

CITY OF MESQUITE

TEXAS

ANALYSIS OF IMPEDIMENTS

TO FAIR HOUSING CHOICE

July 2015



Contact:
City of Mesquite, Texas
Housing and Community
Services Department

1616 North Galloway Avenue
Mesquite, Texas 75149

Office: (972) 329-8337

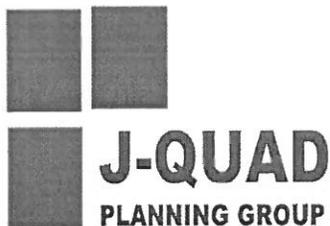
CITY OF MESQUITE, TEXAS
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Prepared for:

City of Mesquite, Texas
Housing and Community Services Department
1616 Galloway Avenue
Mesquite, Texas 75149

Prepared by:

J-Quad Planning Group, LLC
14683 Midway Road, Suite 210
Addison, Texas 75001
www.jquad.com



July 2015

Introduction and Acknowledgements

Introduction

This report provides an Analysis of Impediments to Fair Housing Choice (AI), commissioned by City of Mesquite, Texas. This AI was conducted using a methodology consistent with the U.S. Department of Housing and Urban Development (HUD) guidelines published in the Fair Housing Planning Guide. HUD requires that each jurisdiction receiving federal funds certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Lead and Participating Agencies

The City of Mesquite Housing and Community Services Department served as lead agency for the development of the AI and was responsible for oversight and coordination of the process. City of Mesquite retained J-Quad Planning Group, LLC, a Community Development, Urban Planning and Housing Consulting firm to assist in the preparation of the AI.

Acknowledgements

Data collected in preparing the AI relied in part on input from the public, including information gathered from public engagement focus group sessions, key person interviews, and data provided by City Departments. We also acknowledge the participation of the City government officials, non-profits, social service agencies, businesses, home builders, mortgage lenders, fair housing organizations, board of realtors and real estate professionals, continuum of care organization, advocacy groups and the general public.

Table of Contents

Executive Summary	i
Section 1 – Community Profiles	1
Introduction.....	1
1.1 Demographic Profile.....	1
1.2. Income Profile.....	12
1.3. Employment and Education Profile.....	18
1.4. Public Transportation Profile.....	22
1.5. Housing Profile.....	24
Section 2 – Fair Housing Law, Court Case, Policies, Regulatory, Entitlement Programs and Complaint Analysis	35
Introduction.....	35
2.1. Fair Housing.....	37
2.2. Enforcement.....	50
2.3. Production and Availability of Affordable Units.....	52
2.4. Regulatory and Public Policy Review.....	52
2.5. Analysis of Fair Housing Complaints.....	53
2.6. Conclusions and Implications for Fair Housing Barriers.....	54
Section 3 – Focus Groups and Community Engagement	56
Introduction.....	56
3.1. Focus Group Concerns and Comments.....	57
3.2. Solutions.....	61
Section 4 - Home Mortgage Disclosure Act Data (HMDA) Analysis	62
Introduction.....	62
4.1. Analysis.....	62
4.2. Conclusions.....	68
Section 5 - Fair Housing Index	80
Introduction.....	80
5.1. Methodology.....	80
5.2. Summary.....	84
Section 6 – Impediments and Remedial Activities	88
Introduction.....	88
6.1. Real Estate Related Impediments.....	90
6.2. Public Policy Impediments.....	93
6.3 Banking, Finance, Insurance and related impediments.....	96
6.4. Socio Economic Impediments.....	98
6.5 Neighborhood Conditions Related Impediments.....	101
Section 7 – Oversight, Monitoring and Maintenance of Records	104

Executive Summary

Introduction

In 1995 the U.S. Department of Housing and Urban Development (HUD) announced that entitlement communities - communities receiving direct federal funding from Community Development Block Grant, HOME Investment Partnership and Emergency Solutions Grant programs – must conduct a study of existing barriers to housing choice. This required study is referred to as the "Analysis of Impediments" (AI) and is part of entitlement communities' consolidated planning process. In 2014 HUD published draft regulations of the "Assessment of Fair Housing" (AFH) with proposed changes to the 1995 AI requirements. These new regulations are expected to be finalized in 2015.

The purpose of the AI is to examine whether or not state and local laws, private, public and non-profit sector regulations, administrative policies, procedures, and practices are impacting the location, availability, and accessibility of housing in a given area. The AI is not a Fair Housing Plan rather it is an analysis of the current state of fair housing choice including barriers and impediments in City of Mesquite, Texas. The AI identifies specific barriers that need to be addressed if future fair housing initiatives are to be successful.

Each jurisdiction receiving federal funds must certify that it is affirmatively furthering fair housing choice. The certification specifically requires jurisdictions to do the following:

- Conduct an analysis of impediments to fair housing choice within the local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important to consider when examining fair housing. Any disproportionate impacts on persons of a particular race, ethnicity, or members of the protected classes under fair housing law have been comparatively analyzed to determine to what extent those disparities are limiting fair housing choice. A major impediment is that the limited amount of entitlement funding received makes it difficult for the City to have measurable impact on removing or lessening the impact of some fair housing impediments. City and other non-federal entitlement resources and private sector support will be necessary in order to address some of the impediments. Despite limited funds, the City's efforts will continue to improve and maintain stability, and strengthen its' older housing stock with focus in CDBG eligible areas.

The AI methodology included community engagement interviews and focus group sessions; the construction of a community profile, fair housing index, analysis of the Home Mortgage Disclosure Act (HMDA) data; and a fair housing law and public policy analysis including national landmark court litigation, local legislation, development policies and regulations, fair housing complaints and a review of entitlement grant programs. Remedial actions detailed in this report represent recommendations by the consultant to the City for addressing impediments based on experience and best practices used in other jurisdictions. The City is not obligated to implement the consultant's recommendations and may choose other options to address the impediment based on their evaluation. Some remedial actions are conceptual frameworks for addressing the impediments and will require further research, feasibility and cost analysis, and final program design by the City if they choose to implement them. The following narrative provides a summary of each section of the report.

Community Profiles

Demographics - The demographic analysis of Mesquite concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010 according to the 2010 Census and the American Community Survey (ACS) five year average for 2009 - 2013. Please note that the maps present data by census tract with an overlay of City boundaries. Comparative analysis of the demographic factors and any disparities for persons of a particular race, ethnicity, or members of the protected classes has been incorporated in developing the Community Profile, Fair Housing Index and HMDA Analysis.

Population continues to experience growth and diversity. According to the 2009 - 2013 ACS estimates, the total population of Mesquite was 141,201 in 2013. Table 1.1, of the Community Profile, shows that the total population of the city increased by 16,678 or 13.4 percent between 2000 and 2013. Mesquite experienced a significant increase in the Hispanic population, increasing 143.9 percent between 2000 and 2013. The percentage of Hispanic population when compared to the total population increased from 15.7 percent in 2000 to 33.7 percent in 2013, an 18.0 percentage point increase.

The White population increased by 1.4 percent, and their percentage of the total population decreased from 73.5 percent to 65.8 percent between 2000 and 2013. African-Americans made up 23.1 percent of the population in 2013, a 96.6 percent increase over the 13 year period. The Asian and Pacific Islander population decreased by 1.2 percent and the American Indian and Eskimo population decreased by 46.7 percent between 2000 and 2013, and constituted 3.3 and 0.3 percent respectively, of the total population of the city in 2013.

Households - The percentage of female-headed households with children in the City of Mesquite, as determined by the ACS 2009 – 2013, 5 year average, was disproportionately higher among African-Americans at 34.4 percent when compared to the number of female-headed households with children among all other racial and ethnic groups. Comparatively, female-headed households with children among Whites were 14.8 percent and 18.4 percent for Hispanics. When considering all family types with children

present, the data show that 42.7 percent of all Whites, 64.6 percent of all Hispanics, and 61.7 percent of all African-Americans, in the city were in either a Married-couple family type with children category, Male householder family type with children category, or Female-Headed family type with children.

According to the ACS 2009 – 2013, 5 year average, non-family households in Mesquite as a percentage of total households for all three of the major races/ethnicities were comparable. The data for that same time period also reveals that non-family households among Whites made up 26.7 percent of all White households in Mesquite, compared to 12.6 percent among Hispanics, and 24.4 percent among African-Americans.

Employment data reports opportunities in the employment sectors, unemployment rates, and educational attainment and educational levels of the employees. These factors impact wage earnings, and income, as well as, housing affordability and the location choice of residents. Table 1.5, of the Community Profile, provides an overview of occupation data, which indicate that there has been some shift in the distribution of occupations between 2000 and 2013. Educational and Health Services had the largest increase during the period, up 3.6 percentage points to 21.5 percent. The Arts, Entertainment, and Recreation Services sector had an increase, up 2.5 percentage points to 8.5 percent. Information sector realized the largest reduction of 3.2 percentage points to 1.7 percent of the workforce. Manufacturing realized a reduction of 1.7 percentage points to 2.8 percent of the workforce.

The **Unemployment** data presented in Table 1.6 of the Community Profile provides a portrait of the distribution of the unemployed. An analysis of this total indicates that much higher levels of unemployment are centered in the African-American community. Between 2009 and 2013, 6.5 percent of White persons (age 16 and over) reported being unemployed. African-Americans persons in the same age group reported a 12.4 percent unemployment rate, and Hispanic reported a 5.5 percent rate. As a comparison, the citywide unemployment rate was an average of 7.8 percent between 2009 and 2013.

Major Employers - According to the major employer data provided by the City of Mesquite, the largest employers in the city include: United Parcel Service (UPS) with 2,670 employees, Dallas Regional Medical Center with 1,100 workers, and Integra Color Group with 459 workers. Baker Drywall employs 400 workers, Pepsi Cola Bottling has 370 workers, Dependable Auto Shippers has 370 employees, Dal-Tile has 223 employees, Fritz Industries has 210 workers, and Union Pacific Intermodal has 200 workers.

The **Income** data in Table 1.3 and Chart 1.1, as reported in the Community Profile, shows the distribution of income across income classes among Whites, Hispanics, and African-Americans having similar percentages of low-income households. This is important because statistically, disparate limitations on fair housing choice based on race and ethnicity are more commonly found to affect housing decisions among low-income persons. An estimated 23.1 percent of African Americans, 21.4 percent of Hispanics, and 18.4 percent of Whites have annual household incomes of less than \$25,000. By HUD definition, \$25,000 is 50% of the citywide median income. According to the 2009 - 2013 ACS estimates (5-year average), the median household income was \$53,185 for White households, \$44,464 for Hispanic households, and \$44,219 for African-American households, compared to \$50,525 for the overall city.

Chart 1.1 shows that the modal income class, the income classes with the highest number of households, for Whites was the \$50,000 to \$74,999 range, higher than that of minorities. The modal income class for Hispanics and African-Americans was \$35,000 to \$49,999, with 21.0 percent of Hispanics and 19.9 percent of African-Americans in this income range.

Poverty data shown in Table 1.4 of the Community Profile reveals disparate impacts on African-Americans. The incidence of poverty among African-Americans was 21.3 percent of the total population between 2009 and 2013, compared to 8.7 percent among Hispanics and 12.5 percent among Whites. In comparison, the poverty rate for the city was 14.5 percent during the period.

Public Transportation and Mobility is primarily provided by the Dallas Area Rapid Transit Authority (or DART) that operates buses, light rail, commuter rail, and high-occupancy vehicle lanes in Dallas and 12 of its suburbs. COMPASS is a nonstop weekday commuter shuttle made possible by an agreement between DART, STAR Transit and the City of Mesquite. COMPASS operates between Hanby Stadium located at 410 E. Davis Street in downtown Mesquite and the Lawnview Station on the Green Line located in East Dallas. The service operates every half hour on weekdays from 5:00 AM to 9:00 AM and 3:30 PM to 7:00 PM, and operates hourly from 9:00 AM to 3:30 PM. For \$7 (the Mesquite System Pass) a day, citizens get access to the shuttle and can navigate the entire DART system, including all the buses and trains. COMPASS is identified as Express Bus Route 282 in DART transit system. COMPASS connects with various destination venues in the region, such as the Dallas Zoo and State Fair, for one-day family trips and visitor tours.

STAR Transit is a demand-responsive public transportation service in the city, and anyone residing in their service area may ride STAR Transit with prior appointment. Destinations could include job locations, educational facilities, non-emergency medical appointments, senior centers, and career-training facilities. The service operates at affordable fares, and reduced fares are available for riders over the age of 60. This transit service operates between 6 AM through 6 PM all weekdays.

Housing for City of Mesquite was analyzed based on data provided in the 2010 U.S. Census and 2009 - 2013 ACS estimates (5-year average). According to the 2009 - 2013 ACS estimates (5-year average), the total number of housing units in the city was 51,896, with 55.5 percent owner-occupied, 36.6 percent renter-occupied, and the remaining 8.0 percent vacant. In comparison, there were 46,245 housing units in Mesquite in 2000 representing a 7.8 percentage increase between 2000 and 2013. The median housing value in the city was \$110,600 and the median contract rent was \$772 between 2009 and 2013.

Table 1.8, of the Community Profile, shows that of all housing units in the city, 72.3 percent were categorized as single-family detached, 1.6 percent as single-family

attached, 2.9 percent contained two to four units, 22.9 percent classified as multifamily, and 0.2 percent as mobile home or other.

In order to acquire housing, more households are “cost burdened,” paying more than 30% of income for housing or “severely cost burdened”, paying more than 50% of household income for housing by HUD standards. Data contained in the Comprehensive Housing Affordability Strategy (CHAS) compiled from American Communities Survey results from 2007 through 2011, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households. The CHAS data shows that 82.5 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 86.0 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses. Furthermore, 72.9 percent of very low-income renters and 72.0 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses between 2007 and 2011.

Fair Housing Law, Court Case, Policies, Regulatory, Entitlement Programs and Complaint Analysis

The analysis of the City of Mesquite Fair Housing Ordinance reveals that local fair housing regulations are not deemed substantially equivalent to that of the Federal Fair Housing Act. The primary distinction is that local ordinances do not provide for local enforcement. The City is responsible for conducting public education, training and outreach of fair housing rights and remedies in Mesquite.

Complaint Data - Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for City of Mesquite from January 1, 2010 through December 31, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) Division of the Fort Worth Texas Regional Office. A total of 37 complaints were filed according to one of seven basis including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race.

Entitlement Funding - The 2014 - 2015 Annual Plan for the period ending September 30, 2015 indicated that the City of Mesquite anticipates receiving \$911,721 in CDBG Entitlement funding. Entitlement funds were used to address impediments to fair housing choice and affordable housing concerns.

Development Regulations for City of Mesquite were reviewed to determine whether or not they revealed any barriers to affordable housing or impediments to fair housing choice. City of Mesquite's land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. The regulations allow unrelated persons to reside in a single family structure by right and has adequate provisions for group homes and special needs populations.

Industry Practices - Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the greater City of Mesquite area were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Advertisers included FHEO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons. There were no concerns relative to industry practices in advertising.

Community Engagement and Focus Groups, Fair Housing Index, Home Mortgage Disclosure Act Analysis

Fair housing choice within the City of Mesquite encounters a number of impediments, as identified through community engagement process, and the construction of a fair housing index and analysis of the Home Mortgage Disclosure Act (HMDA) data for Mesquite.

Community Engagement - Three Public Forums and Stakeholder Focus Group sessions were held on March 17th, 2015 at Mesquite City Hall, 757 North Galloway,

Mesquite, Texas 75149. Supplemental interviews were conducted with those unable to attend the sessions.

Home Mortgage Disclosure Act Analysis (HMDA) - In City of Mesquite, the least success in lending was found in the home purchase loan sector. Very low origination rates were found in most areas and through most income groups. The highest success rate in loan origination was found in the home improvement loan sector and the highest number of originations was in the refinance loan sector. Loan denials are heavily attributed to credit. An analysis of the reason for loan denials in the city showed that the majority related to the applicants' credit history or their debt-to-income ratio. Over 21,530 (61.2%) denials were related to the applicants' credit history in the nine years of the study. Nearly 10,640 (32.3%) denials were related to the applicants' debt-to-income ratio and over 6,246 (15.7%) denials were due to inadequate collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down payment and/or closing costs.

The **Fair Housing Index** is an analytical technique used to identify census tracts where the sum impact of certain demographic variables and their disparate impacts on protected class members and persons based on their race or ethnicity is adversely affecting a residents' fair housing choices and likely contributing to problems of housing discrimination and issues relative to housing quality and affordability.

As indicated on Map 5.1 of the Fair Housing Index, the census tracts designated as having moderate risk of fair housing related problems are concentrated in the central and northern census tracts of Mesquite. These areas of concern contain the moderately older housing stock, some in poor condition, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. There is also a higher than average unemployment rate and lower than average median income.

Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section 6 of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of fair housing impediments in Mesquite. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socio-economic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are recommended to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing impediments. These actions will require further research, analysis, and final program design by City of Mesquite for implementation.

The Analysis of Impediments identified impediments related to **real estate market conditions as impediments**: housing affordability and insufficient Income; **public policy related impediments**: public awareness of fair housing rights; limited public transportation for transits dependent populations in the City; **banking, finance, insurance and other Industry related impediments**: disparate impacts of mortgage lending on minority populations; inability to qualify for mortgage financing due to poor and limited credit, insufficient income and collateral values; **socio-economic impediments**: barriers impacting special need populations, minorities and lower income persons; disparate impacts of poverty and low-income on lower income persons and minorities; and **neighborhood conditions related impediments**: limited resources to assist lower income, elderly and indigent homeowners maintain their homes.

Remedial Activities Designed To Address Impediments - Recommended remedial actions include creating partnerships, identifying new federal, state, City, and private resources needed to make housing more affordable. The details of the identified impediments and recommended remedial actions are presented in Section 6 of the report and summarized as follows:

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Impediment #1: Overall, the income data shows a higher proportion of African-American, Hispanic and lower income households disparately impacted by the cost of housing. Minorities and lower income persons are disproportionately dependent on subsidized housing to meet their housing needs and more likely to have incomes that are insufficient to acquire housing that is affordable without being cost burdened.

Impediment #2: In areas where minorities and lower income households are most likely to find housing affordable, the demographic characteristics areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in Section 05 of the Fair Housing Index, the census tracts designated as having high to moderate risk of fair housing related problems are concentrated in the central and northwestern census tracts of Mesquite. These areas are shown in dark red and red on the map. Large portions of the census tracts categorized as very low risk are in southwest Mesquite.

Impediment #3: Household Incomes are not keeping pace with the market prices of housing and many households are “cost burdened” paying more than 30 percent and even “severely cost burdened” by HUD definition paying 50 percent or more of their household income for housing and housing related expenses.

Impediment #4: Additional funding is needed to provide subsidies that make homeownership attainable, maintenance of existing housing more affordable and to increase availability of rental subsidies for low-income and moderate-income persons, special needs populations such as seniors, victims of domestic violence, former convicted felons, and people with disabilities.

Recommended Remedial Actions:

Action #1: City of Mesquite will continue to support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits with the Entitlement Funds.

Action #2: City of Mesquite will continue to help facilitate access to below-market-rate priced units by using its' federal funds to leverage nonfederal entitlement funding such as state low income tax credit and federal home loan bank funding and private sector participation in financing affordable housing and for neighborhood reinvestment.

Action #3: City of Mesquite will continue to maintain a list of private partner lenders providing affordable housing financing and subsidies or offering buyers access to down payment, closing cost or favorable underwriting that supports buyers.

Action #4: City of Mesquite will continue to identify and support local developers seeking additional federal, state and private sources of funds for affordable housing as they become available.

Action #5: City of Mesquite will continue to encourage private sector support for affordable housing developed as a component of market rate and mixed use development.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: Public Awareness of Fair Housing and greater Outreach and Education are needed for the public, protected class members under the Fair Housing Act and industries such as landlords, finance, social service agencies and community organizations.

Impediment #5: Greater Public Awareness, outreach and education of Fair Housing is needed.

Impediment #6: Continued emphasis on fair housing enforcement, including training and testing is needed.

Impediment #7: Continued emphasis on targeted outreach and education to immigrant populations that have limited English proficiency, language speaking barriers, and to other protected classes with language barriers is needed.

Recommended Remedial Actions:

Action #6: City of Mesquite will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of fair housing ordinances. The City will target funding for fair housing education and outreach to the rapidly growing Hispanic and other immigrant and refugee populations as funding becomes available. The City will also continue supporting fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage.

Action #7: City of Mesquite will partner with local industry to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include providing joint fair housing training sessions, public outreach and education events, utilization of the City website and other media outlets to provide fair housing information, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations. The City will continue to provide outreach to non-English speaking people.

Action #8: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. City of Mesquite will encourage HUD to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, HUD will be asked to share its findings

with the City that will offer outreach to landlords that showed differential treatment during the test.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Disparate Impacts of mortgage lending on minority populations and lower income areas; and the lingering impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Impediments #8: Minority and lower income persons are disparately impacted by higher loan denial percentages and lower number of applications submitted to lenders. Loan origination rates in lower income census tracts are lower among all income groups in lower income census tracts compare to that of Whites and when comparing minority percentage of persons in the population to their percentage of loan approvals and originations.

Recommended Remedial Actions:

Action #9: City of Mesquite will continue to apply for competitive and non-Entitlement State and Federal funding and assistance from nonprofit intermediaries for financial literacy education programs. Financial literacy should be emphasized as a means of preventing poor credit and understanding the importance of good credit.

Action #10: City of Mesquite will encourage bank and traditional lenders to offer products addressing the needs of households with poor and marginal credit negatively impacting their ability to qualify for mortgages. These products can assist persons negatively impacted by their current utilizing predatory lenders. This may require traditional lenders and banks to establish “fresh start programs” for those with poor credit and previous non-compliant bank account practices.

Action #11: City of Mesquite will help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encouraged to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in lower income areas and continue supporting infill housing development. The City does not have regulatory authority to address this concern. Therefore, this recommendation is based on best practices approaches and will require the City to work with the financial and appraisal industry to help address this issue.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations, minorities and low income.

Impediment #9: Expansion of the supply and increased affordability of housing for senior, special needs housing and housing for disabled persons is needed.

Impediment #10: Removal of barriers for persons with limited English proficiency enabling them to better access the housing market is needed.

Recommended Remedial Actions:

Action #12: City of Mesquite will continue to provide language assistance to persons with limited English proficiency.

Action #13: City of Mesquite will continue to encourage recruitment of industry and job creation that provide “living wages”, incomes to pay for basic necessities of food, shelter, transportation, to persons currently unable to afford market rate housing.

Action #14: City of Mesquite will support developments requesting State assistance that provides alternative housing product choices for seniors such as Low Income Housing Tax Credits and Senior Housing Tax Credits.

6.5 Neighborhood Conditions Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Impediment# 11: Expanded resources are needed to assist lower income persons, seniors and other special needs groups with maintaining homes and improving neighborhood stability.

Recommended Remedial Action:

Action #15: City of Mesquite currently supports programs that provide assistance to income qualified low and moderate income households utilizing its' Entitlement Grants Programs and support self-help initiatives utilizing nonprofit and private sector resources. The City will continue its support and implementation of these programs of self-help and community and housing improvement initiatives. Other activities that will be considered as self-help initiative programs include:

- **Increase self-help "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners.
- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.

- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.

- **Creation of Community Gardens as interim uses on select vacant lots** providing an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood.

Section 1: Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data for Mesquite, Texas, gathered from the 2010 Census, 2009 - 2013 American Community Survey (ACS) 5-Year estimates, 2000 U.S. Census, City of Mesquite, and other sources. The following sections provide a look at the community characteristics in Mesquite:

1.1 Demographics - looks at the basic structure of the community in terms of racial and ethnic diversity, population growth, and family structure.

1.2 Income - analyzes income sources, the distribution of income across income class, and poverty.

1.3 Employment - examines unemployment rates, occupation trends, and major employers.

1.4 Public Transportation – looks at the access and availability of the public transit system.

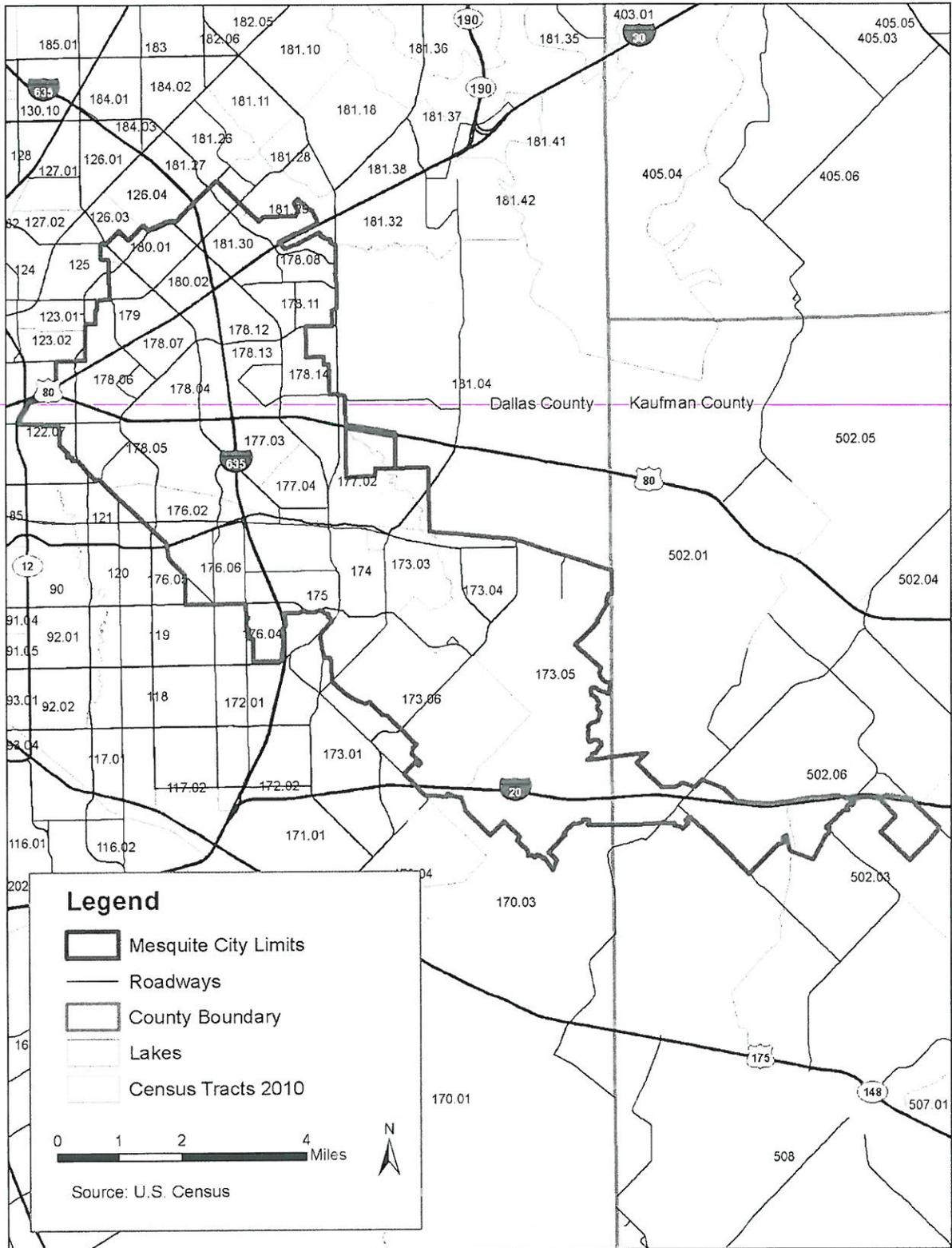
1.5 Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on the three major ethnic groups in Mesquite: White, Hispanic, and African-American. All other race/ethnic groups are smaller in number and percentage and therefore, will not be examined and presented in as much detail. The profiles are supported with tables, charts and maps provided as reference materials. Most of the data presented in the tables and maps are directly referenced in the text. There may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

1.1. Demographics

The demographic analysis of Mesquite concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2013.

Map 1.1: Mesquite, Texas, by Census Tract



According to the 2009-2013 ACS estimates, the total population of Mesquite was 141,201 in 2013. Table 1.1, below, shows that the total population of the city increased by 16,678 or 13.4 percent between 2000 and 2013. Mesquite experienced a significant increase in the Hispanic population, increasing 143.9 percent between 2000 and 2013. The percentage of Hispanic population when compared to the total population increased from 15.7 percent in 2000 to 33.7 percent in 2013, an 18.0 percentage point increase.

The White population increased by 1.4 percent, and their percentage of the total population decreased from 73.5 percent to 65.8 percent between 2000 and 2013. African-Americans made up 23.1 percent of the population in 2013, a 96.6 percent increase over the 13 year period. The Asian and Pacific Islander population

Table 1.1
Total population by race and ethnicity for Mesquite, 2000 and 2013

Race	2000		2009-2013 (Average)		%Change 2000-2013
	#	%	#	%	
White	91,572	73.5%	92,869	65.8%	1.4%
African-American	16,585	13.3%	32,604	23.1%	96.6%
Asian or Pacific Islander	4,730	3.8%	4,673	3.3%	-1.2%
American Indian and Eskimo	750	0.6%	400	0.3%	-46.7%
Other race	10,886	8.7%	10,655	7.5%	-2.1%
Total	124,523	100.0%	141,201	100.0%	13.4%
Hispanic (ethnicity)	19,500	15.7%	47,559	33.7%	143.9%

Source: US Census

Mesquite's population increased 13.4 percent between 2000 and 2013, becoming more racially and ethnically diverse. The percentage of minorities in the city increased from 26.5 percent in 2000 to 34.2 percent in 2013.

There are areas of the city with concentrations of minority populations and concentrated poverty.

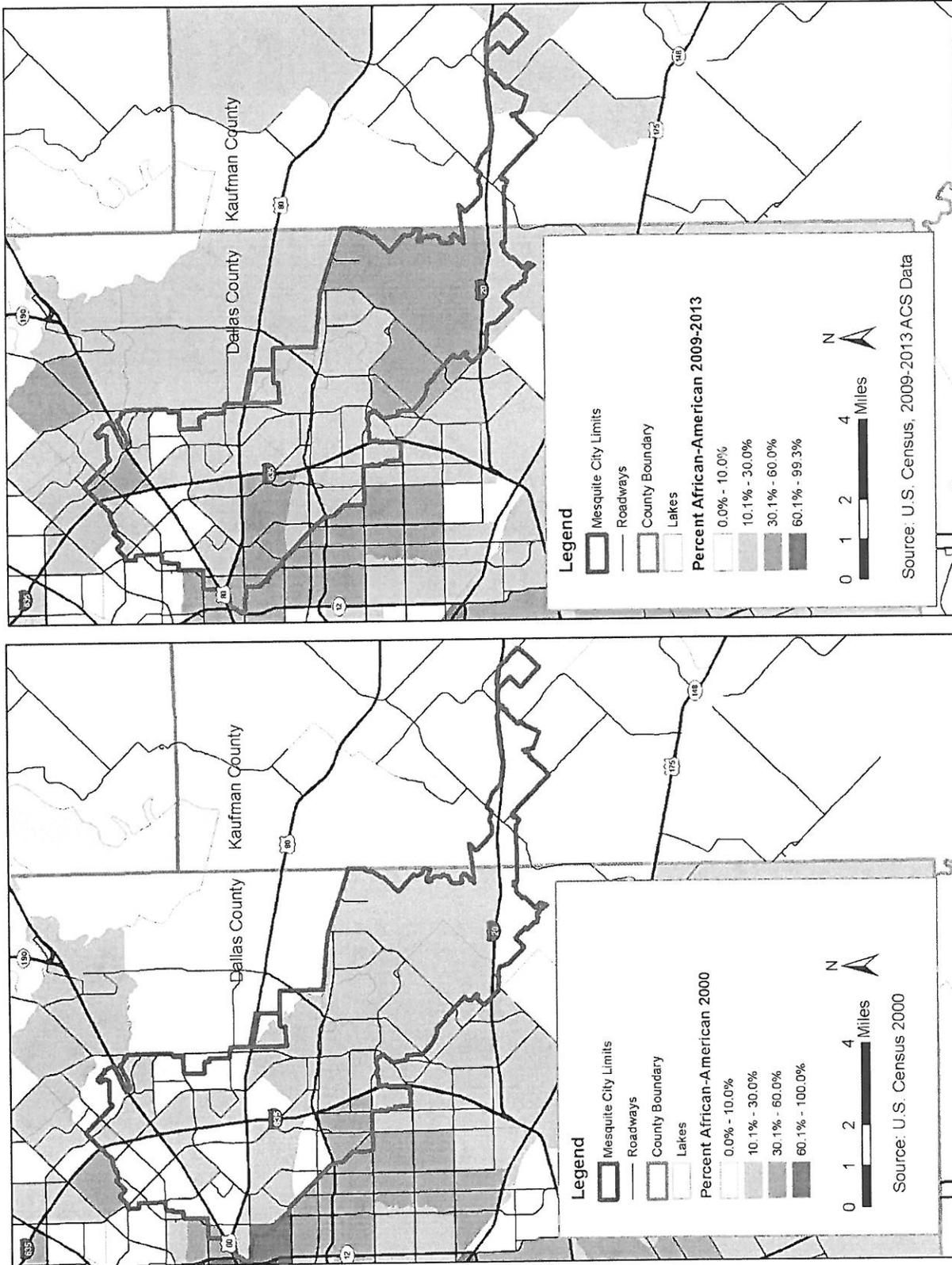
decreased by 1.2 percent and the American Indian and Eskimo population decreased by 46.7 percent between 2000 and 2013, and constituted 3.3 and 0.3 percent respectively, of the total population of the city in 2013.

On the following pages are a series of Maps 1.2 through 1.5 illustrating spatial concentrations of the various racial and ethnic groups within Mesquite.

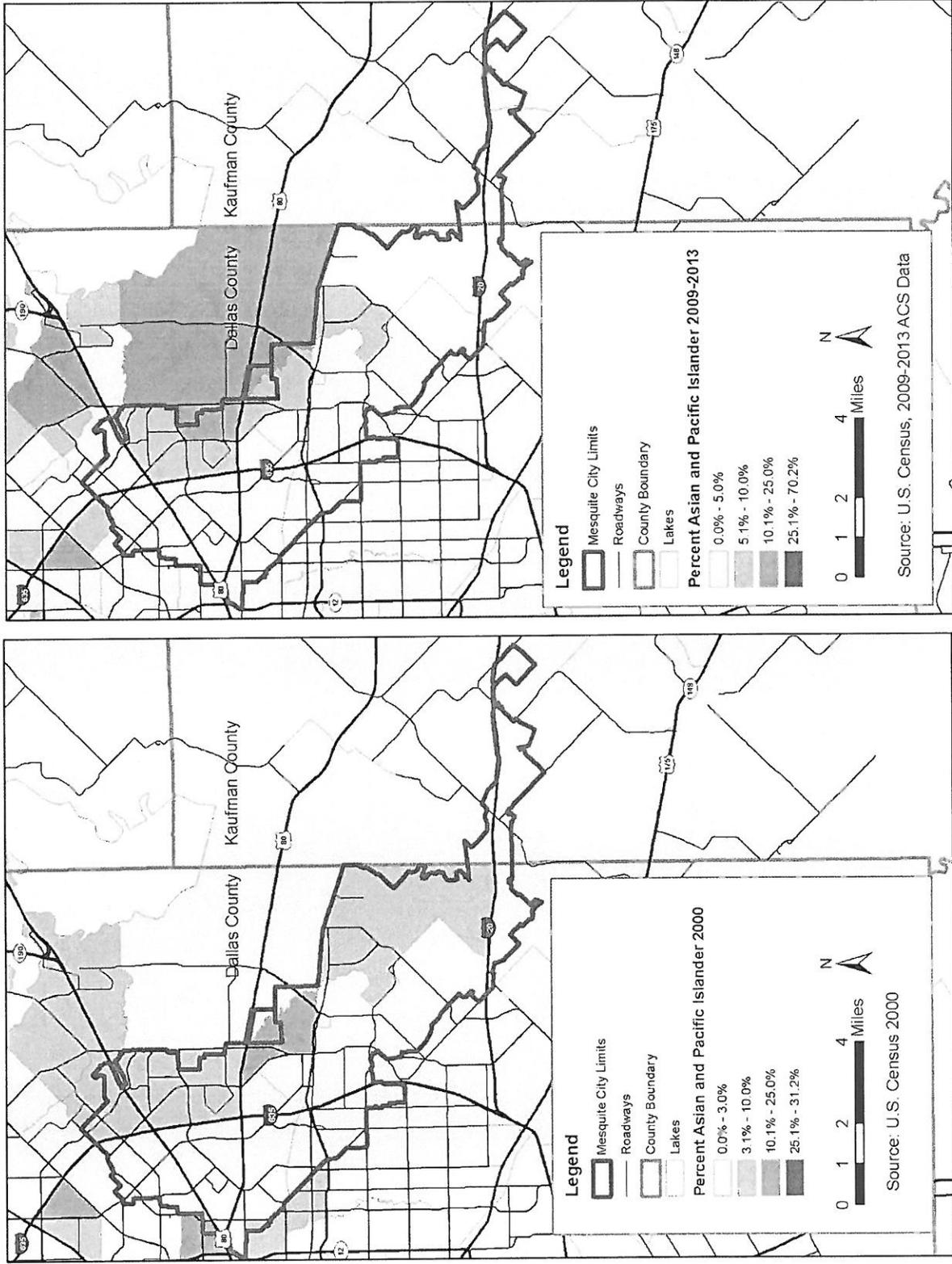
Map 1.2: Percent Hispanic by Census Tract, 2000 and 2009-2013



Map 1.3: Percent African-American by Census Tract, 2000 and 2009-2013



Map 1.4: Percent Asian and Pacific Islander by Census Tract, 2000 and 2009-2013



Map 1.5: Percent American Indian and Eskimo by Census Tract, 2000 and 2009-2013



The percentage of female-headed households with children in Mesquite, as determined by the ACS 2009 – 2013, 5 year average, was disproportionately higher among African-Americans at 34.4 percent when compared to the number of female-headed households with children among all other racial and ethnic groups. Comparatively, female-headed households with children among Whites were 14.8 percent and 18.4 percent for Hispanics. When considering all family types with children present, the data show that 42.7 percent of all Whites, 64.6 percent of all Hispanics, and 61.7 percent of all African-Americans, in the city were in either a Married-couple family type with children category, Male householder family type with children category, or Female-Headed family type with children.

According to the ACS 2009 – 2013, 5 year average, non-family households in Mesquite as a percentage of total households for all three of the major races/ethnicities were comparable. The data for that same time period also reveals that non-family households among Whites made up 26.7 percent of all White households in Mesquite, compared to 12.6 percent among Hispanics, and 24.4 percent among African-Americans. Table 1.2, shows the family structure of White, Hispanic, and African-American households in the city between 2009 and 2013.

Table 1.2
Household structure by race for Mesquite, 2009-2013 (5-Year Average)

Household Type	White		Hispanic		African-American	
	#	%	#	%	#	%
Family Households	23,824	73.3%	10,597	87.4%	8,456	75.6%
Married-couple	17,192	52.9%	7,291	60.1%	3,749	33.5%
Married-couple with children	8,043	24.8%	4,902	40.4%	2,288	20.5%
Male householder, no wife present	1,836	5.7%	1,075	8.9%	858	7.7%
Male householder with children	995	3.1%	699	5.8%	755	6.8%
Female householder, no husband present	4,796	14.8%	2,231	18.4%	3,849	34.4%
Female-Headed with children	3,505	10.8%	1,964	16.2%	3,288	29.4%
Non-Family Households	8,671	26.7%	1,528	12.6%	2,725	24.4%
Total Households	32,495	100.0%	12,125	100.0%	11,181	100.0%

Source: 2009-2013 American Community Survey

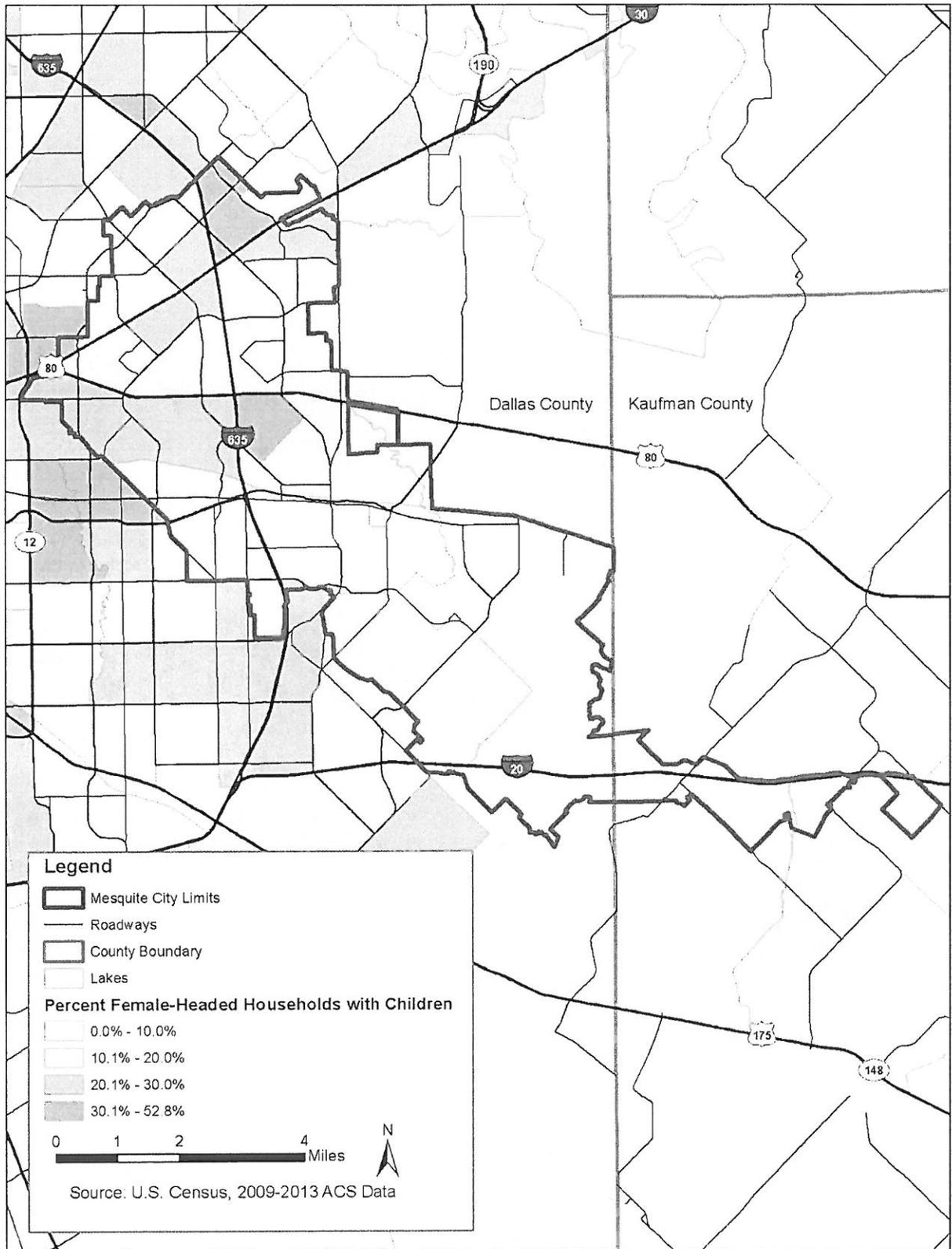
The spatial distribution of female-headed households with children is shown in Map 1.6, on the following page.

Female-Headed households with children and Male householder family type with children are disproportionately higher among African-Americans. Married couple households with children are disproportionately lower among African-Americans compared to all other racial and ethnic group populations.

The percentage of female-headed households with children among African-Americans was 29.4 percent, compared to 10.8 percent among Whites, and 16.2 percent among Hispanics between 2009 and 2013.

Households with children made up 42.7 percent of all Whites, 64.6 percent of all Hispanics, and 61.7 percent of all African-Americans.

Map 1.6: Percent Female-Headed Households with Children by Census Tract, 2009-2013



1.2. Income

Low-income households are statistically more likely to be housed in less desirable housing stock and in less desirable areas of the city. Lack of income and other resources often prevents those households from moving to areas where local amenities raise the value of the housing. Income plays a vital role in securing and maintaining housing.

The data in Table 1.3 and Chart 1.1, on the following page, shows the distribution of income across income classes among Whites, Hispanics, and African-Americans. The income distribution data shows similar percentages of low-income households among African-American, Hispanic and White populations. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

Chart 1.1 shows that the modal income class, the income classes with the highest number of households, for Whites was the \$50,000 to \$74,999 with 23.0 percent of Whites. The modal income class for Hispanics and African-Americans was \$35,000 to \$49,999, with 21.0 percent of Hispanics and 19.9 percent of African-Americans in this income range.

According to the 2009 - 2013 ACS estimates (5-year average), the median household income was \$53,185 for White households, \$44,464 for Hispanic households, and \$44,219 for African-American households, compared to \$50,525 for the overall city.

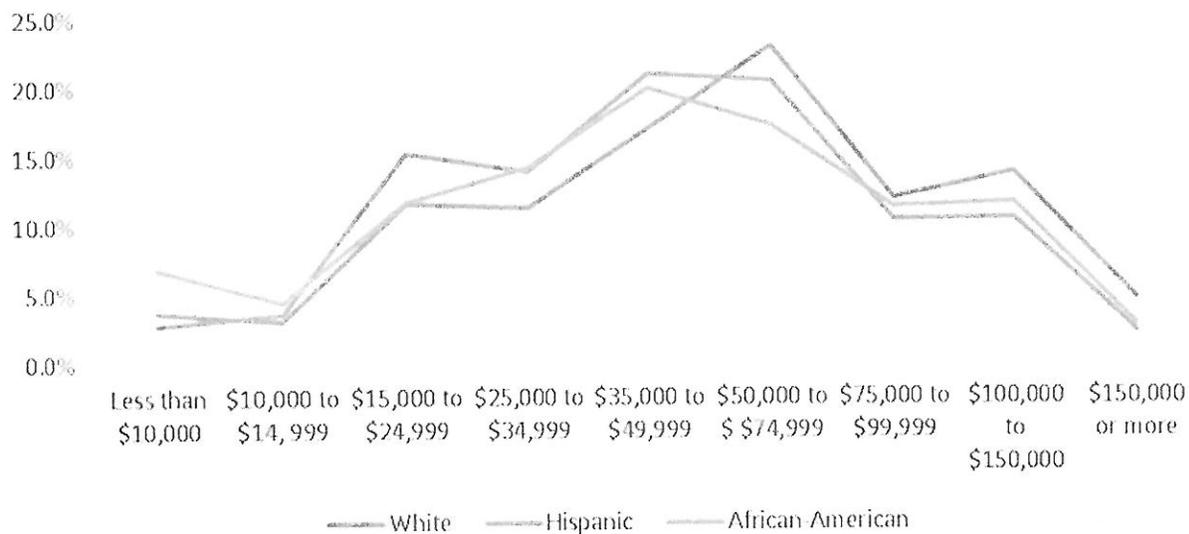
Map 1.7, on page 14, shows the median household income by census tract between 2009 and 2013.

Table 1.3
Households by race by income for Mesquite, 2009-2013

Income class	White		Hispanic		African-American	
	#	%	#	%	#	%
Less than \$10,000	1,209	3.7%	332	2.7%	764	6.8%
\$10,000 to \$14, 999	999	3.1%	426	3.5%	488	4.4%
\$15,000 to \$24,999	3,781	11.6%	1,847	15.2%	1,311	11.7%
\$25,000 to \$34,999	3,661	11.3%	1,693	14.0%	1,591	14.2%
\$35,000 to \$49,999	5,531	17.0%	2,551	21.0%	2,230	19.9%
\$50,000 to \$ 74,999	7,459	23.0%	2,486	20.5%	1,933	17.3%
\$75,000 to \$99,999	3,878	11.9%	1,257	10.4%	1,259	11.3%
\$100,000 to \$149,999	4,483	13.8%	1,269	10.5%	1,303	11.7%
\$150,000 or more	1,494	4.6%	264	2.2%	302	2.7%
Total:	32,495	100.0%	12,125	100.0%	11,181	100.0%

Source: 2009-2013 American Community Survey

Chart 1.1: Percent of Households by income class by race for Mesquite, 2009-2013

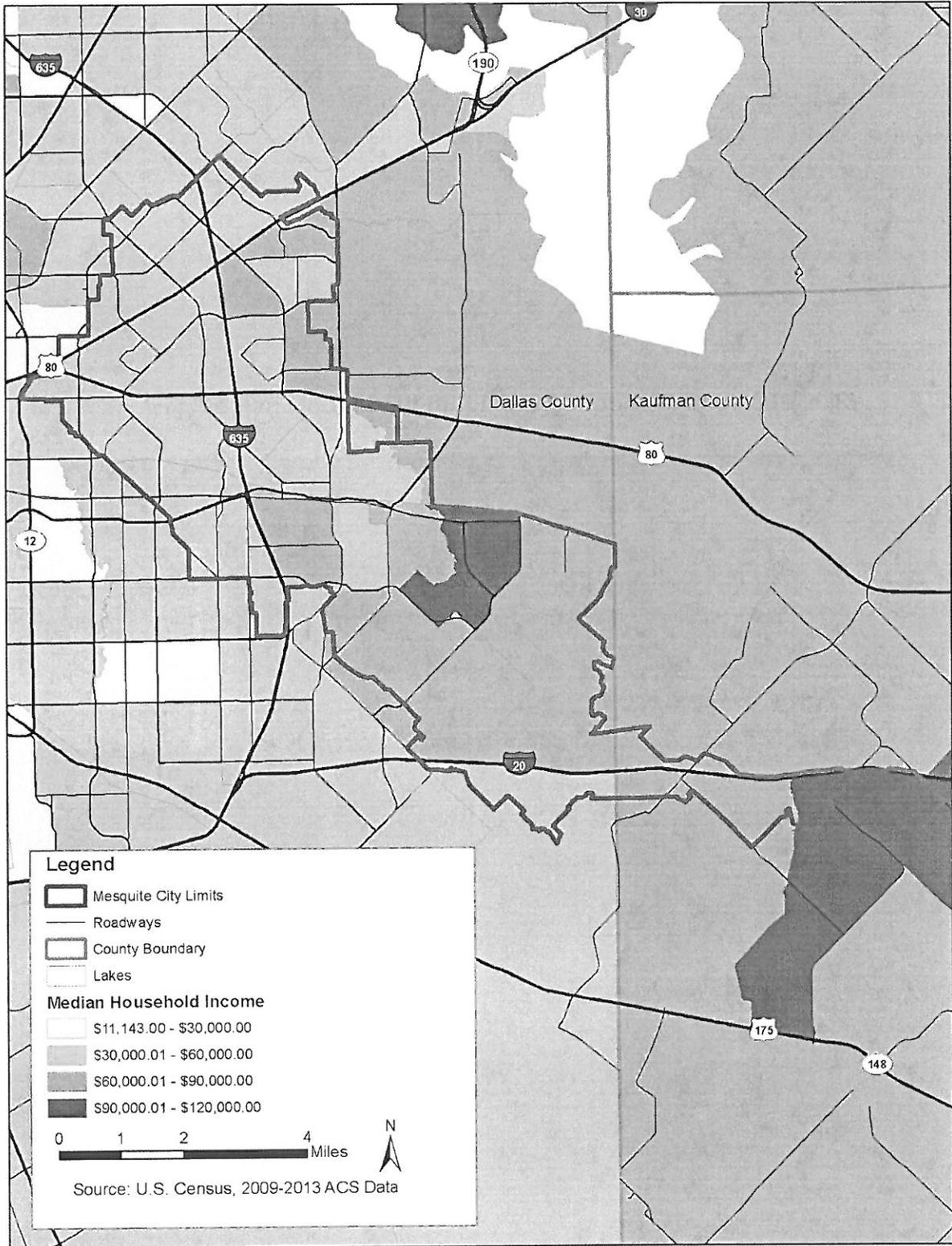


Source: 2009-2013 American Community Survey

Household income levels among Hispanics and African-Americans were disproportionately lower compared to Whites.

The median household income was \$53,185 for White households, \$44,464 for Hispanic households, and \$44,219 for African-American households, compared to \$50,525 for the overall city.

Map 1.7: Median Household Income by Census Tract, 2009-2013



The poverty data in Table 1.4 below shows disparate impacts on the African-American community. The incidence of poverty among African-Americans was 21.3 percent of the total population between 2009 and 2013, and among Hispanics was 8.7 percent. Among White persons, the poverty rate was 12.5 percent. In comparison, the poverty rate for the city was 14.5 percent during the period.

Table 1.4
Poverty Status by race Mesquite, 2009-2013

Age Group	White		Hispanic		African-American	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Under 5 years	1,502	22.1%	487	18.5%	767	27.8%
5 years	340	28.4%	96	19.2%	142	27.1%
6 to 11 years	1,815	21.9%	646	19.7%	1,499	35.5%
12 to 17 years	1,361	16.4%	389	10.6%	1,329	32.3%
18 to 64 years	5,928	10.3%	2,579	7.3%	3,058	15.4%
65 to 74 years	278	4.9%	178	3.6%	109	14.4%
75 years and over	329	7.6%	329	8.5%	9	4.8%
Total	11,553	12.5%	4,704	8.7%	6,913	21.3%

Source: 2009-2013 American Community Survey

Higher percentage of African-Americans in the city lived in poverty, compared to Whites and Hispanics between 2009 and 2013.

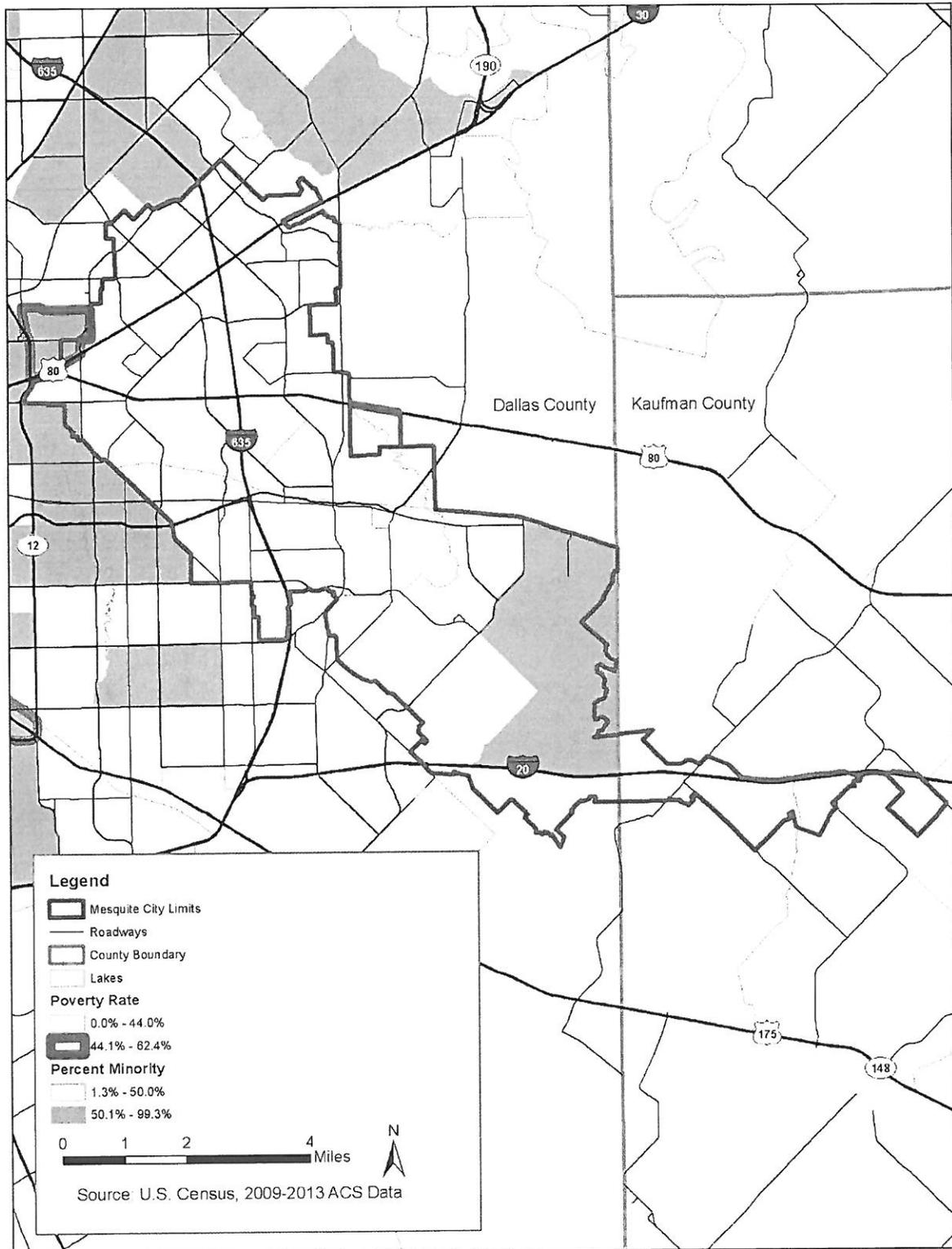
The poverty rate among African-Americans was 21.3 percent and Hispanics was 8.7 percent, compared to 12.5 percent for White persons between 2009 and 2013. The poverty rate for the city was 14.5 percent during the period.

Areas of Concentrated Poverty and Racial / Ethnic Concentration and Segregation (RCAP-ECAP)

The U. S. Department of HUD has defined “Areas of Poverty, Racial and Ethnic Concentration and Segregation (R-ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and three times or more the poverty level of the Metropolitan Statistical Area (MSA) and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. HUD’s goal of de-concentration is to achieve minority concentrations and poverty level less than defined above by RCAP-ECAP and to transform these areas of concentration into “Opportunity Areas”. By HUD definition, Opportunity Areas offer access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. The Map 1.8 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD RCAP-ECAP Calculation.

The poverty rate in the Dallas-Fort Worth MSA is 14.7 percent. Three times the poverty is 44.0 percent, so 44.0 percent is the poverty threshold for the RCAP-ECAP criteria for the City. Census tracts within the southeast area of Mesquite had 50 percent or greater minority population. There were no census tracts in the city identified as having more than a 44.0 percent poverty rate and populated with more than 50 percent minorities, therefore there were no R-CAP or E-CAP areas identified.

Map 1.8: Areas of Concentrated Poverty and Racial / Ethnic Concentration and Segregation (RCAP-ECAP) by Census Tract



1.3. Employment, Unemployment, Education, and Major Employers

Employment data reports opportunities in the employment sectors, unemployment rates, and educational attainment and educational levels of the employees. These factors impact wage earnings, and income, as well as, housing affordability and the location choice of residents. Table 1.5, below, provides a look at occupation data, which indicate that there has been some shift in the distribution of occupations between 2000 and 2013. Educational and Health Services had the largest increase during the period, up 3.6 percentage points to 21.5 percent. The Arts, Entertainment, and Recreation Services sector had an increase, up 2.5 percentage points to 8.5 percent. Information sector realized the largest reduction of 3.2 percentage points to 1.7 percent of the workforce. Manufacturing realized a reduction of 1.7 percentage points to 2.8 percent of the workforce.

Table 1.5
Occupation of employed persons for Mesquite, 2000 and 2009-2013 (5-Year Average)

Occupation	2000	2009-2013 Average	Percent Point Change
Agriculture hunting, and mining	0.3%	0.6%	0.2%
Construction	8.1%	8.6%	0.5%
Manufacturing	10.4%	9.2%	-1.3%
Transportation and utilities	4.5%	2.8%	-1.7%
Wholesale trade	13.2%	12.6%	-0.6%
Retail trade	6.5%	6.2%	-0.3%
Information	4.9%	1.7%	-3.2%
Finance, insurance, and real estate	9.0%	8.3%	-0.7%
Professional and management services	10.2%	10.2%	0.0%
Educational, health and social services	17.9%	21.5%	3.6%
Arts, entertainment, recreation services	6.0%	8.5%	2.5%
Other services (except public administration)	5.0%	5.7%	0.7%
Public administration	3.9%	4.2%	0.3%

Source: US Census 2000 & 2009-2013 American Community Survey

The Unemployment data presented in Table 1.6 provides a portrait of the distribution of the unemployed. An analysis of this total indicates that much higher levels of unemployment are centered in the African-American community. Between 2009 and 2013, 6.5 percent of White persons (age 16 and over) reported being unemployed. African-Americans persons in the same age group reported a 12.4 percent unemployment rate, and Hispanic reported a 5.5 percent rate. As a comparison, the citywide unemployment rate was and average of 7.8 percent between 2009 and 2013.

Table 1.6
Employment Status by race for Mesquite, 2009-2013

Employment Status	White		Hispanic		African-American	
	Number	Percent	Number	Percent	Number	Percent
In Labor Force:	49,404		22,924		16,827	
In Armed Forces	48	0.1%	62	0.3%	0	0.0%
Civilian:	57,749		24,033		17,635	
Employed	46,162	93.4%	21,610	94.3%	14,740	87.6%
Unemployed	3,194	6.5%	1,252	5.5%	2,087	12.4%
Not in labor force	21,133		7,538		5,477	
Total	70,537		30,462		22,304	

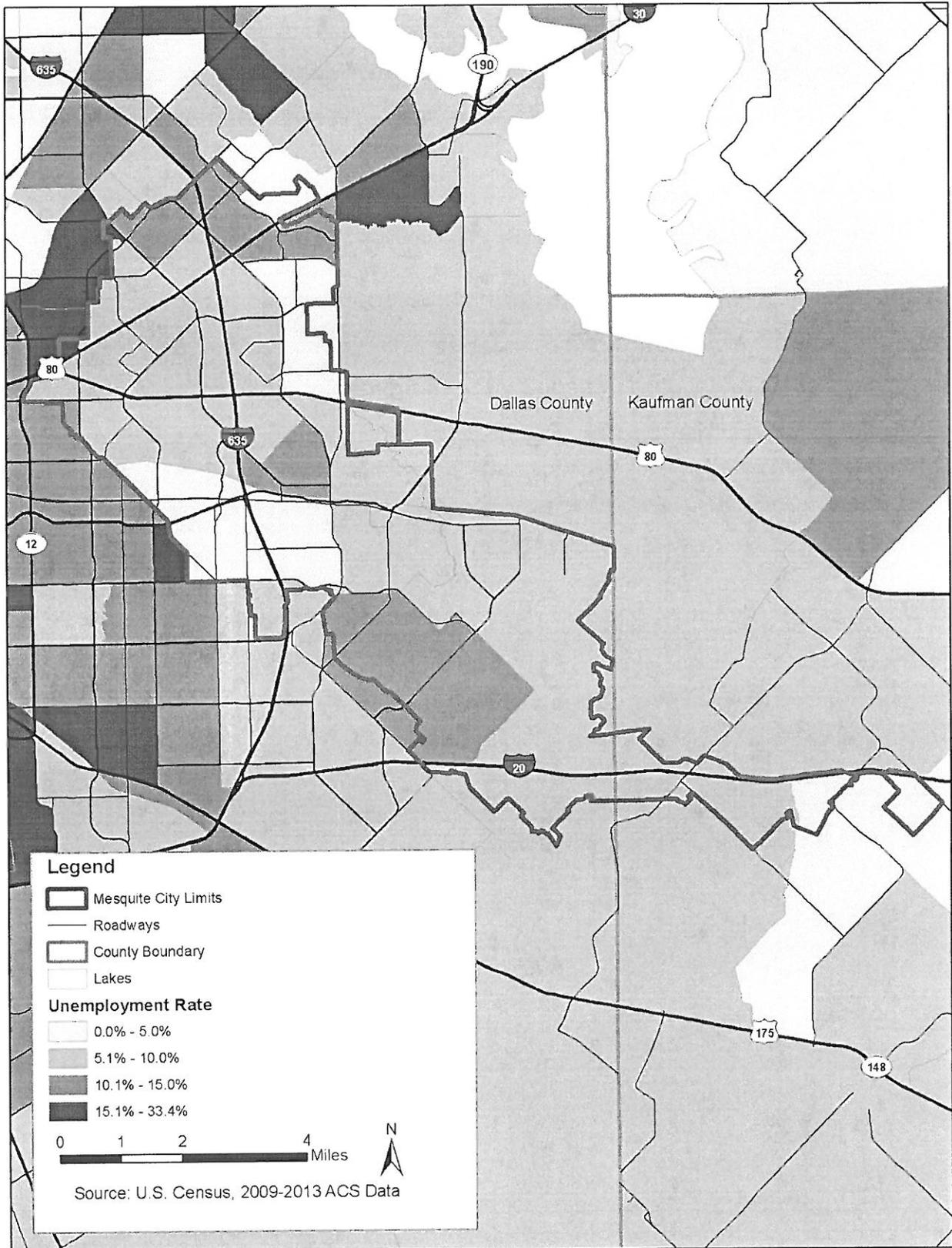
Source: 2009-2013 American Community Survey

According to the Bureau of Labor Statistics, the unemployment rate for the Mesquite Area was 4.2 percent in March 2015 and 4.4 percent for the year 2014. Map 1.9, on the following page, shows the distribution of unemployed in Mesquite.

African-Americans had significantly higher unemployment rates, compared to Whites and Hispanics.

African-Americans persons in the same age group reported a 12.4 percent unemployment rate and Hispanic reported a 5.5 percent rate. As a comparison, the citywide unemployment rate was 7.8 percent between 2009 and 2013.

Map 1.9: Unemployment Rate by Census Tract, 2009-2013



According to the 2009-2013 ACS estimates (5-year average), 8.5 percent of African-Americans age 25 and above reported less than a high school education compared to 21.6 percent of Whites, and 11.5 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 20.6 percent during the period.

Major Employers - According to the major employer data provided by the City of Mesquite, the largest employers in the city include: United Parcel Service (UPS) with 2,670 employees, Dallas Regional Medical Center with 1,100 workers, and Integra Color Group with 459 workers. Baker Drywall employs 400 workers, Pepsi Cola Bottling has 370 workers, Dependable Auto Shippers has 370 employees, Dal-Tile has 223 employees, Fritz Industries has 210 workers, and Union Pacific Intermodal has 200 workers.

To further examine the impact of employment proximity relative to housing choice for low and moderate income persons, we analyzed the use and availability of public transportation. The availability of jobs to low-income persons is largely dependent on the geographic location of the jobs. If jobs are concentrated in largely upper income areas, far removed from lower income persons, their ability to get to and from work may be difficult, sometimes causing hardships on employees or potential employees.

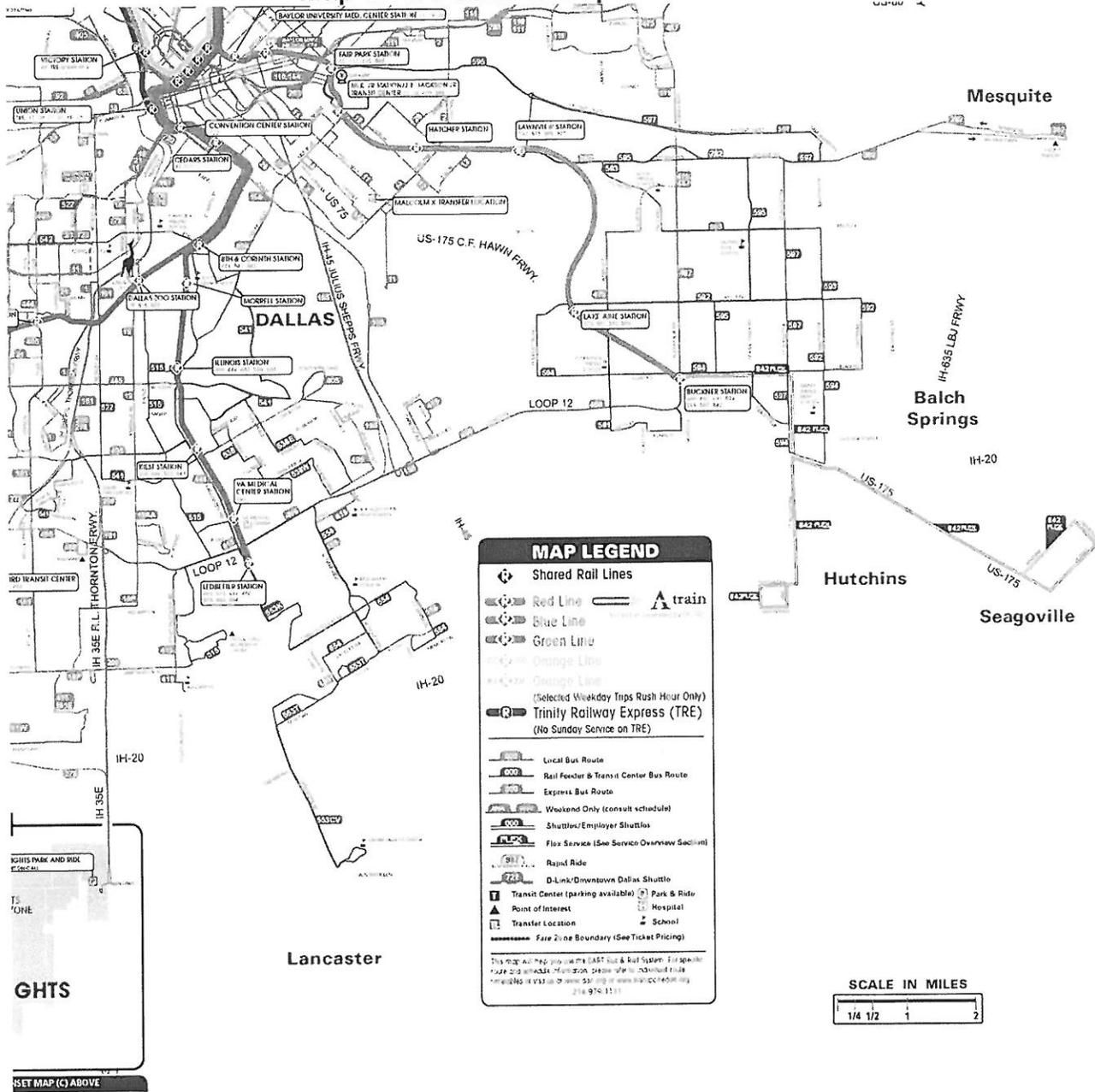
1.4. Public Transportation

The Dallas Area Rapid Transit authority (or DART) operates buses, light rail, commuter rail, and high-occupancy vehicle lanes in Dallas and 12 of its suburbs. COMPASS is a nonstop weekday commuter shuttle made possible by an agreement between DART, STAR Transit and the City of Mesquite. COMPASS operates between Hanby Stadium located at 410 E. Davis Street in downtown Mesquite and the Lawnview Station on the Green Line located in East Dallas. The service operates every half hour on weekdays from 5:00 AM to 9:00 AM and 3:30 PM to 7:00 PM, and operates hourly from 9:00 AM to 3:30 PM. For \$7 (the Mesquite System Pass) a day, citizens get access to the shuttle and can navigate the entire DART system, including all the buses and trains. COMPASS is identified as Express Bus Route 282 in DART transit system. COMPASS connects with various destination venues in the region, such as the Dallas Zoo and State Fair, for one-day family trips and visitor tours.

STAR Transit is a demand-responsive public transportation service in the city, and anyone residing in their service area may ride STAR Transit with prior appointment. Destinations could include job locations, educational facilities, non-emergency medical appointments, senior centers, and career-training facilities. The service operates at affordable fares, and reduced fares are available for riders over the age of 60. This transit service operates between 6 AM through 6 PM all weekdays.

Map 1.10 on the following page illustrates the bus routes in Mesquite.

Map 1.10: Public Transportation Routes



Source: DART

1.5. Housing

According to the 2009-2013 ACS estimates (5-year average), the total number of housing units in the city was 51,896, with 55.5 percent owner-occupied, 36.6 percent renter-occupied, and the remaining 8.0 percent vacant. As shown in Table 1.7, to the right, there were 46,245 housing units in Mesquite in 2000. The total number of housing units in the city increased 7.8 percent between 2000 and 2013. The median housing value in the city was \$110,600 and the median contract rent was \$772 between 2009 and 2013.

Table 1.7
Tenure for housing in Mesquite, 2000,
and 2009-2013 (5-Year Average)

Tenure	2000		2009-2013 (Average)	
	Number	Percent	Number	Percent
Owner-occupied	28,762	62.2%	28,792	55.5%
Renter-occupied	15,164	32.8%	18,973	36.6%
Vacant	2,319	5.0%	4,131	8.0%
Total:	46,245	100.0%	51,896	100.0%

Source: US Census 2000, and 2009-2013 American Community Survey

Table 1.8, to the right, shows that of all housing units in the city, 72.3 percent were categorized as single-family detached, 1.6 percent as single-family attached, 2.9 percent contained two to four units, 22.9 percent classified as multifamily, and 0.2 percent as mobile home or other.

Table 1.8
Housing type for Mesquite, 2009-2013
(5-Year Average)

Units in Structure	Number	Percent
Single-Family detached	37,542	72.3%
Single-Family attached	830	1.6%
2-4 units	1,496	2.9%
Multifamily	11,904	22.9%
Mobile home or Other	124	0.2%
Total	51,896	100.0%

Source: 2009-2013 American Community Survey

As shown on Table 1.9 below, 2.8 percent of all housing units were built prior to 1950, 10.1 percent were built between 1950 and 1959, 12.3 percent were built

Table 1.9
Age of Housing Stock in Mesquite, 2009-2013 (5-Year Average)

Year Built	Number	Percent
Built 2010 or later	108	0.2%
Built 2000 to 2009	6,923	13.3%
Built 1990 to 1999	8,628	16.6%
Built 1980 to 1989	13,827	26.6%
Built 1970 to 1979	9,346	18.0%
Built 1960 to 1969	6,381	12.3%
Built 1950 to 1959	5,231	10.1%
Built 1940 to 1949	1,073	2.1%
Built 1939 or earlier	379	0.7%
Total	51,896	100.0%

between 1960 and 1969, 18.0 percent were built between 1970 and 1979, and 56.7 percent were built after 1979. Approximately 25.2 percent of the housing stock is more than 40 years old, built prior to 1970. These units may contain lead-based paint or likely be in need of repairs and maintenance.

About 25.2 percent of housing stock in Mesquite was more than 40 years old, and these units may contain lead-based paint or likely be in need of repairs and maintenance.

According to the 2009-2013 ACS data shown in Table 1.10 to the right, the homeownership rate among Whites was 66.5 percent, compared to 60.3 percent among Hispanics, and 40.1 percent among African-Americans.

Table 1.10
Tenure by Race in Mesquite, 2009-2013 (5-Year Average)

Tenure by Race	Owner-occupied		Renter-occupied	
	#	%	#	%
White	21,617	66.5%	10,878	33.5%
Hispanic	7,312	60.3%	4,813	39.7%
African-American	4,483	40.1%	6,698	59.9%

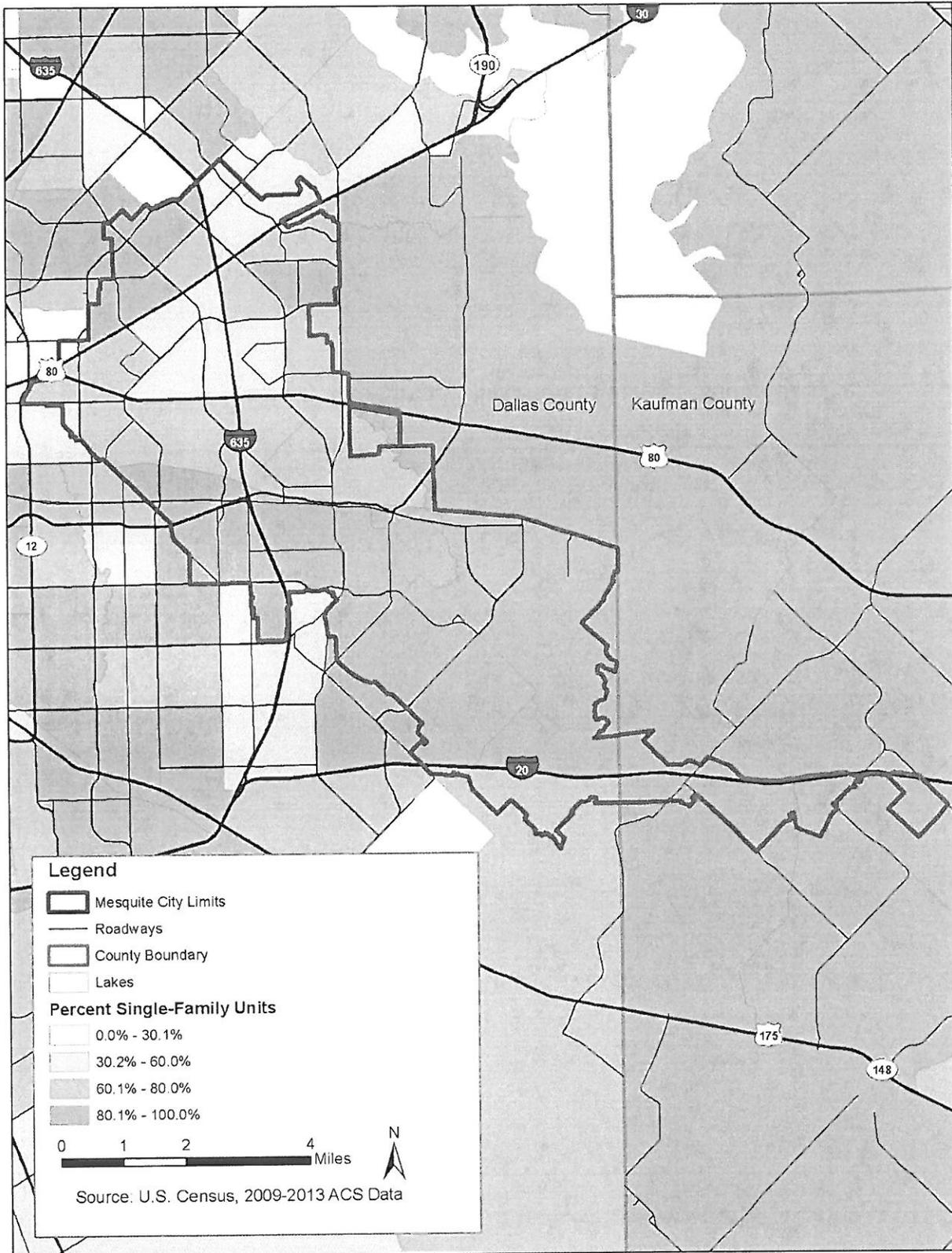
Source: 2009-2013 American Community Survey

Homeownership rates were disproportionately lower among African-Americans, compared to Whites and Hispanics.

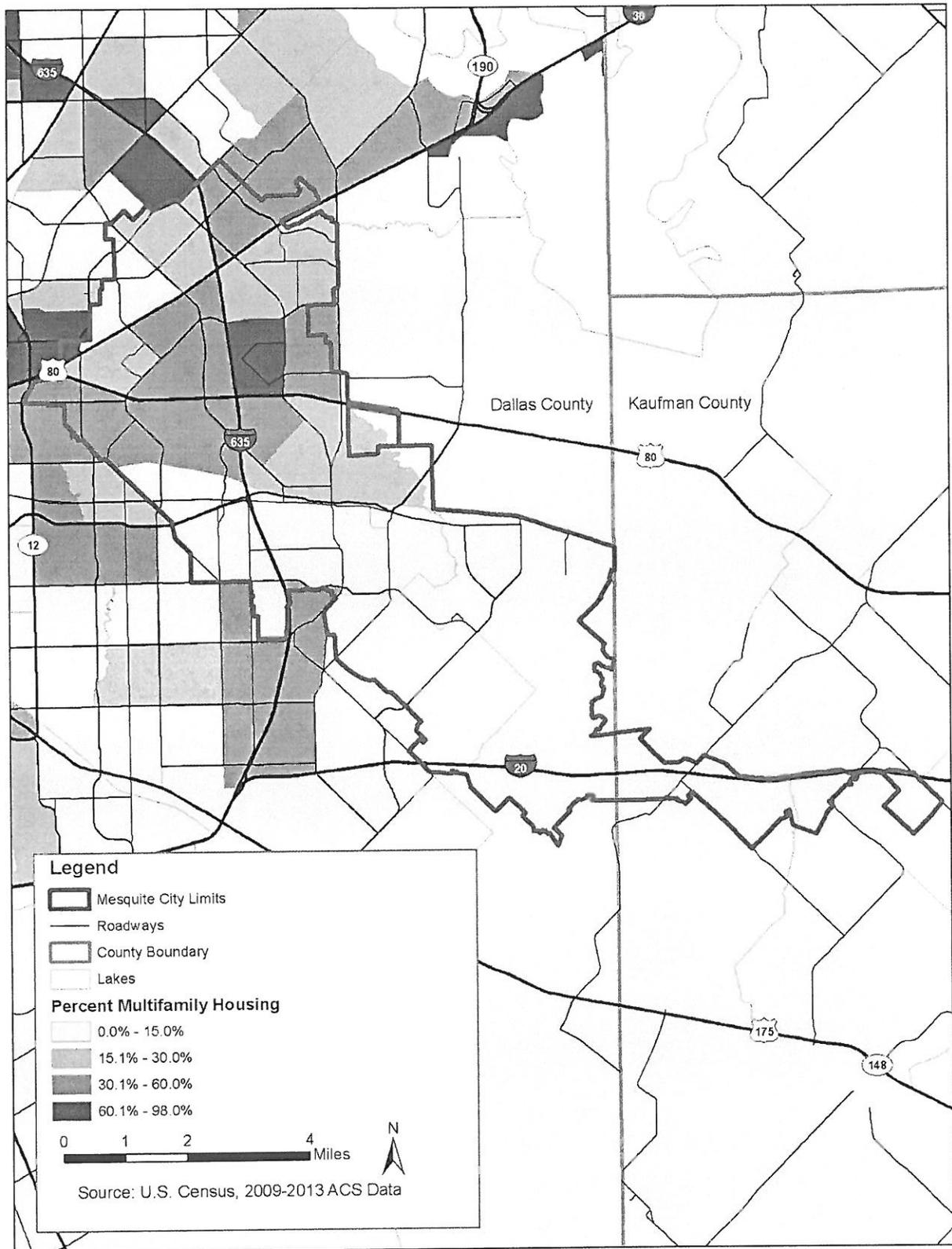
The homeownership rate among Whites was 66.5 percent, compared to 60.3 percent among Hispanics, and 40.1 percent among African-Americans between 2009 and 2013.

Map 1.11, on the following page, and Map 1.12, on page 28, indicate the distribution of single-family and multifamily housing across the city. Map 1.13, on page 29, provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 1.14 and 1.15, on pages 30 and 31, provide a geographic depiction of the distribution of housing values and rents across the city.

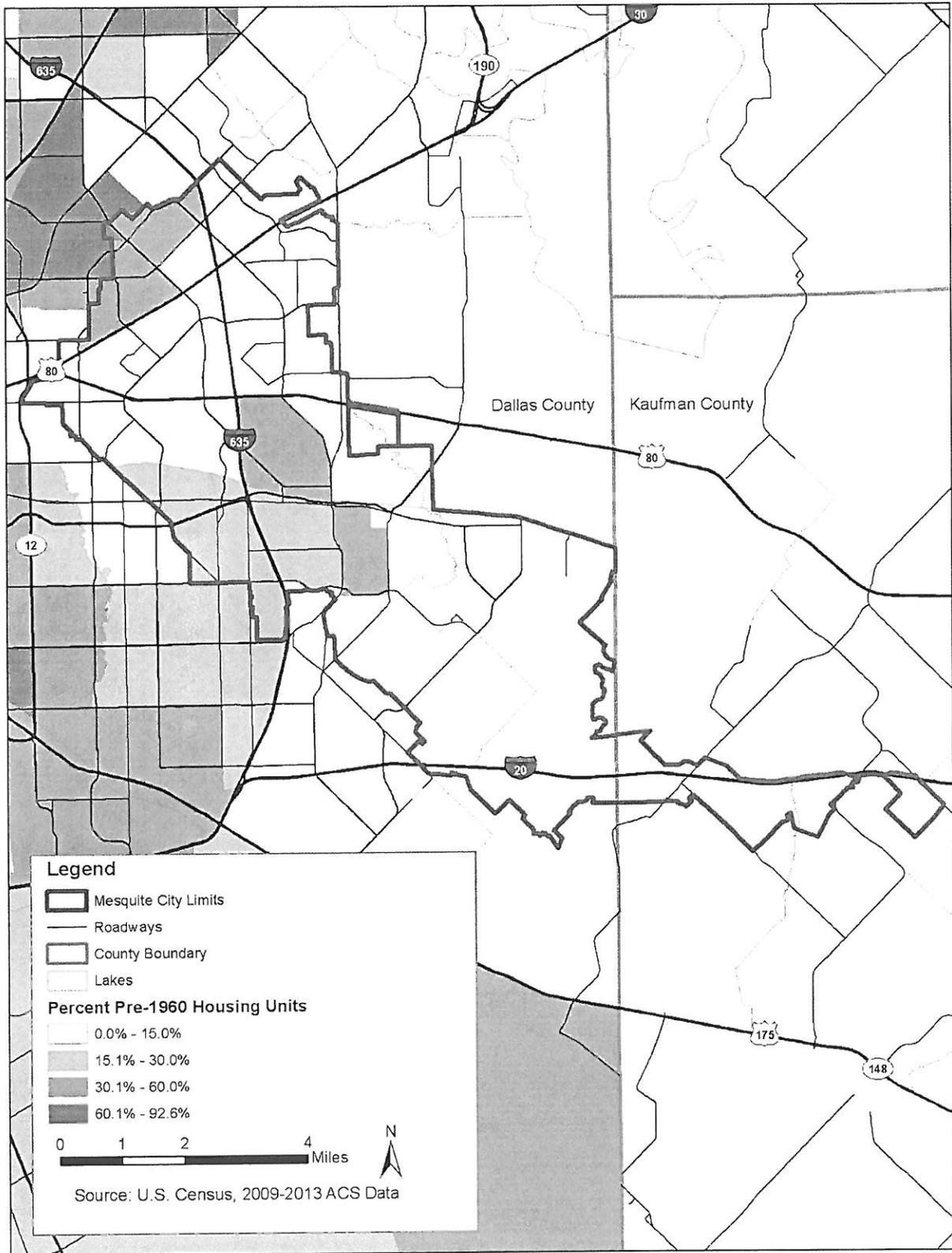
Map 1.11: Percent Single-Family Housing Units, 2009-2013



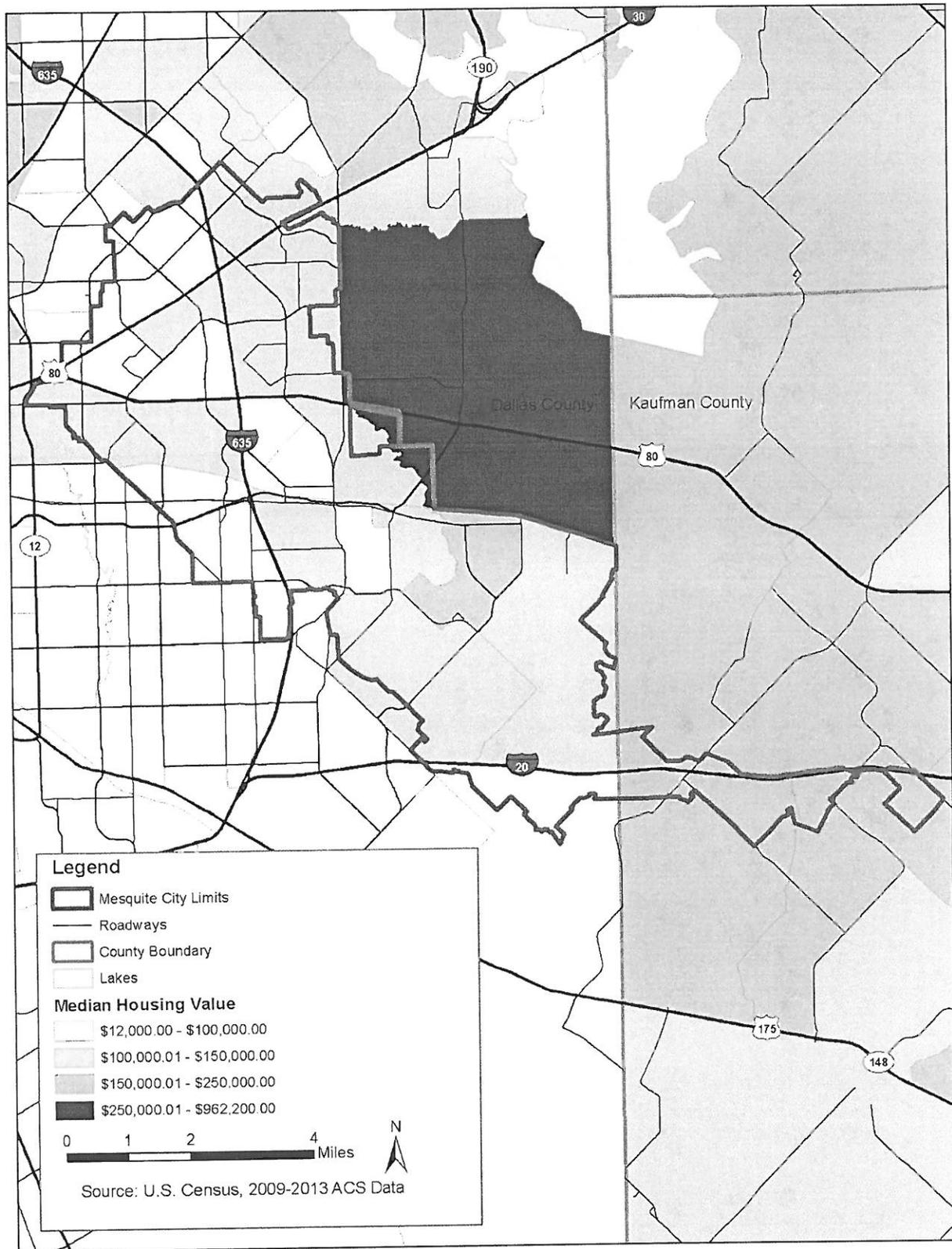
Map 1.12: Percent Multifamily Housing Units by Census Tract, 2009-2013



Map 1.13: Percent Pre-1960 Housing Stock by Census Tract



Map 1.14: Median Housing Value by Census Tract, 2009-2013



Map 1.15: Median Contract Rent by Census Tract, 2009-2013



Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2007 through 2011, duplicated in Table 1.11, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households. The table shows that 82.5 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 86.0 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses. Furthermore, 72.9 percent of very low-income renters and 72.0 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses between 2007 and 2011.

Looking at the “Other Low-Income” households (those earning between 31 percent and 50 percent of the median family income), 87.4 percent of low-income renters and 72.5 percent of low-income homeowners paid more than 30 percent on housing expenses. Also, 38.5 percent of low income renters and 49.1 percent of low income homeowners paid more than 50 percent on housing expenses.

The moderate-income category (those earning between 51 percent and 80 percent of the median family income), shows 51.8 and 45.8 percent of renters and homeowners respectively, had rent burdens in excess of 30 percent, and 7.7 percent renters and 11.0 percent of homeowners paid more than 50 percent on housing expenses. These cost burdens impact fair housing choices and represent significant impediments in that they impact persons at every income category.

Table 1.11
Cost Burden by income and tenure, 2007 - 2011

Income Distribution Overview	Owner	%	Renter	%	Total
Household Income <= 30% HAMFI	1,570	35.5	2,855	64.5	4,425
Household Income >30% to <=50% HAMFI	2,690	43.7	3,465	56.3	6,155
Household Income >50% to <=80% HAMFI	5,170	53.1	4,570	46.9	9,740
Household Income >80% to <=100% HAMFI	3,050	59.1	2,110	40.9	5,160
Household Income >100% HAMFI	17,465	79.5	4,515	20.5	21,980
Total	29,945	63.1	17,515	36.9	47,460

	Cost burden		Cost burden		
Income by Cost Burden (Owners and Renters)	> 30%	%	> 50%	%	Total
Household Income <= 30% HAMFI	3,705	83.7	3,215	72.7	4,425
Household Income >30% to <=50% HAMFI	4,980	80.9	2,655	43.1	6,155
Household Income >50% to <=80% HAMFI	4,735	48.6	920	9.4	9,740
Household Income >80% to <=100% HAMFI	1,545	29.9	145	2.8	5,160
Household Income >100% HAMFI	1,485	6.8	110	0.5	21,980
Total	16,450	34.7	7,045	14.8	47,460

	Cost burden		Cost burden		
Income by Cost Burden (Renters only)	> 30%	%	> 50%	%	Total
Household Income <= 30% HAMFI	2,355	82.5	2,080	72.9	2,855
Household Income >30% to <=50% HAMFI	3,030	87.4	1,335	38.5	3,465
Household Income >50% to <=80% HAMFI	2,365	51.8	350	7.7	4,570
Household Income >80% to <=100% HAMFI	385	18.2	35	1.7	2,110
Household Income >100% HAMFI	110	2.4	30	0.7	4,515
Total	8,245	47.1	3,830	21.9	17,515

	Cost burden		Cost burden		
Income by Cost Burden (Owners only)	> 30%	%	> 50%	%	Total
Household Income <= 30% HAMFI	1,350	86.0	1,130	72.0	1,570
Household Income >30% to <=50% HAMFI	1,950	72.5	1,320	49.1	2,690
Household Income >50% to <=80% HAMFI	2,370	45.8	570	11.0	5,170
Household Income >80% to <=100% HAMFI	1,160	38.0	110	3.6	3,050
Household Income >100% HAMFI	1,370	7.8	80	0.5	17,465
Total	8,200	27.4	3,210	10.7	29,945

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2007-2011

According to the 2009 - 2013 ACS estimates shown in Table 1.12 to the right 50.6 percent of renter households paid more than 30 percent of their household income towards rent. Approximately 76.2 percent of the renter households with household income of less than \$10,000, 92.1 percent of the renter households that earned between \$10,000 to \$19,999, 80.3 percent of the renter households that earned between \$20,000 to \$34,999, and 35.6 percent of the renter households that earned between \$35,000 to \$49,999 spent more than 30 percent of their households income towards rent during the five-year period.

Table 1.12
Gross Rent as a Percent of Household Income in Mesquite, 2009-2013 (5-Year Average)

Gross Rent as a Percent of Household Income	Number of Households	Cost Burden 30%
Less than \$10,000	1,448	
Less than 30.0 percent	33	
30.0 percent or more	1,103	76.2%
\$10,000 to \$19,999	2,571	
Less than 30.0 percent	153	
30.0 percent or more	2,367	92.1%
\$20,000 to \$34,999	5,222	
Less than 30.0 percent	975	
30.0 percent or more	4,191	80.3%
\$35,000 to \$49,999	4,167	
Less than 30.0 percent	2,620	
30.0 percent or more	1,483	35.6%
\$50,000 or more	5,565	
Less than 30.0 percent	4,988	
30.0 percent or more	450	8.1%
Total Renter Households	18,973	
Less than 30.0 percent	8,769	
30.0 percent or more	9,594	50.6%

Source: 2009-2013 American Community Survey

As shown in Table 1.13, to the right, 26.4 percent of owner households were 30 percent cost burden and 11.4 percent of the owner households were 50 percent cost burden during the same period.

Table 1.13
Owner Costs as a Percent of Household Income in Mesquite, 2009-2013 (5-Year Average)

Housing Cost as a Percent of Household Income	Number of Owner Households	Percent
Less than 30.0 percent	21,029	
30.0 percent or more	7,607	26.4%
50.0 percent or more	3,275	11.4%
Not computed	156	
Total Owner-Occupied households	28,792	

Source: 2009-2013 American Community Survey

One of the most revealing indicators that African Americans are more likely to require rental housing and lag far behind Whites in obtaining housing of their choice is in the category of homeownership. The homeownership rate among Whites was 66.5 percent, compared to 60.3 percent among Hispanics, and 40.1 percent among African-Americans between 2009 and 2013.

Other limitations for African-Americans a disproportionate number of households living in poverty. The poverty rate among African-Americans was 21.3 percent and Hispanics was 8.7 percent, compared to 12.5 percent for White persons between 2009 and 2013. The poverty rate for the city was 14.5 percent during the period.

Section 2: Fair Housing Law, Court Case, Policies, Regulatory and Complaint Analysis

Introduction

It is important to examine how the City of Mesquite's laws, regulations, policies and procedures will ultimately affect fair housing choice. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Relevant judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

The City of Mesquite has not enacted local fair housing legislation substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on the State of Texas Fair Housing Act. In the analysis the State of Texas statutes were also compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending. Section 2.2 summarizes the level of fair housing enforcement activity in the City of Mesquite.

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes.

We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of City operated Community Development Block Grant (CDBG funded programs provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, and the Consolidated Annual Performance Evaluation Reports (CAPER). City staff also provided information on its current and future initiatives utilizing CDBG funds and other federal grants.

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by the Mesquite City Council and advisory boards and commissions.

Section 2.5 included an analysis and results of fair housing complaints filed with the U.S. Department of HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Fort Worth, Texas Fair Housing and Equal Opportunity (FHEO) Office has responsibility for fair housing enforcement in Mesquite. Fair Housing complaints filed by persons in the city limits of Mesquite were received from the HUD Regional Office, Fair Housing Equal Opportunity Division.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of

Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$11,000; the second offense within a five year period, up to \$27,500; and for a third violation within seven years up to \$55,000.

The prohibition in the Fair Housing Act against advertising that indicates any "preference, limitation or discrimination" has been interpreted to apply not just to the wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from March and April, 2015 was conducted. These types of advertisements cover an area larger than just Mesquite, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;

- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in the greater Mesquite area were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is

substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHAP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. - The **Walker** public housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of **Walker** resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, **Walker III**, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) approximately 9,900 new assisted units have been made available to **Walker** class members.

(b) approximately \$22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) \$2 million was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, Young v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

(a) The final judgment that was entered by the Court in 1995,

(b) The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order,

(c) The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act “applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant.” The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family’s contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

In 2009 a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can “live independently”. CT Fair Housing Center stated “The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities.”

In *County of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township’s zoning ordinance. In *Oxford House-Evergreen v. County of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county’s conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

“Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination.”- was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a

state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the Olmstead case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with “the most integrated setting” provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the Anti-Discrimination Center (ADC) against Westchester County, NY. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had “utterly failed” to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will “affirmatively further fair housing.” Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order’s desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the

federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is pending appeal.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not generally covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore the inability of people to find affordable housing which may lead to homelessness, is in conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal

action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profits have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The Department of Housing and Urban Development enforces federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status. The HUD FHEO Regional Office in Fort Worth, Texas is responsible for investigations of fair housing complaints that are reported directly to their office. Mesquite, Texas is part of the HUD Region VI that includes Arkansas, Louisiana, Oklahoma, New Mexico, and Texas. When the HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5. When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

The City of Mesquite Housing and Community Services Department (HCS) directs fair housing complaints to and makes referrals to HUD for enforcement. The Neighborhood Development Staff is also responsible for conducting public education, training and outreach of fair housing rights in Mesquite. Education of the public regarding the rights and responsibilities afforded by fair housing law is an essential ingredient of fair housing enforcement. This includes outreach and education to the general public, landlords and tenants, housing and financial providers, as well as citizens, concerning fair housing and discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again in a few months," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

2.3. Production and Availability of Affordable Units / CDBG Grant Administration

An assessment of housing production, availability, and affordability in Mesquite and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG Entitlement funding by the City of Mesquite. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2015. The City of Mesquite's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized.

The proposed Annual Plan for Program Year 2014 – 2015 for the period ending September 30, 2015 indicated that the City of Mesquite anticipates receiving approximately \$911,721 in CDBG Entitlement funding for that program year.

Entitlement Program Budget

\$ 911,721 Community Development Block Grant (CDBG)

2.4. Regulatory and Public Policy Review

The City of Mesquite has not enacted substantially equivalent fair housing law. The State of Texas has enacted substantially equivalent fair housing law. Having local fair ordinances, especially one that is substantially equivalent to the federal Fair Housing Act, exemplifies a jurisdiction's local commitment to enforcing fair housing regulations and it provides public awareness of individuals' rights under the Fair Housing Act.

The city zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Mesquite's land development codes and zoning regulations address affordable housing and the

provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing.

The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions. Regulations allow up to 8 unrelated persons to reside in a single family structure by right without specific use or conditional use permits and has adequate provisions for group homes and special needs populations.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Mesquite from February 1, 2009 through June 30, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Fort Worth, Texas. A total of 37 complaints were filed according to one of seven basis including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 2.1 shows the breakdown. The totals in the Table 2.1 actually sum to more than 37 complaints because some cases cited multiple basis in their claim.

Table: 2.1: Fair Housing Complaints by the Basis of Complaint Oct 2009 - Sept 2014

Protected Class	Race/ Color	National Origin	Familial Status	Handicap Disability	Sex	Religion	Retaliation	Totals
2009	2			2				4
2010	4		1	5	2			12
2011	4	1	1	1	1			8
2012	9	2					1	12
2013	1		1	4				6
2014				1			1	2
Total	20	3	3	13	3		2	44

Source: U.S. Department of Housing and Urban Development – Fort Worth, Texas Regional Office

Of the 37 complaints, 1 case was closed for Cause and 14 cases were closed with a No Cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. Eleven cases were closed due to Administrative Closure, 7 cases were closed based on Conciliation, and 4 cases closed because they were Withdrawn with Resolution. Table 2.2 shows case closure types and disposition of cases by year.

Table: 2.2: Type of Case Closure (2009 - 2014)

Type of Closure	2009	2010	2011	2012	2013	2014	Total
Cause					1		1
Cases remain open							
Case Conciliated / FHAP Judicial Consent Order	2	1		2	2		7
No Probable Cause / FHAP Judicial Dismissal		2	4	3	3	2	14
Withdrawn/with resolution		1	2	1			4
Unable to Locate Complainant / Complainant failed to cooperate							
Administrative Closure	2	1	1	4	1	2	11
Totals	4	5	7	10	7	4	37

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The City of Mesquite has not enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The HUD FHEO Regional Office in Fort Worth, Texas is responsible for investigations of fair housing complaints that are reported directly to their office for Mesquite. Mesquite, Texas is part of the HUD Region VI that includes Arkansas, Louisiana, Oklahoma, New Mexico, and Texas.

The City of Mesquite Housing and Community Services Department provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights in Mesquite. Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Mesquite from February 1, 2009 through June 30, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Fort Worth, Texas. A total of 37 complaints were filed according to one of seven basis including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 2.1, shows the breakdown.

Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the greater Mesquite area were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons.

The 2014 - 2015 Annual Plan for the period ending September 30, 2015 indicated that the City of Mesquite anticipates receiving \$911,721 in CDBG Entitlement funding. Entitlement funds were used to address impediments to fair housing choice and affordable housing concerns.

The city zoning ordinance building codes and public policies were examined to reveal any current ordinances or policies that impede fair housing. No fair housing act violations were noted as a result.

Section 3: Focus Group Sessions and Community Engagement

Introduction

The City of Mesquite, Texas followed its designated Community Participation Plan outlined in the 2014 – 2015 Annual Plan in soliciting public input for developing the 2015 Analysis of Impediments to Fair Housing Choice. City of Mesquite Housing and Community Services Department, located at 1616 Galloway Avenue, Mesquite, Texas 75149, served as lead agency for the development of the Analysis of Impediments.

Three Public Forums and Stakeholder Focus Group sessions were held on March 17th, 2015 at Mesquite City Hall, 757 North Galloway, Mesquite, Texas 75149. Supplemental interviews were conducted with those unable to attend the sessions. Participants in the sessions and supplemental interviews included City of Mesquite staff and elected and appointed government representatives; administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; and the general public and other community representatives.

Attendees for the Focus Groups and Public Forums were gathered through email invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notice published in the local newspaper. At each Focus Group and Public Forum, general issues related to the housing market, neighborhoods conditions, community development needs and concerns pertaining to fair housing choice in the City of Mesquite were discussed.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants and those participating in supplemental interviews. JQUAD has made every effort to document all

comments as provided as matter of record. Therefore comments presented on the following pages have not been altered to reflect our analysis, investigation or substantiation of information obtained during these sessions. Focus Group comments and information obtained during interviews were later analyzed and to the extent substantiated or corroborated by the data and analysis, included in Section Six: Impediments and Remedial Actions. Comments from Focus Group participants are detailed in the section below.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

Social-economic issues were of major concern to participants in the focus group sessions as well as those persons participating in the supplemental interviews. Frequently mentioned in the focus group sessions and interviews were perceptions that lower income persons and seniors were particularly impacted as the supply of affordable housing in good condition becomes more limited and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed the number of persons lacking sufficient income for housing and housing related cost was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that insufficient income and cost burden is a major concern, especially elderly and lower income households. Limited incomes are also having an adverse impact on the condition and quality of single family owner occupied housing due to deferred maintenance and residents inability to afford maintenance and utility cost.

Participants also felt that increased housing counseling-both pre-purchase and post purchase support was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to

initiate a lease. Homebuyers will need assistance with providing greater down payments and equity investments when buying a home. Participants emphasized the need for increased funding for project based rental assistance and housing choice vouchers due to limitations in funding and long waiting list for the programs.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Regulatory concerns included the requirement for fire sprinkler systems in all multifamily developments regardless of size, and rental Certificate of Occupancy (CO) deemed by industry representatives as increasing cost of rental housing. Others were concerned with impact fees and minimum square foot requirements for development imposed by City development regulations and in rezoning case and the cost they add to the development of affordable housing. These costs are passed on to the consumer. Cost created by requirements for mandatory participation in home owner associations, and failure of home owner associations to maintain walls and other amenities with those funds are becoming barriers to affordable housing and contributing to neighborhood deterioration.

Participants recommended incorporating energy efficiency standards in construction of affordable housing; the need for senior housing and renovations and building standards that support seniors aging in place and to support new affordable housing development and funding for emergency repair and substantial renovation of owner occupied housing. Others cited the need to upgrade and replace aging infrastructure such as water, sewer, wastewater, streets, sidewalks, curbs and gutters in neighborhoods.

Decreased funding for entitlement funded programs and housing choice vouchers were also viewed as primary barriers to affordable housing. Access to affordable housing for seniors, including income qualified programs such as federal Section 202 and State Low Income Housing Tax Credit housing is limited in Mesquite.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite fair housing education, training and outreach programs funded by the City, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental housing and tenant's rights counseling and advocacy for renters. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system. There were concerns for homeless kids which school officials indicated is on the rise in Mesquite and Dallas County. There are limited programs that address their needs.

Access to Financial Institutions Products, and Basic Goods and Services

Predatory lending practices were identified as an issue. The perception was that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and are fast becoming lenders of choice in some low-income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment. Attendees and persons interviewed were concerned that a growing number of people have fallen prey to sub-prime loans because they have a poor credit rating or limited to no credit history.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a barrier that limits housing choice. Criminal background histories and immigration status are relatively new factors contributing to the inability to qualify for home purchases and rental housing leases. Credit issues appeared to be the major barrier, based on focus group participants' comments. Both a lack of qualified applicants and an adequate pool of applicants for mortgages, coupled with the inability of some housing units to qualify based on lending program guidelines were cited as barriers. Participants felt that greater emphasis should be placed on credit counseling and financial literacy being accessible to a broader population including youth and young adults age eighteen to thirty. Greater emphasis should be given to preventing damage to one's credit history and providing a solid foundation that could prevent future financial problems.

Mortgage company representatives also cited concerns that the underwriting criteria for County entitlement grant funded down payment and closing cost programs were more stringent than conventional and FHA financing. HUD guidelines require no more than a 44% debt to income ratio while some conventional and FHA programs require no more than a 50% debt to income ratio. Higher income borrowers no longer benefit from underwriting that once included no income verification or loans for borrowers with marginal credit provided they can contribute a 20 to 50 percent down payments. Credit and income ratios are now the major considerations in underwriting.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice and a major hurdle for low income persons. These limitations include a concern for seniors, disabled and severely mentally ill persons in need of affordable housing and public transportation in close proximity or convenient to affordable housing and special needs housing developments; and availability of

public transportation and limited public transportation routes provided for persons to travel back and forth to work, school, medical and social service facilities.

Special Needs Housing

Participants were concerned that greater funding needs to be provided for the elderly to age in place, and to provide housing for others in need of special needs housing. Participants cited statistics relative to the growth expected in the elderly population over the next decade which will elevate this problem. Without such funding elderly and disabled persons are sometimes placed in nursing homes prematurely, even though they could otherwise continue to live on their own with some limited assistance or ADA accessibility modifications where they currently reside. Participants were also concerned that limited options exist for persons in need of transitional housing whether they be recently paroled, victims of domestic violence, mentally ill, physically handicapped, and homeless or at risk of becoming homeless. Others cited a need for more permanent supportive housing.

3.2. Solutions

The JQUAD facilitator discussed some possible solutions for improving neighborhood conditions including community gardens, volunteer and self help initiatives, and collaborative planning by the city, school district, social service agencies, neighborhoods, businesses and industries to establish goals and build consensus for addressing the needs in Mesquite. Homeless and social service advocates supported increased emphases on centralized intake and case management, coordination of services, and homeless prevention. Participants also supported greater emphasis on financial literacy and housing consumer counseling.

Section 4: Home Mortgage Disclosure Act (HMDA) Data Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data provides a basis for analysis of mortgage lending activity by race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 2005 through 2013.

The data reported here are summarized by a variety of methods. Table 4.1 and Tables 4.2 provide information for Mesquite and Dallas County. Table 4.3 and charts present the data by census tract income groups for Dallas County. Table 4.4 provides aggregate information for Dallas County. The maps, provided at the end of this section, present data according to census tracts for Dallas County showing an overlay of the City boundary.

4.1. Analysis

Table 4.1 examines home loan activities in Mesquite and Dallas County. The data is presented by loan type, ethnicity, income, and loan purpose. In Dallas County, White applicants represented the largest number of loan applicants at 840,997. Origination rates, the percentage of applications that result in loans being made, for Whites were about 68 percent. Hispanics were the next largest applicant group with 120,197 applications submitted and an origination rate of about 39 percent. African-Americans submitted 95,861 applications and had an origination rate of about 35 percent. Asian origination rates were about 55 percent, but there were only 20,245 applications reported. High-income applicants showed both the highest number of applications at 618,022, and the highest origination rate, about 71 percent. Both the number of applications and

the origination rates drop significantly for all other income groups, with 181,411 applications from middle-income applicants and an origination rate of about 57 percent. Conventional loans account for the largest number of applications for loan type at 1,024,568, and an origination rate of over 54 percent. Home purchase loans show the highest number of applications for loan purpose, at 649,980, and the origination rate of about 50 percent. Home improvement loans had an origination rate of about 55 percent with 205,737 loan applications. Refinance loans had over 61 percent origination rate with 430,443 applications.

Isolating the census tracts within Mesquite, for Loan Type, "Conventional" shows the highest number of loan applications at 47,297, and an origination rate of over 51 percent. The origination rate for FHA loans was over 62 percent. An evaluation of loan purpose reveals that home purchase loan applications were at 29,088 with an origination rate of over 51 percent. Home Improvement loans had 9,724 applications with an origination rate of over 49 percent. For refinance loans, the origination rate was over 57 percent with 19,831 applications. In Mesquite, White applicants had the highest origination rate at 68 percent and the highest number of loan applications, about 38,578. Hispanics had 5,042 applications and an origination rate of over 46 percent. The origination rate for African-Americans was about 43 percent with 4,061 applications. The origination rate for Asians was over 69 percent with 1,000 applications. The origination rate for the very low-income group was 47 percent compared to over 69 percent among high-income applicants.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For example, the first percentage in the "% of Originations" column indicates that 79.2 percent of originations in Dallas County were for conventional loans compared to 54.2 percent origination rate from Table 4.1. For comparison, ethnic percentages were included under the "% Pop."

column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the “Loan Type” category, “Conventional” shows the highest percentage, over 79 percent of all originations in Dallas County. FHA loans, which are government insured and have more stringent lending criteria, were about 16 percent of all originations. Referring back to Table 4.1, the origination rates were about 53 percent for FHA versus approximately 54 percent for conventional.

For Ethnicity, “White” shows the highest percentage of origination at 82 percent of the total originations in Dallas County. The percentage of Whites in the population was 68 percent. Hispanic applicants represented about seven percent of originations with about 39 percent of the total population in the county. African-American applicants accounted for five percent of all originations, with over 23 percent of the total population in the county.

The highest income group (>120% median) displays the highest percentage of originations, at over 62 percent of all originations. In contrast, the very low-income group accounts for about three percent of all originations.

The loan purpose data for Dallas County shows that home purchase loans were the most frequent purpose at over 46 percent. Refinance loans accounted for about 38 percent of the originations. Home improvement loans accounted for about 16 percent of all originations.

In Mesquite, about 78 percent of all originations were from conventional loans. FHA loans were over 16 percent of all originations. In the city, Whites had the highest percentage of origination, over 84 percent of the total. The percentage of Whites in the population was about 66 percent. Hispanic applicants accounted for over seven percent of originations, while their presence in the population was 34 percent of all residents. African-American applicants accounted for about six percent of all originations, with over 23 percent of the total population. Asian applicants represented over two percent of originations with over three percent of

the total population. Native American applicants represented 0.5 percent of originations with 0.3 percent of the total population. The highest income group (>120% median) displays the highest percentage of originations, 64 percent of all originations in the city. In contrast, the very low-income group accounts for over three percent of all originations. The loan purpose data show that home purchase loans were the most frequent purpose, at 45 percent of all originations in the city. Refinance purchase loans accounted for over 34 percent of the originations. Home improvement loans accounted for over 14 percent of all originations in the city.

Table 4.3, examines the HMDA data more closely with respect to the possibility of redlining within Dallas and Tarrant County census tracts. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area.

Origination rates for Mesquite indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 47 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 48 times per 100 submissions, Moderate-Income (81-95% median income) and Middle-Income applicants (96-120% median income) had an origination success ratio of 63 percent, and High-Income applicants (>120% median income) had a 69 percent success ratio. When isolating the Very Low-Income census tracts, the origination rates are lower than the overall city origination rates. In Very Low-Income tracts, Very Low-Income applicants generated originations 15.3 percent of the time, 31.4 percentage point decrease from their overall success in the city. Similar differences in origination rates are noted in the other income groups. Moderate-Income applicants in low-income tracts had a 23.6 percent origination rate, 39.2 percentage points lower than in the city overall. High-Income applicants in low-income tracts had a 38.6 percent origination rate, 24.3 percentage points lower than in the city overall.

Comparing Very Low-Income tracts to High-Income tracts, moderate to high differences are noted between origination rates. Within High-Income tracts, Very Low-Income applicants generated a 37.7 percent origination rate, 22.4 percentage points higher than Very Low-Income applicants in the Very Low-Income tracts. High-Income applicants generated a 59.8 percent origination rate within High-Income tracts, 21.2 percentage points higher than in Very Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 15.2 percentage points higher than in the Very Low-Income tracts. While this analysis does not provide conclusive proof that redlining exists, it is reasonable to expect that higher-income applicants would have relatively equal origination rates across all census tracts. The relatively small number of applications in the lower income tracts, however, makes any conclusions about redlining impossible.

Table 4.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were 49 percent for Whites and about 34 percent for minorities, a difference of 15 percentage points. White applicants for home improvement loans are successful almost 27 percentage points more often than minorities. The rates for refinance loans show a 25 percentage point difference.

Looking at the income group comparison, minorities actually had relatively close origination rates to Whites in the two lowest income groups. With Moderate Income applicants (81-95% MFI), White origination rates start to show an advantage of 12 percentage points. In the High Income group (>120% MFI), White origination rates are almost 18 percentage points higher. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Chart 4.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. FHA loans have lower origination rates in all

income groups than conventional and VA loans were had the lowest origination rate in all income group of tracts. Conventional loans had higher origination rates in Low-Income tracts compared to other types of loans.

Chart 4.2 shows origination rates by ethnicity and income of the census tract. Whites show the highest origination rates of all races in all income groups of tracts. Hispanics had higher origination rates than African-Americans in all income groups of tracts.

Chart 4.3 looks at origination rates by the income of the applicant and the income of the census tract of the property for which the loan would be applied. Ideally, origination rates should be similar among same income groups regardless of the income for the census tract where the subject property is located. The origination rates of all the income groups increase as the tract income increases. This indicates that families with similar income are more likely to originate a loan for property in a higher income census tract. Therefore, some characteristics of redlining may be present in lower income tracts in the community. With relatively small number of applications in the lower income tracts, the data does not support any conclusive determination of redlining.

Chart 4.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, including refinance loans, peaking at 65 percent for the High-Income tracts. Home improvement loans have the lowest origination rates and refinance loans show the highest origination rates in all income tracts.

Map 4.1 and maps 4.3 through 4.7 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 75 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 50 and 75 applications are denied for every 100 applications originated. The mauve areas show 25 to

50 applications denied for every 100 applications originated. The pink areas show 0 to 25 applications denied for every 100 applications originated.

Map 4.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

An analysis of the reason for loan denials in the city showed that the majority related to the applicants' credit history or their debt-to-income ratio. Over 21,530 (61.2%) denials were related to the applicants' credit history in the nine years of the study. Nearly 10,640 (32.3%) denials were related to the applicants' debt-to-income ratio and over 6,246 (15.7%) denials were due to inadequate collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for downpayment and/or closing costs.

4.2. Conclusions

In Mesquite, the least success in lending was found in the home improvement loan sector and the highest success was found in refinance loan sector. Home purchase loans were the most frequent loan type in the city and the county.

Overall, the origination rates among Whites were higher than minorities in home purchase, home improvement, and refinance loans. Although Hispanics accounted for the second highest number of applications after Whites, the percentage of loan originations were significantly lower compared to their percentage in population in the city. The analysis reveals two issues, the lack of applications from minorities and the disproportionate loan denials rates between Whites and some minority populations. During the period between 2005 and

2013, the majority of loan denials for all applicants were related to the applicants' credit history.

While the analysis does not provide conclusive evidence of the existence of redlining's as fair housing impediments, the data reveals that the characteristics of redlining may be adversely impacting lending decisions in some of the very low-income census tracts in the city. The characteristic of redlining as revealed can be summarized as follows: while it is expected that very low-income applicants have lower success rates in their loan applications than higher income applicants, within very low-income census tracts even high-income applicants showed a poor success rate. It would appear that loan denial are largely due to the value of the collateral, neighborhood conditions, appraisal values, comparable, and collateral conditions adversely impacting the loan decision more than the credit worthiness of the borrower. In order to fully evaluate this issue, a more in depth analysis of loan application data will need to be performed and additional input received from the mortgage and appraisal industries. Mortgage industry representatives interviewed indicated that since the sub-prime mortgage crisis, underwriting and income verification requirements have tighten making it more difficult for higher income borrowers to qualify.

The higher denial rates for lower income groups, coupled with the possibility that characteristics of redlining may be adversely impacting originations in lower income concentrated census tracts, are indicative of impediments to fair housing. Overall, lending activity has decreased in the recent years due to economic slowdown and issues relative to the mortgage industry nationwide. However, the outlook for lending in this community remains positive since lower interest rates still exist for borrowers to buy housing or refinance existing higher interest loans.

Table 4.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
City of Mesquite and Dallas County
2005 - 2013**

	Mesquite		Dallas County	
	Number of App.s	Origin. Rate	Number of App.s	Origin. Rate
Loan Type:				
Conventional	47,297	51.1%	1,024,568	54.2%
FHA	8,232	62.3%	208,609	53.2%
VA & Other	2,727	68.2%	55,055	63.7%
Ethnicity:				
Native	292	56.6%	5,663	45.8%
Asian	1,000	69.7%	20,245	55.3%
African American	4,061	42.8%	95,861	34.9%
Hispanic	5,042	46.1%	120,197	38.9%
White	38,578	68.1%	840,997	68.3%
Other	1,402	31.4%	36,499	17.9%
Not Provided	4,816	25.3%	94,854	23.0%
Unknown	3,065	9.5%	73,917	5.8%
Income:				
<51% median (very low)	2,278	46.7%	50,340	36.3%
51-80% median (low)	6,504	47.8%	146,780	39.9%
81-95% median (moderate)	5,454	62.8%	123,609	53.2%
96-120% median (middle)	8,083	62.9%	181,411	56.9%
>120% median (high)	28,868	69.1%	618,022	70.8%
Unknown	7,070	7.5%	168,071	10.4%
Loan Purpose:				
Home Purchase	29,088	51.3%	649,980	49.7%
Home Improvement	9,724	49.4%	205,737	54.7%
Refinance	19,831	57.4%	430,443	61.4%
Multifamily Dwelling	112	46.4%	2,072	56.5%
Totals	58,255	56.9%	1,288,232	54.4%

Table 4.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
City of Mesquite and Dallas County
2005- 2013**

	# of Originations	Mesquite % of Originations	%Pop.	# of Originations	Dallas County % of Originations	%Pop.
Loan Type:						
Conventional	24,170	77.6%		555,066	79.2%	
FHA	5,128	16.5%		110,867	15.8%	
VA & Other	1,860	6.0%		35,094	5.0%	
Ethnicity:						
Native	165	0.5%	0.3%	2,591	0.4%	1.1%
Asian	698	2.2%	3.3%	11,190	1.6%	5.6%
African American	1,737	5.6%	23.1%	33,450	4.8%	23.1%
Hispanic	2,327	7.5%	33.7%	46,719	6.7%	39.0%
White	26,282	84.4%	65.8%	574,461	82.0%	68.3%
Other	440	1.4%	7.5%	6,529	0.9%	1.7%
Not Provided	1,220	3.9%		21,809	3.1%	
Unknown	290	0.9%		4,284	0.6%	
Income:						
<51% median	1,063	3.4%		18,293	2.6%	
51-80% median	3,106	10.0%		58,630	8.4%	
81-95% median	3,423	11.0%		65,766	9.4%	
96-120% median	5,084	16.3%		103,143	14.7%	
>120% median	19,953	64.0%		437,691	62.4%	
Unknown	528	1.7%		17,504	2.5%	
Loan Purpose:						
Home Purchase	14,916	45.0%		323,228	46.1%	
Home Improvement	4,800	14.5%		112,490	16.1%	
Refinance	11,390	34.4%		264,138	37.7%	
Multifamily	52	0.2%		1,171	0.2%	
Totals	33,157	100.0%		701,027	100.0%	

Table 4.3

Analysis of Home Mortgage Disclosure Act Data, 2005-2009*
 Analysis of Redlining in Low-Income Census Tracts

	Dallas County Number of Applications	Origination Rate
Very Low-Income Tracts		
<51% median	4,889	15.3%
51-80% median	5,529	20.2%
81-95% median	2,521	23.6%
96-120% median	2,895	34.1%
>120% median	10,804	38.6%
Unknown	1,705	25.6%
High-Income Tracts		
<51% median	12,618	37.7%
51-80% median	26,053	39.5%
81-95% median	44,325	42.3%
96-120% median	40,161	53.4%
>120% median	187,175	59.8%
Unknown	37,823	35.2%
Difference Between High and Low Tracts (percentage point difference)		
<51% median		22.4%
51-80% median		19.3%
81-95% median		18.7%
96-120% median		19.3%
>120% median		15.2%
Unknown		21.2%
		22.4%
Origination Rates for Mesquite		
<51% median		46.7%
51-80% median		47.8%
81-95% median		62.8%
96-120% median		62.9%
>120% median		69.1%
Unknown		7.5%

*Data not available beyond 2009.

Table 4.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for Dallas County, 2005 - 2013

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	154,149	23.7%	41.1%	34.1%
White	436,362	67.1%	31.9%	48.8%
Not Provided	59,470	9.1%	18.7%	14.1%
Home Improvement Loans				
Minorities	53,183	25.8%	38.6%	36.5%
White	108,928	52.9%	27.4%	63.7%
Not Provided	43,627	21.2%	45.5%	18.6%
Refinance Loans				
Minorities	87,150	20.2%	24.3%	40.3%
White	238,892	55.5%	21.5%	65.9%
Not Provided	104,401	24.3%	30.8%	8.2%
Income Groups				
<51% MFI				
Minorities	28,431	33.7%	48.1%	31.5%
White	48,452	57.4%	44.7%	38.0%
Not Provided	7,571	9.0%	55.5%	7.9%
51 to 80% MFI				
Minorities	48,573	31.9%	39.0%	38.8%
White	95,094	62.4%	35.5%	44.4%
Not Provided	8,700	5.7%	54.5%	12.5%
81 to 95% MFI				
Minorities	37,428	29.7%	34.3%	39.5%
White	77,715	61.7%	29.8%	51.8%
Not Provided	10,810	8.6%	36.5%	15.4%
96 to 120% MFI				
Minorities	179,103	38.4%	42.7%	44.0%
White	264,734	56.7%	29.2%	55.8%
Not Provided	23,019	4.9%	45.6%	18.2%
>120% MFI				
Minorities	32,428	12.1%	24.8%	49.9%
White	204,103	76.4%	16.9%	68.0%
Not Provided	30,741	11.5%	38.4%	26.2%

Chart 4.1: Origination Rates by Loan Types by Income of Census Tracts

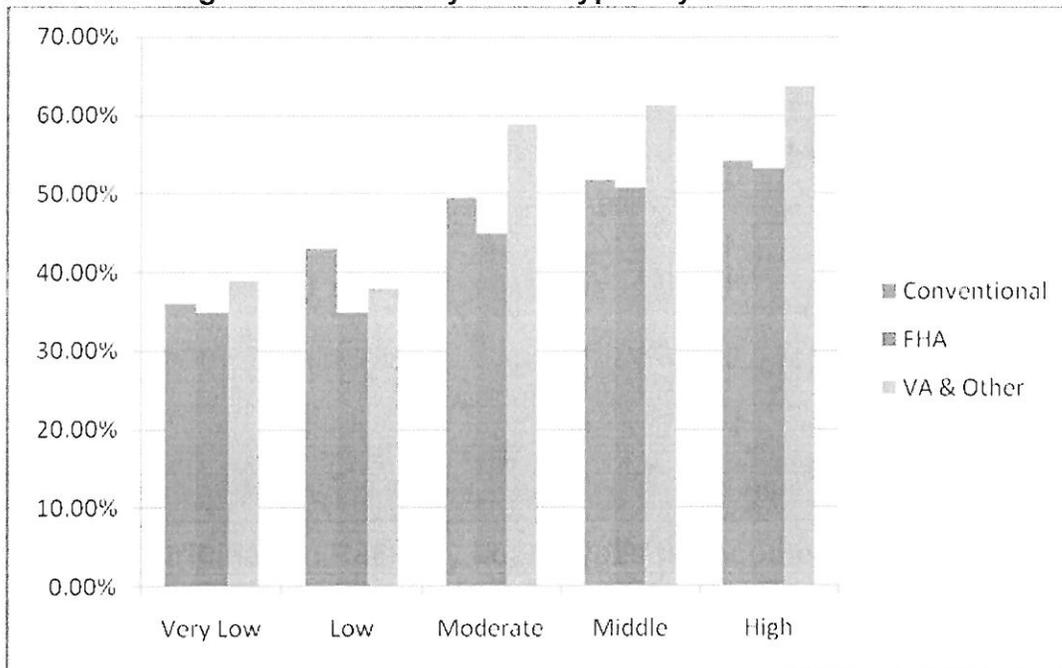


Chart 4.2: Origination Rates by Ethnicity by Income of Census Tracts

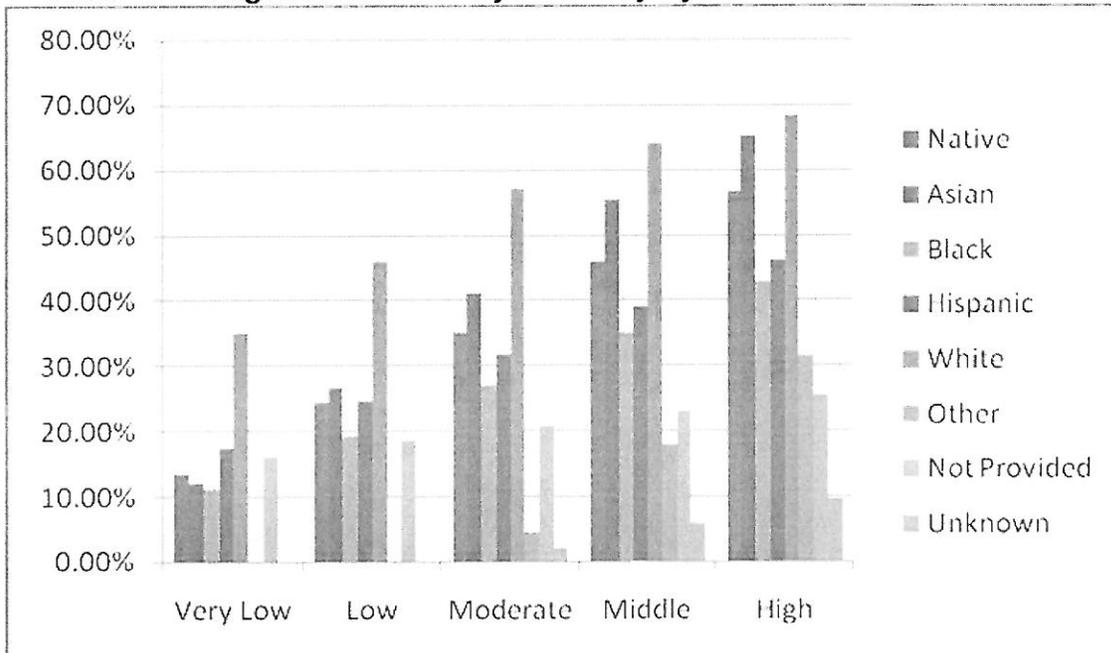


Chart 4.3: Origination Rates by Applicant Income by Income of Census Tracts

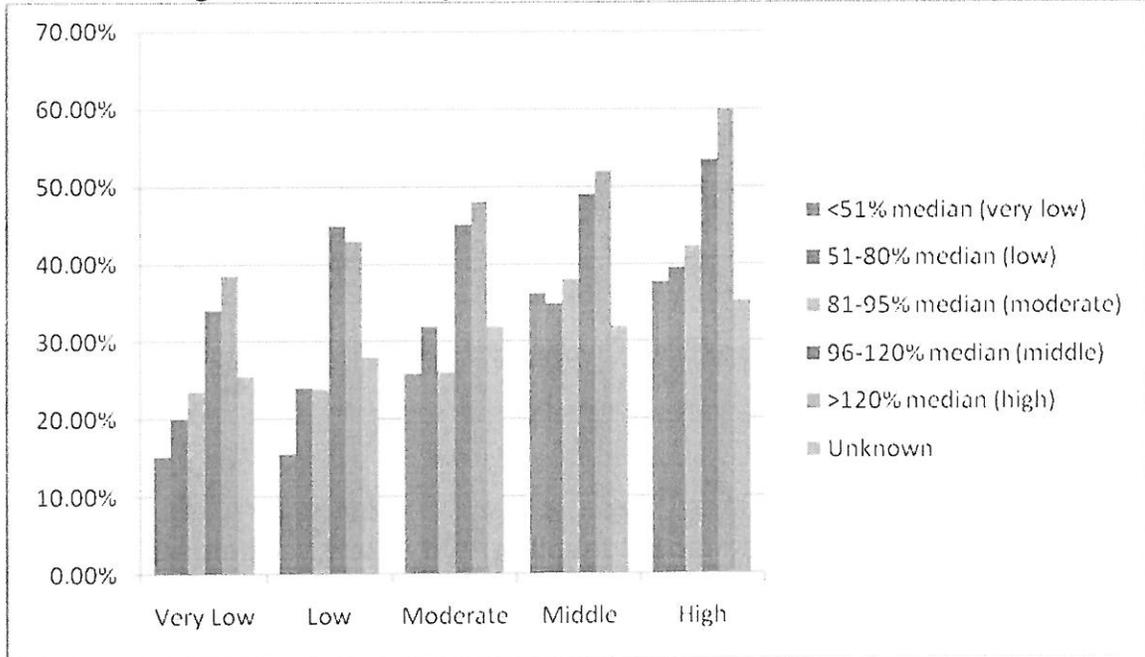
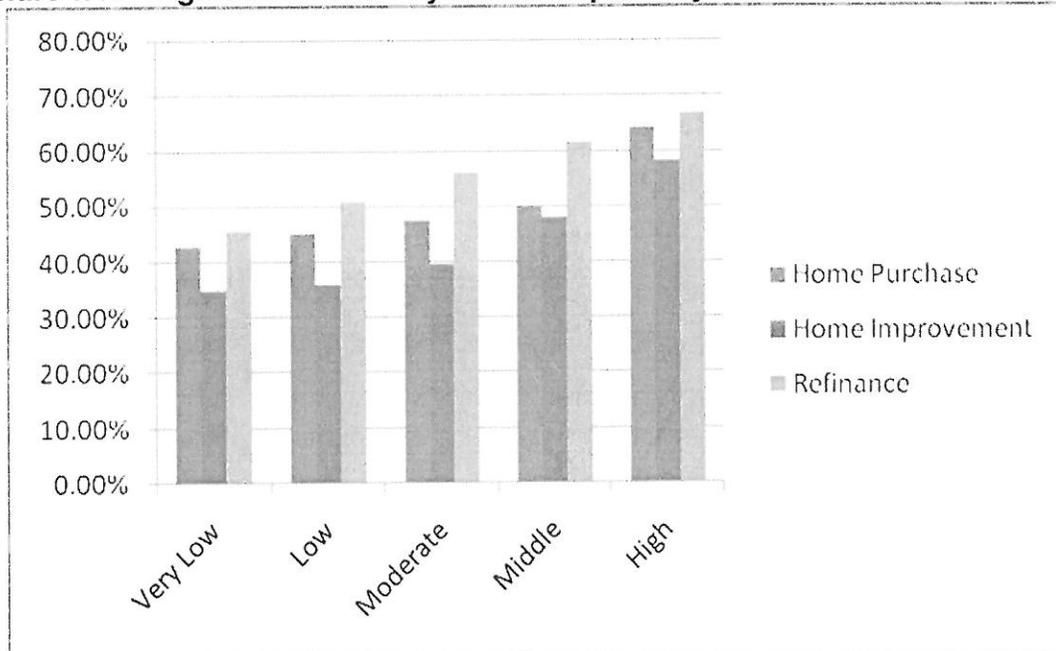


Chart 4.4: Origination Rates by Loan Purpose by Income of Census Tracts



Map 4.1: Ratio of All Loan Denials to Originations, 2005-2013



Map 4.2: Total Number of Loan Applications, 2005-2013



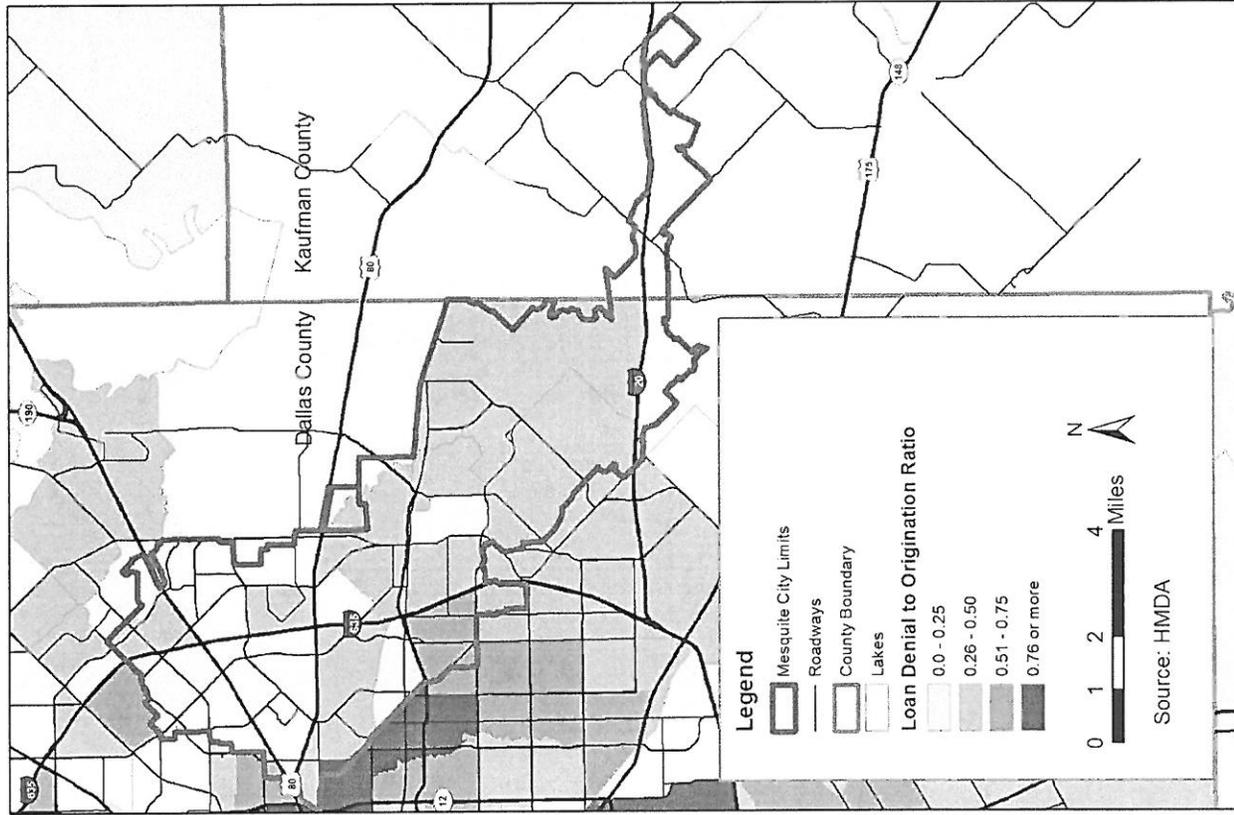
Map 4.3: Ratio of Conventional Loan Denials to Originations, 2005-2013



Map 4.4: Ratio of Government Backed Loan Denials to Originations, 2005-2013



Map 4.5: Ratio of Home Purchase Loan Denials to Originations, 2005-2013



Map 4.6: Ratio of Home Improvement Loan Denials to Originations, 2005-2013



Section 5: Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of select demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table are standardized and added to classify the conditions in various census tracts into degree of problems that may cause or contribute to the existence of impediments to fair housing choice. The map provides a general indication of geographic regions within Mesquite where residents are more likely to experience some level of housing discrimination, impediments to fair housing choice or have problems finding affordable, appropriate housing based on a correlation analysis of the demographic characteristics expected to impact the aforementioned experiences relative to housing. The analysis is highly technical and utilizes advance statistical research. Therefore, in addition to the methodology in Section 5.1 below that describes the statistical techniques, Section 5.2 presents the key findings in less technical terms.

5.1. Methodology

Data for eleven variables were gathered, by census tract, for analysis. These eleven variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, percent of persons over age 65, and the ratio of loan denials to loan originations for 2005 through 2013 from the Home Mortgage Disclosure Act (HMDA) data published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data comes from the 2009 - 2013 American Community Survey

(5-year estimates) of Population and Housing. Each variable contained data for every census tract in the county as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. Variables that displayed moderate to high degrees of correlation with other variables in the model, moderate correlations having a value of $.5000$ to $.6999$ and high correlations a value of $.7000$ to 1.000 , were considered strong indicator of fair housing risk.

Once the relationship of the variables was established, each variable was standardized. This involved calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean); thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract was summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations increased the likelihood that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the current residents are less likely to experience impediments to fair housing choice. In this instance, high housing value would

be assigned a positive value. Each variable was analyzed and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized for the original eleven variables above. The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination and impediments to fair housing choice. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. Map 5.1 show the results of the analysis delineating High Risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk.

It should be emphasized that the data used to perform this analysis do not directly report and/or substantiate fair housing violations or impediments to fair housing choice. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having High Risk and Moderate Risk are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and most likely are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied. The results are summarized in the following section.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination and impediments to fair housing choice. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The

analysis shows High Risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report / substantiate fair housing violations or impediments to fair housing choice. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied. Details of the analysis are provided in the correlation table (Table 5.1).

MedValue is the median home value according to the 2009-2013 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2005 to 2013.

5.2. Summary

The Fair Housing Index is an analytical technique used to identify census tracts where the sum impact of certain demographic variables and their disparate impacts on protected class members and persons based on their race or ethnicity is adversely affecting a residents' fair housing choices and likely contributing to problems of housing discrimination, fair housing impediments, and issues relative to housing quality and affordability.

Looking first at the correlation table (Table 5.1), Moderate correlations have a value of .5000 to .6999 and High Correlations a value of .7000 to 1.000. The results indicate that the correlation between percentage minority and percentage female-headed households with children is high and positive (0.7004), meaning that the minority community has a higher rate of female-headed households with children than the non-minority community. The percentage of minority has a moderate positive correlation with unemployment rate (0.6611), which indicates that minorities have higher unemployment rates than non-minorities. The median household income has high negative correlation with percent minority (-0.7376) and the percentage of female headed households with children (-0.7001). The median housing value has a moderate negative correlation with percent minority (-0.6892) and percent female headed households with children (-0.6574). This indicates that minorities and single mothers tend to earn lower incomes and live in lower valued housing.

The loan origination variable, the ratio of denials to originations for all loan types, has a moderate negative correlation to household income (-0.6537). This means that in areas with lower household incomes, the loan origination rate tends to be lower. High positive correlation is noted between the denials to origination ratio and the percentage of the pre-1960 housing stock (0.6032), which indicates that lower loan originations were found in the areas with older housing stock.

The percentage not graduating from high school has a moderately negative correlation to median household income (-0.6463). Non-high school graduates live in much lower value owner-occupied housing (-0.6227).

As indicated on Map 5.1, the census tracts designated as having moderate risk of fair housing related problems are concentrated in the central and northern census tracts of Mesquite. These areas of concern contain the moderately older housing stock, some in poor condition, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. There is also a higher than average unemployment rate and lower than average median income.

Included in this Summary is the Correlation Table of Index (Table 5.1) which follows the Fair Housing Index (Map 5.1)). The MedValue is the median home value according to the 2009 - 2013 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2005 to 2013. XOver65 is the percent of population with age of over 65. The comparative analysis of the demographic factors and any disparities for persons of a particular race, ethnicity, or members of the protected classes is also utilized in developing the Community Profile. A summary of the data used in the Fair Housing Index analysis can be found in the Community Profile and Home Mortgage Disclosure Act Analysis sections of this report.

Map 5.1: Fair Housing Index



Table 5.1

Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
AllRat	1.0000									
XPubTrans	0.0657	1.0000								
XLessHS	0.3355	0.3257	1.0000							
XUnemp	0.2354	0.0222	0.5365	1.0000						
MedHHI	-0.6537	-0.4367	-0.6463	-0.3765	1.0000					
XPre60	0.6032	0.2342	0.4534	0.2253	-0.4376	1.0000				
MedRent	-0.3425	-0.2647	-0.4365	-0.1645	0.3096	-0.2453	1.0000			
MedValue	-0.7626	-0.1536	-0.6227	-0.4463	0.8473	-0.3645	0.1607	1.0000		
XMinority	0.2244	0.1546	0.2645	0.6611	-0.7376	0.1102	-0.0868	-0.6892	1.0000	
XFemHH	0.5045	0.3524	0.3649	0.3334	-0.7001	0.0025	-0.1929	-0.6574	0.7004	1.0000

Variable

Definition

- XFemHH % Female-Headed Households, 2009-2013
- XMinority % Minority, 2009-2013
- MedValue Median Home Value, 2009-2013
- MedRent Median Contract Rent, 2009-2013
- XPre60 % of Housing Built Prior to 1960, 2009-2013
- MedHHI Median Household Income, 2009-2013
- XLessHS % Less than High School Degree, 2009-2013
- XUnemp % Unemployed, 2009-2013
- XPubTrans % Taking Public Transportation to Work, 2009-2013
- AllRat Ratio of Denials to Originations, All Loan Types, 2005-2013

Section 6: Impediments and Recommended Remedial Actions

Introduction

The Impediments and Remedial Actions are integral components and contribute to the critical underpinnings of City of Mesquite's certification of Affirmatively Furthering Fair Housing Choice. Through the planning process and analyses, City of Mesquite strives to create a more inclusive conversation on fair housing, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process or may have little knowledge of their rights and protections under the Federal and State Fair Housing Acts. The resulting plan should provide new insight into the disparate burdens and benefits experienced by the diverse populations across the city. Recommendations are intended to address these disparities.

The analysis of impediments is designed to identify and reduce fair housing impediments and disparate impacts on protected class member under the Federal Fair Housing Act by increasing the effectiveness of existing regulations, policies and programs. More comprehensively, it offers considerable value in assessing fair housing issues and identifying solutions that can help mitigate impediments to fair housing from a regional perspective, as many of the fair housing issues that are most intractable are not locally restricted and solutions are most certainly in need of a diverse group of regional participants in order to successfully resolve or lessen their impact.

This section includes an examination of best practice policies, ordinances, and regulations that affirmatively further fair housing to inform alternative approaches to addressing impediments and remedial actions. This includes compiling examples of community development strategies that reduces fair housing impediments by improving infrastructure, housing, and neighborhood amenities, while maintaining a mix of housing types, affordability, and access to quality goods and services. This section seeks to identify gaps between current conditions with recommended improvements such as housing subsidies, livable wages, job creation, education, job training, and infrastructure improvements needed to support new affordable housing, the renovation of existing affordable housing, as well as mobility and public transportation.

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act analyses of this report were analyzed to identify any census tracts that were Racial – Ethnic and Poverty Concentrated Areas (RCAP-ECAP) as defined by the U.S. Department of HUD. RCAP-ECAP areas are defined as meeting 3 criteria: census tracts having 40% or greater or 3 times the tract level of poverty of the MSA; 50 percent or greater racial and ethnic concentrations; and areas impacted by historical concentrations of public and assisted housing. Map 1.16 in the Community Profile depicts the census tracts defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

The poverty rate in the Dallas-Fort Worth MSA is 14.7 percent. Three times the poverty is 44.0 percent, so 44.0 percent is the poverty threshold for the RCAP-ECAP criteria for the city. Census tracts within the southeast area of Mesquite had 50 percent or greater minority population. There were no census tracts in the city identified as having more than a 44.0 percent tract level poverty rate and populated with more than 50 percent minorities, therefore there were no RCAP or ECAP areas identified.

However, the analyses revealed disparate impacts on minority populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. Some area characteristics and physical conditions where minority populations and lower income persons are most likely to find housing affordable, are indicative of the ways in which the economy and housing and neighborhood conditions has suffered as a result of housing market distortions and disinvestment, and demonstrating that public policy and programmatic investments have only minimally improved the situation. This section recommends policies and strategies that the City, industry, and its sub-recipients collectively, should undertake to remove and or lessen the impediments to fair housing choice, and improve collaboration between government, the community, non-profit and private sectors.

Impediments to fair housing choice and remedial actions to remove or lessen their impacts are detailed in this section of the report. This section draws on the information

collected and analyzed in previous sections to provide a detailed analysis of impediments to fair housing choice. Five major categories of impediments were analyzed and identified: Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments. Remedial actions detailed in this report represent recommendations to the City by the consultant based on experience and best practices. Some of the remedial actions recommended are conceptual frameworks for addressing the impediments and will require further research, feasibility and cost analysis, and final program design by the City if they choose to implement them.

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Determinant: The inability to qualify for mortgage financing and a lack of affordability in rental housing are impeding housing choice in the City of Mesquite. In order to acquire housing, more households are “cost burdened”, paying more than 30% of income for housing or “severely cost burdened”, paying more than 50% of household income for housing by HUD standards. The cost of housing compared to the incomes of households reveals that incomes are not keeping pace with the market cost of housing. There is a lack of housing affordable to population groups making less than 60%, 50% and 30% of Area Median Income (AMI). Minimum wage is far below a 'living wage', and a person could be working full-time and still not earn enough money to afford rental housing or to purchase a home in the City.

Determinant: Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in the City. The analysis included the correlation between median home values and household income, and the

distribution of income across income classes for Whites, African-American, Asians and Hispanics. The median housing value in the city was \$110,600 and the median contract rent was \$772 between 2009 and 2013. The average income required to qualify for a mortgage based on the median home value of \$110,600 for the City is approximately \$35,000 to \$45,000 in household income and the average income to qualify for a contract rent of \$772 is \$30,000 to \$40,000. As a reference, \$30,000 per year is approximately \$14.42 per hour for a forty-hour workweek, 52 weeks a year for a single wage earner. According to the 2009 - 2013 ACS estimates (5-Year average), approximately 37.1 percent of African Americans, and 35.4 percent of Hispanics earn annual household incomes of less than \$35,000 compared to 29.7 percent of Whites. Approximately 22.9 percent of African Americans and 21.4 percent of Hispanics earn annual household incomes of less than \$25,000 compared to 18.4 percent of Whites, making housing affordability a concern for large segments of the City's population regardless of race and ethnicity.

Overall, the income distribution data show modal and median incomes above \$35,000 for all ethnic and racial groups but reveals some disparity in the income distribution among these populations in the City of Mesquite. According to the 2009-2013 American Community Survey (ACS) estimates (5-year average), the median household income was \$53,185 for White households, \$44,464 for Hispanic households, and \$44,219 for African-American households, compared to \$50,525 for the overall city.

Paying more than 30 percent on housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened". Citywide, for households earning between 31 percent and 50 percent (\$15,662 - \$25,262) of the median family income, 51.8 percent of renters and 45.8 percent of homeowners earning incomes in that range pay more than 30 percent (cost burdened) on housing expenses. Approximately 38.5 percent of renters and 49.1 percent of homeowners are paying between 30 and 50 percent (severely cost burdened) on housing expenses in the Mesquite.

Cost burden among homeowners is highest for the lowest income, persons earning less than 30 percent of median income (\$15,157) as would be expected. The income data also shows 57.1 percent homeowners and renters earning between 51% and 80% of median income (\$25,767 - \$40,420) are cost 30% burdened.

Impediment #1: Overall, the income data show a higher proportion of African-American, Hispanic and lower income households disparately impacted by the cost of housing. Minorities and lower income persons are disproportionately dependant on subsidized housing to meet their housing needs and more likely to have incomes that are insufficient to acquire housing that is affordable without being cost burdened.

Impediment #2: In areas where minorities and lower income households are most likely to find housing affordable, the demographic characteristics areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in Section 05 of the Fair Housing Index, the census tracts designated as having high to moderate risk of fair housing related problems are concentrated in the central and northwestern census tracts of Mesquite. These areas are shown in dark red and red on the map. Large portions of the census tracts categorized as very low risk are in southwest Mesquite.

Impediment #3: Household Incomes are not keeping pace with the market prices of housing and many households are “cost burdened” paying more than 30 percent and even “severely cost burdened” by HUD definition paying 50 percent or more of their household income for housing and housing related expenses.

Impediment #4: Additional funding is needed to provide subsidies that make homeownership attainable, maintenance of existing housing more affordable and to increase availability of rental subsidies for low-income and moderate-income persons, special needs populations such as seniors, victims of domestic violence, former convicted felons, and people with disabilities.

Recommended Remedial Actions:

Action #1: City of Mesquite will continue to support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits with the Entitlement Funds.

Action #2: City of Mesquite will continue to help facilitate access to below-market-rate priced units by using its' federal funds to leverage nonfederal entitlement funding such as state low income tax credit and federal home loan bank funding and private sector participation in financing affordable housing and for neighborhood reinvestment.

Action #3: City of Mesquite will continue to maintain a list of private partner lenders providing affordable housing financing and subsidies or offering buyers access to down payment, closing cost or favorable underwriting that supports buyers.

Action #4: City of Mesquite will continue to identify and support local developers seeking additional federal, state and private sources of funds for affordable housing as they become available.

Action #5: City of Mesquite will continue to encourage private sector support for affordable housing developed as a component of market rate and mixed use development.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: Public Awareness of Fair Housing and greater Outreach and Education are needed for the public, protected class members under the Fair Housing Act and industries such as landlords, finance, social service agencies and community organizations.

Determinant: City and State Fair Housing regulations were compared to the Federal Fair Housing Act and the analysis has determined that the City of

Mesquite has not enacted regulations that offer similar rights, remedies, and enforcement to the Federal Fair Housing Act. State of Texas Fair Housing regulations are construed as being substantially equivalent to the Federal Fair Housing Act. It is important to note that neither the State Act nor the Federal Act offer protections for persons based on “source of income for housing” or those receiving “public assistance”. Persons living in Mesquite and the Dallas Fort Worth region who are low-income, live on fixed incomes, have incomes sources limited to public assistance, or prior rental histories that included shelters and public and assisted housing, including housing choice vouchers, are not currently protected as class members under the State or Federal Fair Housing Acts.

Determinant: Continued emphasis on public awareness of fair housing is needed. General public education and awareness of fair housing issues need to be increased. Of particular concern is that tenants and homebuyers often do not completely understand their fair housing rights. To address this issue, the City should continue to provide fair housing education and outreach programs to both housing providers and the general public. In addition, fair housing outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements have proved effective in increasing awareness. Outreach to immigrant populations that have limited English proficiency and other protected classes should be targeted for such outreach. Landlords and other industry groups should also be targeted for education and outreach.

Impediment #5: Greater Public Awareness, outreach and education of Fair Housing is needed.

Impediment #6: Continued emphasis on fair housing enforcement, including training and testing is needed.

Impediment #7: Continued emphasis on targeted outreach and education to immigrant populations that have limited English proficiency, language speaking barriers, and to other protected classes with language barriers is needed.

Recommended Remedial Actions:

Action #6: City of Mesquite will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of fair housing ordinances. The City will target funding for fair housing education and outreach to the rapidly growing Hispanic and other immigrant and refugee populations as funding becomes available. The City will also continue supporting fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage.

Action #7: City of Mesquite will partner with local industry to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include providing joint fair housing training sessions, public outreach and education events, utilization of the City website and other media outlets to provide fair housing information, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations. The City will continue to provide outreach to non-English speaking people.

Action #8: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. City of Mesquite will encourage HUD to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, HUD will be asked to share its findings with the City that will offer outreach to landlords that showed differential treatment during the test.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Disparate Impacts of mortgage lending on minority populations and lower income areas; and the lingering impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Determinant: Overall, the number of applications and origination rates among Whites were higher than that of minorities in all loan types home purchase, home improvement and refinance loans. Hispanics and African-Americans accounted for lower percentage of loan applications and originations compared to their percentage in population in the City of Mesquite. Whites had the highest percentage of origination, over 84 percent of the total. The percentage of Whites in the population was about 66 percent. Hispanic applicants accounted for over seven percent of originations, while their presence in the population was 34 percent of all residents. African-American applicants accounted for about six percent of all originations, with over 23 percent of the total population.

Determinant: A lack of financial literacy and credit are limitations faced by many in acquiring housing of their choice. The analysis of HMDA data and the reported reasons for denial of loans showed that the majority related to the applicants' credit history or their debt-to-income ratio. Over 21,530 (61.2%) denials were related to the applicants' credit history in the nine years of the study. Nearly 10,640 (32.3%) denials were related to the applicants' debt-to-income ratio and over 6,246 (15.7%) denials were due to inadequate collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down payment and/or closing costs.

Determinant: The higher denial rates for minorities and lower income groups, coupled with lower origination among all income groups in lower income census

tracts is adversely impacting fair housing conditions. While the HMDA Analysis of this report does not provide conclusive evidence of the existence of redlining's as fair housing impediments, the data reveals that the characteristics of redlining may be adversely impacting lending decisions in some of the very low-income census tracts in the city. The characteristic of redlining as revealed can be summarized as follows: while it is expected that very low-income applicants have lower success rates in their loan applications than higher income applicants, within very low-income census tracts even high-income applicants showed a poor success rate. It would appear that loan denial are largely due to the value of the collateral, neighborhood conditions, appraisal values, comparable, and collateral conditions adversely impacting the loan decision more than the credit worthiness of the borrower. In order to fully evaluate this issue, a more in depth analysis of loan application data will need to be performed and additional input received from the mortgage and appraisal industries. Mortgage industry representatives interviewed indicated that since the sub-prime mortgage crisis, underwriting and income verification requirements have tighten making it more difficult for higher income borrowers to qualify.

Impediments #8: Minority and lower income persons are disparately impacted by higher loan denial percentages and lower number of applications submitted to lenders. Loan origination rates in lower income census tracts are lower among all income groups in lower income census tracts compare to that of Whites and when comparing minority percentage of persons in the population to their percentage of loan approvals and originations.

Recommended Remedial Actions:

Action #9: City of Mesquite will continue to apply for competitive and non-Entitlement State and Federal funding and assistance from nonprofit intermediaries for financial literacy education programs. Financial literacy should be emphasized as a means of preventing poor credit and understanding the importance of good credit.

Action #10: City of Mesquite will encourage bank and traditional lenders to offer products addressing the needs of households with poor and marginal credit negatively impacting their ability to qualify for mortgages. These products can assist persons negatively impacted by their current utilizing predatory lenders. This may require traditional lenders and banks to establish “fresh start programs” for those with poor credit and previous non-compliant bank account practices.

Action #11: City of Mesquite will help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encouraged to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in lower income areas and continue supporting infill housing development. The City does not have regulatory authority to address this concern. Therefore, this recommendation is based on best practices approaches and will require the City to work with the financial and appraisal industry to help address this issue.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations, minorities and low income.

Determinant: The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act (HMDA) Analyses all revealed disparate impacts on minority populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. In areas where minorities and lower income households are most likely to find housing affordable, the demographic characteristics areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in Section 05 of the Fair Housing Index, the census tracts designated as having high to moderate risk of fair housing

related problems are concentrated in the central and northwestern census tracts of Mesquite.

Determinant: Elderly Persons and Households. Seniors are living longer; lifestyles are changing and desire for a range of housing alternatives increasing. Issues such as aging in place, smaller units with lower maintenance cost, and rental accommodations that cater to those with live-in care givers are of major concern. For other seniors, the need is accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the senior ineligible for the affordable unit.

Determinant: Persons with Disabilities. Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Determinant: Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security

Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

Determinant: Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many Spanish-speaking households, refugee populations and other LEP populations rely on a cash economy, and lack the record keeping and financial legitimacy that lenders require. National origin is emerging as a one of the more common bases for fair housing complaints filed with fair housing enforcement agencies.

Impediment #9: Expansion of the supply and increased affordability of housing for senior, special needs housing and housing for disabled persons is needed.

Impediment #10: Removal of barriers for persons with limited English proficiency enabling them to better access the housing market is needed.

Recommended Remedial Actions:

Action #12: City of Mesquite will continue to provide language assistance to persons with limited English proficiency.

Action #13: City of Mesquite will continue to encourage recruitment of industry and job creation that provide “living wages”, incomes to pay for basic necessities of food, shelter, transportation, to persons currently unable to afford market rate housing.

Action #14: City of Mesquite will support developments requesting State assistance that provides alternative housing product choices for seniors such as Low Income Housing Tax Credits and Senior Housing Tax Credits.

6.5 Neighborhood Conditions Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Determinant: The potential for neighborhood decline and increasing instability in City of Mesquite's older neighborhoods is a growing concern. Neighborhoods relatively stable today will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic maintenance and renovations. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The City must increase activities and programs that provide support for residents and landlords unable to keep pace with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood "Image and Identity" and help attract new residents and retain existing residents and businesses.

Existing regulatory efforts need to be expanded and additional resources allocated to support enhanced code enforcement throughout the City. Neighborhood assets must be protected and improved. Structures should be strategically removed through demolition and code enforcement if found to be in violation of building codes or obsolete and no longer contributing to the well-being of the community. This includes code enforcements' focus on maintaining vacant lots, clearing weed, litter, and junk. Most of all, there is a need to

encourage participation and cooperation from residents to maintain their homes, and to actively participate in community empowerment activities and self-help initiatives in older neighborhoods.

Impediment# 11: Expanded resources are needed to assist lower income persons, seniors and other special needs groups with maintaining homes and improving neighborhood stability.

Recommended Remedial Action:

Action #15: City of Mesquite currently supports programs that provide assistance to income qualified low and moderate income households utilizing its' Entitlement Grants Programs and support self help initiatives utilizing nonprofit and private sector resources. The City will continue its support and implementation of these programs of self-help and community and housing improvement initiatives. Other activities that will be considered as self-help initiative programs include:

- **Increase self-help "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners.
- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.

- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Creation of Community Gardens as interim uses on select vacant lots** providing an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood.

Section 7: Oversight, Monitoring and Maintenance of Records

Introduction

This section summarizes the ongoing responsibilities of the City of Mesquite relative to oversight of efforts to implement the remedial actions recommend in Section Six of this report. It also sets forth the monitoring and maintenance of records procedures that will be implemented by the jurisdictions to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

Oversight and Monitoring

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Mesquite Housing and Community Services Department (HCS) with the support of an independent consultant.

The HCS Department will be designated as the lead agency for the City of Mesquite with responsibility for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the City's progress in implementing the applicable remedial actions and other efforts to further fair housing choice identified in this report. The HCS Department, as the designated lead agency, will therefore provide oversight, as applicable, of the following activities.

■The HCS Department will evaluate each of the recommendations and remedial actions presented in this report, and ensure consultation with appropriate City departments and outside agencies to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on city policies, fiscal impacts, anticipated impact on or remedy to the impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. The HCS Department will provide recommendations for implementation to the City Manager, Mayor and City Council based on this evaluation.

■The HCS Department will continue to ensure that all sub-grantees receiving CDBG, and other grant funds have an up-to-date Affirmative Fair Housing Marketing Plan; display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate; and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

■The HCS Department will ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.

■The HCS Department will continue to support Fair Housing outreach and education activities through its programming for sub-recipients and its participation in community fairs and workshops; providing fair housing information to the public; and sponsoring public service announcements with media organizations that provide such a service to local government.

■The HCS Department will incorporate fair housing requirements in its grant program planning, outreach and training sessions.

■The HCS Department will continue to refer fair housing complaints and direct persons desiring information or filing complaints to the HUD FHEO Division in the Fort Worth Texas Regional Office.

Maintenance of Records

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the HCS Department will maintain the following data and information as documentation of the City's certification that its efforts are affirmatively further fair housing choice.

■A copy of the 2015 Analysis of Impediments to Fair Housing Choice and any updates will be maintained and made available upon request.

■A list of actions taken as part of the implementation of this report and the City's Fair Housing Programs will be maintained and made available upon request.

■An update of the City's progress in implementing the FY 2015 AI will be submitted to HUD at the end of each program year, as part of City of Mesquite's Consolidated Annual Performance and Evaluation Report (CAPERS).