing choices in Houston.

Local Plans

Houston is unique as the largest city in the country without zoning ordinances. Houstonians have rejected efforts to implement zoning in various elections, and the lack of zoning regulations has become a matter of pride for some in Houston.

Without official zoning ordinances the City has enacted development regulations that specify how lots are subdivided, standard setbacks, and parking requirements. In addition, many private properties have legal covenants or deed restrictions that limit the future uses of land, which have effects similar to zoning ordinances. Without land use based zoning, the City has struggled to implement a comprehensive plan or general plan to guide future development. There have been many related efforts but none that have been adopted by City Council.

General Plan

Currently, the City of Houston is in the development process of creating a General Plan. In the fall of 2013, Mayor Parker directed the Planning and Development Department to explore the concept of a General Plan. Since then, committees have been convened and the development process has begun, and July 2014 marked the kickoff celebration for committee members.

This plan will serve as a broad policy document for the City defining long-term success and ways to accomplish these successes. Benefits of the plan are seen as

- Ensure City efforts are coordinated – both internally and externally
- Increase collaboration across City departments
- Maximize effectiveness of City efforts by enabling a proactive approach to solving problems
- Accelerate quality policy making at every level
- Increase public engagement
- Create consistency across changes in City leadership

The General Plan will rely on results from past community engagement and vision exercises while building on existing information in existing plans, policies, practices, and regulations. The General Plan hopes to provide guidance for future plans, policies, and regulations. Major components of the General Plan include a vision statement, a planning coordination tool, performance indicators, a neighborhood enhancement strategy, a growth and development strategy, and an implementation strategy. The plan is expected to be adopted by City Council in late 2015.

Although the General Plan will not be completed until after the start of HCDD's Consolidated Plan five year planning period, outcomes of General Plan may influence HCDD's direction in the future.

Regional Plan

The Houston-Galveston Area Council (H-GAC), in conjunction with the City of Houston, Harris County, and twenty-two other regional partners, applied for and received a $3.75 million dollar regional planning grant administered by the U.S. Department of Housing and Urban Development's Sustainable Communities Initiative, and funded in partnership with the U.S. Department of Transportation and Environmental Protection Agency. This planning grant resulted in the development of a regional plan called the *Urban Houston Framework: A Case Study for the H-GAC Regional Plan for Sustainable Development* published in May 2013. The intent of the Urban Houston Framework is to encourage sustainable forms of development through comprehensive policy by integrating land use and

transportation planning by coordinating land development standards with new transit investments and by providing affordable housing in dense areas around new transit lines.

Various studies and supporting documents were created in support of the development of the regional plan. The *Fair Housing Equity Assessment* examined linkages between housing, socioeconomic, and demographic factors across the region's rural, suburban, and urban areas. The assessment provides analysis of fair housing and equity issues within the region. The five components reviewed include:

- Assessment of primary demographic concerns, including racially and ethnically concentrated areas of poverty
- Disparities in access to opportunity
- Fair housing activities
- Fair housing infrastructure/systems
- Physical infrastructure/economic investments

Although it is understood that this study will not lead immediately to implementation of improvements and new developer incentives to promote housing by transit investments, the study included numerous stakeholders and citizens coming together to consider the future of the community and agreeing on general future scenarios. The terminology, approach, and outcomes resulting from the dialogue could form the foundation for continued collaboration among stakeholders making recommendation for sustainable development in years to come.

Consolidated Plan

As a recipient of federal housing and community development grant funds, the City of Houston is required to adopt a Consolidated Plan that identifies and prioritizes housing and community development needs, analyzes barriers to affordable housing, and contains a strategies to address community needs. This AI will accompany the 2015-2019 Consolidated Plan which addresses a five year period between July 1, 2015 and June 30, 2020.

The Consolidated Plan directs the expenditure of funds of several programs operated by the U.S. Department of housing and Urban Development (HUD). These programs are:

- Community Development Block Grant (CDBG)
- Home Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with HIV/AIDS (HOPWA)
- Emergency Solutions Grant (ESG)

The actions taken as part of the Consolidated Plan during the next five years will be influenced by this AI. Many of the fair housing services provided by the City of Houston will be funded through one of the four grants included in the Consolidated Plan.

The 2015-2019 Consolidated Plan identifies the following priorities for targeting HUD resources in the next five years.

Economic Development and Housing Initiatives

"Whenever we approach planning in the city, it's a heavy emphasis on carrots, not sticks," said Andy Icken, the City's Chief Development Officer, in a recent article in the Wall Street Journal (http://www.wsj.com/articles/hands-off-houston-tries-carrot-to-lure-downtown-dwellers-1419958122). The following are some incentives currently used by the City of Houston.

Economic Development Initiatives

380 Agreements

Allowed by Section 380.001 of the State of Texas Local Government Code, the City of Houston has chosen to use Chapter 380 agreements to stimulate economic development in Houston. These agreements are between the City of Houston and property owners or developers and are usually a public/private joint venture in which the city agrees to build, or loan or reimburse the funds to build infrastructure such as streets, sidewalks, utilities, and street lighting to support private development of vacant land.

In recent high-profile City of Houston 380 agreements, opponents have argued that the commercial developments are in areas of the city that are not in need of economic development and that the commercial developments would be built even if the agreement was not available. Proponents of these recent agreements have said that they have improved infrastructure in areas years sooner than the city would be able to accomplish.

Enterprise Zones

The Texas Enterprise Zone Program is an incentive tool for local communities to partner with the State of Texas to encourage job creation and capital investment in areas of economic distress. To participate in the program, a business must apply and receive a nomination by the City of Houston before the nomination is forwarded to the State Office of Economic Development where projects are competitively scored. Incentives can include a refund of State sales or use taxes, reduction of franchise tax, and priority in the Smart Job Funds. Requirements of the program include

- Businesses that are located within an EZ must commit 25% of the new jobs created and/or retained to residents of the EZ
- Businesses not located within the EZ must commit 35% of the new jobs created and/or retained to residents of the EZ.

An Enterprise Zone is any census block group thin which the poverty level is 20% or higher as identified by the census.

Section 108/Economic Development Incentive (EDI)

The City was awarded an Economic Development Incentive (EDI) grant in 1995. Along with this came the loan authority from Section 108. The purpose of these funds from EDI and Section 108 is to enhance affordable housing and economic development within the City of Houston.

Most recently the City of Houston used Section108/EDI funds as gap financing for the renovation of a vacant property located at 806 Main Street into a luxury hotel. In addition to the construction jobs provided for the renovation of this building, the hotel is expected to provide over 177 permanent, on-site jobs in downtown Houston. The project also eliminates one of the few remaining blighted areas of the Main Street District and offers needed rooms to support the efforts of the Convention and Visitor's Bureau and the George R. Brown Convention Center.

Housing Initiatives

Affordable Housing Trust Fund (TIRZ)

The City of Houston accomplishes a portion of its Capital Improvement Program through a financing mechanism called a Tax Increment Reinvestment Zone (TIRZ). Currently the City has 25 TIRZs which all share the following common characteristics

- Each zone is created by action of City Council pursuant to a financing plan embedded in a City Ordinance
- Each zone has defined geographical boundaries
- At the time each zone is created, the property taxes due to the City based on the current valuation of the property within the zone is frozen and for the life of the zone, any incremental property tax revenue resulting from the revaluation of property is dedicated to public improvements within the zone
- Each TIRZ has a board of directors that is responsible for its activities
- Each TIRZ has a termination date incorporated into the ordinance that created it.

A TIRZ may issue tax-exempt bonds to accomplish its mission and these bonds are backed by the expectation of future tax increments which is the amount of property tax that exceed the amount frozen upon creation.

In certain TIRZs, those with at least 10% of land value in residential use, there is a requirement that one third of the incremental tax revenue be set aside for affordable housing, as determined by the City Council and administered by HCDD. These funds may be used for projects within, and without, the district that generated the tax increment.

Some argue that TIRZs are discriminatory to neighborhoods and areas without existing or proposed private development. A TIRZ that has an increase of taxes because of market-driven development will benefit from the additional amount of taxes. However, then the City will receive less taxes to spend on improvements in other areas of the jurisdiction such as areas in which no development is occurring. While some may disagree with the basis of the TIRZ program and others may find faults in the locations of TIRZs, using TIRZs is a way to enhance targeted areas for a limited time in order to increase the market value of the city in the long term.

Downtown Living Initiative Program

To boost Downtown Houston's residency, in 2012 the Houston Downtown Management District and the TIRZ#3 Downtown Living Program of the Downtown Redevelopment Authority partnered to create the Downtown Living Initiative Program. Adding more residents will likely spur economic activity like restaurants and retail to transform downtown from a primarily office-hours place.

The program provides development incentives for multifamily and mixed use developments that 1) construct more than 10 new dwelling units, 2) are within the program boundary area, and 3) help to enhance the pedestrian environment. The program was originally intended to provide incentives for 2,500 units, but was expanded to provide incentives for up to 5,000 units total. The incentive offers tax relief of $15,000 per unit of over 15 years, which abates most of the owner's property tax. Developers can take advantage of the program until June 30, 2016 or until all 5,000 units are accounted for. Up to $75 million is available for this program.

Encouraged by the program, developers planned more than 4,200 new apartment units in the area, which would more than triple the downtown population of about 3,600 according to the geographic boundaries the district uses. Most of the new units are rentals, so the benefit goes to the developer.
http://www.wsj.com/articles/hands-off-houston-tries-carrot-to-lure-downtown-dwellers-1419958122

Impacts of Development Regulations and Practices on Housing for Persons with Disabilities

HCDD is currently working with Planning/Communications to analyze current policies and regulations as they relate to persons with disabilities. The final analysis will be available as part of the Appendix in this AI available on HCDD's website on or before July 1, 2015.

8. Fair Housing Profile

This section of the report will provide a legal basis for fair housing in Houston. In addition, it will also discuss the existing organizational framework of fair housing services. Fair housing services typically include fair housing education, tenant/landlord education, and investigative and enforcement activities. It will also discuss recent data illustrating fair housing issues in Houston including fair housing complaint data and local information gathered about fair housing needs.

Legal Framework

Fair housing is a right protected by Federal, State, and Local laws. Almost every housing unit is subject to fair housing practices. The following will review various laws that impact the construction, rent, or sale of housing.

Federal Laws

"It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States." (42 U.S.C. § 3601)

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Title VIII of the Civil Rights Act of 1968 recognized as the Federal Fair Housing Act and Fair Housing Amendments Act of 1988 are federal fair housing laws that prohibit discrimination in all aspects of housing, including the sale, rental, lease, or negotiation of real property. The Fair Housing Act prohibits discrimination based on the following protected classes

- Race
- Color
- National Origin
- Religion
- Sex
- Familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under 18)
- Disability

No one may take any of the following actions based on a person's protected class

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions, or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting)
- Deny anyone access to or member in a facility or services (such as a multiple listing service) related to the sale or rental of housing

Architectural Barriers Act of 1968 requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974 prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD's Community Development Block Grant Program.

Title II of the Americans with Disabilities Act (ADA) of 1990 prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities.

All properties, open for occupancy after March 13, 1991, are required to be in compliance with design and construction requirements of the Federal Fair Housing Act and the Texas Fair Housing Act. Properties built before that date are required to make a reasonable modification of the existing premises or a reasonable accommodation in the rules, policies, practices, or services in order to afford a handicapped person equal opportunity to use and enjoy the dwelling.

Reasonable Modifications and Reasonable Accommodations
A "reasonable accommodation" is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, practices, and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. The Act makes it unlawful to refuse to make reasonable accommodations to rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the dwelling.

HUD Final Rule on Equal Access to Housing in HUD Programs
To better facilitate HUD's required obligations to affirmatively further the purposes of the Fair Housing Act for Entitlement Grantees and public housing agencies, HUD proposed a new structure and process replacing the AI with the Assessment of Fair Housing (AFH). The Affirmatively Furthering Fair Housing (AFFH) Proposed Rule was published July 19, 2013. Next, HUD published additional information about the Affirmatively Furthering Fair Housing Assessment Tool for public comment about the implementation of the AFFH Proposed Rule on September 26, 2014. Although these rules have not been implemented and the City of Houston's obligation is still under the former guidance of producing an AI, HCDD worked to incorporate as much information from the Assessment Tool as possible in this report.

Texas Laws
The Texas Fair Housing Act of 1993 (§15.001-§15.171) prohibits discrimination on the basis of race, religion, color, sex, national origin, disability, and familial status. The Act mirrors the Federal Fair Housing Act.

Local Laws
In May 2014, Houston City Council passed the Houston Equal Rights Ordinance (2014-530). This prohibits discrimination based on protected characteristics which are defined as an individual's sex, race, color, ethnicity, national origin, age, familial status, marital status, military status, religion, disability, sexual orientation, genetic information, gender identify, or pregnancy. The ordinance applies to businesses that serve the public, private employers, housing, city employment, and city contracting. Because of community opposition, this ordinance has been challenged and is currently under legal review.

Fair Housing Education and Enforcement Organizations

Houston has several organizations engaged in fair housing education and in enforcement activities. The following five agencies have been very involved in fair housing education and/or enforcement within the Houston area. Other private, nonprofit, and governmental agencies have also been a part of fair housing education, but the following agencies have missions and/or large programs related to fair housing. Understanding the existing fair housing organizational structure and the data gathered from these organizations can help to provide information about how to best approach fair housing education in the future.

Greater Houston Fair Housing Center (GHFHC)

The Greater Houston Fair Housing Center (GHFHC) is a nonprofit organization which is a qualified fair housing enforcement organization and provides fair housing services in the metropolitan areas. GHFHC routinely is a recipient of HUD's Fair Housing Initiatives Program (FHIP). Fair housing organizations that receive funding through FHIP partner with HUD to assist people who believe they have been victims of housing discrimination, conduct preliminary investigation of claims, and promote fair housing laws and equal housing opportunity awareness.

Most recently GHFHC received FY 2014 FHIP funding in the amount of $325,000 to perform enforcement services including conducting investigations and performing fair housing enforcement tests and accessibility and design audits and $124,972 to provide education and outreach services in the Houston metropolitan area. GHFHC was one of three agencies in Texas to receive FY 2014 FHIP funding.

Houston Area Urban League (HAUL)

The Houston Area Urban League (HAUL) also received FHIP funding, most recently in FY 2012, to carryout fair housing education in Houston during the last five years. HAUL provides direct assistance to victims of fair housing and fair lending laws. It also conducts group outreach and education as well as individual housing counseling.

Texas Low Income Housing Information Service

Texas Low Income Housing Information Service (TxLIHIS) is a nonprofit organization based in Austin, Texas with an office in Houston. TxLIHIS began a Community Chat Series in October 2014 in support educating community members on fair housing issues. The first Community Chat occurred in October 2014 at the Palm Center and had a representative from both HCDD and HCDD's consultant to discuss the Market Value Analysis recently conducted. The November 2014 meeting hosted Dr. Robert Bullard from Texas Southern University's Barbara Jordan-Mickey Leland School of Public Affairs to discuss neighborhood environmental justice issues in Houston's historically low income and minority communities.

City of Houston Housing and Community Development Department (HCDD)

HCDD also carries out various fair housing education campaigns throughout the year, which has included making fair housing presentations at public hearings, making fair housing materials available at community meetings and events, and sending fair housing flyers through the mail to residents' homes. The City of Houston Fair Housing Hotline is also advertised to the community as an educational resource for fair housing and tenant/landlord issues. Fair Housing Hotline staff refers callers to HUD for investigation if staff is concerned that a caller's rights have been violated.

There are only select local governments in Texas that can perform fair housing investigative activities: Austin, Fort Worth, Dallas, Corpus Christi, and Garland. The City of Houston has not been certified by HUD as a substantially equivalent agency. Therefore, the City cannot investigate potential fair housing discrimination or enforce fair housing laws. In 2014, the City Council passed an Equal Rights ordinance which could be certified by HUD as substantially equivalent. However, the ordinance has had significant opposition from a few community members and is currently under review.

Texas Workforce Commission

The Texas Workforce Commission Civil Right Division is one of two administrative agencies that processes and investigates fair housing complaints.

U.S. Department of Housing and Urban Development (HUD)

The U.S. Department of Housing and Urban Development (HUD) is the second of two administrative agencies that processes and investigates fair housing complaints. Sometimes HUD will refer complaints to other Federal agencies to investigate which includes the Department of Justice and the Federal Bureau of Investigations when violence or threats are involved.

HUD Fair Housing Complaints

Fair housing complaints can be used as an indicator to identify heavily impacted areas and characteristics of households experiencing discrimination in housing. The following analysis considers fair housing complaint data filed against respondents in the City of Houston with the U.S. Department of Housing and Urban Development (HUD) between 2005 and 2013. Using this data, the report identifies and analyzes the following

- The absolute number of complaints filed with HUD in Houston
- The basis of complaints filed
- The issues of complaints filed
- The complaint closures and variations in outcomes of cases

While conducting the analysis, several data limitations were identified. The following summarizes the most important limitations of the two datasets. However, it is not an exhaustive list.

- Because the complaint process relies on people self-reporting, the data represents only complaints filed. This does not represent all acts of housing discrimination, as all incidents may not be reported.
- While nine years of data provides a basis for simple analysis, a longitudinal approach of complaint outcomes is not possible in this analysis.
- HUD's dataset only includes closed cases that were filed within this time period.

Summary of Findings from HUD Complaints

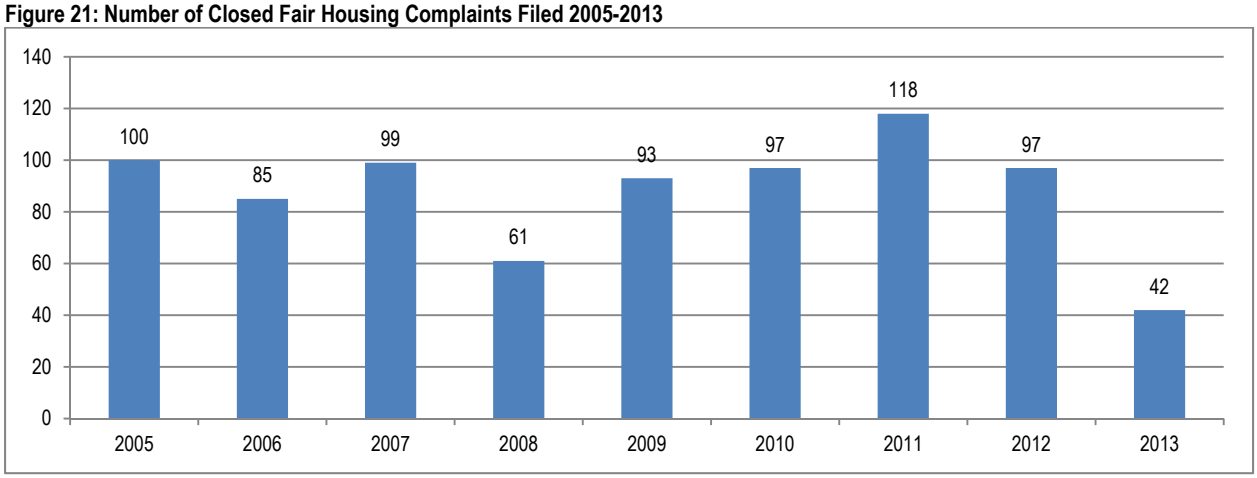
The following summarizes the analysis of complaints filed from 2005 through 2013:

- The total of closed HUD complaints filed against respondents in Houston was 792.
- The two largest shares of complaints by bases are racial discrimination (33%) and disability discrimination (33%).
- The share of complaints with the basis of disability discrimination has grown over the past nine years, from 26% in 2005 to 36% in 2013.
- Although the third most cited basis of complaints in 2013, the share of complaints with the basis of national origin has decreased since 2005, from 18% in 2005 to 16% in 2013, with the lowest share of 9% in 2011.
- The issue most identified in complaints in the past nine years was discriminatory terms, conditions, privileges, services, and facilities in the rental or sale of property. This issue has grown from 12% of issues alleged in 2005 to 39% of issues alleged in 2013.
- Most issues identified in complaints were related to discrimination in rental housing.
- The closure rates by category generally matched those of the nation according to HUD's *FY 2011 Annual Report on Fair Housing.*

Housing Discrimination Complaints

Figure 21 shows the number of housing discrimination complaints filed with HUD during the period from 2005 to 2013.

Figure 21: Number of Closed Fair Housing Complaints Filed 2005-2013



Source: HUD

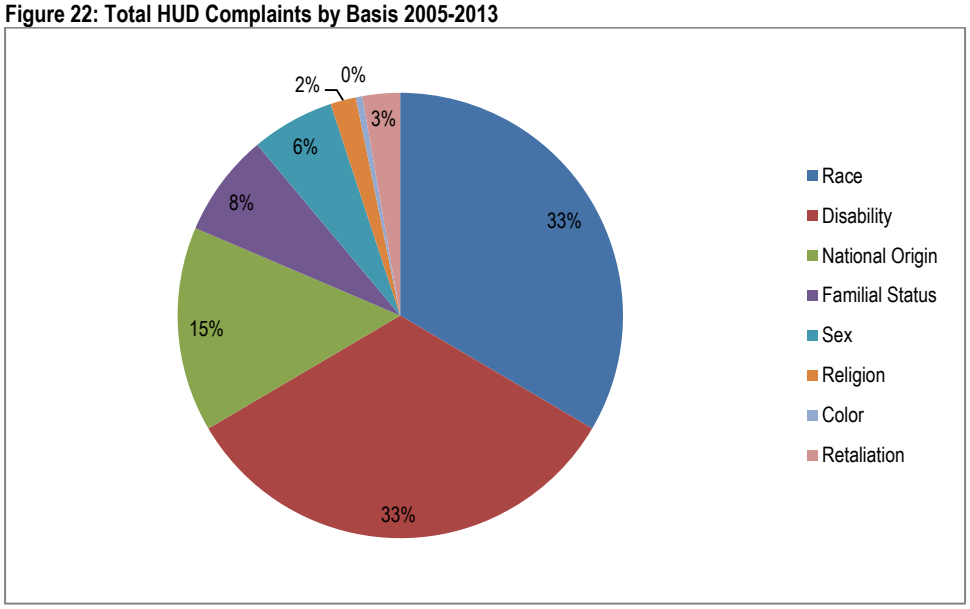
The total of HUD complaints was 792. The total number of complaints filed was at its peak in 2011 with 118 complaints filed in the City of Houston to HUD. This data illustrates closed HUD complaints. As complaints take five months to close on average, the most recent year will have a lower number of closed complaints as some filed complaints will still be open and under investigation.

Basis of Complaints

All complaints filed must allege a basis for discrimination. The Fair Housing Act lists seven prohibited bases for discrimination: race, color, national origin, religion, sex, disability, and familial status. The Fair Housing Act makes it unlawful to coerce, threaten, intimidate, or interfere with anyone exercising or aiding other in enjoying their fair housing rights. From 2005 to 2013, a total of 1,028 bases in complaints were filed with HUD against Houston respondents. If a single complaint alleged multiple bases, it was counted under each basis alleged.

Figure 22 shows that the majority of complaints in the past nine years cited racial discrimination as a reason for the complaint (33%), being alleged as a basis of 344 complaints. Disability discrimination was the second most common basis of complaints, being cited as a basis for 340 complaints, or 33% of the total complaints within the past nine years.

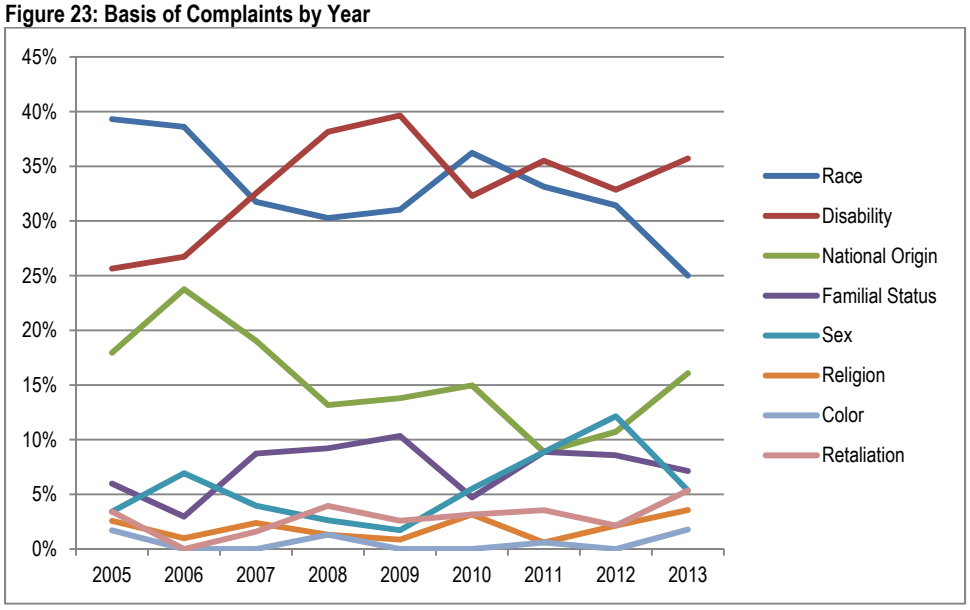
Figure 22: Total HUD Complaints by Basis 2005-2013



Source: HUD

This data reflects a notable trend in the share of disability complaints. Whereas disability accounted for a share much less of the overall complaints than race in 2005 and 2006, the gap between these bases has become smaller. In four of the past five years, the amount of disability complaints has even surpassed complaints with race basis as illustrated below.

Figure 23: Basis of Complaints by Year



Source: HUD

In the past nine years, the share of complaints with a basis of national origin has decreased considerably, by -7% points comparing 2005 and 2012 but increased in 2013 to 16%. National origin has over twice as many complaints during this time period compared to familial status and sex. It is the third highest basis alleged in the overall amount of complaints with 158 complaints filed in the past nine years, 15% of the overall total.

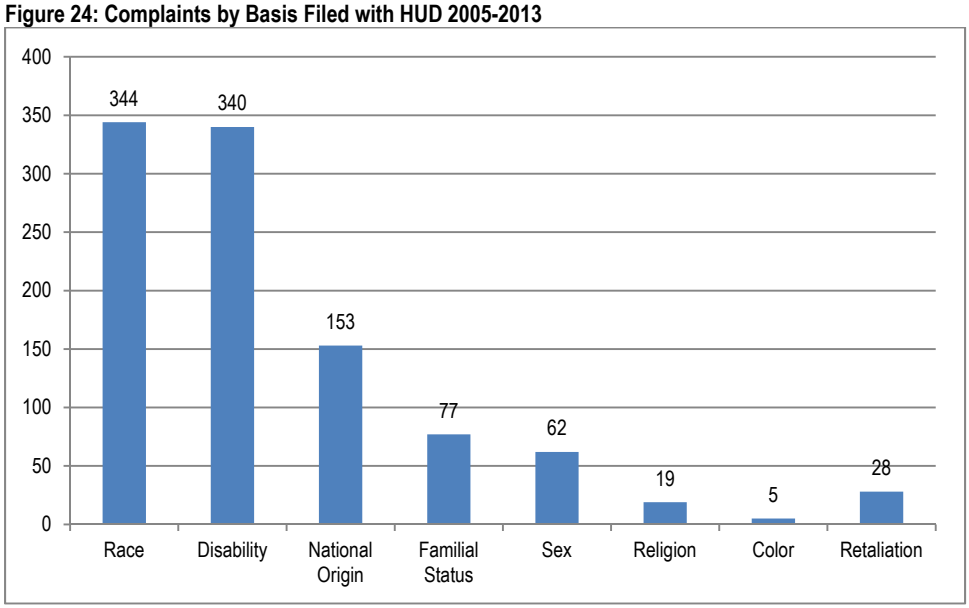
Familial status and sex were the fourth and fifth most common complaints in the time period from 2005-2013. Familial status was cited as a basis for 77 complaints, or 7% of the overall total. Sex was alleged in 62 complaints, or 6% of the overall total.

In the past nine years, retaliation, religion, and color were the least common bases of complaints filed with HUD. Retaliation was cited as a basis for 28 complaints, or 3% of the overall total. Religion was cited as a basis for 19 complaints, or 2% of the overall total, and color was cited as the basis for 5 complaints, or 0.5% of the overall total.

According to the National Fair Housing Alliance's *2013 Fair Housing Trends Report* and HUD's *FY 2011 Annual Report on Fair Housing*, disability complaints remain the greatest percentage of all nationwide complaints for the past five years. For four of the past five years in Houston, complaints with the basis of disability have been higher than race complaints in Houston.

Figure 24 illustrates the 912 bases alleged in the 710 complaints filed between 2005 and 2013.

Figure 24: Complaints by Basis Filed with HUD 2005-2013



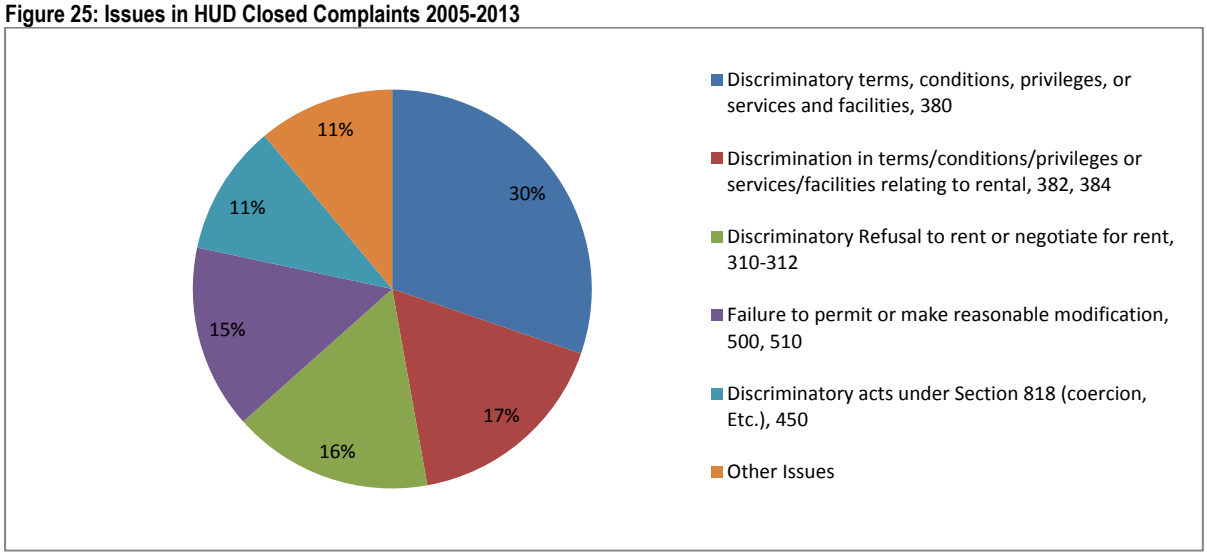
Source: HUD

Issues in Complaints

All complaints must specify the discriminatory actions that allegedly violated or would violate the Fair Housing Act. HUD records these discriminatory practices in overarching categories known as "issues".

Figure 25 shows the percentage of complaints by issue filed with HUD from 2005 to 2013. If a single complaint alleged multiple issues, it was counted under each issue alleged. There were a total of 1,329 issues filed in the past nine years.

Figure 25: Issues in HUD Closed Complaints 2005-2013



Source: HUD

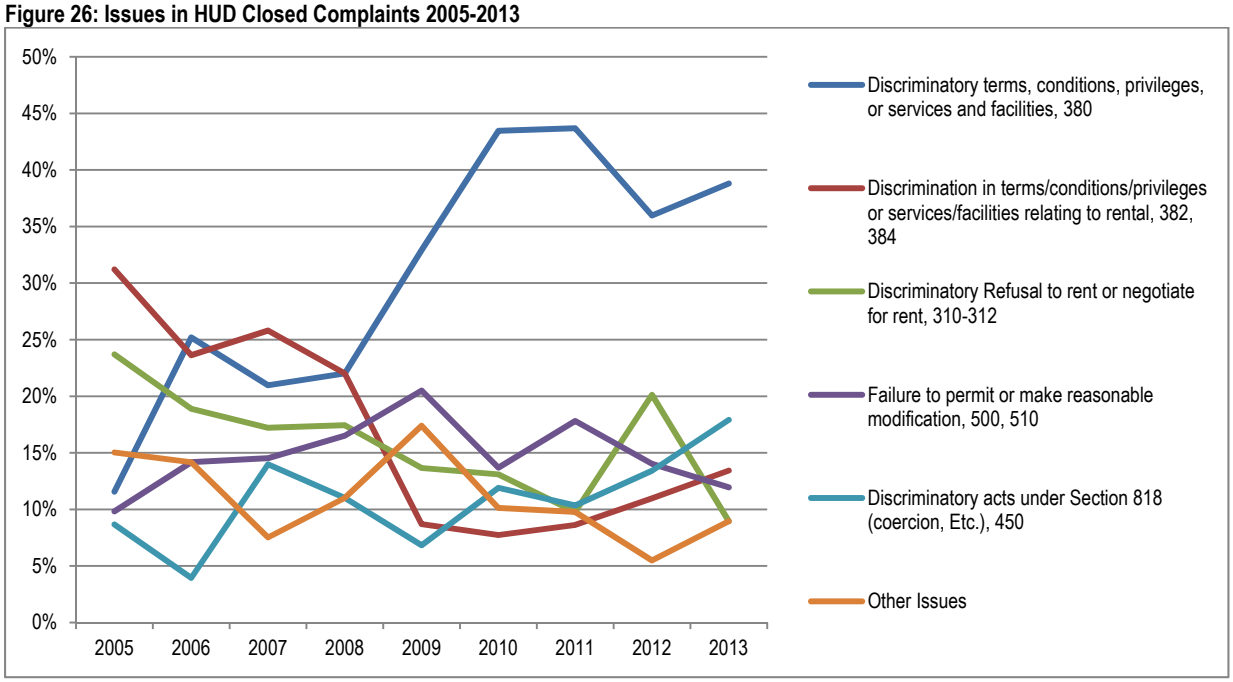
The most common issue in complaints filed within the past nine years was discriminatory terms, conditions, privileges, services, and facilities. This was by far the most common issue in complaints cited in almost one third, or 402, of all the total issues filed in complaints.

The second and third most common categories of issues in complaints were discrimination in terms/conditions/privileges or services/facilities relating to rental with 225 complaints, or 17% of the total complaints, and discriminatory refusal to rent or negotiate for rent with 216 complaints, or 16% of the overall total.

Not far behind is failure to permit or make reasonable modification with 198 complaints, or 15% of the overall total. The issue, discriminatory acts under Section 818 (coercion, etc.), had 141 complaints, or 11% of the overall total.

The remaining issue categories were each cited in less than 11% of the complaints. These other issues together consisted of 147 complaints, or 11% of the overall total of complaints filed and closed within the past nine years.

Figure 26: Issues in HUD Closed Complaints 2005-2013

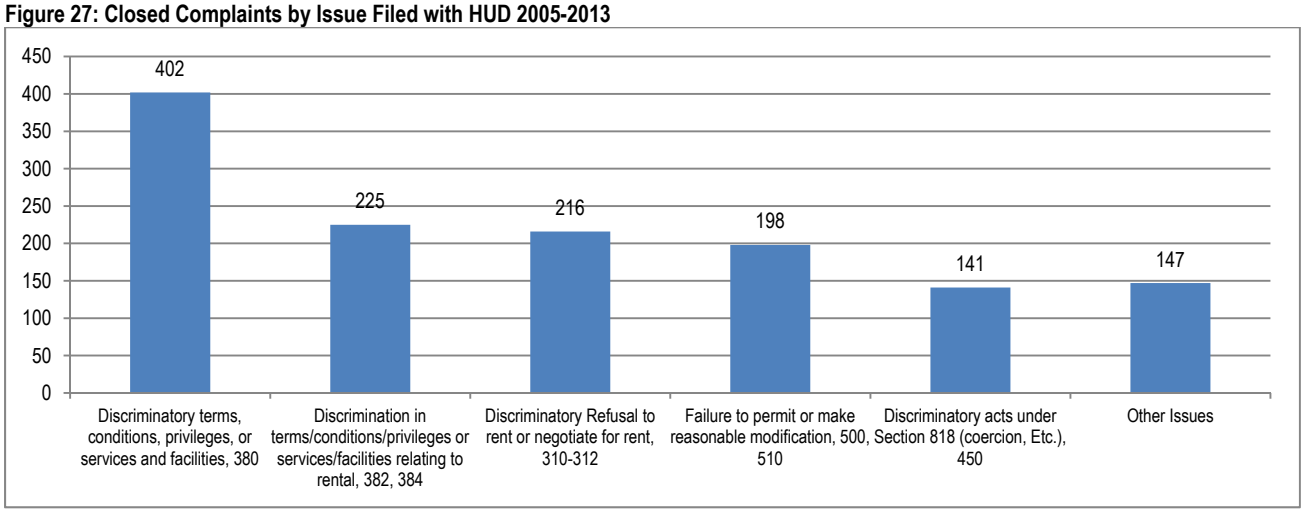


Source: HUD

The top issue cited in complaints made in Houston matched that of the nation, discriminatory terms, conditions, privileges, services, and facilities (*FY 2011 Annual Report on Fair Housing, HUD)*. As illustrated in Figure 26, the share of issues alleging discriminatory terms, conditions, privileges, or services and facilities has increased in the past nine years, from 12% in 2005 to 39% in 2013. In addition, the share of issues based on discrimination in terms/conditions/privileges or services/facilities relating to rental decreased over the past nine years, from 31% in 2005 to 13% in 2013.

Figure 27 illustrates the distribution of the alleged issues for the total complaints from 2005 to 2013.

Figure 27: Closed Complaints by Issue Filed with HUD 2005-2013



Source: HUD

HUD Complaint Closures

The closing categories provided by HUD were aggregated into four general categories. The following provides details on the closure categories used in this analysis

- **Administrative closures:** This category includes cases closed for reason unconnected to merit determination including: untimely filed, dismissal for lack of jurisdiction, unable to locate complainant, complainant failed to cooperate, unable to identify respondent, and complaint withdrawn by complainant without resolution.

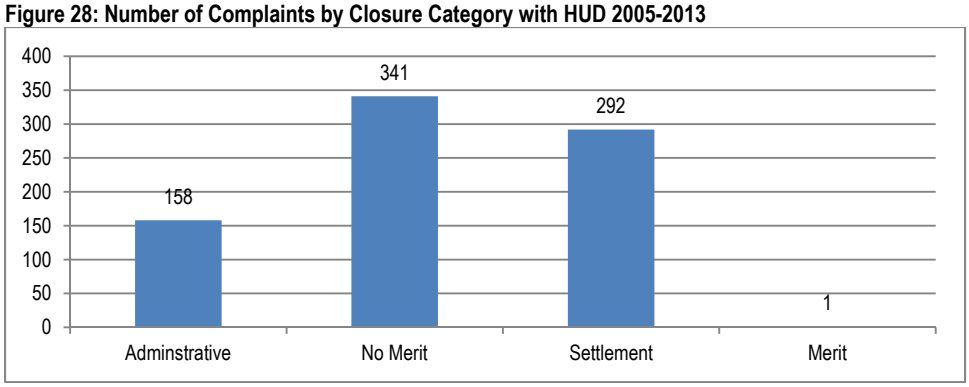
- **No merit closure:** These cases are closed because an investigation found insufficient evidence to prove violations.

- **Settlement closures:** This category includes cases closed because a resolution was reached prior to a determination: conciliation, settlement successful, and complaint withdrawn by complainant after resolution.

- **Merit-based closures:** These are cases closed after a merit determination has been made and includes a FHAP Judicial Consent Order.

The total number of complaints filed and closed HUD between 2005 and 2013 was 792 complaints. Other complaints may have been filed during this time period but were not included in this data because they were filed but not closed. The following shows the combined outcomes of complaints closed by HUD in the past nine years.

Figure 28: Number of Complaints by Closure Category with HUD 2005-2013



Source: HUD

The largest category of housing complaints was closed because an investigation found insufficient evidence to prove a violation (43%). The second largest category was cases closed through a settlement (37%), followed by administrative closures (20%). HUD reported one case in the last nine years that was closed under the category of merit.

In general, the closure rates by category matched those of the nation, according to HUD's *FY 2011 Annual Report on Fair Housing*.

Local Fair Housing Information

The following examines data from local sources which also illustrates the fair housing climate in Houston.

Greater Houston Fair Housing Center (GHFHC)

The Greater Houston Fair Housing Center (GHFHC) assists people who may have been discriminated against by helping file fair housing complaints with HUD and supporting them through the complaint and investigatory process. The following are the complaints from the past four years. GHFHC's data reflects that of the complaint data from HUD. The greatest number of complaints by basis was Handicap/Disability, National Origin, and Race. The basis of National Origin was slightly higher in the past four years of GHFHC's data than the HUD complaint data from the past nine years.

Table 55: GHFHC's Complaints Breakdown of Cases by Protected Basis*

	1/25/2010 to 1/24/2011	3/21/2011 to 3/20/2012	3/21/2012 to 3/20/2013	3/21/2013 to 3/20/2014
Race	62	84	113	134
Religion	3	6	1	4
Color	0	0	1	0
Sex	2	13	15	28
Handicap	104	93	130	158
National Origin	89	131	92	83
Familial Status	15	66	24	27
* Please note that more than one basis of discrimination is sometimes alleged in a single case.				
Source: Greater Houston Fair Housing Center				

The issues of the complaints taken by GHFHC also reflect HUD's complaint data. Both show that most complaints are related to the rental of housing.

Table 56: GHFHC's Complaints Breakdown of Cases by Issue*

	1/25/2010 to 1/24/2011	3/21/2011 to 3/20/2012	3/21/2012 to 3/20/2013	3/21/2013 to 3/20/2014
Rental	199	311	309	300
Sales	13	21	2	3
Advertising	0	2	0	0
Lending (including redlining)	4	2	1	2
Interference, Coercion, etc.	0	0	0	3
Zoning: Disability Issues	0	0	0	0
Zoning: Other Issues	0	0	0	5
* Please note that more than one basis of discrimination is sometimes alleged in a single case.				
Source: Greater Houston Fair Housing Center				

GHFHC is currently the only entity that conducts fair housing testing on a regular basis in the Houston metro area. Fair housing testing is a way to uncover evidence of fair housing discrimination. GHFHC uses paired testing in which two volunteer testers have, to the extent possible, the same in background, employment, and even educational characteristics differing only by a protected class like race, disability, or national origin. Testers then go to the same housing provider and try to obtain housing. After meeting with housing providers, both testers fill out a standardized form and GHFHC staff analyzes and evaluates these forms to determine if differential treatment had occurred. In the past four years GHFHC conducted testing on the basis of National Origin, Race, Handicap, and Familial Status. Testing only occurred in rental housing.

Table 57: GHFHC's Tests Breakdown of Cases by Protected Basis*

	1/25/2010 to 1/24/2011	3/21/2011 to 3/20/2012	3/21/2012 to 3/20/2013	3/21/2013 to 3/20/2014
Race	37	66	75	64
Religion	0	0	0	0
Color	0	0	0	0
Sex	0	0	0	0
Handicap	5	4	7	39
National Origin	32	44	24	17
Familial Status	14	6	12	5
* Please note that more than one basis of discrimination is sometimes alleged in a single case.				
Source: Greater Houston Fair Housing Center				

City of Houston Tenant/Landlord Hotline

Staff from the City of Houston's Housing and Community Development Department is available to take calls and answer questions or make referrals on the Tenant/Landlord Hotline every weekday during business hours. This is also sometimes referred to as the Fair Housing Hotline. During the last completed program year from July 1, 2013 to June 30, 2014 (PY 2013), HCDD staff received 1,848 calls through the Hotline. The majority of the calls pertained to Landlord/Tenant Relations (37.1%) and Repairs (28.1%). Repair topics included general repairs, pests, mold, and HVAC problems. Other calls received included those about Eviction representing 13.1% of all the calls, Rents or Money representing 10.1% of calls, and Miscellaneous topics including questions about housing authorities and general information representing 11.7% of the calls.

This is an important resource for residents and landlords alike to gain information about the laws dictating tenant and landlord relationships. Many times renters do not understand their rights or the process in which a landlord can begin the eviction process. Simple actions, like paying rent in a timely manner or keeping a record of repair requests, can help protect tenants. Free information and referrals that residents can collect through the Tenant/Landlord Hotline is very important to extending education to Houstonians.

Fair Housing Stakeholder Survey

In March and April of 2014, HCDD conducted a Fair Housing Stakeholder Survey. The goal of the survey was to assess local knowledge and receive qualitative fair housing information from a diverse set of organizations from the private, public and nonprofit sectors that serve various protected classes.

Only some survey respondents had received fair housing training, and respondents who had received training, received training from the following sources: Federal Government (HUD/FHEO), City of Houston, national non-profit organizations like the Fair Housing Alliance, local nonprofit organization including the Coalition for the Homeless, Houston Center for Independent Learning (HCIL), and the Greater Houston Fair Housing Center (GHFHC), and internal or industry sponsored training.

Survey participants most often referred clients with fair housing questions and concerns to HUD, GHFHC, HCDD's Fair Housing Hotline, Disability Rights of Texas, or private attorneys. While not all survey participants made fair housing referrals, most made referrals to appropriate organizations.

Most survey respondents agreed that more fair housing information should be made available. The list of general topics named included

- How to file a claim/What to do if you are discriminated against/Who to contact
- Overview and purpose of Fair Housing Act
- How to recognize discrimination
- Tenant rights

Fair housing information for agencies was requested and these topics of information included

- Best ways to support clients who experience discrimination
- More detailed "how to" for service providers
- Information about transgender accommodation for housing agencies

While this survey was only conducted with a small group of stakeholders, it does represent the need for greater fair housing education for residents and agency stakeholders. It also shows the kinds of education that could be most beneficial.

Fair Housing Lawsuits

According to two litigation sections in the City of Houston's Attorney's Office, there are no pending fair housing complaints or fair housing lawsuits filed against the City of Houston. There is one outstanding issue that indirectly affects fair housing. The Equal Rights Ordinance passed by City Council in 2014 has been challenged and a lawsuit is pending. The Plaintiffs allege that the Ordinance was not done in proper order and that the issue should be voted by the residents instead of passed by City Council. The Equal Rights Ordinance includes the language previously incorporated into Chapter 17 of the City's Code of Ordinances and includes information about fair housing enforcement. The implementation of the Equal Rights Ordinance is waiting for litigation to end and a final decision is made. Although the opposition to the Ordinance does not directly relate to fair housing, it does illustrate the contention of equal rights laws.

NIMBYism

Many people agree that affordable housing, which includes housing available for people with special needs like persons who are homeless or persons with disabilities, should be available throughout the city. According to the Community Needs Survey in support of the 2015-2019 Consolidated Plan, 80% of people surveyed thought that affordable housing should be located throughout the city. However, sometimes when affordable housing is located within some neighborhoods, there is opposition.

The Not In My Back Yard (NIMBY) sentiment can serve as a significant constraint to the development of affordable housing or even market-rate multifamily housing. NIMBYism describes opposition by residents and public officials to the inclusion of additional or different kinds of housing units in their neighborhoods and communities. NIMBY resistance can be opposition to specific types of housing or kind of developer or just general opposition to any form of development or changes to the community. NIMBYism often reflects concerns about property values, service levels, community ambience, the environment, or public health or safety. However, it can also reflect racial, ethnic, or other prejudices concealed under a legitimate concern.

One recent example of NIMBYism publicized by *The Houston Chronicle* in March of 2014 was the City Council's vote for the backing of the Women's Home tax credit application for an affordable apartment development of approximately 80 units for mothers and children in the Houston neighborhood of Spring Branch. Opposition, both from both community representatives and public officials, argued that the neighborhood had its fair share of affordable apartments and that revitalization efforts should focus on ownership housing instead of apartments. The City Council ultimately voted 11-5 supporting a Resolution of Support for a tax credit application for the Women's Home Phase II housing development, but this is one recent example of opposition to affordable housing. (Fraser, Jayme. Spring Branch residents divided over proposed apartment development, March 25, 2014, *The Houston Chronicle.* http://www.houstonchronicle.com/news/politics/houston/article/Spring-Branch-residents-divided-over-proposed-5349218.php#/0)

While Houston has not passed any anti-NIMBYism legislation or ordinances, HCDD removed the developer requirement for elected officials to approve of the proposed affordable rental housing application when developers applied for HCDD's grant funds. HCDD strives to promote the need for quality affordable housing in Houston, however sometimes prejudices are engrained into a person's psyche and require not only education but also time.

Fair Housing Concerns

Complaint and other local data as well as a qualitative review of affordable housing sentiment shows some of the factors that influence fair housing choice in Houston. Complaint data from HUD shows that the majority of complaints have the basis of disability and race. In the past 9 years, there have been approximately 100 fair housing complaints per year made to HUD. In a city of more than two million residents, the number of complaints alleged seems rather low. The number of fair housing complaints filed cannot exclusively be used to determine if there is a fair housing problem in a community. For example, a community with a relatively high number of complaints could be a reflection of an effective public education program that has successfully informed residents about their fair housing rights and how to exercise them. Or it could mean that there is a problem with discrimination, especially if the complaints are filed on the same basis. Conversely, a community with a relatively low number of complaints may mean that there is no problem with discrimination. Or it could mean residents do not know their fair housing rights or how to exercise their rights.

As discussed in the previous section of the report, there is a clear disparity between race, ethnicity, and sex related to private lending. In Houston, most fair housing complaints refer to discrimination in rental housing. Of most concern in rental housing, according to the recent complaint data, is discrimination based on disability, race, and national origin. Complaint data can be used to monitor existing conditions in Houston, as well as a key source of information for organizations regarding fair housing education needed in the community.

Education is believed to be one of the most important tools in ensuring that fair housing opportunities are provided and therefore, is one of the most important components of fair housing services. Education gives residents the knowledge to understand their rights and responsibilities, to recognize discrimination, and to locate resources if they need to file a complaint or need general assistance. Although there are several organizations that carry out fair housing education on a regular basis, funding and other resources for fair housing services are scarce.

There is limited local fair housing enforcement in Houston. Results from the citizen participation process also reveal that the lack of enforcement can be a barrier. Not only enforcement of fair housing is important but also the enforcement of other codes and regulations related to conditions at multifamily properties and at group boarding homes for persons with disabilities is important to keep members of protected classes safe.

It is hard to know when and why neighborhood or public official opposition will come up in the development of affordable housing or other housing that could benefit protected classes. Understanding personal views can be hard to measure or predict. NIMBYism was also named as a fair housing issue in Houston during the Fair Housing Forum.

9. Progress since Previous AI

2010 Analysis of Impediments to Fair Housing Choice

The following summarizes key findings from the most recent AI from 2010 in order to evaluate the progress and actions toward addressing impediments to fair housing choice. The 2010 AI was originally prepared by the Greater Houston Fair Housing Center Inc. In a letter dated November 30, 2011, HUD's Fair Housing and Equal Opportunity (FHEO) office in Houston determined that the 2010 AI was incomplete and lacked sufficient data and analyses. The 2010 AI was revised as a part of the 2013 CAPER. The revisions addressed the three main issues identified in the letter and included data for twelve other potential impediments identified by HUD. The revised AI was completed by International Development and Planning LLC (IDP), subcontractors hired by HUD's OneCPD contractors Enterprise Communities. Although data from the potential impediments was included in the amended AI, no additional impediments were officially added because the 2015 AI was already under development when the amended AI was completed.

The following progress reviews only those impediments listed in the original 2010 AI, and the following only includes a summary of some activities completed. Each year, the CAPER includes a more detailed accomplishment summary of completed activities addressing impediments. As described in the FHEO letter, there were no quantifiable measures incorporated into the 2010 AI, and some of the recommendations did not clearly support the elimination of the impediment. However, when reporting accomplishments in the CAPER, HCDD quantified the fair housing accomplishments when possible.

Many of the actions and recommendations from the 2010 AI are repeated for several impediments. The following will try not to repeat summaries for each impediment with the same or similar recommendations. Although activities can and do address multiple impediments, for the following, only some highlights will be addressed. Below the impediments will be named, the 2010 AI recommendations for the impediment will be introduced, and finally highlighted actions from the past five years to address the identified impediment will be summarized.

Summary of Actions Taken to Address 2010 Identified Impediments

Impediment #1: Discrimination against Disabled
Impediment #2: Discrimination against Race
Impediment #3: Discrimination against National Origin
Impediment #4: Discrimination against Families with Children

2010 AI Recommendations: The City should increase fair housing education and outreach. The City should support fair housing enforcement. The City should continue efforts to pass a substantially equivalent Fair Housing Ordinance.

Efforts to Overcome Impediments: HCDD and the City of Houston have endeavored to increase fair housing education and outreach over the last few years to decrease discrimination in housing. This has included training and information for HCDD staff, HCDD subrecipients, HCDD's stakeholders, and information provided to the general public.

The City of Houston has promoted Fair Housing Month in April. In April 2012, the Houston City Council passed an ordinance declaring April as fair housing month. In April 2013, the Houston City Council passed an ordinance declaring April as fair housing month in Houston in perpetuity. In support of this ordinance, HCDD conducted fair housing trainings and informational campaigns during the month of April. In April 2013, HCDD sent a fair housing flyer in English and Spanish to more than 200,000 households in resident's water bill. The most recent fair housing campaign was in April 2014 named "Houston Be Fair: Fair Housing is a Right for Everyone." In this multilingual campaign HCDD reached tens of thousands of people by placing posters in more than 150 city buildings including

multi-service centers, health clinics, libraries, police department storefronts, and parks and recreation community centers. In addition, posters were given to CDBG, HOPWA, and ESG subrecipients. Also, postcards were mailed to an estimated 40,000 renter households in low- and moderate-income areas with information about fair housing in English and Spanish. We estimate that these actions together have resulted in outreach to more than one million citizens in Houston.

While the City does not currently enforce fair housing laws, the City is working to create regulations that will make Houston substantially equivalent to HUD in order for the City to conduct fair housing enforcement in the future. In May 2014, the City of Houston passed an ordinance that created a new equal rights chapter in the municipal code to address discrimination in city employment, city contracting, housing, public accommodations, and private employment. There was substantial community opposition to this change and opponents to the ordinance gathered 50,000 signatures to force a repeal referendum onto the November 2014 ballot. Many of the signatures were disqualified by the City Attorney and there is a current challenge about the removal of the signatures in court. The City has attempted to create a policy to become substantially equivalent, however implementation has been delayed due to public opposition.

Impediment #5: Lack of accessible housing

2010 AI Recommendations: The City should increase fair housing education and outreach. The City should support fair housing enforcement. The city should increase efforts to create more accessible housing.

Efforts to Overcome Impediment #5: As discussed in impediments 1-4, the City of Houston has made efforts to increase the fair housing outreach and education for staff, organizational partners, and citizens. The City has also made efforts to become a substantial equivalent jurisdiction in order to practice fair housing enforcement in the city.

HCDD has helped to increase the number of affordable, accessible housing in Houston during the past five years. One of Mayor Annise Parker's initiatives was to end chronic homelessness in Houston. A major way the City started to work towards this goal was to increase the amount of permanent supportive housing units in the city. These are units that combine affordable housing with a variety of supportive services that help chronically homeless individuals maintain long-term housing. A majority of individuals who are chronically homeless also have a disability or mental illness and permanent supportive housing will help to house this population and decrease chronic homelessness. HCDD also funds other affordable housing developments and over the past five years this has included the development units of accessible rental housing. In addition, HCDD received its first grant through the Texas's Amy Young Barrier Removal Program in 2013 and completed 3 renovations and modifications for families with a person with a disability and referred 11 households to other area programs in which modifications were completed.

Recently, two important policies were enacted to help maintain or create new opportunities for safe, accessible housing. First, the City Council passed an ordinance which regulates boarding homes not already regulated by the State of Texas. The enforcement of this ordinance is intended to make boarding homes safer for their residents which often include persons with disabilities and the elderly. Although not directly related to the construction of accessible units, it enhances the safety of persons with disabilities that may live in an assisted housing environment.

Second, the Mayor signed a Complete Streets Policy which aims to make streets safer and more accessible for persons of all abilities. Creating more accessible streets for walking could help expand housing opportunities by providing accessible ways to get to and from housing.

The Mayor's Office for Persons with Disabilities promoted the National Deaf-Blind Equipment Distribution Program, iCanConnect, which aims to provide technology, including Braille devices, computers, mobile devices, phones, and signalers, for eligible low-income Americans who have combined hearing and vision loss. Providing these free modifications help make homes more accessible or livable for persons with disabilities.

Some persons with disabilities may lack accessible housing due to discrimination from a housing provider or landlord who does not provide reasonable accommodations. Collaborating with the Mayor's Office for Persons with Disabilities, the South Texas College of Law Legal Clinic and the Houston Volunteer Lawyers Program offers free legal assistance for persons with disabilities at various times throughout the year. This helps create more access to housing for persons with disabilities when landlords do not provide appropriate accommodations.

Impediment #6: Lack of affordable housing

2010 AI Recommendations: The city should ensure that affordable housing including low-income housing is included in developments throughout the City and not just in traditional neighborhoods. The City should seek creative ways to work with the owners of vacant housing stock to create affordable housing units.

Efforts to Overcome Impediment #6: The City addressed this impediment in other ways not directly influenced by the recommendations made in the 2010 AI. To more directly address the lack of affordable housing, the City ensured that housing providers complied with fair housing requirements, decreased housing discrimination, and provided equal housing opportunities by creating more affordable housing units.

The City worked with housing providers to comply with fair housing regulations. Before city funded multifamily housing is built, HCDD staff work with the developer to ensure that fair housing requirements are followed and the affirmative marketing plans are detailed to ensure equal housing opportunities for renters regardless of protected class. HCDD's Compliance Division regularly reviews the multifamily portfolio and is a resource for housing providers to ensure current and future compliance. When conducting on-site monitoring, staff is available to provide any technical assistance needed for housing providers.

As described earlier, the City strives to decrease housing discrimination by providing fair housing information through public information campaigns and information available to housing providers. For instance, HCDD provided fair housing training for CDBG, HOPWA, and ESG subrecipients in April 2014.

Previously, HCDD required the member of City Council in whose district an affordable housing development was proposed, to write a letter of support as part of the RFP response to HCDD for grant funding. This may have been an unintentional discriminatory practice because outspoken constituents against affordable housing could have influenced elected officials, which may have had negative effects on viable affordable housing proposals. HCDD no longer requires that responses to the RFP for Affordable Rental Housing include the District City Council member's approval letter. Instead, the latest multifamily RFP, issued in 2014, requested, but did not require, letters of support from community and legislative representatives as part of the "Location Information" section of the selection criteria.

HCDD worked in the past four years to create 922 more units of affordable rental housing which includes some accessible units. In addition, HCDD also repaired or reconstructed 221 units of homeowner housing, prolonging homeownership for families that might have been forced to move because of the condition of their home.

Although not directly related to vacant housing units as recommended in the 2010 AI, HCDD did pursue ways to use underutilized multifamily properties in the past five years to increase the number of affordable housing units for underserved populations. In 2012 and 2013, HCDD worked with a group of students from Texas Southern University, supported by HCDD staff and funding from Fannie Mae, to develop a database of distressed multifamily properties in Houston. The goal of this research was to identify opportunities to use underutilized properties as subsidized permanent supportive housing and to develop strategies and tools to educate stakeholders on benefits of housing homeless individuals in existing underutilized properties.

Impediment 7: Lack of a substantially equivalent fair housing ordinance

2010 AI Recommendations: The city should continue efforts to pass a substantially equivalent Fair Housing Ordinance. The city should start pursuing the development of a Fair Housing Administrative Program (FHAP).

Efforts to Overcome Impediment #7: The City will continue to endeavor to become a substantially equivalent jurisdiction. As discussed earlier in this section, the current ordinance was passed, but implementation has been slow due to public opposition.

Impediment #8: Not In My Back Yard (NIMBY) resistance

2010 AI Recommendations: The City should increase fair housing education and outreach

Efforts to Overcome Impediment #8: HCDD has educated the community, as well as organizations and other city officials about fair housing obligations. In the spring of 2013, Daniel Bustamante, Executive Director of the Greater Houston Fair Housing Center, gave three training presentations reviewing fair housing laws and the impact they have in Houston. Mr. Bustamante presented at two public hearings for the 2013 Annual Action Plan for citizens and during a Housing and Community Affairs Committee meeting where the public as well as Council members and their staff were addressed. HCDD also has worked to alleviate NIMBYism for future affordable housing developments by working very closely with various communities.

In November 2013 and February 2014, HCDD held four Developer Meet and Greet meetings to provide information to residents of neighborhoods in which affordable housing funded with CDBG-DR was proposed. This was an opportunity for area residents to evaluate the proposed plans and to ask any questions of the development team or city staff. This encouraged understanding about future affordable housing developments that can often lead to objection due to misinformation in the community.

In addition, HCDD invited residents, community leaders, local design architects, and other stakeholders to participate in a one day DR2 Community Design Workshop to share ideas and influence the design of over 300 single family homes that will be built as part of Houston's DR2 single family home repair program. The results of the Workshop, consisting of over 36 floor plans and conceptual home design boards, were displaced and over 200 citizens voted on their favorite designs.

While it is easy to measure NIMBYism through objections at City Council or in news articles, it is difficult to measure the impact of antiNIMBYism actions. HCDD believes that working with various communities to explain affordable housing and being available to residents with questions could help to relieve some NIMBY tensions that could arise in the future.

Impediment #9: Affordability

2010 AI Recommendations: The City should ensure that affordable housing including low-income housing is included in developments throughout the City and not just in traditional neighborhoods. The city should seek innovate ways to utilize the high number of private housing units identified as vacant throughout the community.

Efforts to Overcome Impediment #9: Similar to Impediment 6, the activities carried out to address this impediment are more focused on the affordability of housing rather than the 2010 recommendations made. The actions taken in the last five years address affordability by creating jobs and increasing incomes, educating citizens about their rights, and lowering the cost of various housing opportunities.

HCDD works with economic development agencies to help create jobs in Houston. The Houston Business Development Inc. (HBDI) has received CDBG funding in the to lend to small businesses to create or retain jobs for low- and moderate-income persons. Since 2010, HCDD has helped small businesses create or retain 84 jobs. In addition, many of HCDD's public service activities have been related to workforce development and helping low-income persons or persons with disabilities receive jobs. Increasing a person's or a family's income can help create more housing opportunities by making higher priced housing more available and affordable.

As discussed in other impediments, HCDD and the City of Houston have worked hard to inform and educate the community about their fair housing rights.

Finally, HCDD created affordability for 576 homeowners from July 2010 through the beginning of 2015 through the Homebuyer Assistance Program. This Program funds downpayment and closing cost assistance to low- and moderate-income homebuyers. The results make homeownership more affordable by lowering monthly payments and the upfront cost. As discussed in Impediment 6, HCDD has helped create approximately 922 affordable rental units in Houston during the last five years.

Impediment #10: Lack of public transportation

2010 AI Recommendation: The City should expand its efforts to promote good paying job development and assist in small business development.

Efforts to Overcome Impediment #10: HCDD has prioritized low- and moderate-income people's need for transportation options. HCDD supports programs administered by non-profit organizations that connect services to low- and moderate-income persons without transportation. In PY 2013 HCDD helped to provide essential services to 14,449 homeless individuals without transportation through SEARCH Mobile Outreach, transportation services for 20,223 homeless persons seeking healthcare and supportive services, and literacy and workforce development trainings in low-income areas through Houston Public Library Mobile Express. Finally, in the past five years, the City of Houston has supported the development of new permanent supportive housing units which link housing and services needed by residents in order to reduce the need for travel by residents to receive services.

HCDD prioritizes housing and services that have easy access to public transit options to enhance the usability of public transit. For instance, one of the selection criteria for multifamily developments receiving HCDD funding is location. This includes the proximity and ease of access of the development to local transit, medical facilities, amenities including grocery stores, and employment and training opportunities. HCDD prioritizes housing developments based on location to amenities, services, and employment which can improve a low and moderate income person's transportation options.

In the next five years, METRO will fully implement two new light rail lines that are located in low- and moderate-income areas. In addition, METRO will implement a new bus route system that hopes to better connect housing with employment and recreation. The City of Houston does not have a direct influence over public transit routes.

Impediment #11: Predatory lending practices
Impediment #12: Disparity in lending practices
Impediment #13: Geographic concentration of loan denials in minority communities
Impediment #14: Inadequate education and outreach by financial institutions on mortgage lending

2010 AI Recommendations: The City should support fair housing education and outreach. The City should support fair housing enforcement. The City should increase and expand its financial literacy education programs.

Efforts to Overcome Impediments #11, #12, #13, and #14: The City of Houston partners with organizations to support initiatives increasing low-income families' knowledge of mainstream banking benefits and general financial education. Most recently the City participated in Houston Money Week in April 2014, a week of free financial education classes, events and activities for all citizens promoting the importance of financial literacy. In September 2013, the City helped send an English and Spanish flyer in water bills to approximately 200,000 households advertising Bank On Houston, which encourages low-income people to enter the mainstream banking industry.

Through partnerships with banks, realtors, and nonprofit organizations, HCDD staff presented details about the Homebuyer Assistance Program and fair housing at four various homebuyer classes reaching over 115 potential homebuyers and made fair housing information available to over 1,000 homebuyers at housing fairs, expos, forums and new developments during PY 2013. In addition, the Homebuyer Assistance Program endeavors to partner with lenders that do not participate in predatory lending practices.

During 2013 and 2014 HCDD staff compiled Home Mortgage Disclosure Act (HMDA) lending data from the Federal Financial Institutions Examination Council (FFIEC) and analyzed this data to determine lending trends as presented earlier in this report. Understanding home mortgage lending trends and past disparities in lending can help to focus financial literacy programs and fair housing education during the next five years.

Finally, HCDD works to leverage federal funds to rehabilitate and support deteriorating neighborhoods. For instance, HCDD funds public facilities including new or upgraded parks, health clinics, libraries, multiservice centers, or other enhancements to increase the marketability of a neighborhood. HCDD also funds economic development activities that also enhance a neighborhood. For example, HCDD recently funded a new grocery store in a minority neighborhood that was considered a food desert in Houston, Pyburn's Grocery Store. In addition, HCDD supports code enforcement efforts in low- and moderate-income areas to ensure that health and safety codes are current. Funding also supports legal assistance for properties that are in severe violation and need to be removed for safety reasons. This helps areas maintain neighborhood integrity.

Impediment #15: Insufficient multi-lingual marketing efforts targeted to those who have limited English proficiency

2010 AI Recommendation: The City should increase fair housing education and outreach. The City should financially support fair housing enforcement. The City should increase and expand its financial literacy education programs.

Efforts to Overcome Impediment #15: HCDD has made major efforts to enhance its multilingual advertisements. Fair housing materials have been created in multiple languages including Spanish, Vietnamese, and Chinese. In addition, the Consolidated Plan Community Needs Survey was available online and in print in Spanish, Vietnamese, and Chinese. The 2013 Annual Action Plan included HCDD's first Language Assistance Plan which outlines the steps HCDD will carry out to advertise and assist people with limited English proficiency. A few months after HCDD's Language Assistance Plan was submitted to HUD, the Mayor signed an Executive Order and later an Administrative Procedure for Language Access establishing policies for providing information about City services, programs, and activities to residents and visitors with limited English Proficiency. In 2014, all City Departments had a Language Assistance Plan.

Impediment #16: Demographic patterns that reflect the geographic concentration of racial and ethnic minorities in certain areas that reinforce segregated housing patterns

2010 AI Recommendations: The City and HHA should ensure that affordable housing including low-income housing is included in all developments throughout the city not just historical minority neighborhoods.

Efforts to Overcome Impediments #16: As stated earlier in this section of the report, the City of Houston has no zoning and will not likely implement inclusionary zoning, which could regulate developers to include affordable housing in some or all new developments built. Instead, HCDD has tried to counteract the concentration of minorities in certain neighborhoods by rehabilitating neighborhoods and by assisting minorities to move to other neighborhoods that may have lower concentrations of minorities.

First, HCDD extensively researched the City and defined areas in which DR2 funds would be beneficial and help to spur market forces. DR2 funding as well as CDBG and HOME funding has been and will be used for new housing, repair of existing housing, infrastructure and public facility improvements, and economic development in three DR2 areas in the City. In addition, as part of the DR2 funded Single Family Repair Program, homeowners were given an option to move to another area of the City or metropolitan region of their choice. HCDD's Homebuyer Assistance Program also provides an opportunity for first time homebuyers to expand their housing choices which could include moving to a non-minority area by offering them downpayment assistance.

The City also helped to create more market development in areas that have limited market interest; many areas are minority areas, by changing policies. For instance, City Council amended the definition in city regulation to define grocery stores more loosely in regards to alcohol sales in order to draw more potential grocery stores into areas known as "food deserts". While demographic patterns of racial and ethnic minorities may be due to historical factors and choice of residents, the City has made efforts to improve minority areas with additional development funds and to provide funding for residents wanting to move to non-minority areas.

Impediment #17: Low educational attainment among African Americans and Hispanics

2010 AI Recommendation: The City should expand its efforts to promote good paying job development and assist small business development

Efforts to Overcome Impediments #17: As discussed earlier, HCDD supports efforts to expand workforce development opportunities including job training programs to low- and moderate-income persons as well as persons with disabilities. The City also supports HBDI which funds small businesses. In addition, HCDD helped 48,601 children attend afterschool and youth enrichment programs that provide computer classes, job training, and tutoring, and 52,196 people have access to the Houston Public Library Mobile Express which offers workforce training. In addition, HCDD funded the expansion of a Charter School, Pro-Vision School, to help increase educational opportunity for minority students.

Impediment #18: Lack of Financial Literacy Education

2010 AI Recommendations: The city should increase and expand its financial literacy education programs.

Efforts to Overcome Impediments #18: As discussed previously, the City of Houston continues to support Bank On Houston, which supports financial education classes, especially during April, which is Financial Literacy Month, as well as Financial Literacy Month. Due to a lack of financial literacy for Houston residents, the City made policy changes to help residents not currently part of the mainstream banking system and therefore at risk of paying high

fees at check cashing businesses. City Council passed a payday loan ordinance limiting the high fees that trap borrowers in a cycle of debt.

Impediment #19: Lack of Income

2010 AI Recommendation: The City should rigorously pursue the Section 3 requirements of HUD. The City should expand its efforts to promote good paying job development and assist small business development.

Efforts to Overcome Impediments #19: HCDD continues to support activities that create jobs for low-income residents. HCDD provided training to, and monitored contractors, ensuring that they complied with Section 3 guidelines that provide job training, employment, and contracting opportunities to low-income residents. HCDD also contributes funding for economic development projects that increase the number of jobs. One such example includes contributing Section 108 and EDI funds for the renovation of an historic building for a new 352-room hotel located at 806 Main. The project is expected to create 178 new jobs over a period of time. HCDD also provided funding to HBDI which resulted in the creation of 84 jobs available to low- and moderate-income individuals.

HCDD also promotes asset building for low- and moderate-income families through homeownership. The Homebuyer Assistance Program provides downpayment assistance to low- and moderate-income first time homebuyers. In the past, this assistance has been given through a forgivable loan, which when the loan period is over, creating additional equity for the homeowner.

Another example of the City promoting equal access and economic opportunity is through the Office of Business Opportunity sponsored Annual Meet the Buyer Forum where small businesses connect with City Purchasers and through other small business workshops like the a recent workshop entitled “How to do Business with the City of Houston and HISD.”

Conclusion

During the past five years, the City has taken major steps to enhance the gathering, review, and analysis of data that has an impact on fair housing. In addition, HCDD has also taken on new initiatives to promote varied ways of citizen and stakeholder involvement in fair housing and fair housing planning. One recent success illustrating both HCDD’s data driven outlook approach to fair housing and the encouragement of citizen and stakeholder participation is through the Fair Housing Forum. The Forum was held on January 29, 2015 at the Federal Reserve Building. Attendees consisted of over 170 members of the Houston community including representatives from governmental and nonprofit agencies, housing industry professionals and citizens. During the Forum, attendees listened to fair housing information provided by local experts and brainstormed fair housing issues that need to be addressed and strategies that should be used to address the issues identified.

The City takes its affirmatively furthering fair housing obligations seriously. While the City has made decisive actions to promote fair housing choice and illuminate identified impediments, changing attitudes takes a long term approach.

10. Identification of Impediments to Fair Housing Choice Fair Housing Action Plan

The following includes the list of impediments found to be barriers to fair housing choice in Houston. By no means is this an exhaustive list of all impediments that could be found within the City of Houston or the Houston region. However, this list is an attempt to outline impediments that were found in the development of this AI using various data sources and extensive community input. Impediments from the 2010 AI have been reviewed as well as potential impediments listed in the FHEO letter dated November 2011. A new list of impediments for the 2015 AI is as follows. Past impediments have been consolidated within the new impediments to avoid reporting duplications in the actions carried out. The AI, including the impediments and actions identified, may be updated periodically.

Impediments, Objectives, and Actions

The list of impediments includes a brief summary of the importance of each impediment. Each impediment has a corresponding table showing the objective of the City, the actions that the City will endeavor to carry out the objectives, the timeframe in which these actions will occur, and the entity responsible to support or fund the action. The objectives set for the listed impediments will not necessarily eliminate the impediment in the period of the next five years; however, these objectives will make strides to lessen the effect of impediments and to expand housing choice. The actions listed will be addressed in the next five years aligning the accomplishments of the actions with the consolidated planning cycle.

Many of the proposed actions will be supported with resources from HCDD's federal, state, and local funding sources. Although no written commitments or agreements from other organizations that HCDD plans to partner to carry out objectives have been included with this AI, contracts with developers and subrecipients in support of the objectives will be approved by City Council throughout the next five years.

In each Annual Action Plan, HCDD will summarize which actions and impediments staff and partners plan to address over the period of a year. The Consolidated Annual Performance and Evaluation Report will briefly describe the annual accomplishments as related to those planned for the year and compare to the measurable actions included in this document. HCDD will keep records of all actions in support of these objectives taken during the next five years. The City is also responsible for complying with impediments to fair housing choice that were recognized by the State of Texas in its Fair Housing Action Statement Texas (FHAST). All of the State's impediments overlapped with those identified under the City of Houston 2010-2015 AI. The General Land Office (GLO) of the State of Texas, monitored the FHAST in 2014, and found the City to be in compliance with the requirements under the FHAST which dictated measures the City must take to address each barrier. The City has continued to build on all actions began under the FHAST.

Impediment #1: Discrimination in Housing

The 2010 AI identified four impediments of discrimination based on disability, race, national origin, and families with children. Discrimination in rental or homeowner housing for all protected classes continues to be an issue in Houston. Race, disability, familial status, and national origin continue to be at the basis for the majority of alleged complaints made to HUD in recent years. The recommendations made in the 2010 AI to address these four impediments were similar. For this reason, we have included these four impediments under the new impediment of "discrimination in housing".

Discriminatory mortgage practices based on protected class continues in the Houston mortgage market. The following four impediments were identified in the 2010 AI: predatory lending practices, disparity in lending practices, geographic concentration of loan denials in minority communities, and inadequate education and outreach by financial institutions about mortgage lending. As illustrated by the most recent HMDA data, minorities had a higher rate of denial and a lower application rate as did females. Minority areas also had higher denial rates and lower application rates compared to non-minority areas. Although the majority of subprime loans were made to non-

Hispanic White borrowers, Hispanic borrowers had the highest ratio of subprime loans. In addition, feedback from Neighborhood Discussion Groups included stories of lenders denying a home improvement loan based on the neighborhood location of the house. Still clearly issues in today's housing market, the four mortgage impediments identified in the 2010 AI are now consolidated into this new, broader impediment, "discrimination in housing".

Other actions in the homebuyer or mortgage market made by housing industry professionals, such as lenders, insurance providers, and real estate agents, may be issues and encourage or result in discriminatory behaviors. There is not recent, local research known allowing a full analysis about these issues to take place in this document. Although staff did not hear of any complaints regarding steering problems in Houston during the participation process, steering can be an issue that encourages segregation. Steering is an illegal practice in which professionals only showing housing units in certain complexes or neighborhoods because of perceived wants or needs based on a protected class. Detailed, updated, and reliable data describing fair housing issues and trends in Houston and the Houston area can assist in decreasing discrimination by providing more targeted education campaigns.

Also, discrimination in rental housing continues to be a concern as it is the most identified issue in HUD fair housing complaints. The stakeholder and public input process revealed that many people thought that housing industry professionals should be better trained in fair housing and that education and training could be an important activity that the City could undertake to decrease housing discrimination in rental housing.

Finally, there continues to be a lack of fair housing enforcement activities in the Houston area. Only one local organization, the Greater Houston Fair Housing Center, performs fair housing enforcement and testing activities on a regular basis. HUD performs investigations as fair housing complaints are filed. HUD has not certified the City of Houston fair housing law as a substantially equivalent. Becoming substantially equivalent would allow the City to apply for the Fair Housing Assistance Program (FHAP) which would provide funding reimbursement for enforcement of and other activities related to fair housing laws. The 2010 AI listed the "Lack of substantially equivalent fair housing ordinance" as Impediment #7, which has now been incorporated into Impediment #1 in the 2015 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
1.A. Continually analyze and monitor area trends in housing discrimination to better understand discrimination in the community	Monitor lending data annually and share results with the community an ongoing basis	Update data annually and maintain a longitudinal analysis of HMDA data	Year 5	HCDD
	Monitor HUD complaint data annually and share results with the community on an ongoing basis	Update data annually and maintain a longitudinal analysis of HUD complaint data	Year 5	HCDD
	Partner with organizations to develop data sets describing housing discrimination among persons with disabilities	# of partners	Year 5	HCDD
1.B. Decrease discriminatory housing practices against protected classes	Provide fair housing education and outreach to 200 housing providers and housing industry professionals	Number of professionals receive fair housing information and/or training	Year 5	HCDD in partnership with other organizations
	Promote fair lending by partnering with at least 20 lending institutions annually for the HAP	# of Lenders in HAP Program	Year 5	HCDD
1. C. Provide resources to citizens who may have been discriminated against.	Implement Equal Opportunity Ordinance and ask HUD for substantial equivalence	Become substantially equivalent	Year 5	HCDD, HUD
	Council 7,500 people through the City's Landlord/Tenant Hotline.	# of Calls	Year 5	HCDD
	Promote the City's Landlord/Tenant Hotline	# of people reached	Year 5	HCDD
		% increase in call volume	Year 5	HCDD

Impediment #2: Lack of Knowledge about Fair Housing

An issue that came up repeatedly during the citizen and stakeholder engagement process was the need for additional fair housing education. Fair housing knowledge was not only mentioned as a barrier for staff of governmental agencies and organizations partnering with HCDD, but also for citizens. The citizen and stakeholder input gathered at the Fair Housing Forum revealed that the highest priority action that the City can undertake to decrease housing discrimination and promote housing choice is to enhance communication and education.

In addition, the number of complaints made to HUD about fair housing is very low, of approximately 100 per year. This could indicate a lack of understanding of fair housing rights. Providing education, resources, and continued outreach is needed for city or stakeholder staff and citizens who may not know or not understand fair housing. From the public participation process, HCDD learned about topics that may need to be addressed in fair housing education, including what happens once a fair housing complaint is filed.

In addition to providing education to citizens is the idea that citizens should be involved and also advocate for fair housing. When asked about the citizen's role in decreasing housing discrimination, participants at the Fair Housing Forum thought that it was their role to educate others about the importance of fair housing rights.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
2.A. Increase the fair housing knowledge of government staff, subrecipeints, and citizens	Provide education and outreach to city staff	# of staff members will receive fair housing training or discuss fair housing	Year 5	HCDD
	Continue to meet periodically throughout the year with city staff at the Interdepartmental Fair Housing Meeting	# of Interdepartmental meeting occurs	Year 5	HCDD
	Distribute fair housing materials to City Departments to inform employees	# of City Departments partnering with HCDD	Year 5	HCDD
	Provide education and outreach to 500,000 citizens who may be at risk of discrimination	# of citizens who receive or are exposed to fair housing information or training	Year 5	HCDD
	Provide education and outreach to 200 HCDD stakeholders	# staff members from agencies/subrecipients that partner with HCDD will receive fair housing information or training	Year 5	HCDD
		100% of CDAC meetings will discuss fair housing issues	Year 5	HCDD
	Translate public notices about the Consolidated Planning process, and other documents as needed, into languages other than English	# of documents translated per language	Year 5	HCDD

Impediment #3: Lack of Affordable Housing Options

The supply of affordable housing was the issue that came up most during the citizen participation process. According to the feedback gathered from the Fair Housing Forum, the supply was both the top challenge that people face when finding and maintaining housing as well as the top barrier to fair housing choice.

Data from the analysis in this document also showed that Houston has a lack of options of housing. For instance, the extraordinary number of families interested in being added to the Houston Housing Authority's Housing Choice Voucher waitlist during a period less than a week illustrates the great need and lack of housing options. According to CHAS data, almost half of renter households (45%) have a housing cost burden and approximately one quarter of the owner occupied households have a cost burden. These cost burdened percentages grow much higher for households earning below the area median income. Since approximately half of Houston's households are low- and moderate-income, having a number of affordable housing options in the community is key to helping families.

Housing availability for households or individuals with special needs is also an issue when finding affordable housing. These are vulnerable populations with limited choice, and if discriminatory actions take place, these households and individuals become most affected. For instance, finding housing with accessibility features is very limited. In addition, housing with accessible facilities and barrier-free access to transportation options is also very limited in Houston considering the number in need. Information regarding housing for persons with disabilities is limited, and aligning the special needs population with existing housing is hard because the needs of persons with disabilities are so unique.

There is also a lack of affordable housing options located in certain areas of the City. Although 80% of those surveyed in the Community Needs Survey agreed that affordable housing should be available in all areas of the City, some housing affordable to low- and moderate-income families are located in neighborhoods that are not located near public transportation, near high quality schools, lack amenities, or have a high number of crime incidences. Many of the publicly funded affordable housing developments are located in mostly low-income neighborhoods. In addition, market housing available for low- and moderate-income households are often in older housing stock which may need a higher cost of repairs and may have additional health hazards, like lead-based paint or asbestos.

In addition, many previously low-income areas of the city are becoming redeveloped with newer, higher priced housing. The cost of land in these areas is also rising. There is a need to not only create housing in areas of high opportunity, but also create ways in which existing households are able to stay in neighborhoods where opportunity is growing without being negatively affected by gentrification.

This impediment has consolidated has not changed from the 2010 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
3.A. Preserve the supply of existing affordable housing for low- and moderate income households	Fund the preservation of 418 affordable housing rental units	# of renovated rental units	Year 5	HCDD
3.B. Expand the supply of affordable housing for low- and moderate income households	Fund the creation of 1,135 new affordable housing rental units	# of new rental units	Year 5	HCDD
3.C. Increase availability of accessible units for low- and moderate income households	Fund the creation or preservation of 75 Section 504 accessible rental units	# of accessible units	Year 5	HCDD
3.D. Maintain affordable housing in areas where land values are increasing	Identify areas where the cost of land is increasing	Perform market value analytics	Year 5	HCDD

Impediment #4: Lack of Accessible Housing for Persons with Disabilities

Housing options for households or individuals with special needs is an issue when there is a lack thereof. These are already vulnerable populations with limited choice, and if there is a lack of accessible housing city-wide, these households and individuals are most affected. For instance, finding housing with accessibility features is very limited. In addition, accessible housing where neighborhood conditions do not present barriers is also very limited. Information regarding housing for persons with disabilities is limited, and aligning the special needs population with existing housing is hard because the needs of persons with disabilities are so unique.

The supply of accessible housing for persons with disabilities is an issue that has been raised by stakeholders who advocate for special needs groups. The concerns include, but are not limited to, the lack of data used to describe the spatial distribution of disabled persons, as well as accessible housing as it relates to structural and neighborhood conditions. Another concern raised was that disability data is not discussed based on the category/characteristic of the disability (i.e. physical, mental, etc.).

Census Bureau data sets are reliable as it relates to age, disability characteristics, and quantity per census tract. The use of disability data from the Census Bureau has not been consistently used at the census tract level, but instead secondary data at the place level (Houston city) is often utilized. Reliable data as it relates to accessible housing or neighborhood conditions for the disabled has not been readily available.

This impediment has not changed from the 2010 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
4.A. Determine the distribution and amount of accessible housing units for persons with disabilities	Meet with the Plan Review Department to advocate for inclusion of an accessibility features scope of work in the plan submittal for all residential permits	# of units with accessibility features added to their permit application/plan submittal	Year 5	HCDD
4.B. Utilize categorical/characteristic disability data for descriptive purposes	Use the Census Bureau's characteristics by age group at the census tract level or smaller based on availability	# of disabled persons by disability and age	Year 5	HCDD
4. C. Describe housing unit conditions and neighborhood conditions where disabled persons reside	Create projects/internship credits for students to collect quantitative and qualitative data	Areas with poor housing and neighborhood conditions	Year 5	HCDD

Impediment #5: Affordability

Related to the lack of affordable housing options is affordability. Affordability relates to housing for all income groups rather just the low- and moderate-income groups. As advocates have noted, a class divide is very visible in Houston as well as other cities of the nation. This divide is growing more pronounced as indicated earlier in this document when looking at percentage increases in incomes between income groups proving that the percentage increase is growing faster for higher income earners. Housing affordability is important for all income groups in all neighborhoods throughout Houston.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
5.A. Increase housing choice for the workforce population	Fund XXX downpayment assistance loans through the Workforce Development Program	# of households assisted	Year 5	HCDD

Impediment #6: Imbalanced Distribution of Amenities, Services, and Infrastructure between Neighborhoods

As discussed by Susan Rogers, a professor at the University of Houston, at the Fair Housing Forum, the distribution of amenities differs by neighborhood. She demonstrated this by comparing the proximity of grocery stores for a person living in Montrose to a persons living in the Third Ward, proving that the Third Ward resident has a much longer distance to travel for a grocery store and has fewer choices.

Citizen input revealed that residents from all over the City often feel that there are not enough City services available for their neighborhood. The Neighborhood Discussion Groups revealed that some areas of the city may need additional services due to unique circumstances. For instance, illegal dumping seemed to be more of a problem in certain low-income areas than in other areas of the city. In addition, during the discussions, some residents felt that they were marginalized from benefiting from positive market forces such as improved property values or increased commercial development.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
6.A. Improve neighborhoods lacking quality amenities	Fund XX public infrastructure and facility improvements in LMI neighborhoods	# of new or improved public facilities/infrastructure benefitting neighborhoods	Year 5	HCDD
	Fund economic development activities to create XX new services benefitting LMI neighborhoods	# of new services benefitting LMI neighborhoods	Year 5	HCDD
6.B. Promote balanced code enforcement services	Monitor code enforcement activities to discover if any imbalances exist in implementation	# of site visits	Year 5	HCDD
		# of citations issued	Year 5	HCDD
		# of 311 calls	Year 5	HCDD

Impediment #7: Lack of Income / Lack of Funding

This impediment relates to both the lack of income residents earn to then be able to afford increased housing choices, as well as the lack of funding for agencies, such as HCDD, to perform fair housing outreach, education, or enforcement activities.

The lack of income includes insufficient income to pay for and maintain housing. This was one of the top issues discussed at the Fair Housing Forum. Validated in CHAS data, housing cost burden is the most common housing problem for households in Houston.

Expanding resources to increase affordable housing stock was the second priority from the Fair Housing Forum public input related to the actions that the City can do to decrease discrimination and promote choice. For instance, continued funding of programs that increase a low- and moderate-income household's downpayment can expand the housing options that are affordable to that household. Public funding like downpayment assistance can be used to address the impediment of lack of household income.

Although HCDD and the City of Houston are committed to further fair housing and increase fair housing choice, funding often limits the extent of fair housing outreach that can be provided by the City.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
7.A. Assist LMI residents secure quality housing	Provide downpayment assistance funds for XX low-income families to purchase a home	# of downpayment assistance loans	Year 5	HCDD
	Provide home repair assistance for XX low-income families	# households assisted with home repairs	Year 5	HCDD
7.B. Create government efficiencies to best utilize dwindling federal funding	Partner with 25 other organizations to promote fair housing education	# of organizations partnered	Year 5	HCDD
	Find alternative sources of funding to promote fair housing education	# of grants applied to	Year 5	HCDD
7.C. Promote ways for LMI individuals including individuals of protected classes to become employed or retain employment	Carry out various economic development activities to create or retain XX jobs	# of jobs retained or created	Year 5	HCDD
	Support programs that provide job training to LMI individuals and individuals from protected classes	# of persons assisted with employment training	Year 5	HCDD

Impediment #8: Lack of Financial Education

From the public input process, financial literacy and housing literacy were important issues. The Community Needs Survey revealed that many people have problems buying or renting property in Houston due to credit issues or being denied a loan. Many Houstonians have trouble finding and maintaining housing because they have a lack of income or savings. Others have unique personal issues that may impact rental housing or loan approval such as job history, credit history, rental history and evictions, or criminal history.

This impediment is the same as Impediment #18 from the 2010 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
8.A. Promote financial education	Partner with other organizations to encourage financial literacy programs, including housing counseling agencies	# of partnerships	Year 5	HCDD
	Promote HCDD's Homebuyer Assistance Program (HAP) which requires an 8-hour course	# of people will have the opportunity to receive information about HAP	Year 5	HCDD

Impediment #9: NIMBY Resistance

Many Houstonians do not understand affordable housing, and this can cause misinformation that may lead to NIMBY resistance. A greater presence of HCDD in the community can help to answer questions and dispel concerns about activities.

This impediment is the same as Impediment #8 from the 2010 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
9.1. Provide education and outreach activities about affordable housing for LMI households	Promote housing developers funded by HCDD to conduct community engagement activities	# of RFPs with community engagement notifications	Year 5	HCDD
	Attend city and non-city events to spread the word about the number of people HCDD assists and how HCDD and other affordable housing programs work.	# of events attended	Year 5	HCDD
	Develop an Anti-NIMBYism policy and/or action statement	1 policy created	Year 3	HCDD

Impediment #10: Lack of Transportation Options

Transportation was an issue that was consistently mentioned as a barrier from stakeholders and citizens. For instance, the ability to get to and from places to apply for housing or other services is a barrier. Many low-income persons do not have a personal automobile available to use, which limits their mobility in Houston, a city that is very low-density and spread out.

The majority of residents that ride public transportation in Houston are minority. As the Census data shows, the longest commute times to work are for those that ride public transportation. Long public transportation commute times disproportionally affect more minorities.

METROLift addresses the transportation needs of persons with disabilities who cannot ride on regular METRO transportation. There is a great need for this service, but there are many limitations.

This impediment expands on Impediment #10 lack of public transportation in the 2010 AI.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
10.A. Promote alternative modes of transportation including bicycling	Develop a bike plan for the City	1 bike plan for the city	Year 5	HCDD

Impediment #11: Low educational attainment Among African Americans and Hispanics

As illustrated earlier in the AI, African Americans and Hispanics have a very low educational attainment. As seen in the Census data, higher educational attainment relates to lower unemployment and higher wages, both of which relate to the impediment of lack of income.

As illustrated through the School Proficiency Index, there is a high correlation between low performing schools and RCAP/ECAP areas. The higher performing schools tend to be located in higher income areas with limited minority residents.

This impediment continues to persist in Houston and is the same as Impediment #17 in the 2010 Analysis of Impediments.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
11.A. Increase the number of activities for youth available in the city geared toward keeping youth in school and improving school outcomes	Fund youth enrichment and afterschool programs to children in low- and moderate-income areas	# of persons assisted	Year 5	HCDD

Impediment #12: Increased Health Hazard Exposure in Certain Neighborhoods

As illustrated in the Environmental Health Hazard Exposure Index the majority of health hazards are located east of the central business district in Houston and nearby the Port of Houston. This index summarizes the potential exposure to harmful toxins at a neighborhood level, which disproportionately effects area with a high number of minorities in east Houston.

There are many limitations to address this impediment for HCDD and even the City of Houston. Promoting understanding for citizens about health hazards and the importance of these hazards is important.

This is a new impediment to fair housing choice.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
12.A. Increase knowledge of public exposure to health hazards	Work with partners to explore ways to increase knowledge of health hazards	# of people reached	Year 5	HCDD
	Provide lead-based paint information to families who might be at risk lead poisoning	# of people reached	Year 5	HCDD

Impediment #13: Lack of Communication between Government and Residents

The feedback from the Fair Housing Forum noted that the most significant challenge faced by the City is communicating with residents about housing discrimination, about fair housing laws and rights, and promoting City programs. Opening more avenues of communication between residents and the City will also help to address other impediments such as promoting fair housing understanding.

One impediment from the 2010 AI has been included in this new impediment, Impediment #10: Insufficient multi-lingual marketing efforts. Marketing programs and information in a way that the community understands is part of the communication between government and residents. A quarter of Houston's population has limited English proficiency, and of those who have limited English skills, they are more likely to be living in poverty and therefore more likely to be eligible for many City and HCDD services for low- and moderate-income individuals. HCDD will continue to strive to provide marketing materials for the housing programs, as well as other informational materials, including fair housing education, in multiple languages.

Objective	Actions	Unit of Measure	Period for Completion	Entity in Charge
13.A. Provide ways in which citizens can be updated on AI progress	Review fair housing impediments and strategies annually and report on the progress in the CAPER	# of CAPERs with fair housing information	Year 5	HCDD
13.B. Increase resident knowledge about HCDD programs	Widely promote HCDD housing programs to eligible applicants	# of people calling call center for housing programs.	Year 5	HCDD
	Translate public notices about the Consolidated Planning process, and other documents as needed, into languages other than English	# of documents translated per language	Year 5	HCDD
13.C. Increase the understanding of the City's qualifications criteria for programs	Create education material, or electronic access to material, as an on demand communicative cheat sheet for government staff and community residents	# of downloads, views, and/or feedback	Year 5	HCDD

11. Appendix

Fair Housing Forum Report

Discussion Group Findings

Key Stakeholder Interviews Report

City of Houston Fair Housing Forum Report

About the Fair Housing Forum

The City of Houston Housing and Community Development Department (HCDD) hosted its first ever Fair Housing Forum on January 29, 2015. The Forum was held at the Federal Reserve Bank – Houston Branch building near downtown Houston from 9 am to 4 pm. The Forum was free to participants, and a boxed lunch was provided. The Forum agenda was organized around three panel discussions with experts in a variety of disciplines who provided information relevant to the issue of fair housing. A keynote speaker provided demographic information about Houston during lunch. Small group discussions were held twice during the day, one in the morning and one in the afternoon. Appendix A includes the Forum agenda.

The goals of the Fair Housing Forum were to bring together citizens and stakeholders to discuss fair housing needs and strategies for the 2015 Analysis of Impediments to Fair Housing Choice and to inform the community about relevant fair housing issues. In order to create a neutral environment and foster discussion during the Forum, HCDD hired a third-party facilitator with expertise in citizen participation and community development. HCDD procured Morningside Research Consulting, Inc. to facilitate and document the participant discussions of the Forum. This report serves as a record and summary of the citizen input gathered.

Inviting participants. HCDD sent 975 email invitations to the Forum. Invitations were also mailed to 320 Houston area churches. HCDD's executive team disseminated the invitation to their contacts and counterparts in county and state government agencies. HCDD also worked with the Houston Housing Authority (HHA) to invite the representatives of all the resident councils so public housing residents could participate. HHA provided transportation for some residents who could attend. The invitation was also posted on HCDD's Facebook page and Twitter page.

Participation. A total of 173 individuals attended the Forum, representing 83 organizations. The organizations represented are listed in Appendix B.

Discussion groups. Each participant was assigned to a table in the morning and a different table in the afternoon. Each table seated up to nine people and care was given to assign people so that the table groupings represented the diversity of stakeholders. Each table was tasked with responding to the questions shown on the agenda in Appendix A. The small groups discussed each question around their table, recorded their responses, and then indicated the response for each question that they determined to be a priority. All responses recorded at each table (including priority and non-priority responses) were collected.

Methodology for developing the report. The response sheets from each table during the morning and afternoon discussion groups were collected and transcribed. The responses were sorted into groups of similar responses and categorized. Priority responses were noted. This report provides a summary narrative of the responses provided by attendees of the Forum.

Public Input

The input from Forum attendees is organized by theme under each of the six questions posed on the agenda shown in Appendix A. **The responses are shown in descending order of frequency and prioritization by each discussion group.** Discussion groups covered some issues multiple times in response to the different questions.

1. What are the challenges that people face when finding and maintaining housing?

1.a. Supply of affordable housing. The most frequently mentioned challenge faced by Houston residents when seeking housing is finding housing that they can afford; about one-third of the discussion groups listed this as the most significant challenge. The supply of affordable housing is insufficient to meet the demand and finding good quality affordable housing in desirable locations is especially difficult. The continuing increase in housing costs exacerbates this challenge.

1.b. Housing literacy. The next most frequently mentioned challenge was the financial and housing literacy of people seeking housing. Due at least in part to education disparities, many residents lack the knowledge needed to find affordable housing, finance their housing needs, identify financial resources to assist with home ownership, and manage and maintain housing. In particular, residents need information about the value of owning a home and what home ownership entails. Residents need information about whether they should rent or purchase, the laws and their housing rights, and responsibilities for tax and insurance. Discussion groups frequently mentioned the need for new and prospective homeowners to understand maintenance needs and costs. Assistance is needed to help people, particularly individuals who are elderly or disabled, maintain and make repairs to older or damaged homes.

1.c. Income. While the supply of affordable housing was the most frequently mentioned challenge, economic issues including insufficient income to pay for and maintain housing was another significant challenge. One discussion group noted that "income disparities are at the root" of housing issues. The use of payday loans, high student loans, and bad credit make it difficult to find housing. Even with assistance, finding housing is difficult; Section 8 voucher amounts are not keeping pace with expenses.

1.d. Access to amenities. Areas with affordable housing are lacking many amenities. The two most frequently mentioned needs were sufficient transportation options (mentioned by three-quarters of the discussion groups) and good schools, including childcare (mentioned by half of the discussion groups). Areas where affordable housing is located are also lacking City services such as police and emergency services. Service needs in areas with affordable housing include grocery stores, dry cleaners, health care, and social services. Infrastructure needs include flood control, road maintenance, and lighting. Access to employment and cross-town transportation routes are also lacking.

1. e. Property taxes. Property taxes drive out low-income households and will affect mixed income developments. Gentrification causes property values to increase, increasing taxes.

1.f. Quality. Discussion groups noted that affordable housing is typically older, in poor condition, and difficult to maintain. The safety and security of the neighborhoods in which affordable housing is located is also a concern. Accessibility for individuals with disabilities is an issue. Housing sufficient for larger families is even more difficult to find.

1.g. Discrimination. While discrimination based on race, family size, and voucher holders was noted as a significant challenge by some of the discussion groups, one group cautioned against focusing on race discrimination.

1.h. Screening. The paperwork and screening requirements for low-income residents create significant challenges. In particular, credit histories are a barrier. The number of forms and rules related to affordable housing can be overwhelming. Criminal background checks are also a barrier for residents with a criminal history.

1.I. Supportive services. Nearly half of the discussion groups indicated that supportive services are needed, particularly case management, to "keep people stabilized in their homes." Individuals with behavioral health issues and the elderly especially need supportive services. Two discussion groups indicated that "long-term support" and "permanent support" were needed.

2. What are the barriers to fair housing choice in Houston?

2.A. Supply of affordable housing. Responses to this question were similar to the previous question. The supply of affordable housing was again the most significant barrier listed. Discussion groups noted the lack of income, loan products, and not enough down payment assistance from the City as concerns related to affordability.

2.B. housing literacy. The second most frequently mentioned barrier was the lack of residents' knowledge about housing rights; residents do not know what information exists or how to identify opportunities for assistance.

2.C. Discrimination. Discussion groups noted considerably more concern about discrimination in response to this question than the previous question. Specific areas of discrimination mentioned include race, gender, source of income, age, disability, and religion. Language and cultural barriers were also noted. Two discussion groups suggested that many stereotypes are based on fear and assistance is needed to overcome those fears. "Steering" and "predatory lending" are two specific ways in which discrimination is practiced. Discussion groups noted that landlords have a lack of knowledge about fair housing laws and how to properly screen tenants and are not held accountable.

2.D. Government regulations and practices. The most significant barrier indicated by one discussion group was that the "City of Houston doesn't have policies/enforcement ordinances to counteract" the barriers to fair housing. Other groups indicated that the City "does not communicate well with the neighborhoods," is unnecessarily spending money on other priorities, and that nothing happens when residents call 311 unless they live in a wealthy neighborhood. Others noted a lack of leadership and expressed a desire for strong leadership.

2.E. Screening. Screening was discussed in this question as well as in the previous question. Credit and criminal background checks were again mentioned frequently as barriers. Other barriers include receiving past assistance and the lack of uniformity of standards for personal data on applications.

2.F. Amenities and infrastructure. Transportation is a significant barrier. Other amenities needed include good schools, job opportunities, the proximity of local services and resources, parking issues and costs, the "quality of public features", and police presence in high crime areas.

2.G. Special needs populations. Barriers to fair housing include having mental health and substance abuse issues, being the victim of domestic violence, families with children, mixed families, and individuals who are transgender. For individuals with physical disabilities, accessibility is a barrier.

2.H. Private development. A number of issues related to development were raised by the discussion groups. Barriers include "community backlash to development" and the "not in my backyard" mentality, finding affordable land in areas of high opportunity, lack of incentives and support in certain communities, limited neighborhood revitalization efforts, and lack of land use controls. One discussion group noted that segregated housing practices continue and another suggested encouraging private developers to create more "fair housing".

3. What are the challenges that the City faces to decrease housing discrimination?

3.a. Community challenges. The most significant challenge faced by the City is communicating with residents about housing discrimination, about fair housing laws and rights, and promoting City programs. Discussion groups noted a lack of community organization and citizen engagement on these issues. However, discussion groups noted that the community in general is resistant to affordable housing in their neighborhoods ("not in my backyard"). The most frequently mentioned challenge is getting information to residents about how to recognize discrimination, what their rights are, and what protections are available. The "stigma attached to fair housing" was noted as was tenants' fears of retaliation if they report a fair housing violation. As a result, tenants are not reporting discrimination.

Landlords also are not knowledgeable of fair housing laws. Discussion groups noted that landlords engage in racial profiling and hold general biases, with one discussion group noting as their top barrier that "most discrimination is not overt".

3.b. Policies, regulations, and enforcement. In the second most frequently cited challenges, discussion groups noted that the City needs to better educate the public about discrimination and reporting, dedicate staff to addressing and resolving fair housing complaints, and enforce current protections, including the Community Reinvestment Act and the City of Houston Fair Housing Ordinance. One discussion group noted that although the City should not ignore poor living conditions, the City should acknowledge that repairs create higher rental costs. One discussion group indicated that the city does not have "robust fair housing testing". Two discussion groups were concerned about the complicated and unclear processes for resolving fair housing complaints.

Sufficient staffing is needed for training of property managers and all should be held accountable for the same rules and procedures. Another discussion group indicated they want the City to prevent excessive gentrification. One discussion group questioned whether housing would ever be really fair.

3.c. Insufficient resources. Discussion groups noted that resources are insufficient (both public and private) and City funds have not been prioritized to meet housing needs. One group is concerned that financial resources are not used efficiently.

3.d. Planning. Several significant challenges were noted related to planning. A lack of planning leadership was the top challenge cited by one discussion group. Another noted that public input into plans is inadequate. Other comments include a "lack of creativity", a need to integrate all master plans, keeping programs up-to-date, and insufficient dialogue with the Metropolitan Transit Authority of Harris County (METRO) and school districts in the area. Two discussion groups noted disparities in the ways that Council districts are treated. One comment stated that "Unequal TIRZ distribution between districts" is a concern. It is unclear whether the discussion group was offering feedback on TIRZ funded programs or the Citywide TIRZ process.

3.e. Private investment and development. Some of the challenges noted by discussion groups include discrimination by private developers, lack of private investment in certain communities, and the need to "change minds" of developers by communicating the incentives for creating fair housing.

3.f. Politics. Politics is a challenge to reducing discrimination, particularly government "red tape", negative perceptions, and lack of awareness among policy makers of what fair housing is.

3.g. Location and types of housing. Challenges to reducing discrimination include the diverse geographic location of housing, older housing stock in many areas, lack of diversity in the types of affordable housing (multi-

family vs. single-family), and the types of housing being built (one group indicated that accessibility is limited in townhouses, for example).

3.H. GOVERNMENT SERVICES. Some of the challenges to discrimination are related to transportation issues, particularly the location of bus stops and overall inadequate transportation. Other issues with City services are preferred treatment in public works and not making areas of affordable housing safer.

3.I. CITY TRANSPARENCY. Some discussion groups noted that the City could be more transparent in providing access to housing assistance options, standardizing processes, providing open records access to 311 calls and responses, and providing open records access to studies and City reports.

4. WHAT CAN THE CITY DO TO DECREASE HOUSING DISCRIMINATION AND PROMOTE HOUSING CHOICE?

4.A. COMMUNICATION AND EDUCATION. Housing Forum participants suggested that the City's primary role is to communicate with and educate the public about discrimination and housing choice. Half of the discussion groups indicated that this was their priority for the City. Some of the specific suggestions made are for the City to:

- Be more visible in the neighborhoods and make people aware of current choices
- Target neighborhoods and educate residents about housing discrimination and choice
- Partner with community agencies to exchange information and assistance
- Create a form regarding fair housing that is given to tenants when they sign a lease
- Require landlord certification so they are required to know and understand fair housing compliance

The City should use a variety of methods to educate residents about their rights, encourage reporting, and communicate in a variety of languages. The City should also address property tax issues by providing tax relief seminars or loans so homeowners can stay in their homes.

4.B. EXPAND RESOURCES TO INCREASE AFFORDABLE HOUSING STOCK. Another important role for the City is to increase the public investment in subsidized housing and ensure that affordable housing options are available in more locations. The City should also partner with private developers and make an effort to engage in public/private investments. Other suggestions were to ensure diversity of housing types, attempt to get more vouchers, make changes to the down payment program to increase opportunities for home ownership, and expand the number of accessible units available for the elderly and individuals with disabilities.

4.C. ADDRESS COMPLAINTS. One discussion group had a priority for the City to encourage and make it easy for residents to communicate when their rights have been violated. Others wanted the City to encourage complainants to report potential discrimination and assess "stiff" penalties.

4.D. REGULATIONS AND ENFORCEMENT. Two discussion groups had regulations and enforcement as their top priorities for the City, including the following:

- Put more ordinances in place at the local level with enforceable penalties
- Developers should be mandated to supply affordable housing when using federal funds

Other discussion groups echoed the need to enforce policies and regulations and noted that the City should hold absentee landlords accountable for the condition of their property and not allow property to be rented when it does not meet code.

4.E. EXPAND INFRASTRUCTURE AND SERVICES. Another way that the City can promote housing choice is by providing better infrastructure in low-income neighborhoods, making sure services are available (child care,

transportation, health care, and schools), making sure the elderly can age in place, and take on more responsibility for expanding public transportation.

4.F. LEADERSHIP. Because these issues are multi-faceted, the City should take a leadership role and ensure that different city, county, private, and community entities are communicating and working together for maximum impact.

5. WHAT CAN NONPROFIT ORGANIZATIONS AND BUSINESSES DO TO DECREASE HOUSING DISCRIMINATION AND PROMOTE HOUSING CHOICE?

5.A. NON-PROFITS CAN ADVOCATE AND EDUCATE. Housing Forum participants identified two primary roles for nonprofit organizations: advocacy and educating the public. Specific advocacy activities include encouraging clients to have a voice, organizing individuals, partnering with the City, holding the City accountable, and "challenging the current mindset." Non-profits also need to educate themselves and their employees about fair housing laws in order to be better advocates.

Education and outreach activities that nonprofits can engage in include:

- Train nonprofit organizations that are not a part of the main network
- Work closely with down payment assistance entities
- Teach people about the value of integrated communities
- Provide homebuyer classes
- Educate landlords
- Collaborate with City and the community to identify needs and develop strategies
- Continue to distribute marketing materials

Organizations working with immigrants should help with understanding of the laws and their rights in the United States.

5.B. NON-PROFITS CAN SEEK FUNDING. Two discussion groups thought nonprofits should find grants for supportive services and engage in land trusts.

5.C. BUSINESSES HAVE SEVERAL ROLES. One discussion group prioritized the development of Community Benefits Agreements and noted that businesses should "provide services to neighborhoods and make specific commitments to communities." Other discussion groups thought businesses should build affordable housing and take risks in lower income neighborhoods. Affordable housing developers need to "affirmatively market." More sizes of units are needed, from efficiencies to four or more bedrooms.

Non-developer businesses should be aware of the impact businesses have on communities, bring investments to areas of opportunity, and invest in communities of need. Businesses should put pressure on political leadership to create incentives for businesses to move into low-income or high minority areas. Realtors should do more marketing to members of protected classes.

6. WHAT IS A CITIZENS' ROLE TO HELP DECREASE HOUSING DISCRIMINATION?

6.A. ADVOCATE AND PARTICIPATE. Housing Forum participants thought that the primary role of citizens is to get organized, get involved, participate in fair housing issues, and advocate for change. Citizens can establish neighborhood associations, volunteer, increase charitable contributions and engagement with nonprofits, actively participate in community forums, reach out to elected officials, and organize with other residents. In addition,

citizens should put pressure on political leaders to find solutions to housing discrimination. In particular, more organization and empowerment is needed in Latino and other non-Black minority groups.

6.B. SEEK EDUCATION AND EDUCATE OTHERS. The second most significant role for citizens is to become educated about fair housing rules and regulations, learn more about their rights, become familiar with the different forms of discrimination, provide education for youth and young adults, share stories of discrimination with others, educate neighbors and friends, and attend fair housing meetings. One idea posed is to appoint a block captain or building captain who will be the liaison to the City and help educate neighbors. Another idea was to have a citizen-staffed call center for reporting incidences and providing information.

6.C. INCREASE ACCOUNTABILITY. A third role for citizens, mentioned by more than half of the discussion groups, is to increase accountability by reporting discrimination.

APPENDIX A: AGENDA FOR THE HOUSTON FAIR HOUSING FORUM JANUARY 29, 2014 AT FEDERAL RESERVE BANK – HOUSTON BRANCH

Registration **8:30 a.m.**

Forum Call to Order and Acknowledgments **9:00 a.m.**
Brenda Scott, Deputy Assistant Director, City of Houston Housing and Community Development Department

Welcome and Opening Remarks **9:05 a.m.**
Donald N. Bowers II, Vice President, Federal Reserve Bank – Houston
Jackie Hoyer, Senior Community Development Advisor, Federal Reserve Bank - Houston
Neal Rackleff, Director, City of Houston Housing and Community Development Department

Panel Discussion: Defining the Problem: The impact of housing discrimination **9:20 a.m. - 10:10 a.m.**
Al Henson, PhD, Staff Analyst, City of Houston Housing and Community Development Department
Susan Rogers, Professor, University of Houston Community Design Resource Center
Lester King, PhD, Sustainability Planner, Rice University Shell Center for Sustainability

Break (10 minutes) **10:10 a.m. – 10:20 a.m.**

Small Group Discussion **10:20 a.m. – 11:35 a.m.**

- What are the challenges that people face when finding and maintaining housing?
- What are the barriers to fair housing choice in Houston?
- What are the challenges that the City faces to decrease housing discrimination?

Break for Lunch **11:35 a.m. – 11:45 a.m.**

Keynote Speaker: **11:45 a.m. - 12:15 p.m.**
Stephen Klineberg, PhD, Rice University Kinder Institute of Urban Research

Panel Discussion: Legal Trends in Fair Housing **12:30 p.m. - 1:30 p.m.**
Cynthia Bast, Partner, Locke Lord
Scott Marks, Director, Coats Rose

Break (10 minutes) **1:30 p.m. – 1:40 p.m.**

Panel Discussion: Fair Housing Perspectives: Addressing Discrimination and Promoting Choice
1:40 p.m. – 2: 40 p.m.
Daniel Bustamante, Director, Greater Houston Fair Housing Center
John Henneberger, Co-Director, Texas Low Income Housing Information Service
Neal Rackleff, Director, City of Houston Housing and Community Development Department

Small Group Discussion **2:40 p.m. – 3:50 p.m.**

- What can the City do to decrease housing discrimination and promote housing choice?
- What can nonprofit organizations and businesses do to decrease housing discrimination and promote housing choice?
- What is a citizens' role to help decrease housing discrimination?

Closing Remarks **3:50 p.m. – 4:00 p.m.**
Brenda Scott, Deputy Assistant Director, City of Houston Housing and Community Development Department
Veronica Chapa, Deputy Director, City of Houston Housing and Community Development Department

Adjourn **4:00 p.m.**

APPENDIX B: ORGANIZATIONS AND INDIVIDUALS REPRESENTED AT THE JANUARY 29, 2015, HOUSTON FAIR HOUSING FORUM

Amerifirst Home Loans, LLC
Private Attorney at Law
Avenue CDC
BBVA Compass
Capital One Bank
Chinese Community Center
City of Houston Citizens
City of Houston Housing and Community Development Department
City of Houston HTV
City of Houston Legal Department
City of Houston Mayor's Office for People With Disabilities
City of Houston Planning and Development Department
Cloudbreak Communities
Coalition for the Homeless of Houston/Harris County
Coats Rose
Covenant Community Capital
Credit Coalition
Cuney Homes
Cuney Homes Residential Council
Family Houston
Family Service of Greater Houston
Federal Reserve Bank
Fidelity National Title
Fifth Ward Community Redevelopment Corporation
Fort Bend County Community Services Department
Greater First Missionary Baptist Church
Greater Houston Fair Housing Center
Greater Southeast Management District
Harris County Area Agency on Aging
Harris County Community Services Department
Harris County Housing Authority
Harris County Public Health and Environmental Services
Houston Area Community Services
Houston Area Urban League
Houston Habitat for Humanity
Houston Housing Authority
Houston Housing Authority Commissioner
HUD - Houston Field Office
HUD - Legal Division
HUD - Office of Fair Housing and Equal Opportunity
I Am Pleased Development Center
ICARE CMM
ITEX Group
Jackson Hinds Gardens
Kelly Village Resident Council Board
KEW Learning Academy
Kimble Senior Living
Kinder Institute of Urban Research
Knowles Temenos Apartments
Locke Lord LLP
Mason Sweeney and Company
MHMRA of Harris County
MKP Consulting
Montgomery County Community Development
Morningside Research and Consulting
National Association of Hispanic Real Estate Professionals
New Hope Housing, Inc.
New Penn Financial, LLC
North Star Title
Oxford Place Houston Housing Authority
Pilgrim Place I Inc.
Pilgrim Place II Inc.
Pilgrim Place Management Agency Apostil
Rice University Shell Center for Sustainability
Salvation Army Social Services
SEARCH Homeless Services
Southwest ADA Center at ILRU
Tejano Center for Community Concerns
Texas Low Income Housing Information Service
Texas Organizing Project
The Fifth Ward Stakeholder Partnerships
The Housing Corporation
The Salvation Army
University of Houston
University of Houston Community Design Resource Center
Uplift 4th Ward
Vaughan Nelson Investments
W. Leo Daniels Towers
Wells Fargo Home Mortgage
Womack Development & Investment Realtors
Zardenta Agency
Zions Bancorporation

Findings from Public Participation Discussion Groups 2015-2019 Consolidated Plan & 2015 Analysis of Impediments (AI) to Fair Housing Choice

Background:

In preparation for the planning of the Con Plan and AI, HCDD staff established goals and strategies to work towards over a 6-month period in a Public Participation Plan (Public Participation). Public Participation for both the Con Plan and the AI was carried out in 3 phases. With discussions groups occurring in phase 2 for the purposes of devising strategies to address the priority needs for Houston's unique communities. The established goals for Public Participation are: Goal 1) to expand upon the outreach efforts of existing planning processes; Goal 2) to engage all citizens when gathering input on community needs, proposed strategies, and review of proposed plans; Goal 3) to increase citizen feedback, buy-in, and support of Con Plan; Goal 4) to incorporate local data into planning process and validate the accuracy of this data. The Public Participation discussion groups allowed for HCDD to achieve its four goals by way of creating a mechanism for citizen involvement in the development of strategies to address priority need; additionally, citizens were educated and informed about the Con Plan and AI process, citizens from diverse social and economic backgrounds and acquired knowledge and professional expertise were outreached to and engaged in the planning process, and citizens were ensured of having buy-in in the planning process of both the Con Plan and the AI by the inclusion of their comments and recommendations in the submission of the final Plans to the U.S. Department of Housing and Urban Development (HUD).

The Process:

Beginning in October of 2014, the City of Houston's Housing and Community Development Department (HCDD) engaged in discussion group meetings for the development of the 2015-2019 Consolidated Plan (Con Plan) and the 2015 Analysis of Impediments to Fair Housing Choice (AI). HCDD met and dialogued with residents from the local housing authority, area residents whom reside in the central, north, south, and east locales of Houston, persons with disabilities, Interdepartmental city staff, partners and stakeholders, elder care service providers, and public service providers for low- to moderate- income persons. HCDD's purpose for holding the discussion group meetings was: 1) to determine local needs; 2) to discuss possible impediments to fair housing choice; 3) to formulate strategies to address needs; and 4) to strategize on ways to eliminate discriminatory practices in housing and city services. Although the presentations and the subsequent discussions that followed mirrored a similar format, the discussion questions were structured in a way to determine the specific needs, observations and recommendations of the groups that happened to be engaged in dialogue with HCDD staff at a given time.

The Findings:

The participant responses from the nine (9) discussion groups totaling 272 participants have been characterized for this report based on the associations and similarities of the discussions groups. Neighborhood and community discussion responses are itemized by areas, unless otherwise noted, and responses to discussion questions on the possible impediments to fair housing choice and strategies for the City of Houston to employ to address discrimination in housing were asked of all discussion groups. However, discussions with interdepartmental city staff and HCDD partners and stakeholders concentrated exclusively on identifying barriers to fair housing choice and devising plans for the City to Affirmatively Further Fair Housing. The discussion groups' responses to questions are being reported in either a narrative or bullet point format. HCDD staff then combined responses from each discussion questions into a general theme. The themes from the discussion groups participants' responses are identified in bold at the end of each question.

Neighborhood and Community Discussions: Total of 96 participants

For the Neighborhood and Community discussions, HCDD Staff HCDD staff held four group discussions with the east, central, north, and south area residents of Houston. Participants were either neighborhood residents or members of Civic Clubs, Super Neighborhoods and/or affiliated with the Texas Organizing Project (TOP). A super neighborhood is a geographically designated area where residents, civic organizations, institutions and businesses work together to identify, plan, and set priorities to address the needs and concerns of their community. TOP works to improve the lives of low-income and working class Texas families through community organizing, and civic and electoral engagement. TOP is a membership-based organization that conducts direct action organizing, grassroots lobbying and electoral organizing led by working families.

HCDD staff met with residents residing in the central, east, north and south areas of Houston to ask questions respective their communities. The questions and each areas response are summarized below.

1. What do you like most about where you live?

Central Area:

Residents value the location and the existence of single family homes and the history of the neighborhood. The churches and the new community gardens are needed and welcomed.

East Area:

Residents like the location because it has less traffic than other communities. They have friendly neighbors. Good access to amenities, a grocery store is within walking distance. The Metro (Metropolitan Transit Authority) bus services are great.

North Area:

Residents like that the area is not overdeveloped with plenty of trees and large lots. The area is quiet area, neighbors are friendly. The schools are close and there is a health clinic nearby in case of an emergency.

South Area:

Residents like the close location to freeways and the new construction of the Metro Rail that is being developed. The area's land cost is low and housing is affordable.

Theme: Good location; single family homes; friendly neighbors

2. What don't you like about where you live?

Central Area:
Infrastructure improvements are needed, basic city services are missing, and the community's public health and safety are at risk with poor air quality and lack of healthcare clinics. Residents need recreational (parks) and economic development (grocery stores, jobs).

East Area:
Residents need improvements to the infrastructure, more sidewalks and complete sidewalks. Residents believe that they are missing basic city services such as fixing potholes, more street lights and accessibility services and infrastructure for the disabled. Public health and safety is a major concern due to the poor air quality.

North Area:
Streets are too narrow making it difficult to park, and the roads are in need of improvements. Residents believe that the City needs to educate people on calling 311 to report problems. Residents are unaware that the more calls that the City receives on a specific problem in an area raises its priority. Resident would like more community engagement with the city in the form of workshops to discuss needs and educate residents on land rights and wills to eliminate information gaps.

South Area:
Infrastructure improvements are needed for the roads and streets in the area. Residents need more basic city services to make their community attractive and suggest that the city concentrate funds within the area by serving as a catalyst to bring in market forces to improve the condition of the area and the quality of housing.

Theme: Infrastructure improvements; lack of basic city services and amenities; public health compromised

3. How can where you live be maintained/preserved/improved?

Central Area:
Residents recommend for the City, Community and Developers enter into a Community Benefits Agreement, where economic development partnerships are a provision of the proposals. For instance a multifamily developer will partner with a chain grocer to open a store in the community if there is not a grocery store within a 2 to 3 miles radius. The community needs to sustain neighborhood engagement and civic involvement with the City government, and demand more investment in education

East Area:
Residents recommend that the City implement and enforce a Monetary Fine for businesses that have repeatedly polluted the air – and the money to be reinvested in the community. This is similar to implementing a community benefits agreement. Public Health and safety is also compromised by the amount of abandoned/foreclosed apartment complexes. The City needs to do a better job of removing these crime magnets and eyesores

North Area:
Residents need more sidewalks and street lights for pedestrians to be safe while walking (infrastructure improvements). The north area is overrun with illegal dumping, which occurs heavily in the ditches. This is a major cause of flooding in the area during storms and the City needs to do a better job of maintaining ditches (basic services). There are overgrown lots that are breeding grounds for crime (public health and safety). The junk yards along West Montgomery and Wheatley Road are eye sores and is impeding residential development (improve the quality of the area).

South Area:
Higher fines or stricter laws for certain communities to inhibit illegal dumping were suggested by residents. Residents complain about pollution from refineries and the rock quarry located in their community that is effecting public health and safety and making the area undesirable for new housing and economic development.

Theme: Improve the condition of the area; provide more city services; improve the quality of existing housing stock, improve public health and safety

4. What are your feelings about subsidized housing?

Central Area:
Residents recommend that the City improve the condition the existing housing stock for both rental and single family - The community believes that they have their fair share of subsidized multifamily developments. The City should form and enforce a policy to prohibit developers from selling the property before a certain time period (10 years of the affordability period). The City must investigate code violations and enforce occupancy codes especially for single family and multifamily rental. The area needs housing – specifically elderly housing.

East Area:
The east area has a large population of renter's and residents believe that landlords are engaging in rent speculation especially in the Houston Housing Authority voucher program. The City must do a better job of monitoring rents so that the cost to rent a single family home or apartment unit falls within the market value of the area rental rates. The City needs to fill information gaps by offering more assistance in credit counseling, financial literacy and homeowner counseling. Residents believe that low rental rates impede the maintenance and upkeep of single family and multifamily rental housing. A consequence of low rents is that landlords cannot meet the needs of tenants and address the structural ware and tare of property.

North Area:
The existing housing stock both single and multifamily is in disrepair and needs to be improved (improve existing housing stock).Government funding for programs is inadequate and do not meet the housing needs of the area. There is not enough good quality housing and the housing that exists is in poor quality. The City's single family home repair program should not restricts assistance for only persons with disabilities and the elderly but be open to all that are in need.

South Area:
While residents feel that subsidized housing is needed, they would like for their area to have more mixed income housing. The south area has been inundated with low income housing that has overtime devolved into disrepair. They suggested that the City offer more incentives to developers to improve quality of the existing subsidized housing stock instead of constructing more. In addition, the residents of low income housing do not feel connected with the community and fail to maintain the appearance. Residents suggested entering into an agreement between the tenant associations and civic associations to foster a better sense of community and shared purpose.

Theme: Poor quality housing; poor maintenance; over concentration of low-income housing in minority neighborhoods; limited financial resources to improve housing

5. What are the challenges for people to find and maintain housing?

Central Area:
Residents believe that people do not know about the availability of financial assistance. There is limited availability of housing. Discriminatory lending practices; low income and wages: maintenance cost and property taxes are challenges for residents to find and maintain housing.

East Area:
Residents believe poor credit and financial literacy are challenges. People are unaware of the assistance for credit, financial literacy and homeowner counseling that is available.

North Area:
Residents believe that earnings/income/salaries are impediments to fair housing choice income and wages are challenges. Mortgage loans are difficult to obtain to buy a home or improve an existing home.

South Area:
Residents believe that discriminatory lending practices, such as redlining by mortgage lenders are an impediment to building and improving housing developments. Discrimination exists in city services based on inequitable services, programmatic parameters that weed out residents that are in need of assistance and long and confounding process to receive assistance.

Theme: Discriminatory practices in housing; lack of income for persons; lack of financial education; lack of knowledge about affordable housing options

6. What can the City do to decrease housing discrimination?

Central Area:
Residents recommend for the City to increase the minimum wage; provide basic services to protect public health and safety. Improve the condition and quality of housing stock. And provide fair housing education, outreach and enforcement.

East Area:
Residents recommend for the City to fill information gap by providing fair housing education and outreach. Produce fair housing PSAs and engage in more dialogue with citizens about the impediments to fair housing choice.

North Area:
Residents recommend for the City to conduct more neighborhood discussions with the city are needed to fill information gaps and educate people about their rights (fill information gaps). Residents want the City to meet with community residents through Super Neighborhoods and civic clubs to educate them on how to report and file fair housing complaints.

South Area:
Residents recommend for the City to do a better job of monitoring sub- recipients of federal funds. Residents request that the City create a Citizens Review board or commission to evaluate the city's process in providing services.

Theme: Educate communities about fair housing; enforce fair housing law; provide basic city services, improve the quality of affordable housing and existing housing stock; provide financial literacy education

7. What is the citizens' role to help decrease housing discrimination?

Central Area:
Citizens must identify and report problems and take action. Citizens must hold City accountable for educating citizens on the fair housing law and enforcing the fair housing law by going after violators.

East Area:
Citizens should have a way to become more involved in the reinvestment or maintenance of the community – teach others to upkeep and care for their home.

North Area:
City must be better informed about the fair housing law share information with family and friends by filling information gaps.

South Area:
Citizens should become more informed by joining super neighborhoods and civic clubs to advocate for their communities.

Theme: Be involved; be aware of fair housing rights; take action

Houston Housing Authority Resident Council Discussion: Total of 40 participants

HCDD held one group discussion with the Houston Housing Authority (HHA) Residential Council. Members of the HHA Residential Council are elected by residents to perform a number of tasks, including planning events and activities, fund raising, addressing resident concerns and coordination with Houston Housing Authority staff and community service providers. Discussion questions and attendee responses are provided below in bullet format.

1. What do you like most about where you live?

- Location
- Proximity to Downtown, freeways, nice university
- Bus Service
- Amenities (Shopping)
- Proximity to schools, community center, neighborhood gathering places
- Village like/feeling of community

Theme: Good location; good transportation, has amenities

2. What don't you like about where you live?

- No stores like grocery store, retail/clothing stores
- Location is too far out
- Vacant lots
- Lack of transportation
- Condemned Buildings
- Odor
- Issue with rats/other rodents
- No close jobs for young people
- Bus does not go where I want to go
- Lighting
- Exercise/recreation facilities are not close

Theme: Poor housing conditions, poor maintenance, limited transportation, depressed area

3. How can where you live be improved?

- More grocery stores/economic development
- Keep historic nature of neighborhood
- More opportunities for community to be at the table/involvement to improve community/advise future development
- More free children's activities/afterschool care
- More police substations
- Enforce rules of affordable housing complexes for tenants
- More training/workforce programs/mentor programs/Increase entrepreneurship
- Gentrification/new expensive development is pushing people out/need more mixed income new housing
- More security at bus stops

Theme: Economic development; workforce programs; mixed income development; public safety

4. What are your feelings about living in affordable housing?

- Stigma about housing authority residents not working which is not true
- Proud of where I am
- Others think that other housing is better than public housing
- Others think they can treat public housing poorly when they come to visit
- The community of Houston should be educated about the face of public housing
- Positive thinking = positive lifestyle
- Not where you live, it's how you live
- Proud to be in public housing/it's been a blessing

Theme: Stigma; should be proud; should be positive

5. Do you know of any difficulties to building and maintaining affordable housing?

- Relocation is hard when landlords need to do maintenance/upgrades to units
- People don't want affordable housing in their community/NIMBYism
- Contractors don't understand Houston
- Hire people in town/in the local community

Theme: Community resistance; high maintenance costs

6. Strategies to promote affordable housing.

- Make the public aware of programs (Radio Stations targeting certain demographics such as other languages)
- Work with school districts – Career day
- Signage at the housing authority (represent the housing authority at tax credit properties) – show that affordable housing is nice
- Libraries
- Pay church representatives to advise the community
- Radio and TV commercials in different languages to represent different programs
- Offer classes to explain what affordable housing is in order to combat the negative stigma
- Spread the word that affordable housing is safe
- Partner with big business

Theme: Fair housing education; public services announcements; partnerships to promote fair housing; educate the public on the true face and value of affordable housing

Interdepartmental City of Houston Staff, HCDD Partners and Stakeholders Discussions: Total of 11 participants

HCDD staff met and engaged in discussion with the appointed members of the HCDD Community Development Advisory Committee (CDAC). CDAC membership represents a broad spectrum of organizations in the fields of housing, community and economic development and social services. In addition, HCDD staff engaged in a group discussion with the Fair Housing Action Statement – Texas (FHAST). The FHAST is an interdepartmental working group that holds quarterly meetings to review projects and activities to ensure compliance with the Fair Housing Law and that the City is Affirmatively Furthering Fair Housing.

CDAC Discussion:

1. What are some of the reasons that denial rates are higher and application rates are lower for minorities?

The area housing market value may be contributing to the high denial rates among the minority population. The City should compare denial rates in high opportunity and low opportunity areas to determine the cause. There may also be a high rate of homes purchased with cash that is contributing to the low application rate among minorities. In addition the condition or lack of infrastructure in certain communities is not conducive for development.

Theme: High and low area housing market and the conditions or lack of infrastructure

2. What are some strategies to promote homeownership among minorities?

Promote housing option programs to minority population, such as Federal Housing Administration and Veterans Administration loans. Promote areas of opportunity for downpayment assistance programs; and, target governmental and agencies staff for promotion of homeownership marketing campaign.

Theme: Promotion of housing financial assistance and options

FHAST Discussion:

1. What are some barriers to fair housing choice in Houston?

Lack of education on fair housing rights is the major barrier to fair housing choice in Houston. Following that is the imbalance of basic city services and amenities. Basic city services consist of alternative transportation (bike routes, public transportation); limited insurance choices; cost of housing vs. quality of schools; gentrification of a neighborhood by increases in land costs and property taxes.

Theme: Lack of education on fair housing; imbalance of basic city services; limited options in housing amenities by neighborhoods

2. What does your Department currently do to Affirmatively Further Fair Housing (AFFH)?

By ensuring that appropriate city services are available in every area:

- Library branches offer the same level of services
- Parks reviews and up keeps equipment, recreation centers within the city
- Public Works ensures that ditches are equally to area serves with storm sewers pipes
- Rebuild Houston process makes sure that infrastructure in the worse areas of Houston are made a priority
- Minimum lot size and building line program to offer a 20 year protection on lot size to preserve the character structure of a neighborhood.
-

Theme: Equitable city services; assist in the preservation of neighborhoods

3. What are the challenges your Department finds when AFFH?

Cost to maintain city services and infrastructure does not compete well with other needed services and infrastructure needs and wants; therefore maintenance can be neglected. Limited funding and unfunded mandates leads to the perception that areas are being neglected. Competing interest among communities reinforces the belief that more affluent areas are getting all the services, and the affluent areas believing that the poor areas are getting all the services. Political pressure exacerbates this.

Theme: Limited funding

4. How can the City, organizations, and citizens protect people from discrimination in housing?

The City could do a better job of informing the public about available services. Improve the 311 process and response times. Cross training of City department staff to identify problems
Provide general public with more education and outreach on fair housing, homeowner counseling and city budget process. Encourage citizens and citizen groups to get involved to protect their rights

Theme: Inform public about available City services; fair housing education and outreach; provide equitable city services

Special needs population and service providers' discussion: Total of 125 participants

HCDD staff engaged in three (3) group discussions with members of the disability community, members of a network of financial assistance providers and elderly services providers. Representing the disability community, the Houston Center for Independent Living (HCIL) promotes the full inclusion, equal opportunity and participation of persons with disabilities in every aspect of community life. HCIL's mission is to advocate on behalf of the disabled community for the right to make choices affecting their lives, a right to take risks, a right to fail, and a right to succeed. The United Way THRIVE is a network of financial assistance providers that helps families build stronger financial futures by acquiring skills and education, obtaining better jobs, developing good financial habits and building savings. And the United Way Care for Elders Access Network partnership between 211 and social service agencies that provides a one-stop referral source for older adults in need.

HCIL Discussion:

1. What are the obstacles for persons with disabilities living in Houston?

- Finding accessibility and affordable in housing for persons with physical disabilities – charging more to persons with physical disabilities –
- Discrimination
  - Landlords not providing reasonable accommodations
- Public Transportation
- Infrastructure: crossing lights that speak are great but only in a few places – more street and infrastructure for persons with disabilities is needed
- Public safety

Theme: Lack of accessible and affordable housing; discrimination; public transportation; poor infrastructure; public safety

2. Are there any gaps in the provider system/social service system in Houston?

- Long transition period between provider networks for benefits
  - Paperwork in transition from another state
- Income limits are too low
- Services for the disabled are difficult to obtain if you are not a senior citizen

Theme: Unattainable services; program income limits; lengthy transition periods

3. What are the challenges for persons with disabilities to find and maintain housing?

- Income
  - Affording the deposit and first month's rent
- Affordable accessible rental housing
- High maintenance costs
- Housing or services income limits are too low
- Discrimination against persons with disabilities
  - Limited legal services
- Inaccessible infrastructure
  - Sidewalks, curbs, street signs
- Mold exposure remediation too expensive and is needed

Theme: Upfront costs; accessible housing; maintenance costs; inaccessible infrastructure

4. What can the City do to decrease housing discrimination and promote housing choice?

- Build accessible in residential areas (complete sidewalks)
- Increase training for people providing services
- Fair housing training for all staff of housing providers that receive funds from CoH
- CoH should pass a substantially equivalent fair housing ordinance with enforcement actions
- CoH should provide financial resources for fair housing education and enforcement
- CoH should monitor all recipients of funds to ensure that the needs of people with disabilities are met

Theme: Fair housing enforcement; monitor providers; complete sidewalks; provide financial resources

THRIVE Discussion:

1. What are some obstacles for low-income Houstonians to build wealth?

Participants list personal finances as obstacles for low-income Houstonians. Unemployment coupled with the high cost of living is an impediment to building wealth. Many low-income Houstonians lack education and do not have marketable skills to be competitive in the workforce. The high cost of maintaining personal transportation and inadequate public transportation limit employment options. These impediments lead to a high dependency on social services programs.

Theme: unemployment; high cost of living; limited transportation options

2. What are the challenges for organizations that provide services to low-income Houstonians?

Participants list social services programs not adequately addressing the multi-faceted needs of low-income Houstonians, such as providing affordable childcare for clients. Limited funding and programmatic funding restrictions is a challenge due to the large number of people in need of assistance. There is also a lack of awareness about available resources because of cultural differences or language barriers.

Theme: inadequate services; limited funding; program restrictions; lack of knowledge about resources

3. Are there any service gaps in the current provider system to assist low-income Houstonians?

Participants list the lack of client support while trying to obtain training/certifications for employment. Job placement for ex-offenders is extremely difficult to find. There is not enough flexibility in service programs; too many restrictions especially with government funded programs. Most service provider hours of operation are during working hours and the application process for assistance is long, confusing and constantly changing. In addition, the limited availability of affordable housing units and financial assistance for rent, utility and mortgage payments leaves many eligible clients without assistance. Providers have difficulty assisting clients in need of medical care especially for the persons with mental illness

Theme: Lack of client support; government services inflexibility and restrictions; limited availability of affordable housing units and financial assistance

4. What are the challenges for Houstonians to find and maintain housing?

Participants list the lack of income and low wages as challenges to finding and maintaining housing. Retention in employment, and bad credit and financial history are challenges for low-income persons. Factors that affect housing stability are the lack of knowledge about personal finance and the home buying application process, in addition to the high cost of housing – property taxes and insurance are contributors to housing instability. Low-income persons are subjected to discriminatory lending practices and are unaware about the City's downpayment assistance program. Another contributing factor for the low-income population is the inability to find and maintain housing in areas with good schools job opportunities and affordable housing options.

Theme: lack of income; lack of knowledge about personal finance; lack of knowledge about the home buying process and available resources; the availability of affordable housing in areas with good schools and job opportunities

5. What can the City do to decrease housing discrimination and promote housing choice?

Provide public information about fair housing rights. Enforcement of the fair housing law and holds violators accountable. Promote and fund more financial education. Create incentives for developers to build more affordable housing throughout Houston.

Theme: Fair housing education and enforcement; financial education; more incentives for affordable housing developers

Care of Elders Discussion:

1. What are the challenges for organizations that provide housing and services to elderly persons?

Seniors have limited income to get into and/or maintain housing:

- High cost of housing includes deposits and maintenance and assisted living facilities.
- Lack of funding/resources for senior housing providers and agencies.
- Lack of knowledge concerning options for home ownership (exemptions they might qualify for, loan modifications options etc.)

Seniors lack of affordable housing options such as long waiting lists and affordable senior housing located outside the city limits.
Seniors have limited transportation

Theme: Limited income; limited affordable housing options; limited transportation

2. Are there any service gaps in the current system to assist elderly persons?

Gaps in transportation service:
- Short trip transportation

Financial gaps:
- High costs to get into housing and/or stay in housing
- Seniors need financial assistance or waived these fees

No connection of senior services
- Difficult identifying those in need
- Not enough awareness on how to access services
- Resources for elderly could be including in the water bills

Not enough housing or housing options:
- Waiting lists for Section 8, HUD Housing, Public Housing, etc. are too long
- Not enough shelters for seniors
- Landlords refuse to provide reasonable modifications

Theme: Gaps in transportation services; limited financial capacity; fragmented services; limited housing options

3. What are the challenges for seniors to find and maintain housing?

High cost to find and maintain housing:
- Rental increase
- Repairs maintenance
- Moving expenses/Logistics

Limited knowledge of available resources for seniors:
- Knowing where to start to look for housing/resources Lack of knowledge of their rights
- No computer skills poor credit or no credit history/identify theft

Lack of safe, accessible, affordable housing:
- No amenities (like washer/dryer)
- Modifications for persons with disabilities

Unresponsive landlords:
- Landlords not making needed repairs
- Pest control
- Refusing to make reasonable accommodations ex: accepting pets

Limited assistance available for seniors:
- Not enough home repair assistance

Theme: High cost of housing; lack of accessible housing; unresponsive landlords; limited assistance

4. What can the city do to decrease housing discrimination for elderly persons?

Educate public about their rights:

- Public education to make elderly aware of discrimination and homestead exemptions Info at senior centers, through case managers, meals on wheels, etc.
- Do more outreach at senior apartment complexes to educate the residents about their rights.

Enforcement of codes/laws to ensure safety of residents:

- Do random inspections Conduct investigations at senior apartments to make sure seniors are being treated okay and the premises are well kept
- Senior apartment ombudsman program/corps
- Offer apartment managers incentives to streamline number of trips required to rent/waitlist (online applications/wait list registration)
- Fair Housing Testing

Rental Deposit Revolving Fund:

- Program that provides rental deposits/guarantees – starting a revolving fund for deposits would be great and is needed

Legal Assistance Expansion:

- Expand legal services for seniors – specifically regarding tenant landlord issues.

Real Time Housing Availability:

- Routine updates of available senior housing

Theme: Educate public about fair housing, enforcement of fair law; create rental deposit fund; expand legal assistance for seniors; develop senior resource database

Summary

To summarize the findings from nine (9) discussion groups and a total of 272 participants, staff organized discussion questions into the following categories: community needs; impediments to fair housing; and strategies to address needs and eliminate impediments to fair housing choice. Similar discussion questions were combined except for those that targeted special needs population, such as the disabled and elderly. The discussion questions from each group were assigned to a category. The repeated themes identified from the participants responses to the discussion questions were then coalesced together to demonstrate its importance among group discussion participants. Staff created word clouds for each category.

Community Needs:

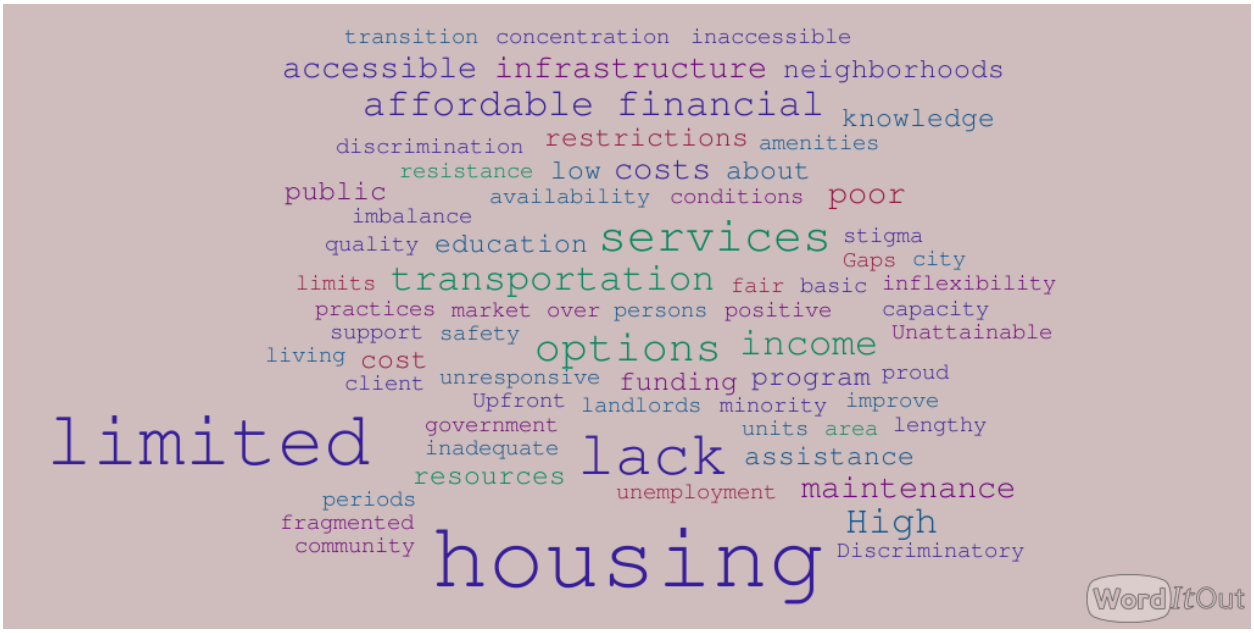
- What do you like most about where you live?
- What don't you like about where you live?
- How can where you live be maintained/preserved/improved?
-

Themes: Good location; single family homes; friendly neighbors; infrastructure improvements; lack of basic city services and amenities; public health compromised; improve the condition of the area; provide more city services; improve the quality of existing housing stock, improve public health and safety; Good location; good transportation, amenities; Poor housing conditions, poor maintenance, limited transportation, depressed area; Economic development; workforce programs; mixed income development; public safety

Impediments to Fair Housing Choice:

- What are the challenges for people to find and maintain housing?
- What are some barriers to fair housing choice in Houston?
- What can the City do to decrease housing discrimination and promote housing choice?
- What are the challenges for persons with disabilities to find and maintain housing?
- What are your feelings about subsidized housing?
- What are some of the reasons that denial rates are higher and application rates are lower for minorities?
- What are the challenges your Department finds when AFFH?
- Are there any gaps in the provider system/social service system in Houston?
- What are some obstacles for low-income Houstonians to build wealth?
- What are the challenges for organizations that provide services to low-income Houstonians?
- Are there any service gaps in the current provider system to assist low-income Houstonians?
- What are the challenges for organizations that provide housing and services to elderly persons?
- Are there any service gaps in the current system to assist elderly persons?

Themes: Poor quality housing; poor maintenance; over concentration of low income housing in minority neighborhoods; limited financial resources to improve housing; Discriminatory practices in housing; lack of income for persons; lack of financial education; lack of knowledge about affordable housing options; stigma; should be proud; should be positive; community resistance; high maintenance costs; High and low area housing market and the conditions or lack of infrastructure; Lack of education on fair housing; imbalance of basic city services; limited options in housing amenities by neighborhoods; Limited funding; Lack of accessible and affordable housing; discrimination; public transportation; poor infrastructure; public safety; Unattainable services; program income limits; lengthy transition periods; Upfront costs; accessible housing; maintenance costs; inaccessible infrastructure; unemployment; high cost of living; limited transportation options; inadequate services; limited funding; program restrictions; lack of knowledge about resources; Lack of client support; government services inflexibility and restrictions; limited availability of affordable housing units and financial assistance; Limited income; limited affordable housing options; limited transportation; Gaps in transportation services; limited financial capacity; fragmented services; limited housing options; High cost of housing; lack of accessible housing; unresponsive landlords; limited assistance



Strategies to address needs and eliminate impediments to fair housing choice:

- What can the City do to decrease housing discrimination?
- Strategies to promote affordable housing.
- What can the city do to decrease housing discrimination for elderly persons?
- How can the City, organizations, and citizens protect people from discrimination in housing?
- What are some strategies to promote homeownership among minorities?
- What does your Department currently do to Affirmatively Further Fair Housing (AFFH)?
-

Themes: Educate communities about fair housing; enforce fair housing law; provide basic city services, improve the quality of affordable housing and existing housing stock; provide financial literacy education; fair housing education; public services announcements; partnerships to promote fair housing; educate the public on the true face and value of affordable housing; promotion of housing financial assistance and options; Equitable city services; assist in the preservation of neighborhoods; Inform public about available City services; fair housing education and outreach; provide equitable city services; Fair housing enforcement; monitor providers; complete sidewalks; provide financial resources; Fair housing education and enforcement; financial education; more incentives for affordable housing developers; Educate public about fair housing, enforcement of fair law; create rental deposit fund; expand legal assistance for seniors; develop senior resource database

KEY STAKEHOLDER INTERVIEW REPORT

Overview

The Key Stakeholder Interview process is a new public outreach method conducted by HCDD to collect input for the 2015-2019 Consolidated Plan (Con Plan) and 2015 Analysis of Impediments to Fair Housing Choice (AI). Face-to-face and telephone interviews were conducted to solicit input from local housing advocates, business owners, developers, and nonprofit and faith-based organizations.

The stakeholders selected serve low- and moderate-income persons and low- and moderate-income neighborhoods. The purpose of these interviews was to reach out to stakeholders to obtain information relevant to the issue of fair housing and affordable housing and needs of low- and moderate-income people. Additionally, the interviews will supplement the other citizen and stakeholder engagement activities associated with the Con Plan and AI preparation.

Methodology For Developing The Report

HCDD staff identified stakeholders to interview based on the consultation requirements set forth by the U.S. Department of Housing and Urban Development (HUD) in 24 CFR 91.100. The stakeholder selection process supplemented the areas not covered in other public outreach activities. Staff contacted 20 stakeholders by e-mail to invite them to participate in an interview. Each e-mail included eight open-ended questions designed to elicit the stakeholder's perspective on community needs and potential strategies that HCDD could undertake in the next five years to address community needs. If stakeholders did not respond, HCDD staff followed up a number of times by telephone or email.

HCDD staff conducted eight interviews with key stakeholders from December 2014 to January 2015. During each interview, HCDD staff used the eight questions originally e-mailed to guide the conversation and posed additional questions or clarifications as needed to encourage stakeholders to share their opinions and experiences with fair housing and affordable housing issues.

Interview responses were recorded during each interview. The responses were sorted into groups of similar responses and categorized. This report provides a summary of the responses provided by stakeholders. The primary method utilized to collect input included: face-to-face and telephone interviews.

Key Stakeholders

Key stakeholders included directors, board members, and key staff members from the following agencies and organizations:

- Avenue Community Development Corporation
- Cloudbreak Communities, Incorporated
- Metropolitan Transit Authority Board of Directors
- Greater Houston Fair Housing Center
- Houston Habitat for Humanity
- Houston Housing Authority Board of Commissioners
- OST/Almeda Corridors Redevelopment Authority
- Re-Ward Third Ward Community Development Corporation

Key Stakeholder Input

The following questions were emailed to the key stakeholders. Their input is organized by consistent themes under each of the eight questions. The responses are shown in order of the questions posed and slightly edited and condensed for clarity.

KEY STAKEHOLDER INTERVIEW REPORT

1. What are the key issues to fair housing choice in the City or the surrounding area?
• The funding decisions made by mortgage companies and banking institutions about housing excludes and limits opportunities: ▪ For people of color ▪ For families with children ▪ For people with disabilities ▪ Regional considerations
• Lack of quality affordable housing in desired geographical areas
• Lack of sustainable integrated communities that provide the amenities necessary for good quality of life
• Citizens on fixed income cannot meet all of their financial obligations

2. What are the barriers to affordable housing? What can the City do to remove these barriers?	
BARRIERS	**POTENTIAL STRATEGIES**
• Lack of knowledge of programs offered by the City • Housing Literacy	• Develop and/or monitor a comprehensive curriculum to provide essential workshops for income eligible homebuyers emphasizing: financial planning, mortgage qualification, debt reduction and maintenance.
• Detailed guidance on the how affordable housing policies will be implemented	• Ensure the housing market offers enough decent homes at a price which people can afford
• Being informed about affordable housing activities and projects • Maintaining the characteristics of neighborhoods • Housing without supportive services for Veterans does not work	• Ensure a sustained supply of new affordable homes are being developed in areas to attract young professionals to maintain the cultural connections and characteristics of historical neighborhoods • Case management ratio needs to be lessened
• Land costs and construction costs have continued to increase • Getting a private developer to buy in to building affordable housing • Private developers are challenged with leveraging resources and funds to build affordable housing	• City can provide additional subsidies to defray the costs of developing and purchasing affordable housing. • City fees should be waived for affordable housing (including multi-family housing) for CHDO's and nonprofit developers. These fees include the $700/unit park fee, water and sewer impact fees, and permitting fees.

3. What are the strengths and gaps of the service delivery system for special needs (elderly, frail elderly, severe mental illness, physical disability, developmental disability, alcohol/drug abuse, HIV/AIDS, victims of domestic violence) populations? How can the gaps identified be addressed?		
Strengths of Service Delivery	**Gaps in Service Delivery**	**Potential Strategies to Address Gaps**
• City's proactive position of providing both financial and technical assistance to residential service providers • Resource centers for aging, disability and mental health services where people may access information and referral to services • Case Managers are big advocates for serving this population	• Housing rehabilitation particularly for the elderly, frail elderly and citizens with physical disabilities • Lack of sidewalks in economically distressed neighborhoods • Veterans are aging and live on fixed income – What can be done to keep aging veterans in housing • Funding for intensive case management	• More resources are needed to provide quality supportive services • A greater subsidy to supplement agencies that provide services for special needs population • Agencies that develop affordable housing need additional technical assistance

4. How does the skills and education of the City's workforce correspond to employment opportunities? Are there any sectors where there are a surplus of workers who cannot find work and sectors where there is a shortage of qualified workers?
• Veterans and citizens who have criminal backgrounds are faced with many barriers to employment opportunities. Two main concerns: ▪ The training that this population is receiving does not correspond with the jobs they are most qualified for. ▪ The criminal background history is a barrier to opportunities in private sector housing and employment. It is recommended the city research bonding programs (like Galveston County) that are assisting citizens to remove this barrier.
• Educational achievement and living wages provide opportunities for a better quality of life. Providing trade experience in high schools and free community college (with emphasis on trades training) will go a long way in addressing what is needed as Houstonians move forward.

5. What impact has transit-oriented development (TOD) had on communities?
• More communities need bus/rail system which gives people access to opportunities ▪ Transportation needs are not met for residents of economically depressed communities ▪ Help more working people get to their jobs ▪ A better transit system is needed to connect people to work so they are less dependent on owning and maintaining a vehicle therefore, supplying them more money to address housing needs.
• Rail development and affordable housing development should be taking place simultaneously
• A better transit system results in citizens being less dependent on owning and maintaining a vehicle in turn empowering them with more resources for homeownership

6. What are the barriers to infrastructure development?
• Homeowners feel they are short changed because the city does not invest more money in infrastructure development in neighborhoods that are economically distressed • Integration of projects that promote sustainable and equitable growth in all communities • More code enforcement is needed to mitigate the massive deterioration of buildings • Monitoring the areas the city has neglected to invest in for years and develop a strategic way to address the inadequate infrastructure • Accommodations for special needs populations must be considered as part of any infrastructure plans

7. What tools, resources or strategies do you recommend the City employ to attract business owners to your TIRZ corridor and impacted areas?
• The creation of new sources or avenues of funding • Coordinate efforts to leverage current resources • Upgrade streets and parks • Address chronic infrastructure issues • The burden of job creation and business development should not be left solely on residents and developers

8. What strategies would you recommend the City employ to:	
Prevent Overt Housing Discrimination • Implement a comprehensive effort to educate the public of the need to work in collaboration with government, neighborhood and faith-based organizations, realtors and non- and for-profit developers to find reasonably priced quality housing for eligible income citizens in our communities	**Revitalize Communities** • Use a comprehensive approach to affordable housing; by supporting developers, students, tenants and homeowners with a variety of educational programs, training and services • Engaging citizens in early dialogue with planning efforts • Local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled
Foster Community Economic Development and Promote Quality of Life • Host webinars or other training engagements to assist citizens to define their role and responsibility to their community • The city should invest in learning solutions to increase educational achievement • The city can learn from best practices of other US cities that have increased minimum wage resulting in a more viable city	**Eliminate Chronic Homelessness** • Provide greater access to affordable housing units (temporary and permanent) for homeless individuals and families • Increase supportive services by encouraging all providers to collaborate and share resources • Develop creative processes to address numerous homeless citizens having to loiter in neighborhoods, shopping centers and parks because of a lack of facilities they could use for productive living • Maintain and increase tax credits

Summary

Twelve out of twenty key stakeholders responded to a request to participate in the interview process. Eight out of the twelve commented on their perspective of community needs and potential strategies to address the needs. HCDD was able to glean key insights from a variety of partners. These efforts resulted in a formalized structure of garnering input from stakeholders for the Con Plan and AI.

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HOUSING AND COMMUNITY DEVELOPMENT

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EQUAL HOUSING OPPORTUNITY

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