
*City of Tucson – Pima County
Consortium*

Analysis of Impediments to Fair Housing Choice



2020



**CITY OF TUCSON-PIMA COUNTY CONSORTIUM
2020 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

Table of Contents

Introduction and Executive Summary	1
Pima County/City of Tucson Fair Housing Goals.....	2
Methodology.....	2
2020 Impediments to Fair Housing Choice.....	3
Fair Housing Legal Status.....	4
History of Fair Housing Legislation	4
Fair Housing Improvement Act of 2018.....	4
Fair Housing Legislation and Policies	4
Arizona Fair Housing Law	4
Tucson Fair Housing Law and Enforcement.....	5
Pima County Fair Housing Law and Enforcement	5
Lesbian, Gay, Bisexual, Transgender, Questioning (LGBTQ) Protection.....	5
Reconsideration of HUD’s Implementation of the Fair Housing Act’s Disparate Impact Standard ...	6
Criminal Background Screening	7
Accessible Housing Regulations.....	8
Socio-economic Profile	9
Geography.....	9
Colonias.....	10
Population.....	10
Age of the Population	11
Racial and Ethnic Composition - 2017	12
Refugees.....	13
Persons with Disabilities	13
Poverty and Disability	14
Areas of Disability Poverty Concentration Pima County and The City of Tucson.....	15
Educational Attainment	16
Educational Attainment and Median Earnings.....	16
Access to High-Quality K-12 Education.....	17

Household Characteristics 18

 Household and Family Size 19

Income and Employment..... 19

 Median Household Income..... 19

 Median Household Income 2017..... 19

 Median Household Income by Race and Ethnicity 20

Low-and-Moderate Income Households 20

Poverty 21

 Concentrated Poverty..... 21

 Poverty and Race/Ethnicity..... 22

 Poverty and Family Type..... 22

 Areas of Poverty Concentration Pima County and The City of Tucson 23

Employment..... 24

 Employment by Industry..... 24

 Race, Ethnicity and Occupation 25

 Median Income by Occupation..... 25

Housing Profile 26

 Tenure 26

 Tenure and Household Income..... 27

 Tenure and Race / Ethnicity..... 27

Housing Variety..... 28

 Tenure by Housing Type 28

Housing Quality..... 29

 Year Built..... 29

 Tenure by Year Built..... 29

Housing Affordability 30

 Owner-occupied Housing Value 30

 Rents 31

 Housing Cost Burden..... 32

Owner Cost Burden.....	32
Renter Cost Burden.....	32
Mobility.....	33
Mobility by Race and Ethnicity 2017	33
Transportation and Housing Affordability	33
University of Arizona Student Population Influence on Rental Demand	34
Estimated University of Arizona Student Demand for Rental Housing Units (Fall 2018).....	34
Geographic Concentrations	35
Areas of Minority Concentration	35
Minority Concentration Area Maps.....	36
Areas of Minority Concentration Pima County and The City of Tucson.....	37
Areas of Hispanic Concentration Pima County and The City of Tucson	38
Areas of Minority Poverty Concentration Pima County and The City of Tucson	39
Subsidized Rental Housing and Voucher Holder Concentrations.....	40
Dissimilarity Index.....	41
Pima County Dissimilarity Index Trend 1990-2017.....	41
Exposure Index.....	41
City of Tucson Exposure Index Trend 1980-2010	42
Changing Neighborhoods.....	43
Community and Stakeholder Engagement.....	44
Survey.....	44
Interviews.....	46
Focus Groups.....	47
Assessment of Current and Private Fair Housing Activities	49
HUD Enforcement Management System (HEMS) Data	49
Fair Housing Complaints Originating in Pima County from 01/01/15 to 04/15/19	49
Disposition of Fair Housing Complaints in Pima County from 01/01/15 to 04/15/19	50
Southwest Fair Housing Council Fair Housing Testing.....	51

SWFHC Fair Housing Testing Results January 1, 2016 – December 31, 2018	51
Southwest Fair Housing Council Inquiries	52
SWFHC Inquiries by Protected Class January 1, 2016 through December 31, 2018	52
Tucson Fair Housing Code Enforcement.....	52
Public Policies and Practices	55
Housing and Community Development Programs	57
Home Mortgage Disclosure Act Data	59
Loan Originations by Race and Ethnicity	59
High-cost Loan Originations by Race and Ethnicity	60
Loan Denials	62
Loan Originations, High-cost Loan Originations, and Loan Denials by Income	63
Loan Originations	63
Loan Originations, High-cost Loan Originations, and Loan Denials in Minority Poverty Concentration Census Tracts	64
High-volume Lender Loan Originations, High-cost Loan Originations, and Loan Denials	65
2015-2017 Pima County High Volume Lenders	65
High-volume Lender High-cost Loan Outliers	66
High-volume Lender Loan Denial Outliers	66
The Role of the Secondary Market	67
Indicators of Fair Housing Impediments.....	68
Socio-economic and Housing Market Indicators	68
Geographic Concentrations	71
Lending (Home Mortgage Disclosure Act) Analysis	72
Community Outreach.....	72
Fair Housing Complaints, Testing and Inquiries	73
Public Policies and Practices	74
2015 Fair Housing Action Plan Review	74
2015-2019 Activities to Address Fair Housing Impediments.....	75
Community Development Block Grant Funding	75

Actions to address Impediments identified in the 2015 Analysis of Impediments to Fair Housing Choice..... 75

 Continuous Fair Housing Activities 76

 Impediments that Have Been Overcome 77

 Impediments and Actions that will Carry Forward to the 2020 Plan of Action..... 77

2020 Impediments to Fair Housing Choice and Plan of Action..... 78

 Impediment # 1 - Housing Discrimination 79

 Impediment #2 - Community Education and Awareness 80

 Impediment #3. Geographic Concentrations 83

 Impediment #4 - Lending Discrimination. 86

 Impediment #5 - Disability Accessibility. 87

 Impediment #6 - Fair Housing Monitoring and Reporting. 88

 Impediment #7 –Enforcement of The City of Tucson Fair Housing Ordinance 89

Appendix 1 - Survey Questions..... 91

Appendix 2 – Interview Questions..... 97

Introduction and Executive Summary

The Analysis of Impediments to Fair Housing Choice (AI) is part of the City of Tucson's and Pima County's requirement to Affirmatively further Fair Housing (AFH) and receive Community Development Block Grant (CDBG) funding from the US Department of Housing and Urban Development (HUD). The AI is completed every five years in coordination with the Consolidated Planning process.

The results of the AI are used to develop a Fair Housing Action Plan with measurable actions to overcome the effects of any identified impediments. The City and County must then implement the action plan and maintain records of the actions they have taken.

The City of Tucson and Pima County worked collaboratively to complete this AI as a regional effort through a contract with Kuehl Enterprises LLC working in cooperation with the Southwest Fair Housing Council. This AI:

1. Analyzes the current state of fair housing;
2. Identifies both new and ongoing impediments to fair housing;
3. Evaluates the efficacy of the 2014 Fair Housing Action Plan; and
4. Develops a new Action Plan to address the identified impediments.

In July 2015, HUD published an Assessment of Fair Housing (AFH) regulation with the intent to better equip local governments with the data and tools to help them meet their obligation to affirmatively further fair housing in their use of HUD funds. In May 2018, HUD suspended the requirement to complete an AFH pending review of the tools. As a result of the AFH suspension, this AI follows HUD's Fair Housing Planning Guidance. Should HUD lift the suspension on the AFH tool, future assessments will follow the new guidelines.

What are Impediments to Fair Housing Choice?

Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restricts housing choices or the availability of housing choice.

Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

Pima County/City of Tucson Fair Housing Goals

The City of Tucson and Pima County (Consortium) goals in developing this AI and implementing its Action Plan include to:

- Eliminate all forms of illegal housing discrimination in Pima County.
- Actively promote fair housing choice for all persons in Pima County.
- Provide opportunities in all areas of Pima County for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin.
- Actively promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities in Pima County.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act in all areas of Pima County.
- Maintain a firm and continued commitment to the analysis, planning, and implementation necessary to achieve fair housing goals.
- Educate the public on fair housing issues.
- Guarantee oversight by the City of Tucson Mayor and Council and the Pima County Board of Supervisors to ensure an ongoing fair housing program.
- Create a comprehensive Analysis of Impediments to Fair Housing Choice (AI) document, and devise a carefully structured plan for addressing impediments that is firmly grounded in the AI's conclusions.
- Take effective actions based on a realistic assessment of available resources.
- Identify and track measurable results in meeting local fair housing goals.
- Increase cooperation between public and private agencies in promoting public awareness of fair housing issues.
- Effectively enforce fair housing laws.
- Increase community awareness and promote equal housing opportunity and fair housing choices in the community.

Methodology

The City of Tucson - Pima County Consortium contracted with Kuehl Enterprises LLC to develop this AI. The methodology used to complete the AI included focus groups, a public and stakeholder survey, interviews, and the collection and analysis of data and information from numerous sources including the US Census, the Consumer Financial Protection Bureau and other public and private agencies including the Southwest Fair Housing Council, the City of Tucson, and Pima County.

2020 Impediments to Fair Housing Choice

The 2020 Analysis of Impediments to Fair Housing Choice identified seven (7) impediments:

1. **Housing Discrimination.** A community survey, interviews with industry stakeholders, focus groups, and fair housing testing and complaint data indicate housing discrimination occurs. Support and awareness will aide in identifying and addressing housing discrimination.
2. **Community Education and Awareness.** A community survey, interviews with industry stakeholders, focus groups, and fair housing testing and complaint data indicate there is a need for more outreach and education. Continued and expanded education efforts will increase understanding of fair housing and the likelihood of it being reported.
3. **Geographic Concentrations.** Concentrations of minority and poverty households persist. Socio-economic and housing market conditions impact minority and low-income population access to housing choice and opportunity. Program and project policies have the potential to expand housing choice and access to opportunity, and to alleviate segregated housing patterns.
4. **Lending Discrimination.** Minority loan applicants, and loan applicants in minority-concentration areas experience a disproportionately high rate of denial. Minority loan applicants and loan applicants in minority-concentration areas are also more likely to receive high-cost loans. Education targeted to minority and low-income borrowers, and loan applicants in minority- and low-income concentration areas will increase understanding of the credit market.
5. **Disability Accessibility.** The majority of fair housing complaints reported by Southwest Fair Housing Council and the United States Department of Housing and Urban Development were regarding disability; frequently related to reasonable accommodation. Increased support and awareness may identify and address housing discrimination, including that directed towards accessibility for persons with disabilities.
6. **Fair Housing Monitoring and Reporting.** Information that comprehensively describes City and County actions to address fair housing impediments is difficult to find. Public information about the nature of complaints and actions to address housing discrimination will support community education and further focus activities to affirmatively further fair housing.
7. **Enforcement of The City of Tucson Fair Housing Ordinance.** Testing revealed a cumbersome process and lack of knowledge of the ordinance, who to contact to file a complaint, and how to identify housing discrimination. Transparency and public information will increase awareness of the City's fair housing ordinance.



Fair Housing Legal Status

History of Fair Housing Legislation

The Fair Housing Act of 1968 made it illegal to discriminate in the area of housing because of a person's race, color, religion, or national origin. Gender was added as a protected class in 1974. In 1988, the Fair Housing Amendments Act (FHAA) added familial status and disability (referred to as "handicapped" in the FHAA), creating seven "protected classes" of individuals. The familial status provision protects households with children under 18 years of age. Disability covers physical and mental disabilities, individuals who are perceived as having a disability, persons with HIV/AIDS and persons recovering from substance abuse.

Fair Housing Improvement Act of 2018

Senators Orrin Hatch (R-UT) and Tim Kaine (D-VA) introduced the "Fair Housing Improvement Act of 2018" on November 13, 2018. The bill aims to protect low income families and Veterans from housing discrimination based on a person's source of income and Veteran status. Source of income protections would include Section 8 Housing Choice Vouchers and any form of Federal, State or local housing assistance provided to a family or to a housing owner on behalf of a family, including rental vouchers, rental assistance and rental subsidies from nongovernmental organizations. In addition, source of income would include Social Security benefits and Supplemental Security Income benefits, income received by court order such as spousal or child support, any payment from a trust, guardian or conservator and any other lawful source of income. The bill defines Veteran status to mean a member of uniformed services or a Veteran.

Fair Housing Legislation and Policies

Arizona Fair Housing Law

The Arizona Fair Housing Act of 1991 (ARS § 41.1491) provides the same substantive protections as the Federal Fair Housing Act; however, it provides different procedures for the administrative complaint filing process. The Arizona Fair Housing Act also amended the Arizona Landlord and Tenant Act to bring it into compliance with the State Fair Housing Statute.

Because the Arizona Fair Housing Act is essentially the same as the Federal Fair Housing Act, the State's law is federally designated as "substantially equivalent." As a result, under the Federal Fair Housing Assistance Program (FHAP), HUD contracts with the Arizona Attorney General's Civil Rights Division to investigate and rule on fair housing cases on its behalf. The vast majority of complainants in



Tucson and Pima County choose to file their complaints through HUD, the Arizona Attorney General's Office or the Southwest Fair Housing Council (SWFHC).

Tucson Fair Housing Law and Enforcement

The Tucson City Code has a fair housing ordinance that, in addition to the seven federally-protected classes, provides protections based on age, marital status, sexual orientation, gender identity, and ancestry. Fair housing complaints regarding protected classes not included in the Federal Fair Housing Act must be bona fide and must be filed directly with the City. Individuals cannot use private attorneys. A person found responsible for a first-time violation of the ordinance is fined a minimum of \$300, but not more than \$2,500; a fine of at least \$600 but not more than \$2,500 is assessed for a second violation; and a third violation receives a fine of at least \$900 and not more than \$2,500.

Pima County Fair Housing Law and Enforcement

Pima County does not have a fair housing ordinance and defers to the state fair housing statute. All allegations of illegal housing discrimination are referred to the SWFHC or the Attorney General's Office.

Lesbian, Gay, Bisexual, Transgender, Questioning (LGBTQ) Protection

On September 21, 2016, HUD published a final rule in the Federal Register entitled "Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs." Through this final rule, HUD ensures equal access to individuals in accordance with their gender identity in programs and shelters funded under the programs administered by HUD's Office of Community Planning and Development (CPD). This rule builds on HUD's February 2012 "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity" final rule, also known as the 2012 Equal Access Rule.

The 2012 Equal Access Rule aimed to ensure that HUD's housing programs would be open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status. The 2016 rule requires that housing eligibility be determined regardless of sexual orientation, gender identity or marital status; prohibits discrimination based on conformance with gender or sex stereotypes; grants equal access to programs and facilities consistent with gender identity and provides the individual's family equal access; prohibits asking for anatomical information or documents (such as ID), physical, or medical evidence of gender identity; and requires that non-discriminatory steps be taken when necessary and appropriate to address privacy concerns raised by individuals or other residents or occupants.



The 2016 rule also clarified HUD’s definitions of sexual orientation, gender identity and perceived gender identity:

1. Sexual orientation means one’s emotional or physical attraction to the same and/or opposite sex (e.g. homosexuality, heterosexuality, or bisexuality).
2. Gender identity means the gender with which a person identifies, regardless of the sex assigned to that person at birth and regardless of the person’s perceived gender identity.
3. Perceived gender identity means the gender with which a person is perceived to identify based on that person’s appearance, behavior, expression, other gender related characteristics, or sex assigned to the individual at birth or identified in documents.

On June 26, 2015 the US Supreme Court ruled that same-sex couples can marry nationwide, leading to increased housing transactions among same-sex couples and contributing to continuing legal actions to clarify the extent to which the Fair Housing Act offers protections based on gender identity and sexual orientation. Conflicting rulings in different federal circuits over the past several years may mean that the US Supreme Court will eventually decide whether the Fair Housing Act protects LGBTQ individuals from housing discrimination.

Reconsideration of HUD’s Implementation of the Fair Housing Act’s Disparate Impact Standard

The 2013 “Disparate Impact Rule” codified HUD’s interpretation that the Fair Housing Act creates liability for practices that have an unjustified discriminatory effect, even if those practices were not motivated by discriminatory intent, and established a burden-shifting framework for analyzing claims of disparate impact. Under the 2013 HUD Regulations, there is a three-part burden shifting framework. The complaining party must first demonstrate that the challenged practice caused or predictably will cause a discriminatory effect. The burden then shifts to the defending party to prove that the challenged practice is necessary to achieve one or more “substantial, legitimate, nondiscriminatory interests”. If the defending party satisfies this burden of proof, the burden then shifts back to the complaining party to prove that the “substantial, legitimate, nondiscriminatory interest” could be accomplished through a practice that has a less discriminatory effect.



A 2015 Supreme Court decision in the Texas Department of Housing and Community Affairs vs. Inclusive Communities Project, Inc. held that disparate impact claims are cognizable (could be judicially heard) under the Fair Housing Act and clarified the standards for and constitutional limitations of disparate impact claims. The Supreme Court affirmed disparate impact liability, and also imposed a significantly higher burden on the party making the claim, requiring that the claimant would need to “produce statistical evidence demonstrating a causal connection” between the policy and discriminatory effect.

A policy would cause disparate impact if it constituted an “artificial, arbitrary and unnecessary” barrier to fair housing.
US Supreme Court

On June 20, 2018 HUD published in the Federal Register (FR-6111-A-01) an advance notice of proposed rulemaking to invite public comment on possible amendments to HUD’s 2013 final rule implementing the Fair Housing Act’s disparate impact standard, as well as the 2016 supplement to HUD’s responses to certain insurance industry comments made during the rulemaking. HUD is reviewing the final rule and supplement to determine what changes, if any, are appropriate following the Supreme Court’s ruling. The review is also in response to a Department of Treasury October 2017 report recommending that HUD reconsider the disparate impact rule as it relates to the insurance industry.

Ultimately, the final Disparate Impact rule could impact the housing industry in numerous ways by clarifying policies related to the allocation of funds to housing projects, project decision making, mortgage lending, zoning and ordinance decisions, preferences for certain people in housing programs or projects, insurance, and criminal background screening.

Criminal Background Screening

Citing national statistics that racial and ethnic minorities face disproportionately high rates of arrest and incarceration, HUD clarified that it has grounds to investigate complaints based on criminal history policies. On April 4, 2016 The HUD Office of General Counsel issued guidance on the application of Fair Housing Act Standards to the use of criminal records by providers of housing and real estate-related transactions. This guidance reminded housing providers and others involved in real estate transactions that while having a criminal record is not a protected characteristic under the Fair Housing Act, criminal history-based restrictions on housing opportunities violate the Act if, without justification, their burden falls more often on persons of one race or national origin over another. Additionally, the guidance reminded the industry that intentional discrimination in violation of the Act occurs if a housing provider treats individuals with comparable criminal history differently because of their race, national origin or other protected characteristic.



Prior to the guidance issued by HUD's Office of General Counsel, HUD issued PIH Notice 2015-19 to Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions. This guidance clarified HUD's position on using arrest records in the admission and termination processes, HUD's position on "one-strike" policies, the due process rights of applicants and tenants, and provided examples of policies that would help to ensure that admissions and occupancy requirements comply with Civil Rights laws.

"Drug and crime free addenda have the intention of making people feel safe but they have these collateral consequences that push people out of housing."

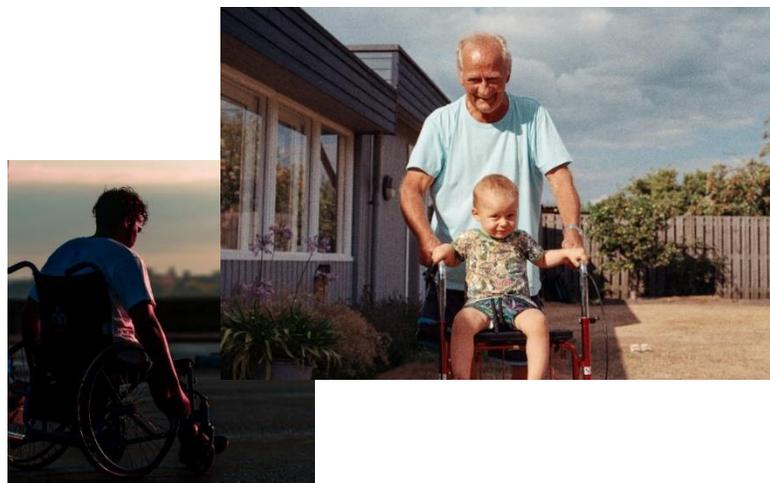
Interviewee

Accessible Housing Regulations

Incorporating accessibility features into new construction can help ensure that persons with disabilities who are unaware of the right to request a reasonable modification or accommodation still benefit from accessible design. Accessibility features can help prevent housing discrimination on the basis of disability, reduce fair housing complaints that commonly arise from requests for modifications as a reasonable accommodation for a disability, and can significantly reduce the cost of future retrofit.

Pima County has a progressive Inclusive Design Ordinance for new construction that provides a platform of minimum accessibility features in all new homes. The required features add no more than \$100 to the cost of a new home built in Pima County.

The City of Tucson has an Inclusive Home Design Ordinance that also governs the accessibility features of new construction. The ordinance requires accessible routes, entrances, and features for bathrooms and kitchens. Exemptions apply to requirements that would be difficult to achieve because of features specific to the site that would cost over \$200.



Socio-economic Profile

Local population and economic data can profoundly affect how important decisions are made. Demographic data provides communities with information they need to plan future investments and services, it helps determine who gets Federal aid, where assistance programs are targeted, and what businesses might move to a community.

Demographic information is drawn from the US Census Bureau 2017 5-year American Community Survey (ACS). The ACS is a survey conducted annually by the United States Census Bureau and is the most current and source of available data. Data is generally separated into City of Tucson and Pima County outside the City of Tucson. Data for Pima County outside the City of Tucson is derived by subtracting City of Tucson data from Pima County data. By separating data according to CDBG entitlement jurisdiction, similarities, consistencies and differences can be identified.

Income, wealth, education, employment, neighborhood conditions and social policies interact in complex ways to affect access to housing choice and opportunity.

Data alone cannot determine program or policy solutions, but it can inform the strategy to improve fair housing and access to opportunity.

Geography

Pima County, Arizona covers 9,189 square miles and is home to just over 1 million people. It is bordered by Santa Cruz, Cochise, Graham, Pinal, Maricopa, and Yuma Counties and shares a roughly 370-mile border with the state of Sonora, Mexico. Nearly 85% of the land in Pima County is federal, state, or Native American owned. The San Xavier, Pasqua Yaqui, and Tohono O’odham Indian reservations make up 42.1% of land in the County. The City of Tucson was incorporated in 1877 and encompassed two square miles; it has since grown to over 225 square miles and is the center of a metropolitan area that spans over 400 square miles.

Pima County was part of Mexico until the United States acquired it through the Gadsden Purchase in 1854. Many Hispanic residents of Pima County trace their roots back several generations and sometimes as far back as when Mexico was still part of the Spanish Empire. While Mexican history and culture is a strong influence and source of pride for many Pima County residents, it is also a source of resentment, bias and often explosive political debate. Illegal immigration, drugs and crime are all valid major concerns that contribute to and reinforce the less rational racial and ethnic generalizations and stereotypes that contribute to illegal housing discrimination.



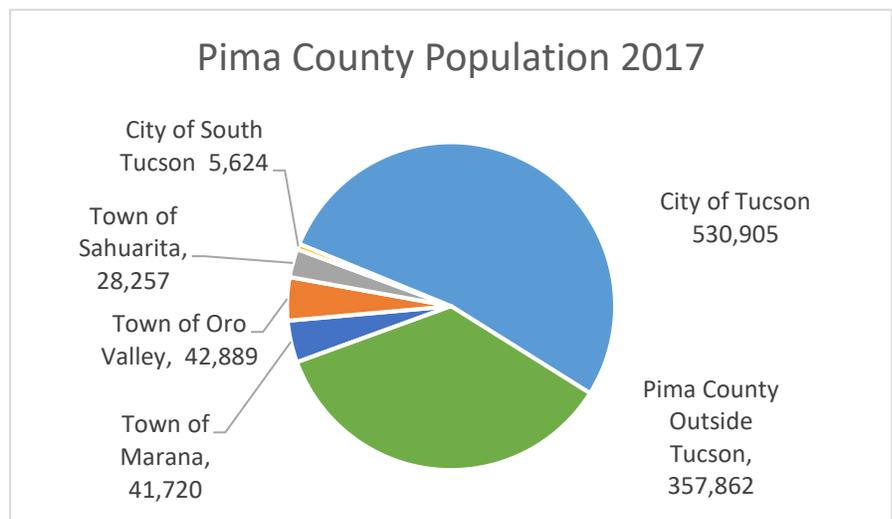
Colonias

Colonias are defined by HUD and the US Department of Agriculture (USDA) Rural Development as rural communities located within 150 miles of the U.S./Mexico border that lack sewer, water or decent housing or a combination of all three. There are fifteen USDA-designated Colonias in Pima County. The majority of Colonias residents are extremely low-income, are US citizens, and are Hispanic.

Population

The estimated 2017 population of Pima County is 1,007,257. Nearly two-thirds (65%) of the County population resides in incorporated jurisdictions including the Cities of Tucson (530,905) and South Tucson (5,624), and the Towns of Oro Valley (42,889), Marana (41,720), and Sahuarita (28,257).

In 1970, three quarters of Pima County residents lived in the City of Tucson limits. Since then, growth in suburban and unincorporated communities has outpaced growth in Tucson. In 2017, 53% of Pima County residents lived in the City of Tucson City limits. Tucson is now the 2nd largest City in Arizona and the 33rd largest City in the United States.

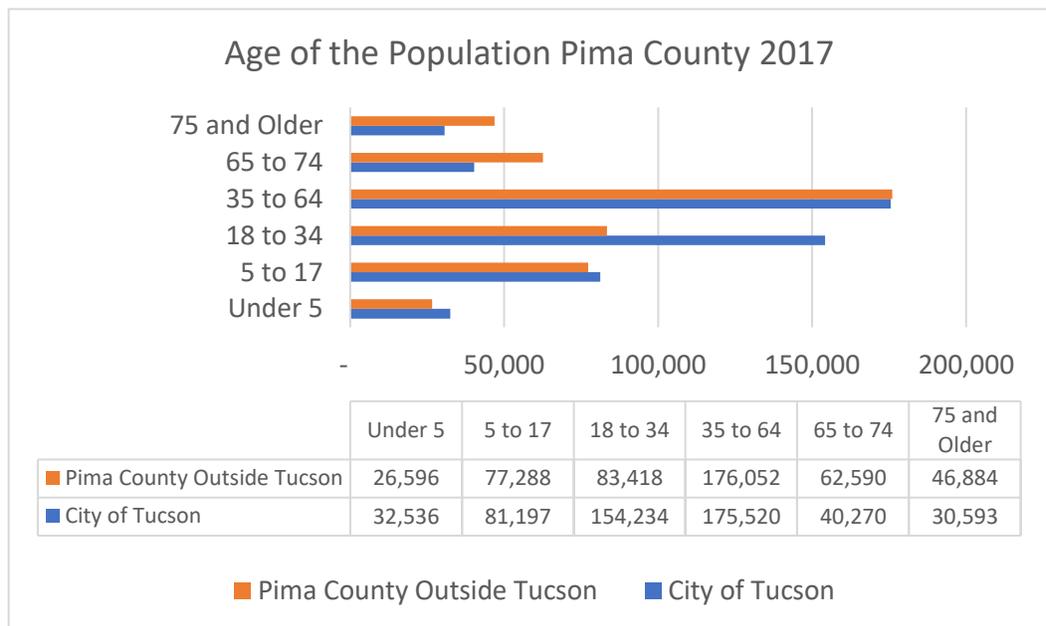


Age of the Population

The US Census Bureau projects that by 2035 for the first time in US history, more of the population will be over the age of 65 than under¹. An older population means slower natural population growth and increasing racial and ethnic diversity as in-migration becomes the primary driver of population growth. An older population also means higher rates of disability.

In general, Tucson residents are younger – while 53% of the Pima County population resides in Tucson, 65% of the County’s population age 18 to 34 reside in Tucson. The larger proportion of people age 18 to 34 in Tucson can be partially attributed to the University of Arizona, which had a student enrollment of 44,831 in Fall 2017 – roughly 28% of the total population in this age category.

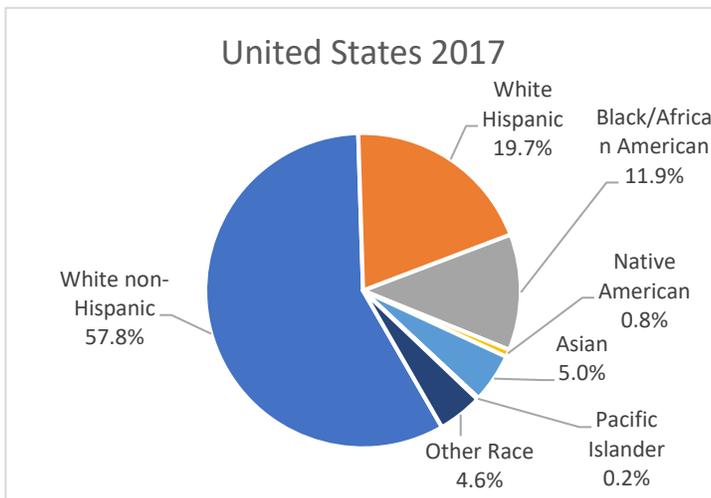
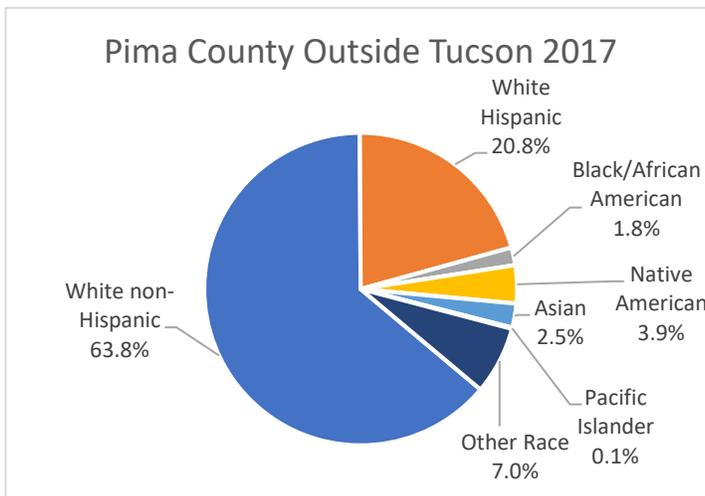
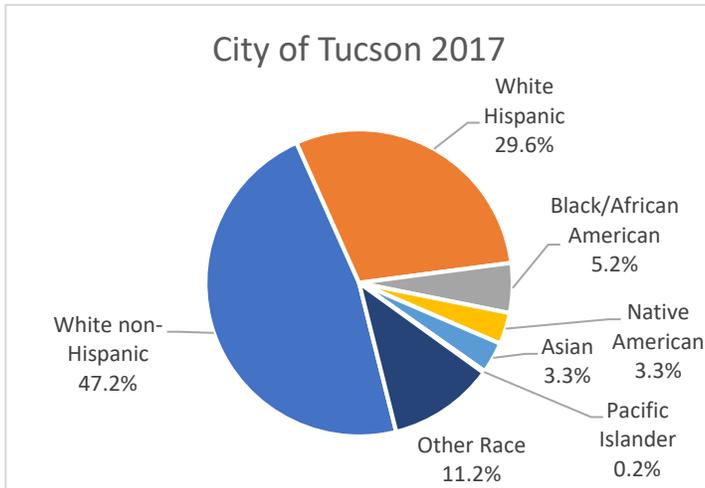
Conversely, the Pima County population outside of the City of Tucson is 1.5 times more likely to be over the age of 65 than the population in the City of Tucson.



¹ www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html



Racial and Ethnic Composition - 2017



The City of Tucson is more racially and ethnically diverse than Pima County outside of Tucson – 53% of the Tucson population are racial or ethnic minorities, compared to 36% of the Pima County population outside of Tucson.

While the Black/African American and Asian populations are relatively small, the proportion of Black/African American people in Tucson is 2.5 times that in Pima County outside Tucson, and the proportion of Asian people is 1.5 times higher.

Compared to the United States, both the City of Tucson and Pima County are less racially diverse, yet both are more ethnically diverse. The proportion of people who identify as an “other” race is much higher as is the Native American population, primarily due to the presence of tribal lands in Pima County.



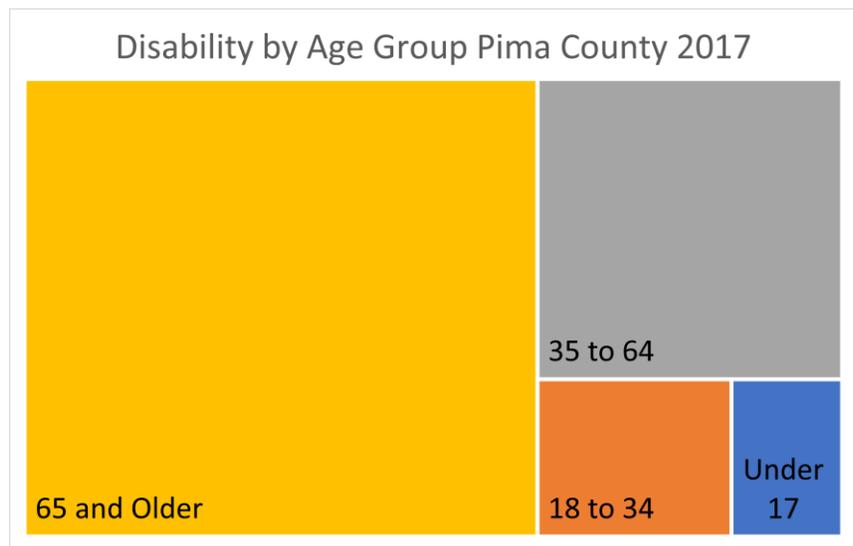
Refugees

Refugees contribute to diversity in Pima County and Tucson. During the last three years the International Rescue Committee reported that it resettled 578 clients, with the majority arriving from the Democratic Republic of Congo, Eritrea, Somalia, Syria, Burundi, Afghanistan and Pakistan. Refugees are often resettled in areas of poverty and minority concentration where rents are more affordable, yet housing has become the biggest challenge for newly-arrived refugees due to the limited number of affordable housing providers in Tucson, strict rental requirements such as income, employment, credit and rental history, high deposits, and the necessity of a social security card.

Persons with Disabilities

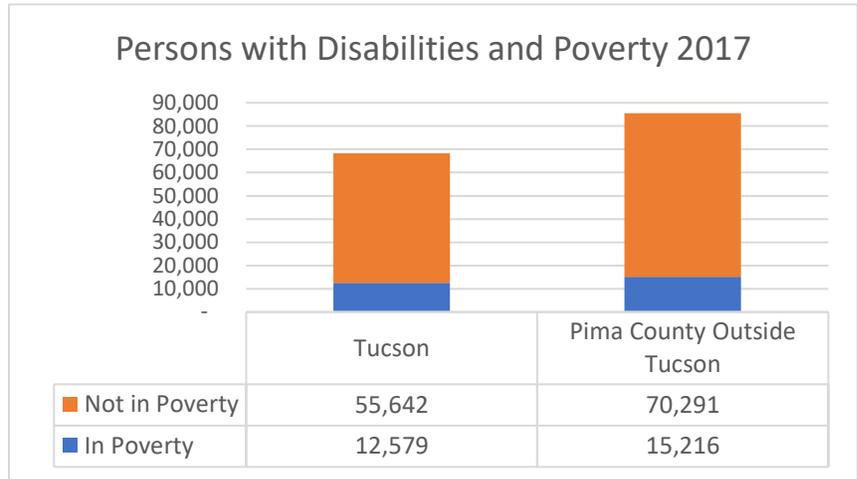
In 2017, there were 223,450 people with disabilities in Pima County, and 63% were age 65 and older – 37% of Tucson residents over age 65 and 50% of surrounding County residents over age 65 had a disability.

Driven by increasing minority populations, immigration and migration, the aging population will become more diverse during the coming decade. Given current racial disparities in wealth, the next decade is likely to present both fair housing and housing choice challenges as many minority households enter into older age with fewer resources and increased risk of disability.



Poverty and Disability

Nearly one-quarter (22.4%) of people with disabilities lives below the poverty level. People with disabilities comprise 29% of the Pima County population living in poverty. People with disabilities comprise nearly half (47%) of people living in poverty outside the City of Tucson, in large part due to increased reliance on fixed incomes and higher rates of disability as people age.



A 2014 report by the staff of the US Senate Committee on Health, Education, Labor and Pensions (HELP)² discussed the economic well-being challenges of people with disabilities. As part of the HELP report, 400 people with disabilities who currently or once had lived in poverty completed a questionnaire and a small group was interviewed to better understand their experiences. Upon reviewing all of the responses to the questionnaire and listening to the in-depth interviews, six themes emerged related to the economic well-being of people with disabilities:

1. Increased economic and social costs of having a disability;
2. Fear that earning or saving too much money will result in termination of government benefits and the loss of needed health care, housing, and food;
3. Inability to save for emergencies and large anticipated expenses;
4. Difficulties in navigating a complex bureaucratic system in order to obtain basic needs;
5. Alienation from the economic mainstream caused by a lack of adequate transportation; and
6. Difficulties finding accommodating workplaces and overcoming persistently low expectations, pay and employment discrimination.

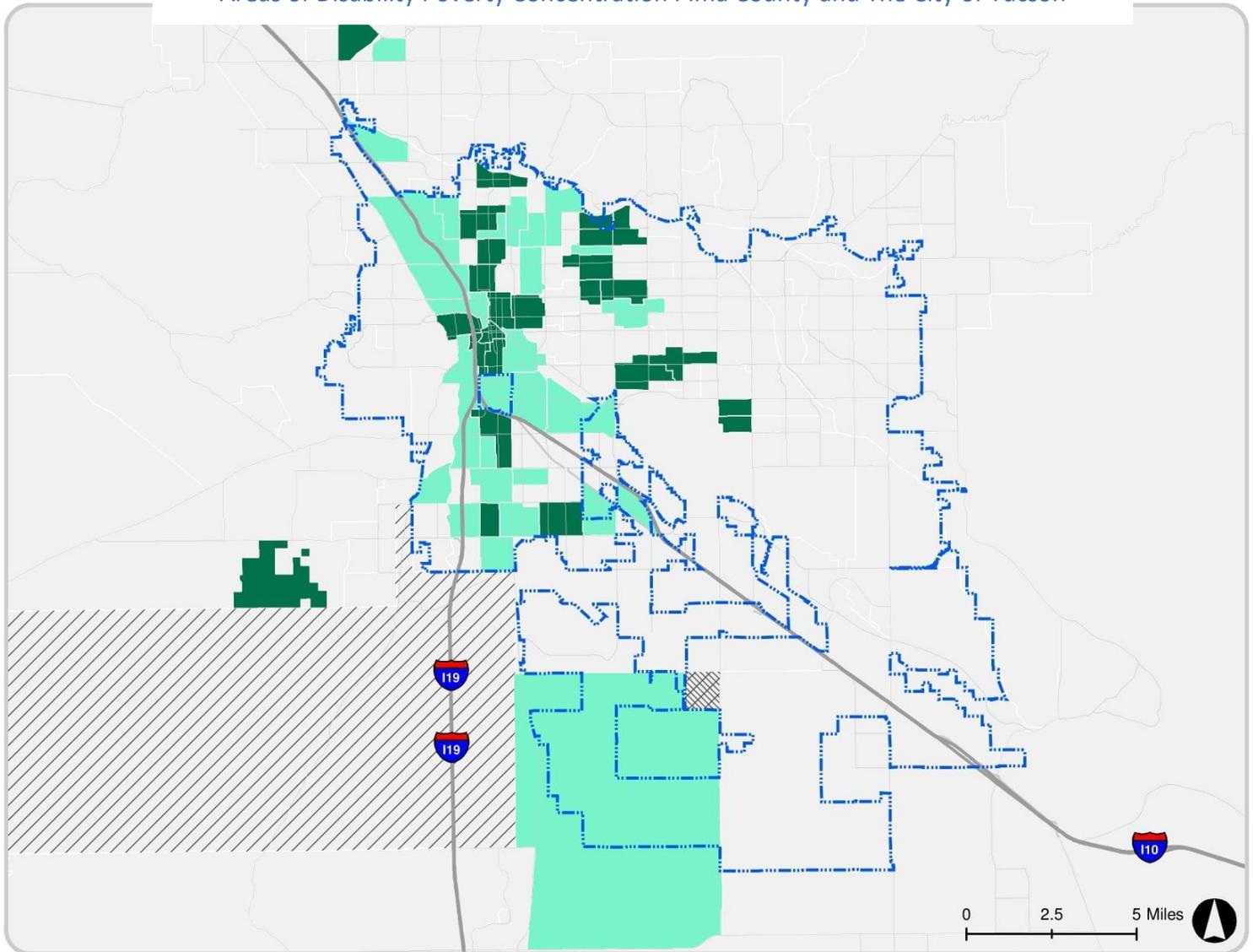
“Disability Marginalizes You; Poverty Keeps You Marginalized”

US Senate HELP Committee Interviewee

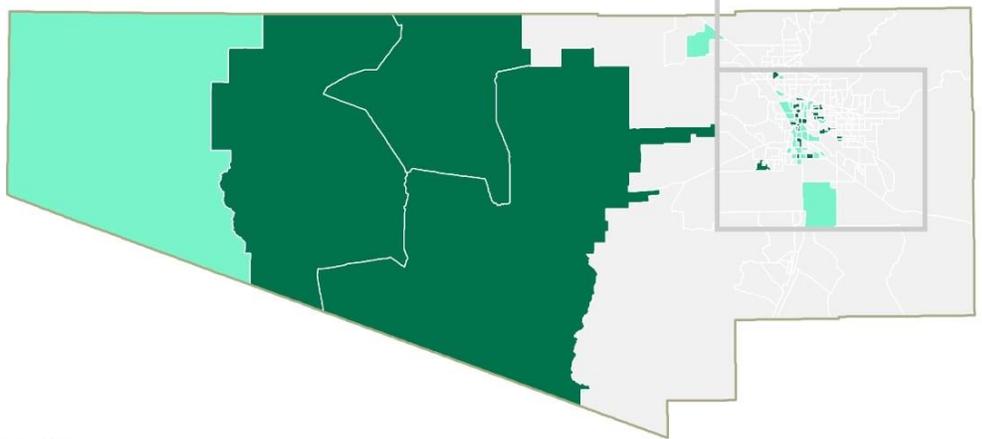
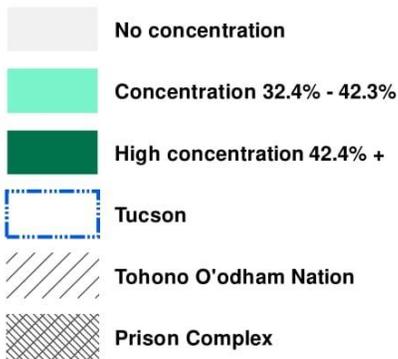
² Fulfilling the Promise: Overcoming Persistent Barriers to Economic Self-Sufficiency for People with Disabilities. September 18, 2014.



Areas of Disability Poverty Concentration Pima County and The City of Tucson



Disability Poverty Concentration



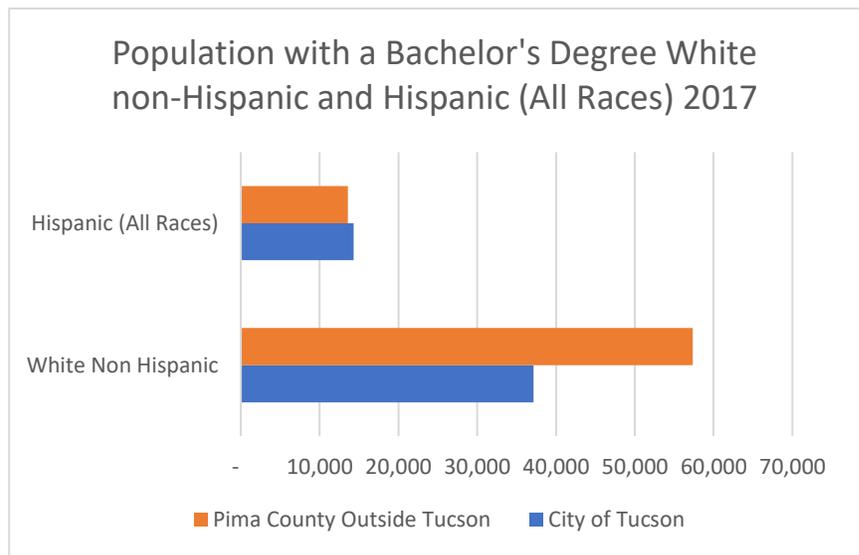
Data Source: American Community Survey 2017 5-Year Summary

There are 59 census tracts where the percentage of people with disabilities living in poverty exceeds 32.4% and are considered areas of disability poverty concentration in Pima County. Eighty-five percent (85%) of disability poverty concentration census tracts are wholly or partially in Tucson, 9% are in unincorporated Pima County and 6% are on Tribal lands. There is significant overlap of disability poverty concentration and minority and Hispanic concentration areas.

Educational Attainment

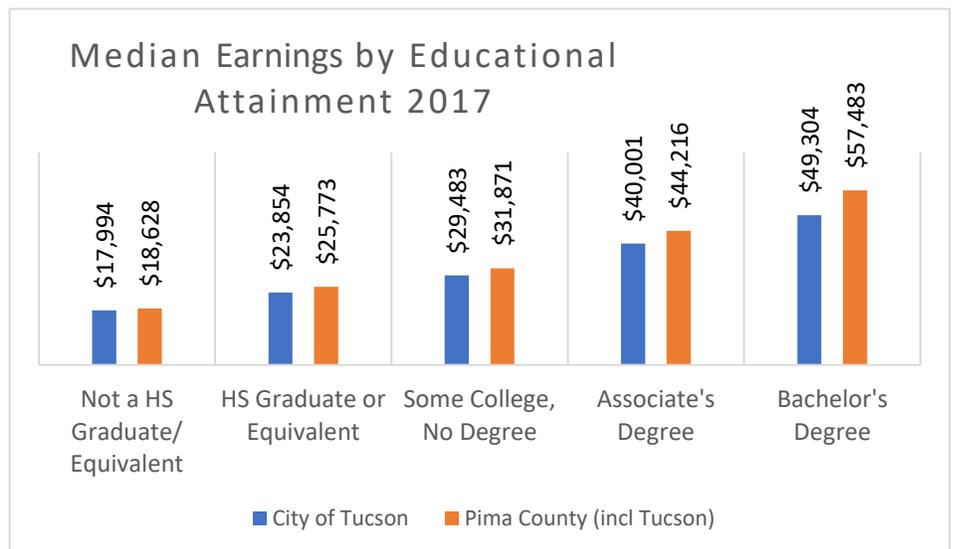
Of the Pima County population age 25 years and over, 11% has no High School Diploma or equivalent, 58% have a High School Diploma or equivalent, some college, or an Associate’s Degree, 18% have a Bachelor’s Degree and 13% have a Graduate or Professional Degree. The population with no High School Diploma or equivalent is 1.75 times more likely to live in the City of Tucson. Conversely, the population with a Graduate or Professional Degree is 1.6 times more likely to live outside the City of Tucson.

Attainment of a Bachelor’s Degree or higher varies by race and ethnicity. Forty percent (40%) of White non-Hispanic people have a degree as do 34% of White Hispanic people. Among racial minorities, attainment of a Bachelor’s degree ranges from a low of 12% for the Native American population to a high of 49% for the Asian population; 19% of the Black/African American population has attained a Bachelor’s degree.



Educational Attainment and Median Earnings

As educational attainment rises so do earnings. Median earnings are higher for employees residing outside of Tucson, regardless of educational attainment. The difference in earnings for those residing in Tucson may be partially explained by the older age of residents outside of Tucson and the types of available employment.



Access to High-Quality K-12 Education

The availability of high-quality education is one of the core elements of opportunity. Access to a high performing school has a direct impact on a child’s future employment, wealth, and health status. School proficiency is an indication of the quality of education that is available to residents of an area.

Arizona Revised Statutes § 15-241 requires the Arizona Department of Education to develop an annual achievement profile for every public school in the state based on an A through F scale. The system measures year to year student academic growth, proficiency on English language arts, math and science. It also includes the proficiency and academic growth of English language learners, indicators that an elementary student is ready for success in high school, high school student readiness for a career or higher education, and high school graduation rates. There are two “A” rated schools in Tucson areas of minority and poverty concentration.

Comprehensive Support and Improvement (CSI) Schools are 1) the lowest-performing five percent of schools receiving Title 1 funds, and 2) public high schools failing to graduate two-thirds or more of their students. CSI schools are required to complete a comprehensive needs assessment, root cause analyses and Integrated Action Plan to improve student achievement and graduation rates. These schools receive extensive support and mentoring from the Arizona Department of Education, Support and Innovation Unit. There are four “CSI” schools in Tucson areas of minority and poverty concentration.

“Individuals living in poverty can often not afford to live in the school districts where they might prefer to send their children to school. They may be able to send their children to a desirable private or charter school, but may not have the transportation to make that a reality from their neighborhood. This limits educational options for children.”

Interviewee



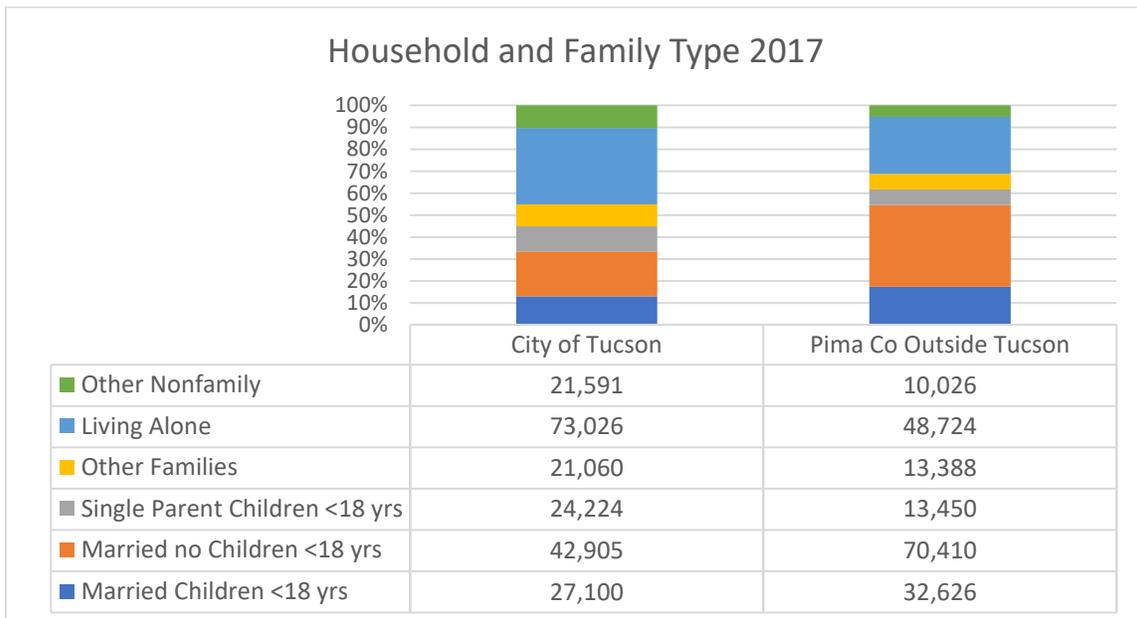
Household Characteristics

The City of Tucson and the surrounding areas in Pima County are similar in population, number of housing units, and total number of households yet very different in their makeup.

The population outside Tucson is generally older, more educated, and more affluent when compared to Tucson. Pima County outside Tucson has a higher rate of family households and married-couple families. Married-couple families generally have the highest income as they are more likely to include two wage earners.

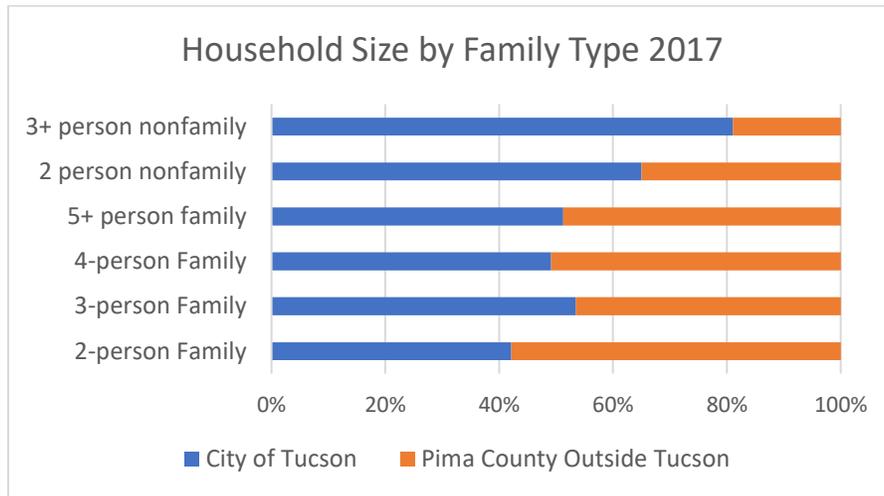
Understanding the types of households that comprise a community helps to identify the potential for housing discrimination and how best to create communities of opportunity.

The population in Tucson is generally younger and more likely to live in nonfamily households (single people, unrelated people living together). The City of Tucson is home to 63% of the County’s single-parent and “other” families and 62% of the County’s nonfamily households. Single-parent families are 1.6 times more likely to live in the City of Tucson, while nonfamily households consisting of unrelated people living together are 1.9 times more likely to live in the City of Tucson. The higher rate of younger families, single-parent families and single-person households in Tucson is also reflected in lower household income.



Household and Family Size

The average household size in the City of Tucson is 2.41 people and in Pima County (including Tucson) is 2.45 people. These differences in household size reflect the larger volume of single-person and 2-person households in the City of Tucson, the prevalence of families outside of the City of Tucson.



Income and Employment

Household income directly affects the housing opportunities that are available and the choices that a household makes about where they will live, whether to rent or own, and how much of their income will be used for housing. While households have housing choice it is essential to recognize that adequate household income is essential to opportunity, including location opportunity and wealth generation. Many lower income households struggle to find housing located in areas of high opportunity and must make a choice between quality housing in close proximity to opportunities and having sufficient resources to pay for basic goods and services.

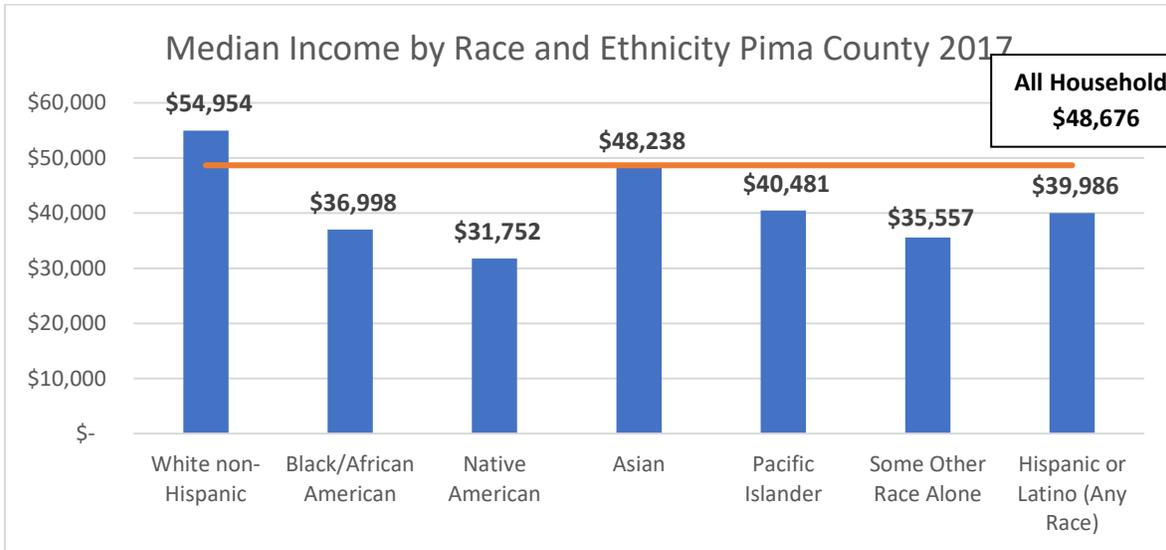
Median Household Income

Median income is the measure used by the housing and community development industry to target HUD resources. Median income includes income from employment and from other sources such as investments, retirement and public assistance. The median household income in Tucson is 81% of the median household income for Pima County as a whole.

Median Household Income 2017	
City of Tucson	\$39,617
Pima County	\$48,676

Median Household Income by Race and Ethnicity

The income of households and their race and ethnicity can contribute to greater understanding of some of the housing choice and opportunity limitations faced by racial and ethnic minorities. White non-Hispanic households have a median income 1.13 times the median household income of \$48,676; all racial and ethnic minorities have lower median household income.



Low-and-Moderate Income Households

Low- and moderate-income households are those that have income less than 80% of the HUD County median income. Since one half of households have incomes above the median and one half below, it follows that 40% of households in a County will be low and moderate income.

“Individuals and families that are under-resourced must make difficult and personal decisions about which basic needs are most urgent or important and towards which the insufficient resources will be applied”

Interviewee

When targeting HUD resources, households are categorized as low-income (less than 50% of the County median income), middle-income (between 80% and 120% of the County median income), and higher-income (greater than 120% of the County median income).

There are as many low-income households in the City of Tucson as there are higher-income households outside of the City. Two-thirds of Pima County’s low-income households reside in Tucson as do sixty percent of moderate-income households.

Poverty

People living in poverty often lack education and have a higher incidence of illness resulting in increased costs to health, justice and other systems that provide supports. People living in poverty are also often socially excluded and are least likely to understand their rights under the fair housing act or to access to fair housing education.

The City of Tucson has a poverty rate (24%) that is double that of Pima County outside of Tucson (12%). Research by the US Census Bureau³ has found that the presence of college students who live off campus raises the poverty rate. Students living on campus are not included in the poverty universe and therefore do not impact poverty rates. This research found that college students living off campus increased the poverty rate in Tucson by 2.1% and in Pima County as a whole by 1.3%. Still, the poverty rate in Tucson is nearly double that of the surrounding area and of the United States.

Concentrated Poverty

Poor neighborhoods come with an array of challenges that affect the people who live in those neighborhoods and the regions in which they are located. Residents of poor neighborhoods face higher crime rates, have limited access to healthy fresh foods, tend to go to poor-performing schools with higher dropout rates, often have weak job-seeking networks and face financial insecurity. As demonstrated in poverty, minority, Hispanic, and disability concentration maps, these challenges disproportionately fall to people of color and to people with disabilities.

“I don’t live next to any grocery stores so I have to drive long distances to get access to healthful foods”

Interviewee

³ www.census.gov/library/stories/2018/10/off-campus-college-students-poverty.html



Poverty

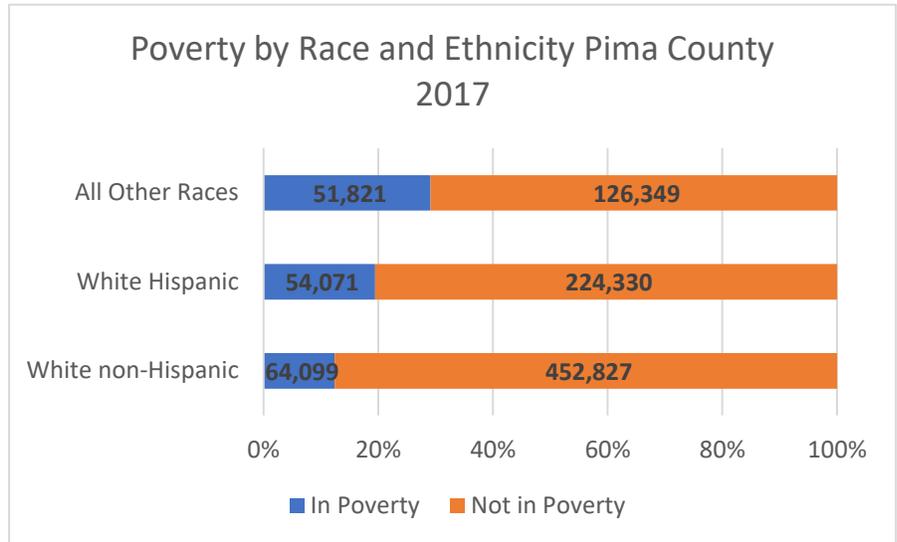
“Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see the doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.

Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So, poverty is a call for action – for the poor and wealthy alike – a call to change the world so that many more can have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities.”

The World Bank

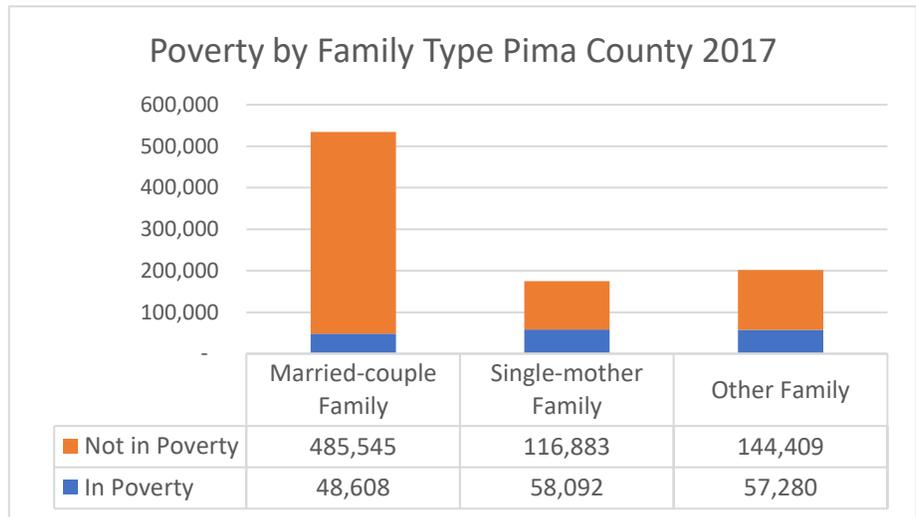
Poverty and Race/Ethnicity

Minorities in Pima County are more likely to live in poverty. The poverty rate of the White Hispanic population is 1.7 times higher than the poverty rate of the White non-Hispanic population. The poverty rate for people of all other races is 2.9 times the poverty rate of the White non-Hispanic population.

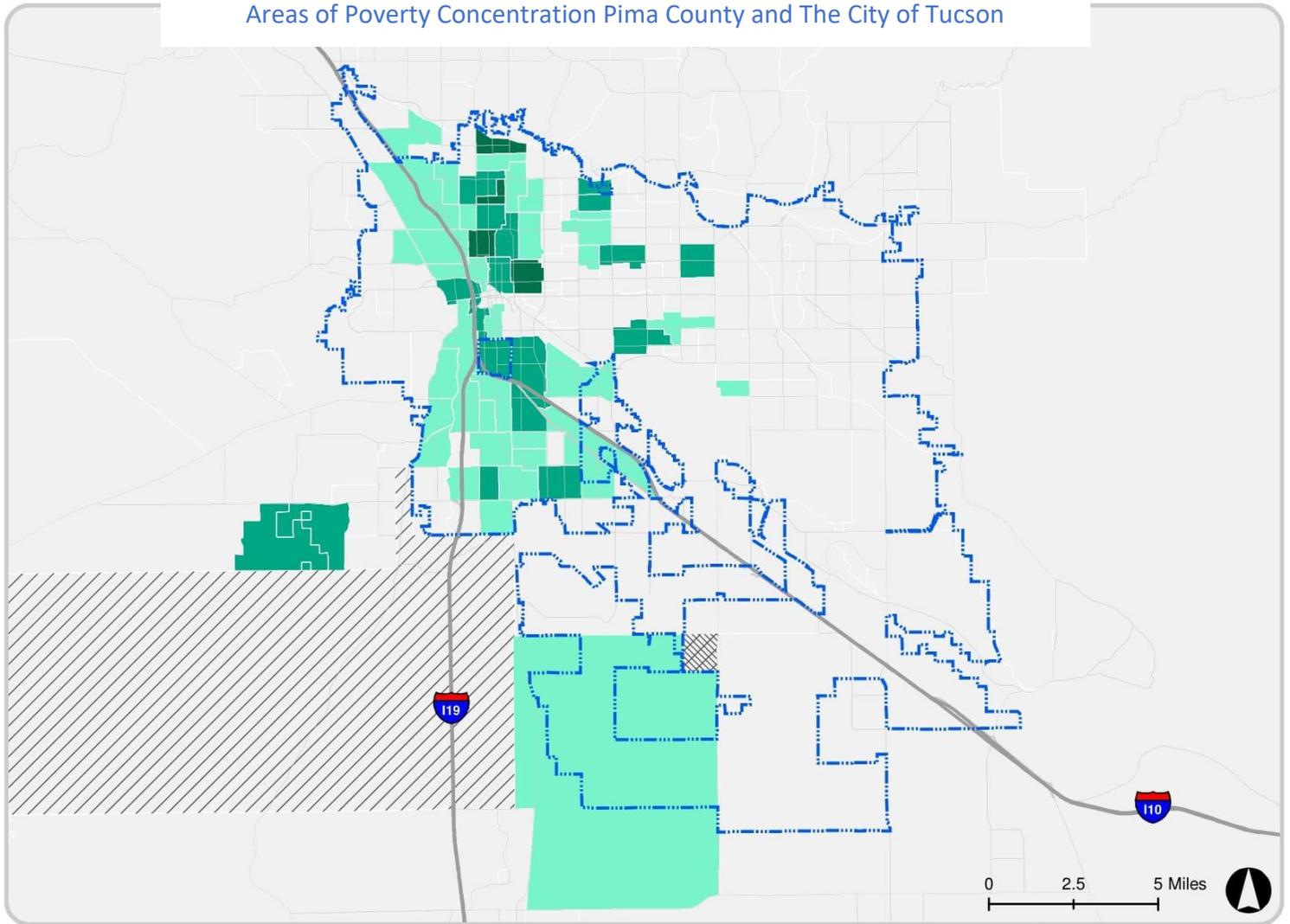


Poverty and Family Type

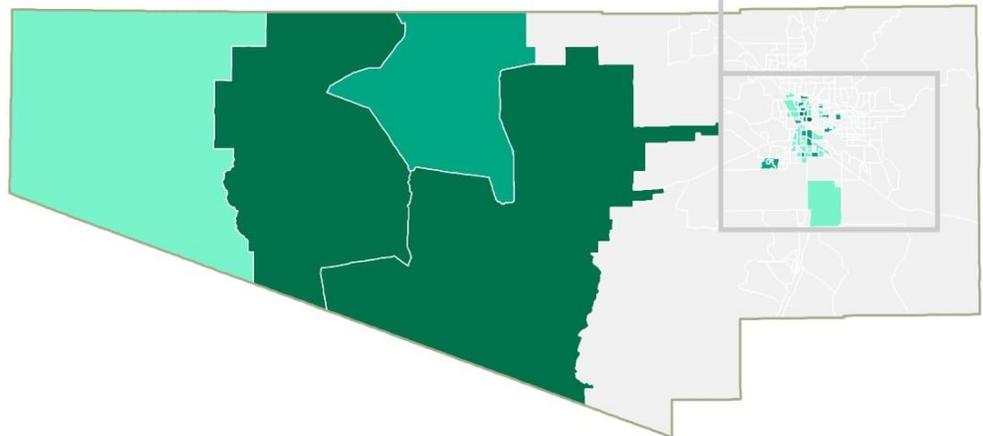
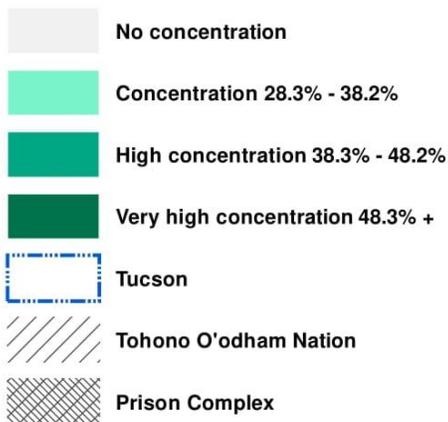
Married-couple families, which often have multiple earners, have the lowest poverty rate (9%). Single-mother families (33%) have a poverty rate 3.65 times that of married-couple families and comprise 35% of families living in poverty. The poverty rate for minority single mothers (45%) is 1.7 times higher than that of White non-Hispanic single mothers (27%).



Areas of Poverty Concentration Pima County and The City of Tucson



Poverty Concentration



Data Source: American Community Survey 2017 5-Year Summary

There are 61 census tracts where the percentage of people living in poverty exceeds 28.2% and are considered areas of poverty concentration in Pima County. Eighty-seven percent (87%) of poverty concentration census tracts are located wholly or partially in Tucson. Of the poverty concentration census tracts outside of Tucson, 3 are on Tribal lands and the others are located south and west of the City. All of the poverty census tracts located outside of Tucson are also minority and/or Hispanic concentration tracts; forty-seven (47) of the poverty census tracts in Tucson are also minority and/or Hispanic concentration tracts.

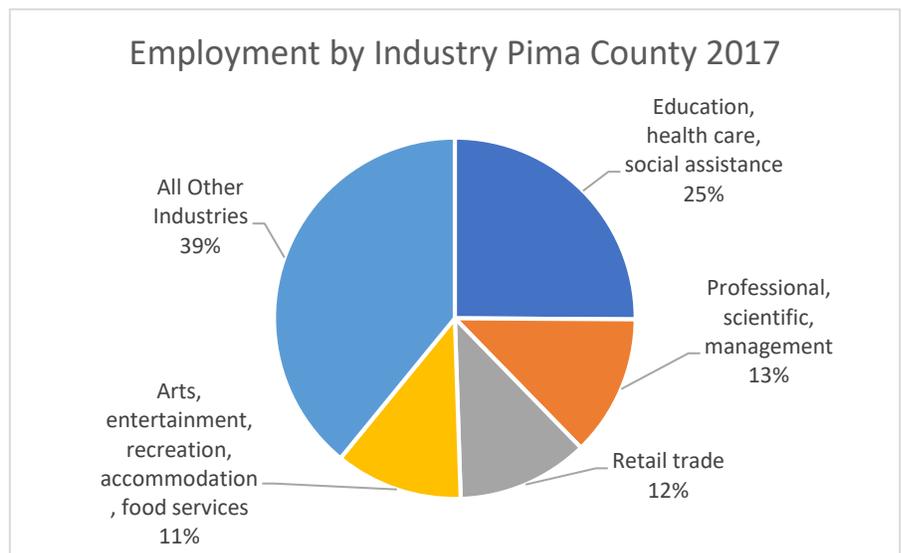
Employment

Employment and earnings are important labor market indicators that impact housing choice and access to opportunity.

While wages rose for workers in the top of the income distribution between 1979 and 2016, wages remained stable for workers in the bottom and middle of the income distribution. During this time, wages for earners in the top quintile rose 27%, while wages for workers in the bottom fifth quintile fell 1% after adjusting for inflation⁴.

Employment by Industry

Nearly one-quarter (23%) of Pima County’s employed residents are employed in the retail trade, arts, entertainment, recreation, accommodation and food service industries. These industries often have lower-incomes, unpredictable work schedules and hours that vary from week to week. This unpredictability can make it challenging for low-income individuals to arrange childcare and plan and stick to a monthly budget⁵.



Unpredictable work schedules and hours can also cause high variability in take-home income from month to month and hinder a family’s ability to save and attain housing stability. One report found that more than half of families experienced a 30% month-to-month change in total income, most of which was experienced by workers who did not change jobs⁶.

⁴ Shambaugh, J., Nunn, R., Lui, P., Nantz, G. (2017). “Thirteen Facts about Wage Growth.” Brookings.

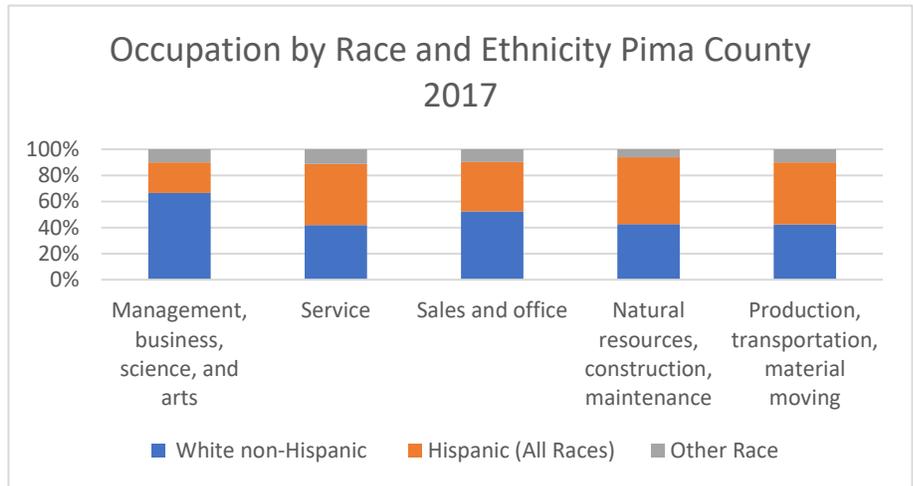
⁵ Boushey, H. Ansel, B. (2016). “Working by the Hour: The Economic Consequences of Unpredictable Scheduling Practices.” Washington Center for Equitable Growth.

⁶ Farrell, D., Greig, F. (2016). “Paychecks, Paydays, and the Online Platform Economy.” JP Morgan Chase Institute.



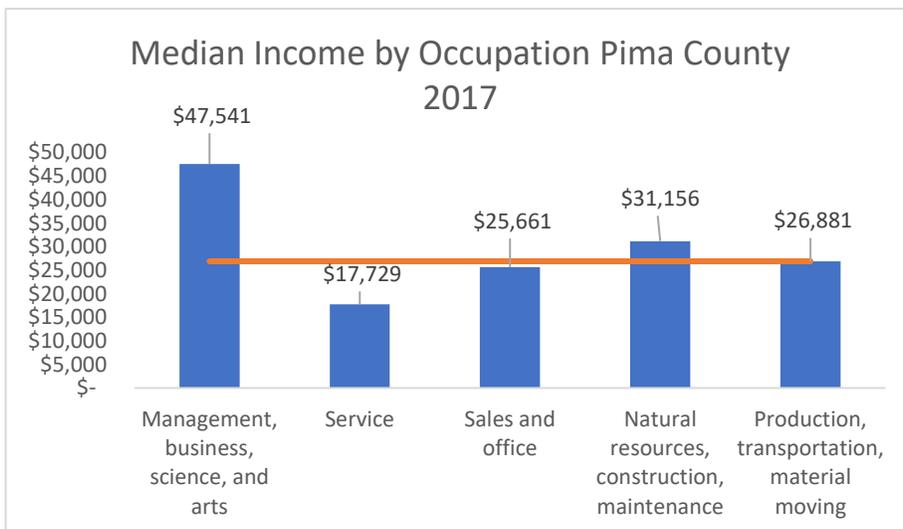
Race, Ethnicity and Occupation

More than one-quarter (27%) of employed Pima County residents work in office and administrative and food preparation and serving occupations, which have relatively low median earnings. White non-Hispanic employees comprise 54% of the workplace and 66% of management, business, science and arts positions, in part due to higher education levels. Conversely, Hispanic employees of all races comprise 36% of the workplace, 51% of natural resource, construction and maintenance occupations, and 48% of service and production, transportation and material moving occupations – occupations that are generally lower paying and subject to job loss during times of economic downturn.



Median Income by Occupation

Between 1990 and 2015, wages for jobs requiring analytical and soft skills obtained through a college curriculum or job experience have increased more quickly compared to jobs requiring physical skill and little formal training⁷. Stagnant wages for low-wage earners also make it challenging to keep up with rising housing prices.



The median income for all Pima County occupations in 2017 was \$26,888 as represented by the orange line. People employed in management, business, science and arts occupations had the highest earnings, while those employed in service occupations had the lowest earnings.

⁷ Parker, K., Rainie, L., Kochhar, R., Rohal, M. (2016). "The State of American Jobs." Pew Research Center.



Housing Profile

Understanding housing characteristics creates a baseline for understanding housing choice and access to opportunity. The housing market consists of structures and units and the

“People are falling through the cracks and could have much to offer the community if they could just secure safe, affordable, and accessible housing.”

Interviewee

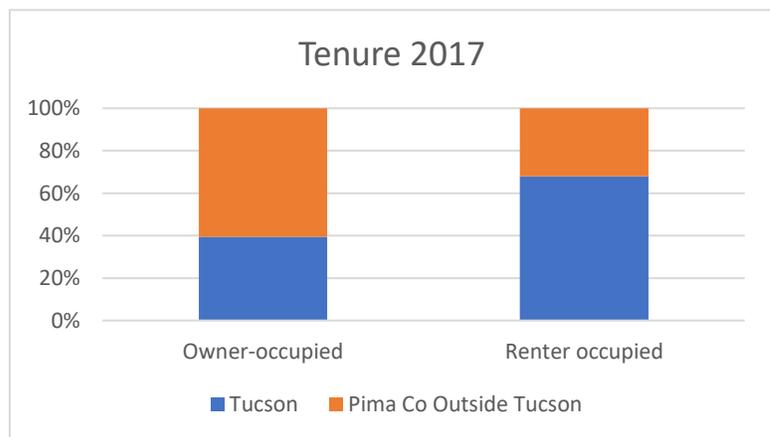
people and households who choose to occupy them. While the housing market is based on supply and demand many complex variables influence the housing market. Some of these variables include household income, family composition, access to suitable employment and education opportunities, age, and the cost of goods and services in the community.

Within the housing market variety, quality and affordability move in tandem. Variety is defined as the types of housing that are available, which changes over time to meet demand. Demand is in turn influenced by housing affordability and quality and by demographic change, including population growth and household and family composition.

In general, the housing market moves roughly in line with the rest of the economy over the long term. The Pima County economy continues to grow, with demand for housing creating a mini-boom, increased construction employment, and increased demand for consumer goods and services related to home purchase and moves within the rental market.

Tenure

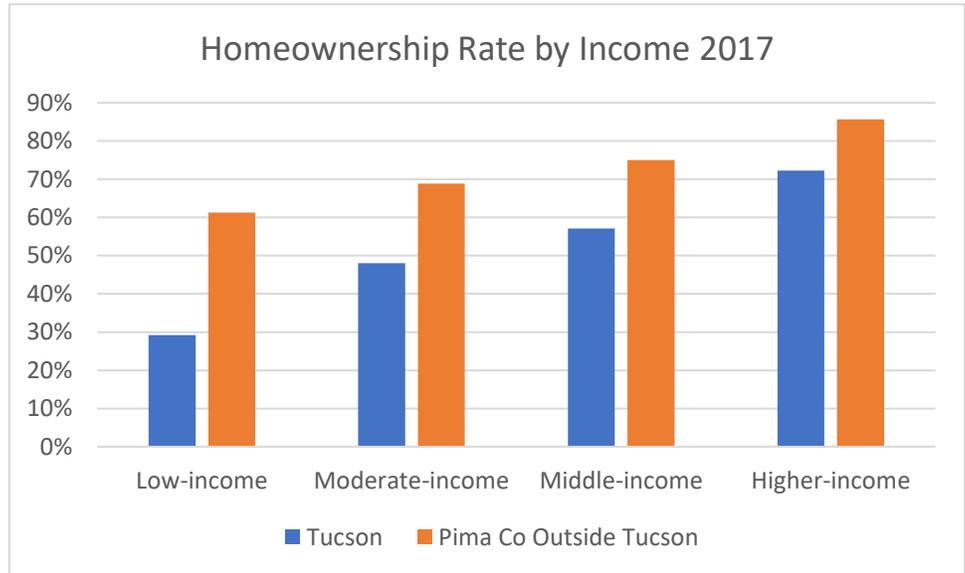
The homeownership rate in Pima County outside of Tucson (76%) is 1.5 times higher than in the City of Tucson (49%). The larger volume of small and nonfamily households, including student households, and lower incomes contribute to the higher rental rate in Tucson.



Tenure and Household Income

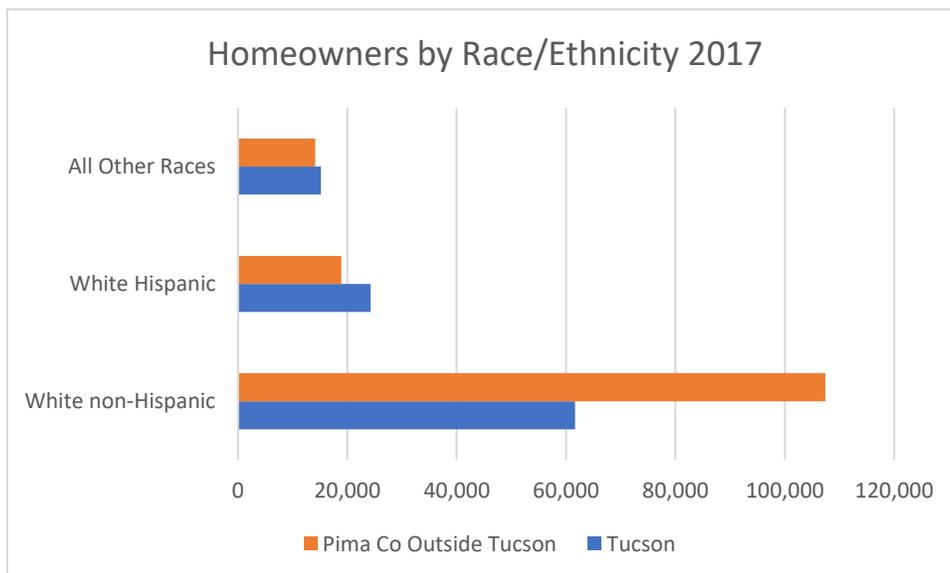
The homeownership rate typically increases with income. Higher income households are more able to save for down payment and closing costs and to benefit from tax deductions associated with homeownership.

The homeownership rate for low-income households outside Tucson is double that of households in Tucson. This may be partially explained by the volume of older households outside Tucson, many of whom may be on fixed incomes yet purchased their home many years ago or with equity from a prior home sale.



Tenure and Race / Ethnicity

White non-Hispanic households have the highest homeownership rate (58%), followed by White Hispanic households (57%). Households of other races have a combined homeownership rate of 47%.



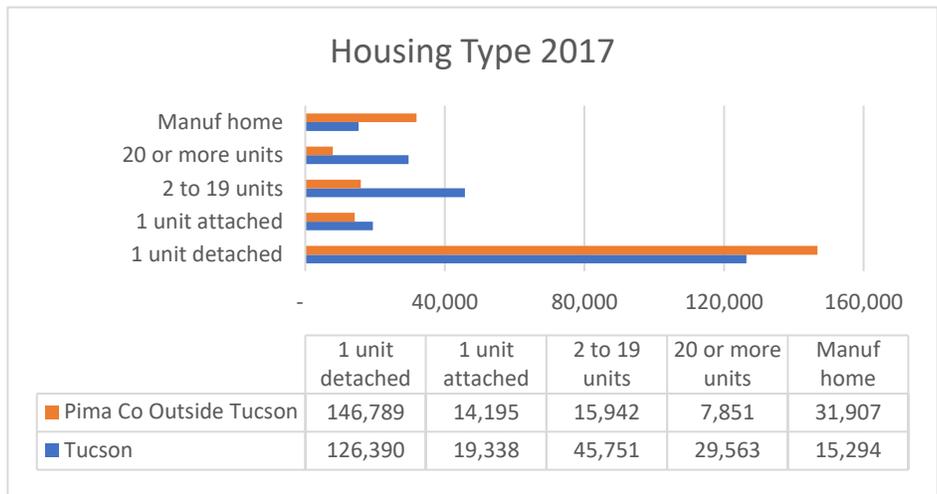
Eighty percent of White non-Hispanic homeowners reside outside Tucson. White Hispanic homeowners are nearly equally likely to reside in Tucson as outside of Tucson, while homeowners of other races are more likely to reside in Tucson.



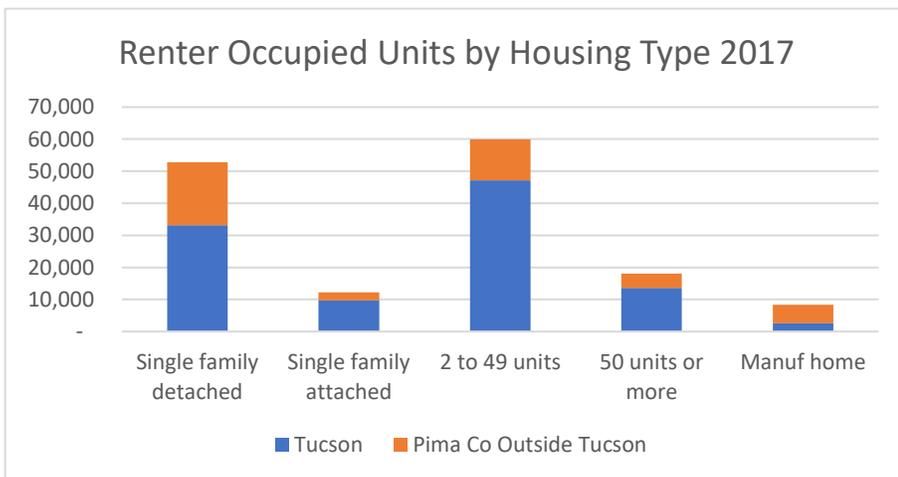
Housing Variety

A variety of housing types are necessary to meet the diverse needs and desires of both owners and renters. The types of housing in a community are driven largely by demand. However, many other factors influence housing variety including public policy such as zoning and building requirements, the availability and cost of infrastructure, community character, neighborhood acceptance, and the cost of construction.

The City of Tucson and Pima County have both experienced cycles of rapid growth driven by demand and access to capital. These cycles of rapid growth have historically been followed by periods of higher vacancy. During the housing crisis of the mid-2000’s and during the economic recovery, the demand for rental housing increased significantly, resulting in more multi-family housing development, particularly in Tucson. Seventy percent (70%) of multi-family units are in Tucson. Conversely, 54% of single-family detached and 70% of manufactured housing units are located outside of Tucson.



Tenure by Housing Type



Nearly all multi-family housing is renter occupied. Outside of Tucson, manufactured homes are an important part of the rental stock, representing 13% of rental units. Countywide, one in five single-family detached units and manufactured homes are renter occupied.

Housing Quality

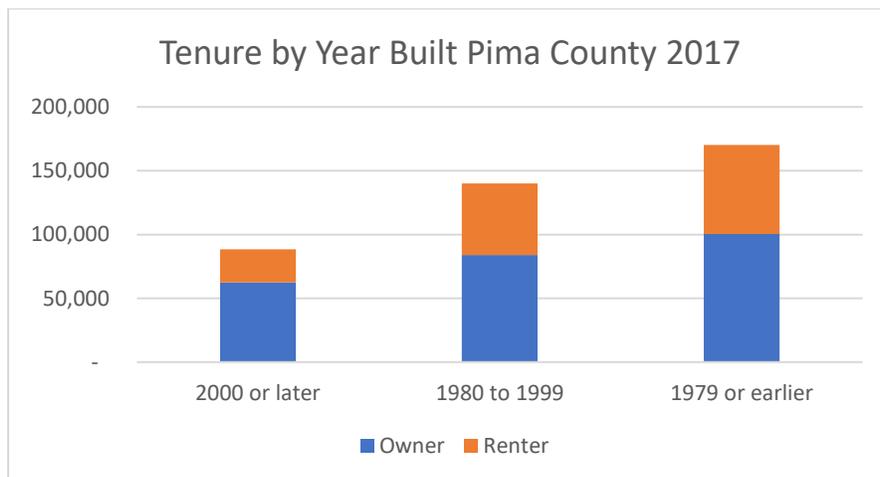
Housing quality encompasses a range of issues that are central to quality of life, including housing safety, design and appearance, accessibility for persons with disabilities, maintenance and energy efficiency, and community safety and livability. The quality of the existing housing stock reflects economic prosperity and community investment. Both Pima County and the City of Tucson take a proactive approach to community and neighborhood stabilization through such activities as community clean ups and code enforcement. These activities contribute to voluntary correction of code violations, create community and neighborhood pride, and contribute to the health and safety of residents.

Year Built

The age of the housing stock is one indicator of housing quality. Older housing units may be less energy efficient, resulting in higher utility costs for occupants, and some materials such as lead paint (in units built prior to 1978) and asbestos may represent health hazards to occupants. Forty-three percent (43%) of housing units in Pima County are 40 years old or older, and 70% of these units are in Tucson.

Tenure by Year Built

Seventy percent (70%) of units built since 2000 are owner-occupied. Comparatively, 60% of units built in 1999 or earlier are owner-occupied. Forty-five percent (45%) of 70,000 renters occupy pre-1980 housing in Pima County and 80% of those renters occupy units in Tucson. The high rental rate of older units can pose a problem for persons with disabilities. Many older units do not meet ADA requirements and will require some modification to reasonably accommodate a person with a disability.



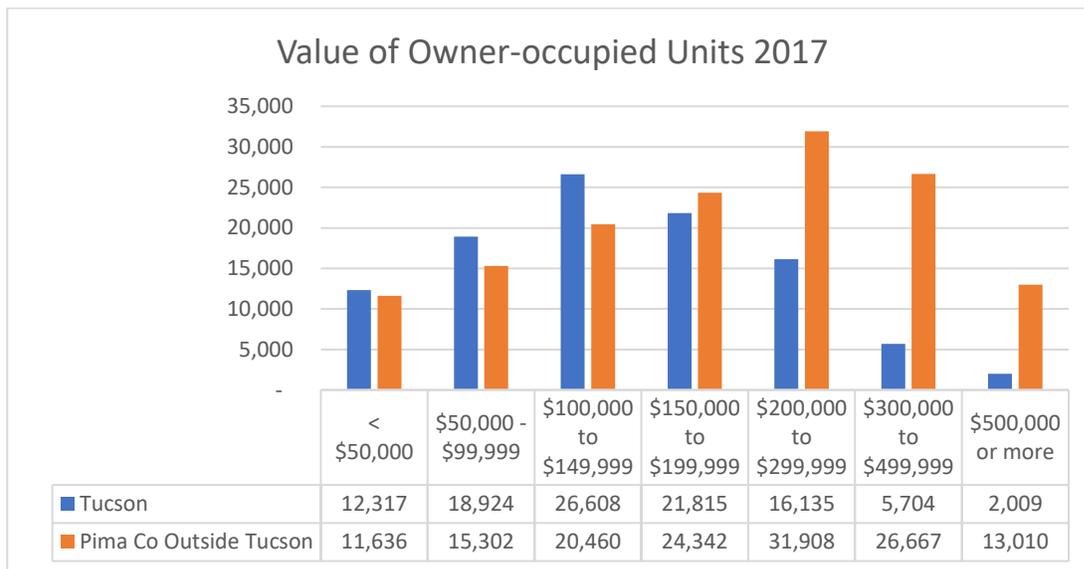
Housing Affordability

Both owners and renters may choose to occupy housing that is disproportionately costly for any number of reasons – location, availability, public transportation and access to services, proximity to family, schools and employment, anticipated income increases, and housing quality are just some of the complex factors that impact housing choice. The value (cost) of housing drives whether households can afford to purchase and maintain ownership. Rents impact location choice, mobility, and the ability to save for home purchase.

Owner-occupied Housing Value

Housing values directly impact the amount of funds that a buyer can borrow as well as the amount of taxes paid. Values are generally reflected in prices but during a time of high demand, prices can exceed values. In turn, higher prices drive up values as comparing prices is one method of determining value. Lenders provide financing up to a percentage of the value of a housing unit and this is one factor in determining whether a buyer is able to purchase a unit.

The median value of a housing unit in Pima County was \$137,600 in 2017. More than half (55%) of Pima County housing units valued under \$150,000 are in Tucson, while half of Pima County housing units valued over \$200,000 are located outside Tucson.

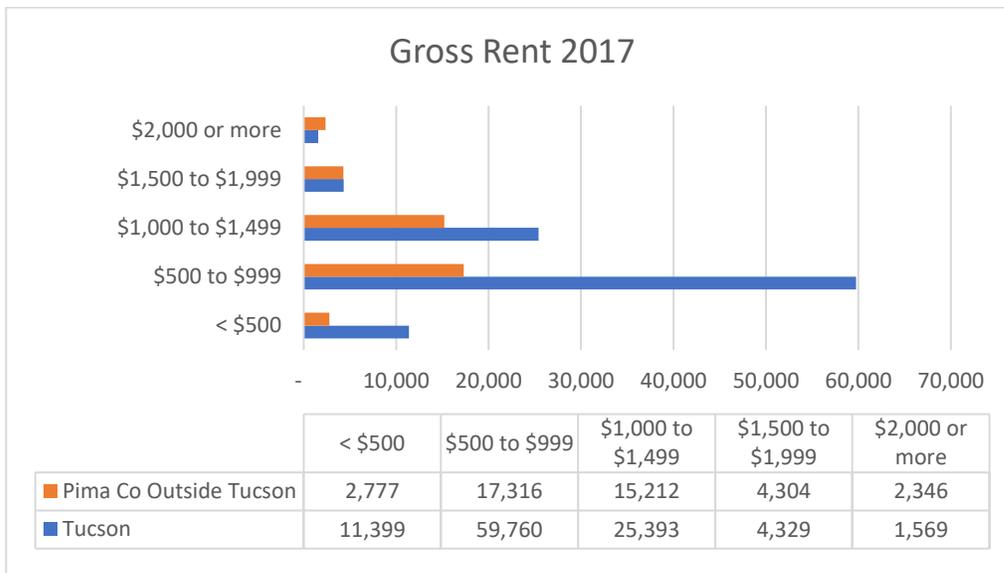


Rents

Renting provides the opportunity for households to learn more about a neighborhood or community before making a homeownership investment and provides for mobility among the workforce. For some households, renting is the only choice because the cost of homeownership is prohibitive. Still, renting is chosen over homeownership for a variety of reasons including:

- Renting may be less expensive than owning, especially during the first five years.
- Rental units are maintained and repaired by their owners, so unplanned and sometimes costly repairs are not the renter’s responsibility.
- Renting carries less financial risk, especially in volatile markets.

The median gross monthly rent in Pima County was \$801 in 2017. Seven of ten Pima County rental units are located in Tucson, as are eight of ten rental units with monthly rent less than \$1,000.



“Our call volume for emergency housing and utility assistance has increased 50% over the past year.”
Interviewee



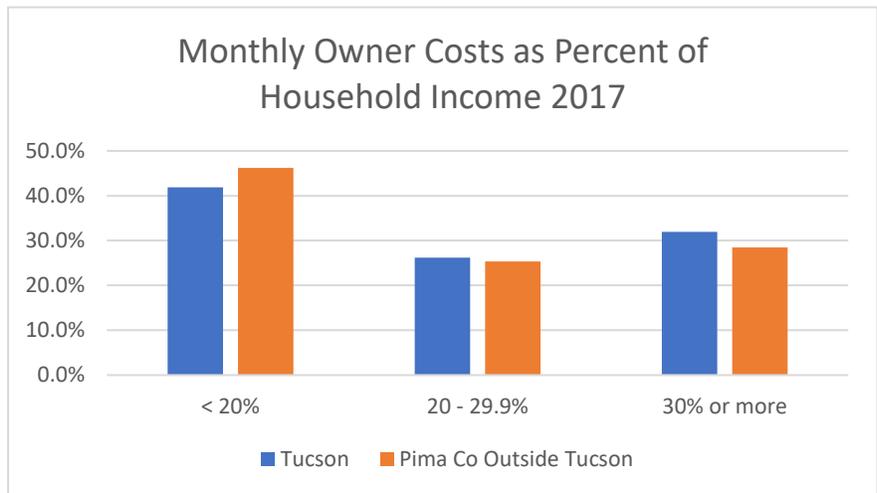
Housing Cost Burden

Government programs define cost burden as paying more than 30% of gross household income for total housing cost (rent or mortgage plus utilities). Lower-income households who are cost burdened may have little remaining to pay for the essentials – clothing, food, transportation and child care, while higher income households may choose to pay more for housing without sacrifice.

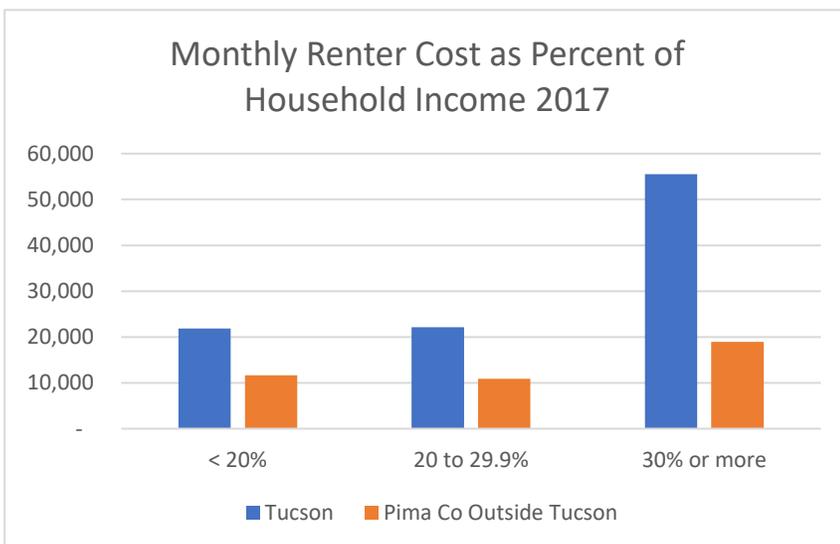
Owner Cost Burden

Cost burdened homeowners are often challenged to maintain their properties. Deferred maintenance may lead to failure of major housing systems, loss of home equity, and deterioration of neighborhoods and communities. While owners at all income levels experience cost burden, it is more prevalent among lower-income owners.

Nearly one-third (31.9%) of Tucson homeowners are cost burdened, as are 28.5% of homeowners in Pima County outside of Tucson.



Renter Cost Burden



There are nearly 75,000 cost-burdened renters in Pima County. Fifty-six percent (56%) of Tucson renters are cost burdened as are 46% of renters outside the City of Tucson. Because minorities are more likely to rent, they experience higher rates of cost burden. High rental costs among minorities may also hinder mobility and therefore access to opportunity.



Mobility

Based on 2017 estimates of people moving within the County, 19% of the Tucson population moved within the past year, compared to 10% of the population outside of Tucson. Moves were most common among Tucson renters – nearly one-third moved. People living in poverty were also more likely to move, with 30% moving during the past year. Both the higher rate of movement among renters and among people in poverty are influenced by the student population.

Strategies to increase mobility are an important tool for providing opportunity, especially when combined with investment in distressed neighborhoods to increase opportunity for people who prefer not to move.

Considering race and ethnicity, Pacific Islanders had the highest mobility rate, followed by African Americans and people of some other race. Asians had the lowest mobility rate, followed by White non-Hispanics.

Mobility by Race and Ethnicity 2017						
White non-Hispanic	African American	Native American	Asian	Pacific Islander	Other Race	Hispanic (All Races)
12.5%	21.4%	18.6%	12.3%	35.6%	21.2%	17.0%

Transportation and Housing Affordability

“Living in a low-income neighborhood, we rely on public transportation. This isn’t always reliable. So, you have to make sure you factor that in. You lose out on time with kids because you want to make sure you are factoring in the wait time with public transit so that you are arriving to work on time.”

Interviewee

Combining the cost of housing and transportation provides a comprehensive understanding of the affordability of a place. Transportation is typically a household’s second-largest expense besides housing. According to the Center for Neighborhood Technology’s Housing and Transportation (H+T®) Affordability Index, the H+T index for Pima County is 57%, with housing consuming 30% of a household budget and transportation consuming 27% of a household budget. Areas outside of Tucson generally have higher indices because the cost of housing and of commuting into Tucson for employment are often both higher. As stated by several housing professionals, while center-City housing may be older it is also more affordable and accessible to transportation and employment, making it more attractive to many lower-income households.



University of Arizona Student Population Influence on Rental Demand

Fall 2018 enrollment at the University of Arizona was 45,278⁸ and an estimated eighty-one percent (81%) or 36,675 students live off campus⁹. Data regarding students living alone is not available; however, a survey of over 7,000 students revealed that 42% of survey respondents live with three other roommates, 16% live with two other roommates and 23% live with one roommate¹⁰. Assuming one in five off-campus students reside with family and applying these rates to off-campus students at the University of Arizona leads to an estimated demand for student housing of 10,025 units or 10% of Tucson rental units. Tucson is also home to Pima Community College, which had 6,200 full-time enrolled students in Fall 2018. This demand places pressure on the Tucson rental market and limits housing choice for non-student households.

Estimated University of Arizona Student Demand for Rental Housing Units (Fall 2018)		
	Students	Unit Demand
Total enrollment	45,278	
81% living off campus	36,675	
42% living with four roommates	15,403	3,850
16% living with three roommates	5,868	1,956
23% living with two roommates	8,435	4,217
Estimated Demand		10,025



⁸ <https://uair.arizona.edu/sites/default/files/Fall%202018EnrollmentHighlightsFINAL%5B5%5D.pdf>

⁹ <https://www.usnews.com/best-colleges/university-of-arizona-1083>

¹⁰ https://www.multifamilyexecutive.com/property-management/apartment-trends/exclusive-research-7-000-students-reveal-their-housing-wants-and-needs_o

Geographic Concentrations

Areas of Minority Concentration

A history of institutionalized race-based housing policies, patterns of in-migration, and lending practices that negatively impact minority homebuyers have all contributed to minority concentration areas. Recent research into the history of housing segregation provides insight into how government policies influenced development patterns and access to capital and credit. These policies have had a lasting impact on housing patterns, neighborhood vitality, and individual wealth accumulation.

According to a study by the National Community Reinvestment Coalition (NCRC), from 1935 to 1939, government surveyors interviewed local officials and bankers in 239 cities to document what local lenders considered credit risks in different neighborhoods. The surveyors considered a variety of factors, including access to transportation and the quality of housing. But a primary driver of the grading system was the racial and ethnic makeup of the neighborhood's residents¹¹. The Homeowners Loan Corporation (HOLC) marked entire communities in red ink where they deemed the influx of racial and ethnic minorities as credit risks. The maps are still known for those red lines and "redlining" is now a modern term for discrimination in housing and lending.

The HOLC maps demonstrated how local banks defined credit risks based on neighborhoods rather than on an individual's ability to repay a loan. In short, they documented institutionalized discrimination. Today, they graphically display how racism was embedded into the structure of American cities from at least the 1930s until 1968, when the Fair Housing Act abolished redlining and banned racial discrimination in housing.

Because Tucson was a small community, the Homeowners Loan Corporation did not develop redlining maps. Still there was de facto segregation of the White and Mexican population. With the arrival of the Southern Pacific railroad line in 1880, Mexican Americans lived in the "Barrios" created south of the line, while Whites resided mostly north of the line. Chinese people also began settling in Tucson as early as the 1870s and generally lived south and west of the railroad tracks in the same areas as Mexican Americans. With the founding of the University of Arizona

¹¹ HOLC "redlining" maps: The persistent structure of segregation and economic inequality. Bruce Mitchell Phd and Juan Franco, National Community Reinvestment Coalition. March 20, 2018.

in 1885, Whites also settled near the University¹². Finally, throughout history migrant networks have channeled new arrivals to neighborhoods where immigrants have already settled.

While redlining is no longer a government-sanctioned practice, reverse redlining was heavily practiced during the housing market boom of the early 2000s and has continued during the market recovery. Researchers point to aggressive high-cost lending in minority markets¹³, which increases borrowers' exposure to pricier loans, decreases potential wealth accumulation, and increases the risk of future foreclosure. A 2011 report using data collected by the Pew Research Center notes that accumulated wealth of blacks and Hispanics was disproportionately affected by the 2006 collapse of the housing bubble and the recession that followed. In 2009, 25% of blacks and Hispanics had no assets other than a car, compared to 6% of whites¹⁴.

In *The Color of Law: A Forgotten History of How our Government Segregated America*, Richard Rothstein explains how the housing programs begun under the New Deal provided housing to white, middle- and lower-middle class families in suburban communities and effectively pushed people of color into urban housing projects. Initially, public housing was developed for whites only in cities across the country, with some separate projects built for African Americans. While there were long waiting lists for African American projects, white projects had higher vacancies and were eventually opened up to African Americans. The vacancies in white projects were mostly created by the Federal Housing Administration (FHA) program to suburbanize America, with the FHA subsidizing builders to create "white-only" subdivisions. As industry left the cities for the suburbs, African Americans became poorer and public housing became subsidized housing for poor people, rather than housing for working-class people.

Minority Concentration Area Maps

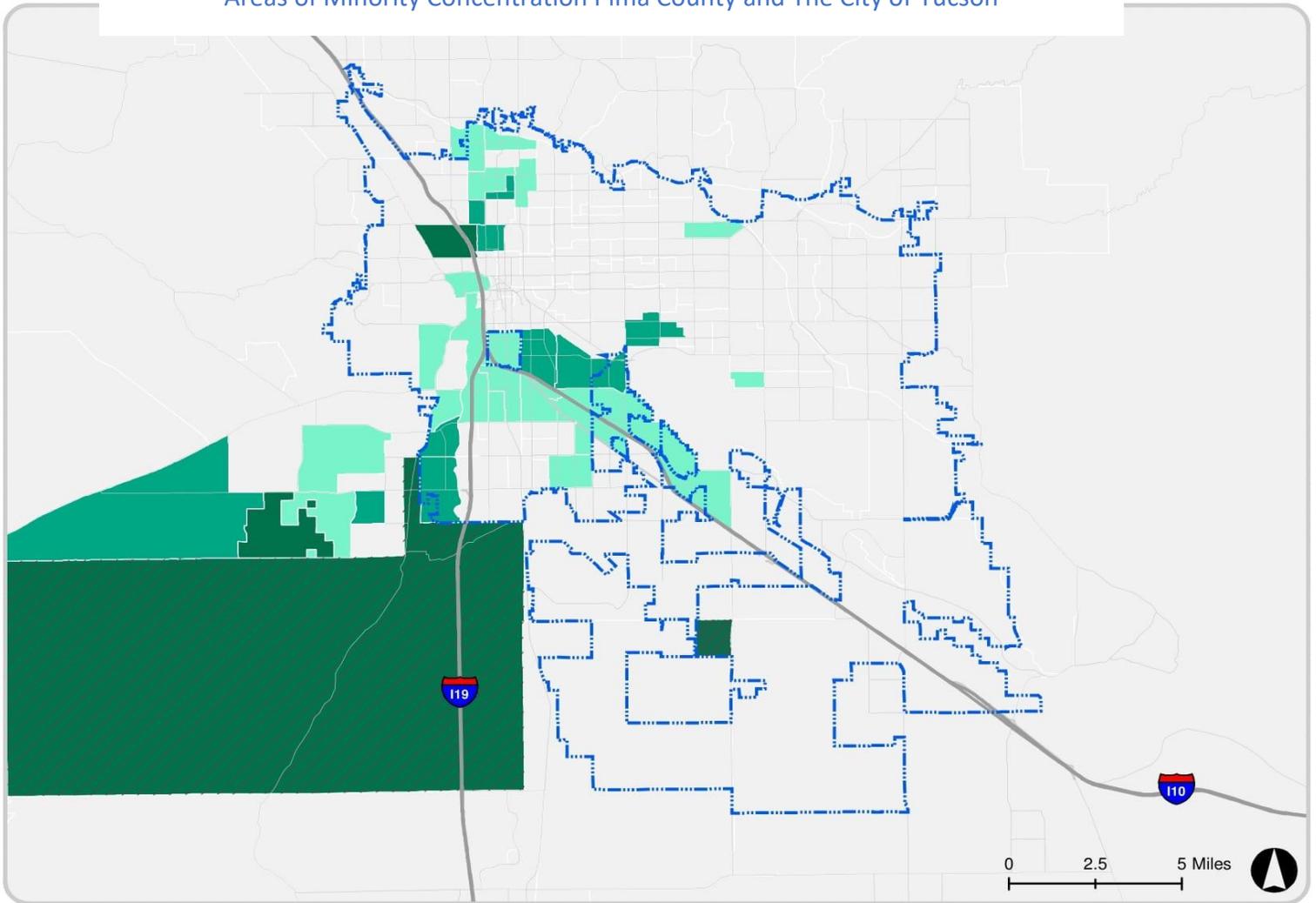
The maps on the following pages show minority concentration areas throughout Tucson and Pima County using census tract level data from the 2017 5-year US Census American Community Survey. Analysis of the data reveals concentrations of racial and ethnic minorities combined, and concentrations of Hispanics. Native American concentrations are found on Tribal lands, where the Fair Housing Act does not apply.

¹² Jaynie Adams, "Just A Moment in the Sun: A History of Housing Segregation in Tucson, Arizona," Unpublished seminar paper, History 696J, University of Arizona, 2018.

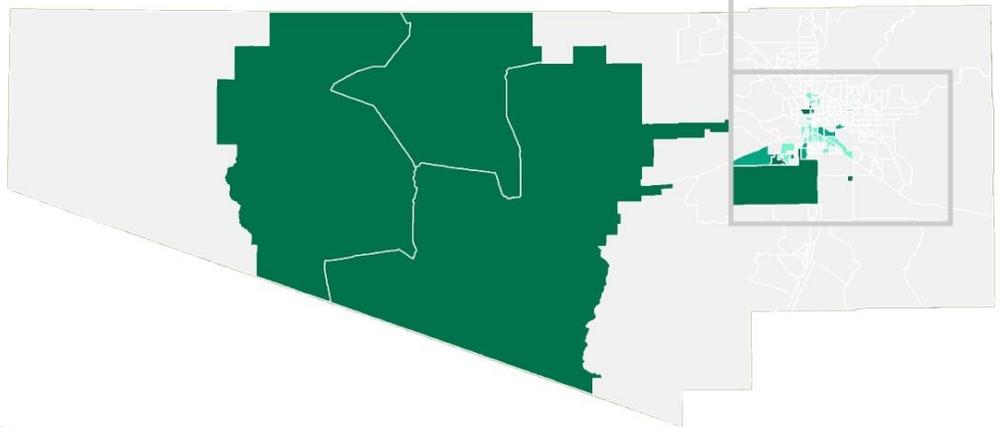
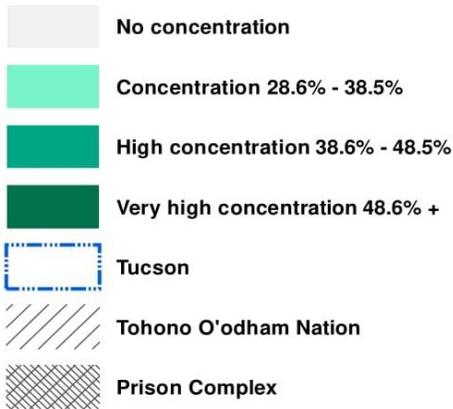
¹³ What Drives Racial and Ethnic Differences in High Cost Mortgages? The Role of High Risk Lenders. Patrick Bayer, Fernando Ferreira, Stephen L. Ross Working Paper. National Bureau of Economic Research February 2016

¹⁴ Kochhar R, Fyr R, Taylor P. Wealth Gaps Rise to Record Highs Between Whites, Blacks, and Hispanics. Washington, DC: Pew Research Center, Pew Social & Demographic Trends; July 26, 2011.

Areas of Minority Concentration Pima County and The City of Tucson



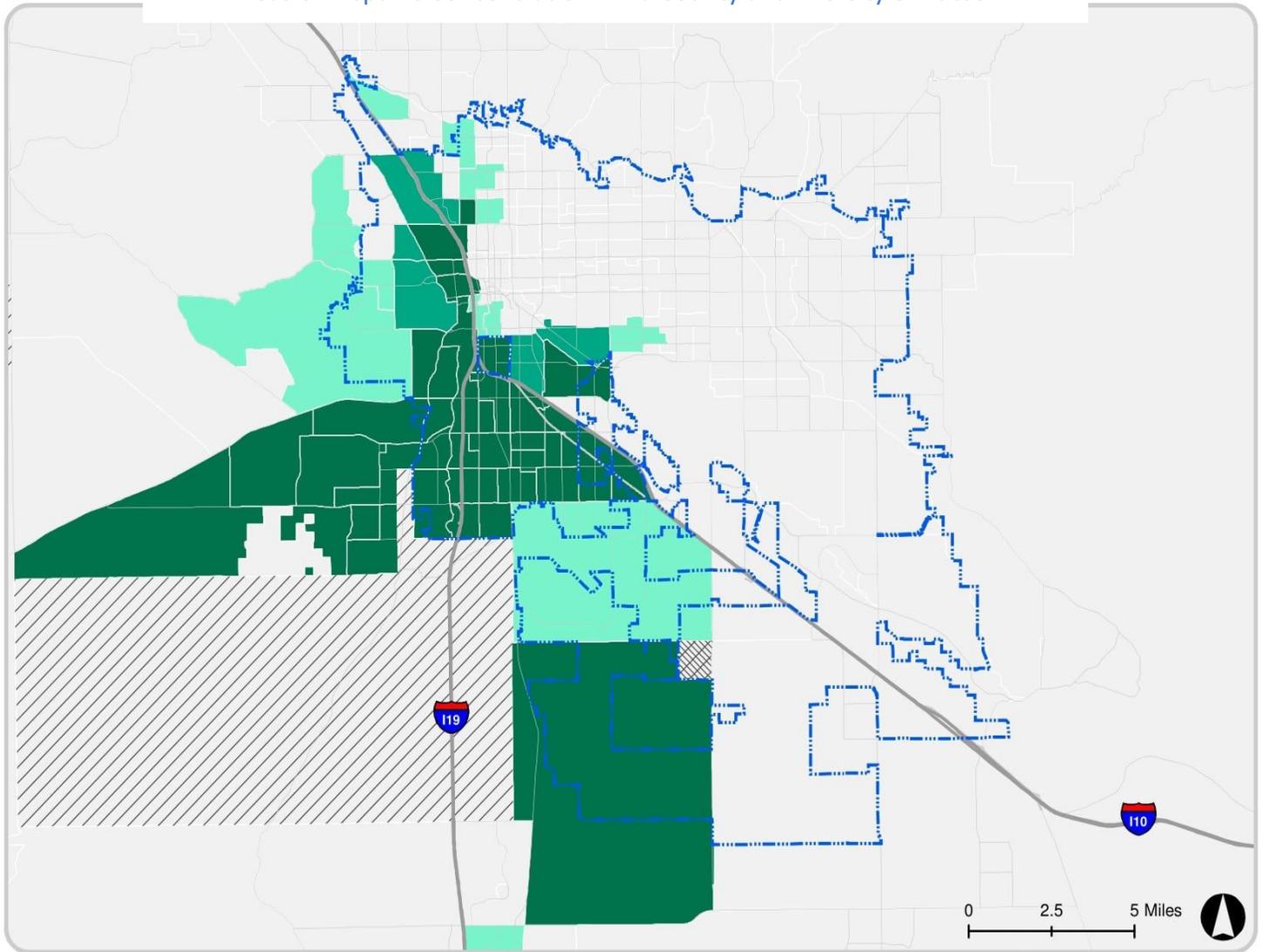
Minority Concentration



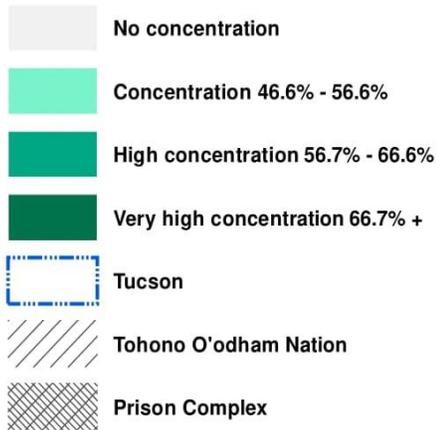
Data Source: American Community Survey 2017 5-Year Summary

There are 32 minority concentration census tracts in Pima County where the percentage of minorities exceeds 28.6%. Sixty-eight percent (68%) of minority concentration census tracts are located wholly or partially in Tucson. Concentrations of minorities in Tucson are clustered along the I-10 corridor and in the southern part of the City. Twenty-five (25) of the minority census tracts are also tracts that have concentrations of people living in poverty. Of the 10 minority concentration census tracts outside of the City of Tucson, five are on Tribal Lands and the remaining five are located south and west of Tucson.

Areas of Hispanic Concentration Pima County and The City of Tucson



Hispanic Concentration

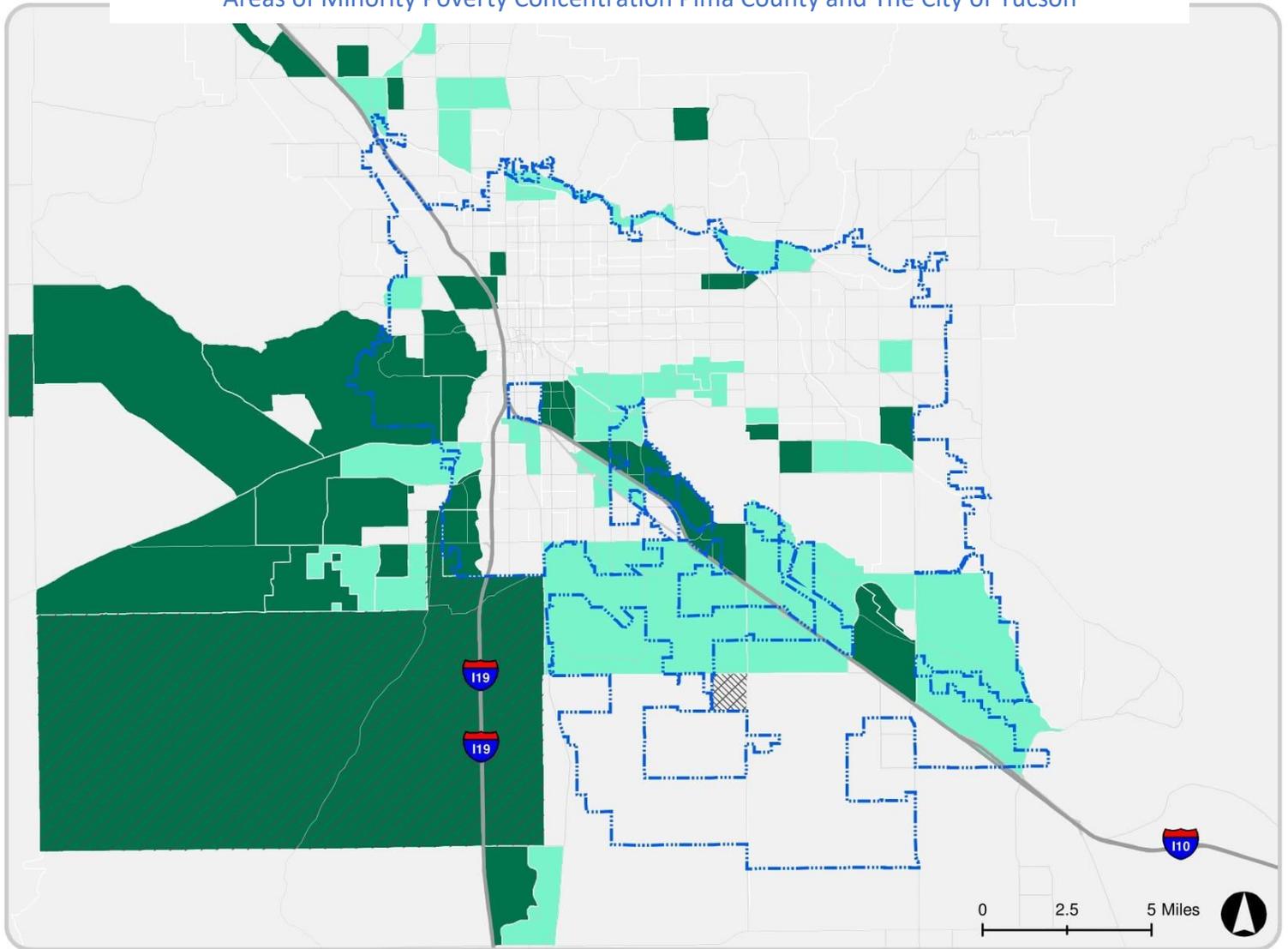


Data Source: American Community Survey 2017 5-Year Summary

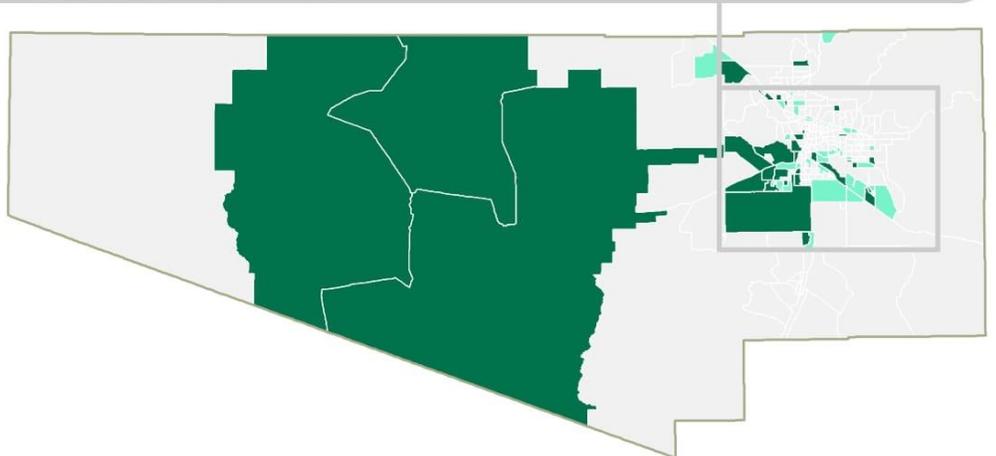
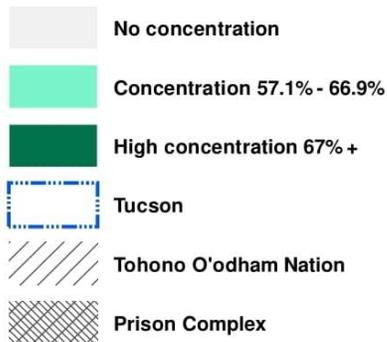


There are 55 Hispanic concentration census tracts where the Hispanic population exceeds 46.6%, or is at least 10% higher than the proportion of the Hispanic population in the County. Eighty percent (80%) of Hispanic concentration census tracts are located wholly or partially in Tucson. Hispanic concentration tracts share many of the same boundaries as minority and poverty concentration tracts and are clustered along the I-10 corridor and in the southern part of the City. The 11 Hispanic concentration census tracts outside of the City of Tucson are located south and west of Tucson.

Areas of Minority Poverty Concentration Pima County and The City of Tucson



Minority Poverty Concentration



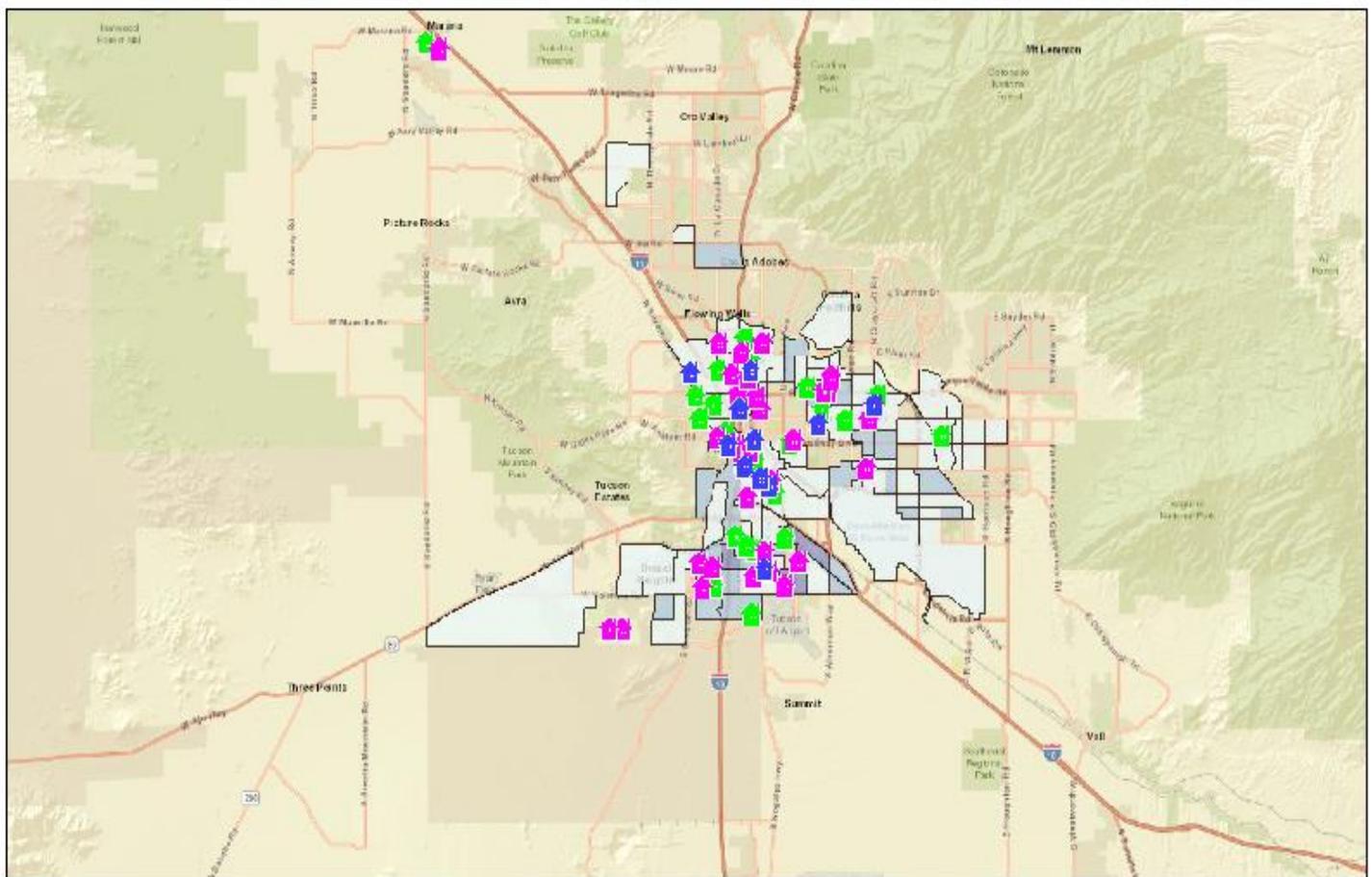
Data Source: American Community Survey 2017 5-Year Summary

There are 32 census tracts Pima County where the percentage of minorities living in poverty exceeds 57%. Eighty-eight percent (88%) of minority poverty concentration census tracts are located wholly or partially in Tucson. Of the 4 minority concentration census tracts outside of the City of Tucson, one is on Tribal Lands and the remaining five are located west of Tucson.

Subsidized Rental Housing and Voucher Holder Concentrations

The following map shows the location of subsidized multi-family housing including public housing, Low Income Housing Tax Credit properties and HUD-assisted multi-family properties. It also shows the concentration of voucher holders. The map demonstrates the clustering of multi-family housing along the I-10 corridor, and in central and southern Tucson. With several exceptions, voucher holders are also concentrated in these areas.

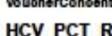
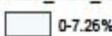
Concentration of Voucher Holders - and Location of Subsidized Multi-family Housing

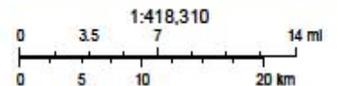


May 7, 2019

-  Public Housing Development
-  LIHTC Property
- Override 1

-  Multifamily Properties - Assisted

- Voucher Concentration
- HCV_PCT_RENTER_OCC_UNITS
-  7.26-15.58%
 -  15.58-29.12%
 -  0-7.26%



Source: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



Dissimilarity Index

The dissimilarity index measures whether one particular group is distributed across census tracts in an area in the same way as another group. Ranging from 0 to 100, a high value indicates that the two groups live in different tracts. A value of 60 (or above) is considered very high – it means that 60% (or more) of the members of one group would need to move to a different tract in order for the two groups to be equally distributed. Values of 40 or 50 are usually considered a moderate level of segregation, and values of 30 or below are considered to be fairly low¹⁵.

As demonstrated in the following table the 2017 dissimilarity index in Pima County is generally moderate with the highest among Asians and Hispanics, followed by Blacks and Hispanics. The overall trend using the decennial census is a declining dissimilarity index. Comparing the 2009 American Community Survey (ACS) with the 2017 ACS shows significant variation, with increasing dissimilarity among White-Black and White-Asian populations. Given larger ACS margins of error, the 2020 decennial census will provide a clearer picture of any trends.

Pima County Dissimilarity Index Trend 1990-2017					
	1990	2000	2010	2009 ACS	2017 ACS
White-Black	36	29.4	25.6	35.2	37.6
White-Hispanic	52.1	50	47.2	49.7	31.4
White-Asian	24.8	20.6	17.2	30.1	34.7
Black-Hispanic	39.4	36.8	36.9	45.4	41.4
Black-Asian	30.2	28	24.8	48.3	43.7
Hispanic-Asian	52	49.5	45.5	55.1	49

Sources: Brown University American Communities Project (1980-2010); Kuehl Enterprises LLC (2017)

Exposure Index

Residential exposure refers to the degree of potential contact or possibility of interaction between groups within geographic areas. The exposure index attempts to measure the experience of segregation as felt by a community member and depends on two conditions – the overall size of each group and each group’s settlement pattern. The exposure index ranges from 0 to 100, where a larger

¹⁵<https://s4.ad.brown.edu/projects/diversity/segregation2010/City.aspx?Cityid=477000>



value means the average (first) group member is more likely to live in a tract with a higher percentage of persons from the other (second) group.

When a minority population grows, the exposure index decreases as the minority group is less likely to be exposed to a predominantly white neighborhood because the white share of the population has decreased.

The exposure index for Tucson demonstrates how since 1980, the minority population has increased and moved into neighborhoods that were predominantly White, yet the White population has not moved into neighborhoods that had a larger minority population. Due to the lower minority population, the exposure index for Pima County, shows generally lower integration than the exposure index for Tucson. Large margins of error in 2017 ACS race and ethnicity data preclude accurate calculation of a more current exposure index¹⁶.

City of Tucson Exposure Index Trend 1980-2010				
	1980	1990	2000	2010
Black-White	55.8	58.1	53.6	49.4
Hispanic-White	44.2	42.5	37.1	33.4
Asian-White	75.3	70.3	63	56.1
White-Black	2.9	3.7	4.6	5.6
White-Hispanic	16	19.6	24.5	29.4
White-Asian	1	2.3	3.5	4.4
Hispanic-Black	4.5	4.3	4.4	4.8
Asian-Black	3.5	4.6	5	5.7
Black-Hispanic	30.7	31.1	34.2	37.4
Asian-Hispanic	18.2	20.6	25.4	31.1
Black-Asian	0.9	2.4	3.3	3.9
Hispanic-Asian	0.7	1.4	2.2	2.7
Source: Brown University American Communities Project (1980-2010)				

¹⁶ Margins of error: White 12.9%; Black 72.3%; Asian 72.9%; Hispanic 28.3%.



Changing Neighborhoods

During the interview and focus group processes, the issue of changing neighborhoods or “gentrification” was a common theme. The term gentrification encompasses a complex set of neighborhood dynamics. One operational definition, presented by Lisa Bates of Portland State University in her Gentrification and Displacement study for the City of Portland, encompasses housing market changes, economic status changes and demographic changes¹⁷. Bates defined gentrification as the process that occurs:

“when a neighborhood has attractive qualities - for example, location or historic architecture—but remains relatively low value. The disconnect between potential value and current value (called “the rent gap”) may occur due to historic disinvestment by public and private sectors. When the area becomes desirable to higher-income households and/or investors, there are changes in the housing market. As demand rises for the neighborhood, higher-income households are able to outbid low-income residents for housing, and new development and economic activity begins to cater to higher-income tastes. Lower-income households and/or households of color migrate out of the neighborhood and new in-migrants change the demographics of the neighborhood.”

A full analysis of gentrification is outside the scope of this AI; however, additional research into these characteristics, as well as borrowing patterns in minority concentration areas is suggested to determine the extent of neighborhood change.

“...there is a coded conversation about whose community this really is. Who has the right to stake a claim to its present and future? Because the neighborhood is changing, it’s a constant conversation...community is impossible to define right now.”

Interviewee

¹⁷ Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification. Commissioned by City of Portland Bureau of Planning and Sustainability. Authored by Lisa K. Bates, PhD. Updated: 05/18/13.

Community and Stakeholder Engagement

To better understand the perspective of community members and stakeholders regarding fair housing, housing choice, and improving access to areas of higher opportunity, an online survey, interviews and focus groups were conducted.

Survey

A survey was created to gather information from community members and stakeholders about fair housing, housing choice and access to opportunity, what could be done to prevent housing discrimination, and how best to raise awareness of fair housing. The survey was distributed in English and Spanish online through the County and City websites and advertising was conducted to broaden participation. The survey received 348 responses. A copy of the survey is included as Appendix 1.

Survey responses revealed strong feelings about fair housing and housing discrimination from multiple perspectives. Several respondents stated they had been discriminated against and were unable to get assistance, some felt there was nothing that could be done, and others felt that too much of the onus of becoming educated and reporting housing discrimination was unfairly placed on vulnerable populations. Other respondents felt equally strongly that housing discrimination is not an issue and that surveys and other efforts are intended to create a problem that doesn't exist.

Forty percent (40%) of survey respondents indicated they had not experienced housing

discrimination nor did they know someone who had. Thirty-five percent (35%) of respondents believed they had experienced some form of housing discrimination and an additional 14% believe they know someone who had. The most often cited forms of discrimination were discouraging a person from living where he or she wants to live and discrimination based on disability, followed by predatory lending. Rental and leasing agents at apartment complexes and in single-family rentals were cited by two-thirds of respondents as the location of housing discrimination.

While nearly one-quarter of survey respondents did not believe housing discrimination is or is likely occurring in Pima County, more than half (52%) of respondents believe that it does occur and an additional 25% believe that it is likely. The forms of housing discrimination that are believed to be occurring most often are refusing, discouraging or charging more to rent an apartment or buy a home and discouraging a person from living where he or she wants to live.

When asked about their knowledge of fair housing laws, 82% of respondents felt that they were either somewhat or very informed about fair housing. Half of the respondents had seen

information about fair housing in the community, with most having seen fair housing flyers or pamphlets, or fair housing information at a public event. While respondents felt relatively informed, 30% indicated they would not do anything or would not know what to do if they encountered housing discrimination. Nearly half (48%) would report discrimination if they experienced it, and slightly more than half (52%) would report the discrimination to the Arizona Attorney General's Office or to HUD.

When asked what would be the most effective method of providing fair housing information in the community, most respondents indicated that multiple methods of outreach were necessary. Literature and information in public places, television advertisements and announcements, and information on the City and County website were identified as the most effective. Many respondents indicated that additional use of social media would greatly expand awareness. Other respondents indicated that providing fair housing information to consumers should be mandated of all real estate professionals, including leasing agents, landlords, and lenders. Some respondents indicated that there should be a fair housing addendum added to lease agreements and loan packages. Additional suggestions included making information available in alternate formats for people with

sight and hearing impairments, and in places that those most likely to encounter housing discrimination frequent such as doctor's offices, beauty and barber shops, and public events.

When asked about choice in housing type or quality in a broad geography, respondents identified income, and source of income (public benefits) as primary barriers. Considering protected classes, race, color, disability and familial status were the most often-cited limitations on housing choice.

The survey asked an open-ended question about what could be done to prevent housing discrimination. Many respondents provided multi-point answers. Twenty-two percent (22%) of respondents cited some form of education for real estate professionals, government employees and the public, and 12% cited increased testing, enforcement and penalties. Another 13% cited increased affordable housing and 6% cited additional government action. Respondents citing increased affordable housing spoke to the need for additional affordable rentals, geographic disbursement of affordable housing, assistance for homebuyers (including homebuyer education), resources to improve housing quality and accessibility, rent controls, and rental housing standards and inspections.

Interviews

Thirty-seven email, phone and in-person interviews were conducted by the Southwest Fair Housing Council. Interviewees included a cross-section of community members, stakeholders from the private housing industry, community organizations and government departments who were asked about:

1. Housing problems;
2. The connection of housing problems with employment, education, transportation, environmental hazards, crime, and health;
3. The extent to which housing problems disproportionately impact certain groups; and
4. The barriers to housing choice and the impacts of those barriers on individuals and on certain groups of people.

Affordable, safe and quality housing was the most often-discussed housing problem among interviewees. Several interviewees discussed homeownership affordability and the limited access to a variety of home purchase options such as townhomes and condominiums. Many more interviewees discussed the challenges with affordable rental housing, particularly for people with criminal records, for younger people with disabilities, for seniors, and for other vulnerable populations including immigrants and people who are experiencing homelessness. Others cited the need to have more integrated housing options so that people of different abilities, color and background are less isolated and can create community.

The impact of limited and fixed income on housing choice combined with a shortage of affordable housing was identified as a primary barrier. Many interviewees cited limited financial education as a challenge to movement within the market, while others discussed the

difficulty low-income households have with making rent on time and the cost of late fees and evictions. The ability of people with limited and fixed income to perform and afford routine maintenance was also an often-cited challenge.

Location or neighborhood choice was a common thread in all interviews, particularly the link between affordable housing, employment, transportation, education and health. Many interviewees acknowledged that affordable housing is not located throughout the County or near employment with access to public transportation, quality schools, needed services and fresh food.

Another common discussion was gentrification. With continuing downtown revitalization, homes are being purchased by more affluent households at higher prices and the character of some neighborhoods is changing. As home values and therefore property taxes increase, people are being priced out of their long-time

housing. The revitalization of rental housing in some neighborhoods is also pricing people out of their long-time rental units.

More than one-third of interviewees felt that people of color and people with disabilities were most heavily impacted by housing problems and therefore experienced more barriers to housing choice. One of five interviewees felt strongly that income is more of an issue than a person's status in a protected class. Other interviewees identified seniors,

families with children (particularly single parents and large families), recently released offenders and people with criminal backgrounds, non-English speakers, people experiencing homelessness, and people with pets as most heavily impacted by housing problems.

Interview questions are included in Appendix 2. Quotes from the interviews are also found throughout this Analysis.

Focus Groups

The third mode of community engagement was four focus groups conducted by SWFHC. Three focus groups were held in Tucson and one in the rural community of Ajo. Participants in the focus groups were diverse, yet there were several common themes.

“Communities can’t survive if they are tied to low wage jobs, lack of financial understanding or underemployment.”

Focus Group Participant

Housing affordability was one common theme. The Ajo focus group cited access to capital as a significant issue, while the groups in Tucson were challenged by seasonal residents, student demand for rental housing, lack of financial education for home purchase, and stringent rental eligibility requirements. Challenges finding affordable rental housing and the inability to find a landlord to accept a Section 8 Housing Choice Voucher were also discussed.

Housing quality is a significant issue in Ajo due to the flood plain, disinvestment, isolation from services, and a severe shortage of construction professionals. The housing quality discussion among the Tucson groups was more focused on location. The groups discussed that affordable housing, much of which is located on the south side, is often in poor repair and is subject to environmental hazards from the air base, water contamination and poor air quality. All of the Tucson groups felt that low-income people and protected classes are forced to live on the south side because affordable housing is not dispersed throughout the community.

All of the groups cited constraints in their access to opportunity, which was defined in numerous ways. The Ajo focus group discussed the limited opportunities associated with residing in an isolated community – having to travel for assistance with zoning rules, no local hospital, clinic or doctors, no post-secondary education opportunities, no new commercial investment, and access to accessible and affordable transportation and healthcare. This group also perceived that these conditions lead to high crime and recidivism.

The Tucson focus groups discussed the challenges with finding housing near jobs, public transportation, services and grocery stores. The focus group “Black Working Collective” discussed the challenge of creating community when there are so few black residents. Other groups discussed the concentration of nonprofit service providers on the south side, particularly those who serve people experiencing homelessness or with mental illness/substance abuse disorders, and people who were formerly incarcerated.

All of the focus groups agreed that housing challenges and access to opportunity disproportionately affects protected classes, although in different ways. The Ajo group discussed the concentration of Mexican and Native people on the eastside as more affluent people have moved out of the area. Because the eastside is in a flood plain, these populations are hardest hit, and FEMA and HUD have been slow to respond perpetuating housing quality problems. The Tucson focus groups discussed the challenges of elderly people and people with disabilities in securing housing because housing providers do not want to deal with government regulations.

The groups all discussed age, gender, race, disability and familial status as barriers to housing choice. One group discussed how transgender individuals have more challenges than people of color. The groups generally felt that people of color were not aware of the potential assistance that could be provided for home purchase or to address other housing issues. One group also discussed how neighborhoods that were once predominantly minority have been gentrified and are no longer affordable.

Assessment of Current and Private Fair Housing Activities

HUD Enforcement Management System (HEMS) Data

The HUD Enforcement Management System (HEMS) automates the monitoring and compliance review business processes for multiple enforcement activities including Office of Fair Housing and Equal Opportunity (FHEO) and Fair Housing Assistance Program (FHAP) grantees. HUD contracts with the Arizona Attorney General’s Office (AGO) through their Fair Housing Assistance Program (FHAP) to process complaints alleging violations of the Fair Housing Act in Arizona.

The HUD Fair Housing and Equal Opportunity Office reported 169 complaints in Pima County between January 1, 2015 (since the 2015 AI), and April 15, 2019. More than one-third (36.4%) of complaints were filed on the basis of disability, while 12% were filed on the basis of race and 12% on the basis of sex. Twenty-one percent (21%) of complaints included multiple bases. Forty percent (40%) of complaints included retaliation (punishing or otherwise striking out against someone for filing a complaint).

Fair Housing Complaints Originating in Pima County from 01/01/15 to 04/15/19						
	2015	2016	2017	2018	01/01/19 – 04/15/19	Total
Total	33	78	42	80	47	280
Race	4	8	7	11	4	34
Color	0	0	0	0	0	0
National Origin	1	6	6	4	7	24
Sex	6	11	1	10	5	33
Disability	13	28	17	25	19	102
Religion	1	4	1	5	0	11
Familial Status	0	3	0	5	2	10
Retaliation	8	18	10	20	10	66
Note: A complaint may include more than one basis						
Source: US Department of Housing and Urban Development Region IX Fair Housing and Equal Opportunity Office						



HUD’s records show 170 fair housing complaints were processed between January 1, 2015 and April 15, 2019 and closure reasons were provided for 142 of those complaints; the remaining complaints were pending data entry as of the date of this AI. Of the complaints for which closure data was available, 12 or 8% were successfully conciliated or settled. An additional 11% or 15 complaints were withdrawn with resolution, meaning that the complainant reached an agreement with the defendant providing appropriate relief. The majority of settled complaints included disability and failure to provide a reasonable accommodation as a basis.

Seven of ten complaints were found to have no cause. The low number of complaints that result in a cause finding may indicate a low number of meritorious complaints or the need for assistance from Fair Housing Initiative Programs that can help complainants navigate the complaint filing process and communicate the nature of their complaint with investigators.

Disposition of Fair Housing Complaints in Pima County from 01/01/15 to 04/15/19						
	2015	2016	2017	2018	01/01/19 – 04/15/19	Total
Total	39	35	32	27	9	142
Administrative Closure	4	4	3	3	1	15
Conciliated	3	3	5	0	1	12
No Cause	30	25	21	19	6	101
Withdrawn with Resolution	2	3	3	5	1	14
Referred & Closed by DOJ	0	0	0	0	0	0
Note: Disposition of complaints may occur in a year other than when filed. Source: US Department of Housing and Urban Development Region IX Fair Housing and Equal Opportunity Office						



Southwest Fair Housing Council Fair Housing Testing

The Southwest Fair Housing Council (SWFHC) in Tucson is an asset to Pima County and the City of Tucson. The SWFHC conducts tests and processes hundreds of fair housing inquiries annually. SWFHC’s records provide a baseline of knowledge that, when combined with other data, show fair housing trends and areas of concern.

Fair housing testing can be used to investigate and support a fair housing complaint or can be done systematically. It is a controlled method of comparing the quality of information and services provided to a matched-pair of testers. One tester is used as a control and the other tester represents one of the protected classes (race, color, national origin, sex, religion, disability, or familial status). The testers are matched in every other socioeconomic category so it can be determined whether differences in treatment are due solely to the protected class difference. Depending on the nature and needs of a test, single testers or more than a matched pair of testers may also be used. Testers are provided specific assignments for each test and fill out detailed analysis sheets upon completion. Tests are also recorded to ensure accuracy of results.

Fair housing organizations like SWFHC can bring fair housing complaints based on testing results alone. Test results are categorized as either “supports allegations” when a fair housing violation is found and “does not support allegations” when the test did not uncover any fair housing violations. Forty percent of tests found that allegations were supported, with a higher percentage (46%) for disability. Testing on national origin and familial status were less likely to find that allegations were supported.

SWFHC Fair Housing Testing Results January 1, 2016 – December 31, 2018								
	2016	2017	2018	Supports		Does Not Support		Total
				No.	%	No.	%	
Race	44	42	51	55	40%	82	60%	137
National Origin	54	59	17	44	34%	86	66%	130
Familial Status	9	17	15	14	34%	27	66%	41
Disability	62	40	67	77	46%	92	54%	169
Total	169	158	150	190	40%	287	60%	477

Source: Southwest Fair Housing Council



Southwest Fair Housing Council Inquiries

SWFHC is also a referral agency that provides fair housing and other housing referrals to housing providers and the public free of charge. From January 1, 2016 through December 31, 2018, SWFHC processed 477 inquiries. Of the inquiries, nearly half (47%) were regarding disability, while nearly one-quarter (23%) were regarding familial status.

SWFHC Inquiries by Protected Class January 1, 2016 through December 31, 2018					
Protected Class	2016	2017	2018	Total	% of Inquiries
Disability	68	68	69	205	47%
National Origin	50	4	36	90	21%
Race	14	12	16	42	10%
Familial Status	33	29	40	102	23%
Source: Southwest Fair Housing Council					

If an inquiry is fair housing based, SWFHC first counsels the complainant or housing professional on how to resolve their issue according to the Fair Housing Act. This is especially common when resolving disputes concerning reasonable accommodations and modifications for persons with disabilities in a rental setting. If the inquiry is an Arizona Landlord and Tenant Act dispute or any other type of housing question, SWFHC refers individuals to various agencies and to nonprofit legal assistance.

Tucson Fair Housing Code Enforcement

The Tucson City Code (Section 17.52) prohibits discrimination in the sale or rental of housing, making it a violation:

- a) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.
- b) To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.
- c) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference,



limitation, or discrimination based on race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.

- d) To represent to any person because of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status that any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, so available.
- e) For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.
- f) For any bank, building and loan association, insurance company or other corporation, association, firm or enterprise whose business consists in whole or in part in the making of commercial or residential real estate loans, to deny a loan or other financial assistance to a person applying therefor for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or to discriminate against such person in the fixing of the amount, interest rate, duration, or other terms or conditions of such loan or other financial assistance, because of the race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status of such person or of any person associated with such person in connection with such loan or other financial assistance or the purposes of such loan or other financial assistance, or of the present or prospective owners, lessees, tenants, or occupants of the housing in relation to which such loan or other financial assistance is to be made or given. Provided, that nothing contained in this section shall impair the scope or effectiveness of the exceptions contained in section 17-51(b) hereof.
- g) To deny any person access to or membership or participation in any multiple- listing service, real estate brokers' organization or other service, organization or facility relating to the business of selling or renting housing, or to discriminate against such person in the terms or conditions of such access, membership, or participation, on account of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.
- h) To coerce, intimidate, threaten, or interfere with any person in the exercise and enjoyment of, or on account of his/her having exercised and enjoyed, or on account of his/her having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected under this article.
- i) To fail to post notices, to maintain records, or to supply documents and information requested by the EOO in connection with a matter under investigation.

Enforcement of Tucson’s Fair Housing Ordinance is important because it serves as another tool to combat housing discrimination, it further dissuades housing providers from discriminating, and it provides for five additional protected classes not protected under federal or state fair housing laws - age, sexual orientation, gender identity, marital status, and ancestry.

Procedures on how to file a fair housing complaint with the City are explained in Chapter 17 of the Tucson City Code. Section 17-54 states fair housing complaints must be filed in writing with the City’s Equal Opportunity Office (EOO) within 180 days of the violation. A fair housing complaint under the City code is known as a “Chapter 17 Complaint.” The EOO will investigate the complaint and respond within 60 days whether or not it found reasonable cause to substantiate the claims made in the complaint. If there is no cause found, it is possible to request a review of the decision. If reasonable cause is found, the EOO will immediately attempt to remedy the complaint by conference, conciliation, or persuasion. The EOO can also choose to ask the City attorney to file a complaint against the respondent in addition to any mediation or conciliation agreements. The code also provides for monitoring of the respondent for up to one year after the complaint to ensure compliance with the conciliation.

Though the above stated official guidelines are in place to receive and process fair housing complaints, it is very difficult for the average resident to find this information and navigate the complaint process. Very few people would know to look in the Office of Equal Opportunity Programs (OEOP) of the Human Resources Department and that a complaint would be filed under Chapter 17. The City does provide a downloadable complaint form that requires a notarized signature. However, the process of downloading, printing, getting a signature notarized and returning the form to the City present barriers, particularly for the City’s most vulnerable residents.

To assess how the average person with a fair housing complaint in the City of Tucson would navigate the process, SWFHC conducted a series of tests. First, SWFHC made 27 phone calls to City and County offices and successfully reached 19 individuals. One individual referred the caller to the Equal Opportunity Programs Division; the caller did not leave a message when receiving OEOP voicemail. Second, SWFHC sent a tester to the Office of Equal Opportunity Programs to inquire about possible discrimination in rental housing based on marital status. The tester stated she and her boyfriend were being required to provide an additional security deposit because they were not a married couple. The tester was informed that the OEOP did not believe what had occurred was housing discrimination and the tester was referred to SWFHC and Southern Arizona Legal Aid.

Public Policies and Practices

According to the Consortium’s most recent HUD Consolidated Plan, both Pima County and the City of Tucson have taken steps to proactively eliminate regulatory barriers to affordable housing development.

1. The most recent County Comprehensive Plan – Pima Prospers – includes a Housing Element that estimates current and future demand for housing, including affordable housing. While Accessory Dwelling Units are not allowed as-of-right in any zoning district and specific standards for conditional use permits have not been established, the zoning code was amended to effectively allow for non-rental multi-generational housing on one property by allowing an additional kitchen for an attached or detached accessory dwelling unit. Pima Prospers also proposes a prioritization process for affordable housing projects, and policies that may adjust parking requirements for affordable housing. Based on HUD’s checklist, Pima County identified the following assessments and incentives that have not yet been explored:
 - a. A comprehensive assessment of the cost of rules, regulations, development standards and processes and their impact on the supply of affordable housing.
 - b. Density bonuses for affordable housing development.

Goal 6 of the Pima Prospers Housing Element states the County will promote healthy, sustainable, and diverse communities and meet its federal and state fair housing obligations by affirmatively furthering fair housing, supporting fair housing enforcement, and providing fair housing education services to the public, housing providers, and others. The implementation measures are:

- Working collaboratively, Pima County agencies will prepare and update the County’s Analysis of Impediments to Fair Housing Choice as required.
- Integrate fair housing (or fair housing goals) into County planning and development process.
- Ensure that fair housing practices are in place.
- Further fair housing that provides for a range and mix of household incomes and family sizes.
- Working collaboratively, promote affordable housing in a wide range of diverse communities throughout Pima County.

The Pima County code also provides for Board-initiated requests for immediate review of plan amendments when an applicant demonstrates that waiting for the normal amendment periods

would deny substantial and significant benefits to the greater community in terms of new jobs, expanded tax base, enhanced opportunity for disadvantaged populations, significant promotion of affordable housing, mixed use planning, and compact development, or major regional economic development opportunities. The Board of Supervisors may also waive development fees for all development that constitutes affordable housing to moderate, low or very low-income households as defined by the United States Department of Housing and Urban Development, provided that the waiver does not result in an increase in the development fee for other properties in the benefit area plan.

2. The City of Tucson has improved the permit process for contractors rehabilitating the existing housing stock and developers undertaking infill projects. Reforming the zoning regulation with the Unified Development Code successfully removed many barriers. Adoption of the International Existing Building Code has allowed rehabilitation of older buildings without having to meet the full extent of the regulations for new buildings unless a clearly identified hazard is present; this code allows rehabilitation within the means and desires of property owners. Given this progress, the City identified two incentives that it has not explored:
 - a. Fast-track permitting and approvals for affordable housing projects; and
 - b. An explicit policy that adjusts or waives existing parking requirements for affordable housing projects.

Neither Tucson nor Pima County have occupancy standards that differ from those imposed by state law. Both entities have inclusive design ordinances to expand housing accessibility for persons with disabilities. The Pima County Board of Supervisors has a policy that provides for access to services and accommodations to ensure that programs and activities, when viewed in their entirety are readily accessible to and usable by individuals with disabilities. The City of Tucson routinely assesses its programs, activities, services, facilities, policies and practices, and develops action plans for required modifications. It also prepares transition plans, identifying City facilities that require structural modification under the ADA to ensure accessibility, together with action plans for the completion of such modifications.

Housing and Community Development Programs

Examination of policies and practices in HUD Housing and Community Development Programs also revealed efforts to promote and expand housing choice:

1. Applicants to and participants in the Public Housing Authority Section 8 Housing Choice Voucher (HCV) and Public Housing programs may request a reasonable accommodation or modification at any time.
2. Both the City and County provide resources through nonprofit organizations for disability accessibility improvements to remove barriers to safe access, allow a greater level of independent living, and reduce institutionalization.
3. Sites selected for project-based voucher assistance must:
 - a. Be consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities;
 - b. Be in full compliance with applicable laws regarding nondiscrimination and accessibility requirements;
 - c. Meet HUD regulations for site and neighborhood standards.
 - d. Be adequate in size, exposure and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to the site;
 - e. Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
 - f. Be accessible to social, recreational, educational, commercial and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and
 - g. Be located within reasonable travel times and cost via public transportation or private auto to places of employment.
4. In 2018 the City of Tucson was awarded a Choice Neighborhoods Planning and Action Grant from HUD. The Oracle Choice Neighborhoods Initiative is a place-based, comprehensive transformation initiative that focuses on a 2.6 square mile area near the central business district. The area is currently marked by an exceedingly high rate of vacant and abandoned homes, high unemployment rates, a lack of affordable housing, few employment opportunities for youth, high unemployment, and concentrated poverty, crime, social disorganization and residential instability. The area includes eight small neighborhoods and Tucson House. Tucson House became Public Housing in the 1980s and represents 27% of the City's public housing inventory. The 408-unit, seventeen-story Tucson house is home to elderly and disabled

residents who are actively involved with neighbors in a collective process to ensure the project benefits all area residents.

5. To combat the challenges of rising rents and limited units available within the HUD fair market rent and to increase the likelihood of landlord participation, the PHA has developed a tiered payment standard consistent with HUD requirements.
6. The PHA allows for multiple 30-day extensions of the voucher to provide additional time for voucher holders to find units.
7. Developer applicants for projects containing five (5) or more HOME-assisted units are required to comply with affirmative marketing procedures. Applicants must include a description of how the project plans to inform the public, owners, and potential tenants about their affirmative marketing policy and the Federal fair housing laws and a statement of procedures used by owners to inform and solicit applications from persons in the housing market areas who are least likely to apply for the housing without special outreach.

Several interviewees and focus group participants cited landlords unwilling to accept Section 8 Housing Choice Vouchers, particularly in areas of high opportunity, yet the PHA felt that the available rental housing search engine provided significant opportunities in addition to those that voucher holders might independently identify. The Pima County housing search engine revealed 148 available units that accept Section 8; 83 of these units were also income restricted and required to accept Section 8. Additional outreach to landlords may increase options for voucher holders in areas of higher opportunity.

Home Mortgage Disclosure Act Data

Home Mortgage Disclosure Act Data can provide important information about lending practices and can uncover possible patterns of housing discrimination. The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and was implemented by the Federal Reserve Board's Regulation C. On July 21, 2011, the rule-writing authority of Regulation C was transferred to the Consumer Financial Protection Bureau (CFPB). This regulation provides the public loan data that can be used to assist:

- In determining whether financial institutions are serving the housing needs of their communities;
- Public officials in distributing public-sector investments to attract private investment to areas where it is needed; and
- In identifying possible discriminatory lending patterns.

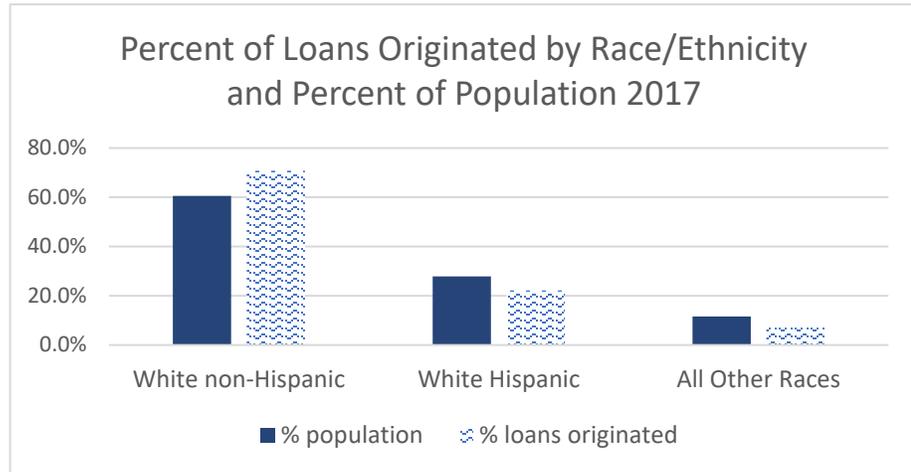
Using the loan data submitted by financial institutions, the Federal Financial Institutions Examination Council (FFIEC) creates aggregate tables for each metropolitan statistical area (MSA) or metropolitan division, and individual institution disclosure reports.

An analysis of Home Mortgage Disclosure Act (HMDA) data for 2015 through 2017 (the latest year for which complete information was available) was conducted to identify any disparities based on borrower race, ethnicity, income and the census tract of the unit. The analysis included denied applications, originated loans, and high-cost originated loans for owner-occupied, first-lien purchase loans. Records with incomplete data were removed from the analysis. HMDA data was also analyzed to identify lenders who serve the minority and low-income market in Pima County.

Loan Originations by Race and Ethnicity

There were 31,837 single-family first-lien loan originations analyzed. Of the loans originated, 93.0% were to White borrowers, 2.5% to Black borrowers, 2.3% to Asian borrowers, 0.4% to Pacific Islander/Native Hawaiian, and 0.9% to Native American borrowers; 22.8% were to Hispanic borrowers of all races. Among White borrowers, 23.9% were Hispanic.

Loan origination data reflects that proportionate to the population, White non-Hispanic borrowers secure loan originations at a much higher rate than borrowers of other races and ethnicities. Given this trend, the homeownership rate among the White non-Hispanic population will continue to grow disproportionate with the homeownership rate of other races and ethnicities. This pattern is perpetuated by generations of home lending to White borrowers, many of whom have been able to build generational wealth and equity for future home purchases.



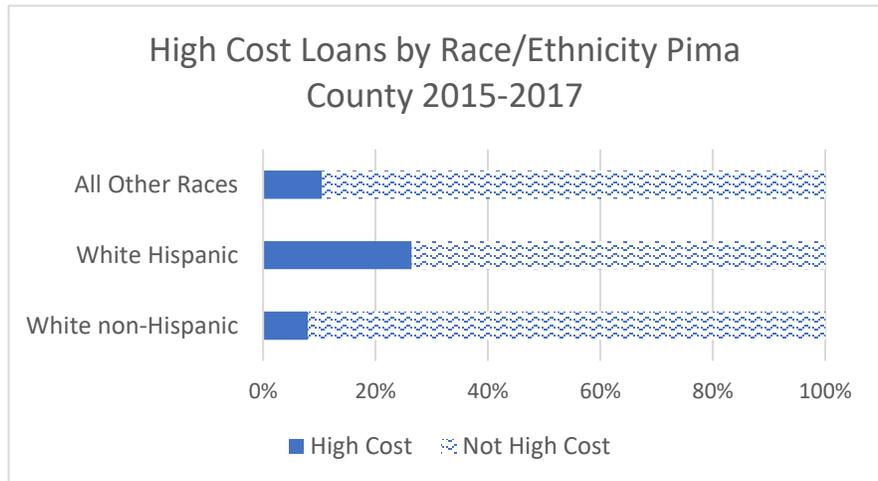
High-cost Loan Originations by Race and Ethnicity

The Average Prime Offer Rate (APOR) is an annual percentage rate that is based on average interest rates, fees, and other terms on mortgages offered to highly qualified borrowers. First-lien mortgages are considered higher-priced or high-cost if the annual percentage rate is 1.5 percentage points higher than the APOR. High-cost loans are more common for borrowers with credit imperfections and are most common for FHA-guaranteed loans due to the higher risk associated with lower down-payment requirements.

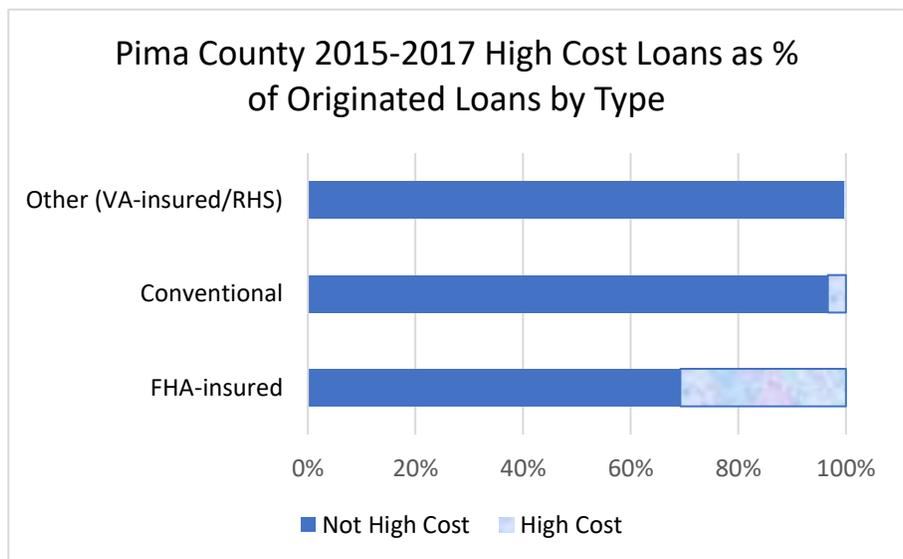
Responsible high-cost lending is an essential part of the mortgage market, as it serves legitimate credit needs and provides homeownership opportunities and potential wealth generation. High-cost loans were common during the housing boom of the early 2000s and are much less common in today’s market, yet it is important to assess whether high cost loans are disproportionately taken by certain groups.



More than one quarter (26%) of loans to White Hispanic borrowers were high cost loans. Comparatively, 8% of White non-Hispanic borrowers and 10% of borrowers of other races originated high cost loans. The lowest rate of high cost loans was to Asian borrowers (5%).

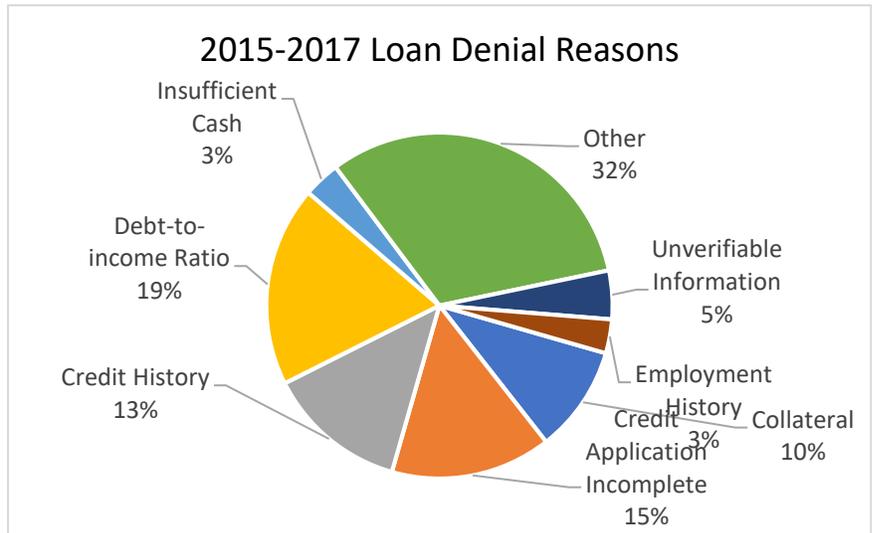


While Hispanic borrowers were the most likely to receive a high-cost loan, they were also more likely to borrow using an FHA-insured loan, and 85% of high cost loans were FHA loans. The FHA loan program was created to support low- and moderate-income buyers, particularly those with limited cash saved for a down payment. An FHA loan requires two types of mortgage insurance premiums (MIP) – upfront and annual (paid monthly). The upfront MIP is paid at the time of closing and can be rolled into the loan. As of 2018, the MIP is equal to 1.75% of the base loan amount, so a borrower would pay \$3,500 on a \$200,000 loan. Annual MIP payments are made monthly and range from 0.45% to 1.05% of the loan amount depending on loan amount, length of the loan and the original loan-to-value ratio. An average monthly MIP cost would be 0.85%, adding \$142 to the monthly payment of an FHA borrower with a \$200,000 loan.

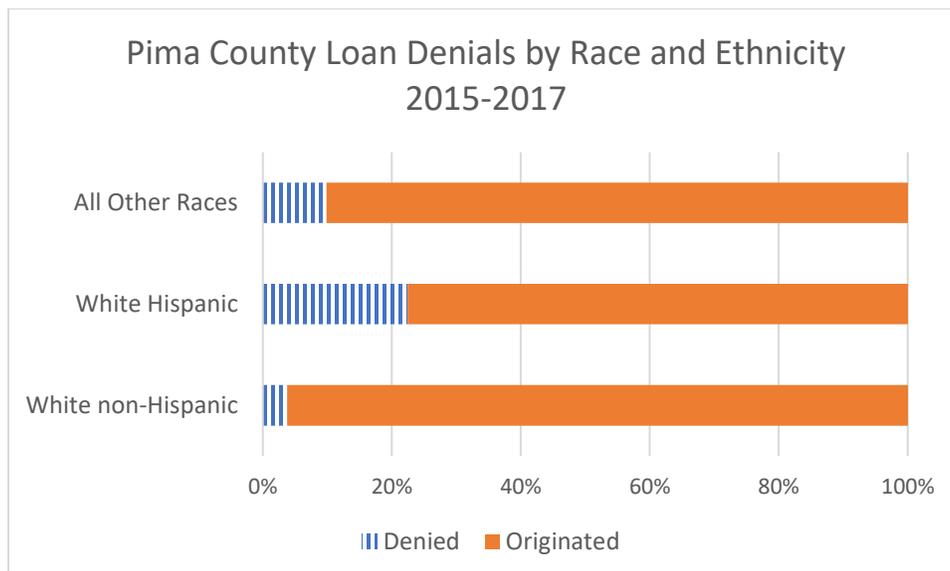


Loan Denials

Loan denials can occur for many reasons. Lenders may provide one or more reasons for loan denial including: collateral, incomplete credit application, credit history, debt-to-income ratio, insufficient cash (down payment, closing costs), “other”, employment history and unverifiable information. Nearly one-third of denied loans were denied for “other” reasons, followed by debt-to-income ratio (19%), credit history (19%), and incomplete credit application (15%). Loan denial reasons were analyzed by race and ethnicity and no significant variations in loan denial reasons were identified.



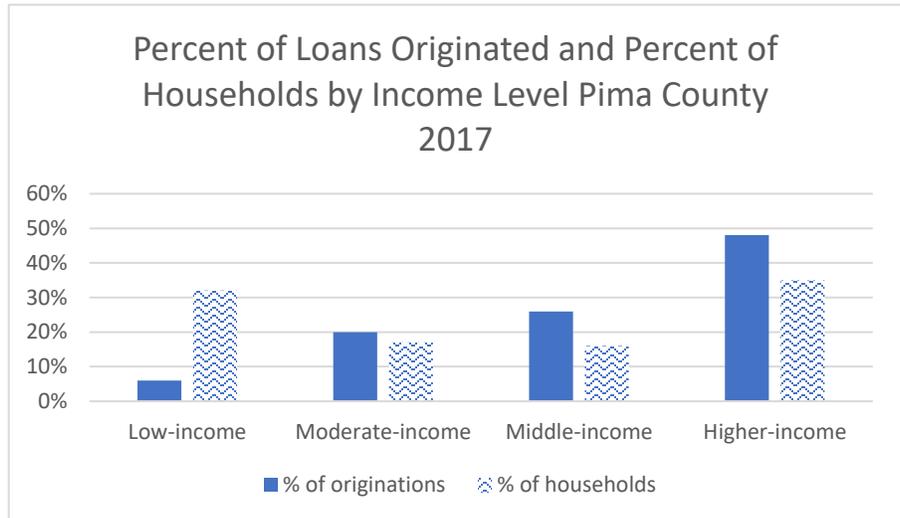
Nearly one of ten (8.4%) of borrower loan applications were denied. Twenty-two percent (22%) of White Hispanic loan applicants were denied, compared to 4% of White non-Hispanic loan applicants and 10% of loan applications by borrowers of other races. The rate of loan denial for White Hispanic loan applicants was nearly 6 times higher than that of White non-Hispanic loan applicants and 2.6 times that of loan applicants of other races.



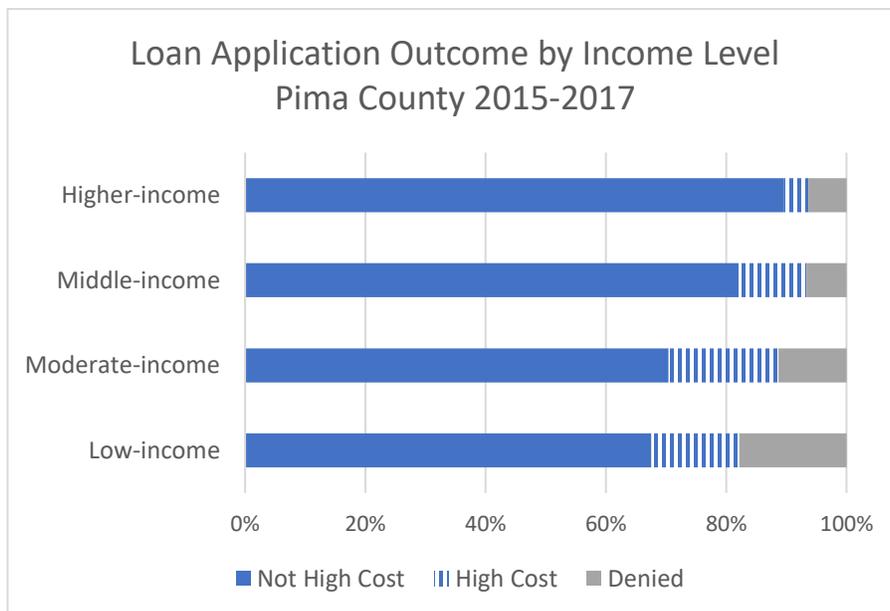
Loan Originations, High-cost Loan Originations, and Loan Denials by Income

Loan Originations

As household income increases so does the likelihood of being able to afford a home purchase. Proportionate to their share of households, only low-income households were less likely to apply for and originate a home mortgage between 2015 and 2017.



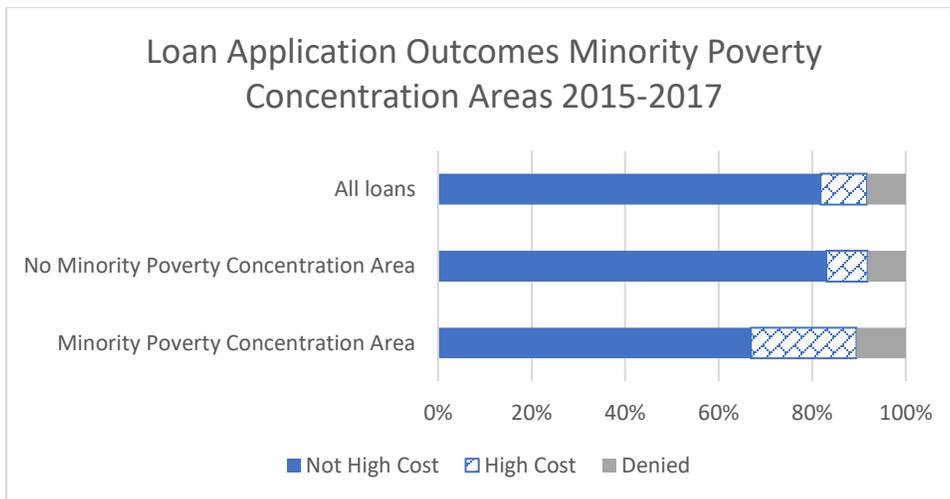
The rate of high-cost loans and loan denials decreases as household income increases. Moderate-income borrowers are more likely to receive a high-cost loan than borrowers in other income categories. Moderate-income borrowers are also more likely to secure an FHA-insured loan, increasing their exposure to high-cost lending.



Loan Originations, High-cost Loan Originations, and Loan Denials in Minority Poverty Concentration Census Tracts

Many factors can impact the geographic location of loan originations. Lower-income and minority census tracts are generally more centrally located, more densely populated, have fewer single-family housing units, older housing stock, and a lower homeownership rate. The homeownership rate in single-family (1-4 units) housing in minority poverty census tracts is 52% compared to 67% outside of minority poverty census tracts.

The rate of high cost loans in minority poverty concentration areas (23%) was more than 2.5 times the rate outside of concentration areas (9%). The rate of loan denials was also higher (11%) in minority poverty concentration areas than outside of concentration areas (8%).



High-volume Lender Loan Originations, High-cost Loan Originations, and Loan Denials

Nineteen lenders (high volume lenders) originated more than 100 loans each year between 2015 and 2017. Between 2015 and 2017 these lenders:

- Originated 76.8% of first-lien home purchase loans, including 65.6% of loans made to minorities, and 79.7% of loans made to low-income borrowers;
- Originated 82.2% of high-cost first-lien home purchase loans, including 86.8% of high-cost loans to minorities, and 85.0% of high-cost loans to low-income borrowers;
- Originated 80.3% of first-lien home purchase loans in low-income census tracts and 93.5% in minority census tracts; and
- Denied 54.4% of loan applications, including 37.6% of minority denials and 62.4% of low-income borrower denials.

2015-2017 Pima County High Volume Lenders			
Institution	HMDA Respondent ID	Loans Originated	% of Originated Loans
Nova Home Loans	86-0415227	7,412	23.3%
Sunstreet Mortgage	20-2715422	3,127	9.8%
VIP Mortgage	42-1720343	2,711	8.5%
Summit Funding	91-1780488	1,594	5.0%
Fairway Independent Mortgage	76-0503625	1,108	3.5%
Home Services Lending	41-1914032	1,083	3.4%
Guild Mortgage	471809999	1,006	3.2%
Loan Depot	26-4599244	828	2.6%
Wells Fargo	451965	751	2.4%
DHI Mortgage	542409990	708	2.2%
USAA	619877	636	2.0%
Academy Mortgage	7257500009	601	1.9%
Chase Bank	852218	544	1.7%
Pulte Mortgage	42-1554181	436	1.4%
PHH Home Loans	2317700005	420	1.3%
Quicken Loans	7197000003	393	1.2%
Home American Mortgage	84-0927358	390	1.2%
Universal American Mortgage	2149009991	376	1.2%
Cornerstone Home Lending	76-0236067	321	1.0%
All Other Lenders		7,392	23.2%
Source: Home Mortgage Disclosure Act Data https://www.consumerfinance.gov/data-research/hmda/			



High-volume lender data was analyzed to identify those who are outliers or fall at least one and one-half standard deviations above the norm in their lending to low-income and minority borrowers and in low-income and minority census tracts. The following tables list the outliers among high-volume lenders for high-cost loans and loan denials.

Mortgage companies market themselves through a particular feature that becomes identified with their brand. Some mortgage companies clearly become expert in different types of mortgages. This expertise, combined with targeted marketing creates niches for some lenders with low-income and minority borrowers and with government loan products. This is clearly the case with Academy Mortgage and Guild Mortgage, both of which are far more likely than other high-volume lenders to originate a high-cost loan and to work with minority and low-income borrowers.

High-volume Lender High-cost Loan Outliers		
	All High-volume Lenders	Outlier(s)
All Borrowers	10.7%	Academy Mortgage – 38.5% Guild Mortgage – 21.0%
Low-income Borrower	16.1%	Academy Mortgage – 37.4% Guild Mortgage – 32.0%
Minority Borrower	20.4%	Academy Mortgage – 44.7% Guild Mortgage – 37.2%
Minority Census Tract	21.4%	Academy Mortgage – 48.0% Loan Depot – 39.5%
Low-income Census Tract	25.0%	Academy Mortgage – 42.1%

High-volume Lender Loan Denial Outliers		
	All High-volume Lenders	Outlier(s)
All Borrowers	7.1%	Wells Fargo – 21.3% Quicken Loans – 21.1%
Low-income Borrower	8.9%	Wells Fargo – 29.7%
Minority Borrower	9.3%	Wells Fargo – 31.6% Quicken Loans – 26.1%
Minority Census Tract	6.3%	Quicken Loans – 27.1% Wells Fargo – 23.7%
Low-income Census Tract	7.5%	Quicken Loans – 29.2% PHH Home Loans – 28.6%



The Role of the Secondary Market

While lenders make loans in person or through online processes, the secondary market heavily influences the terms and conditions of mortgage loans. A secondary market for residential mortgages emerged in the 1930s when local and regional demand for mortgage credit did not match the supply of bank depository funds available to make mortgages, leading to surplus mortgage credit in some areas and shortfalls in other areas. Higher interest rates and limited access to financing in some markets led the federal government to purchase mortgages originated by banks. Today, the secondary market relies more on securitization (the packaging of individual mortgages into mortgage-backed securities), which frees up capital for new mortgage lending.

Ginnie Mae guarantees FHA, VA and RHS-insured loans that have underwriting criteria specified by the respective federal agencies. Government sponsored enterprises (GSE), such as Fannie Mae and Freddie Mac, influence loan originations and mortgage terms and conditions by imposing loan limits, credit scores and other types of credit criteria on the loans they purchase through approved participating mortgage lenders. Life insurance companies, credit unions, commercial mortgage and savings banks, and finance companies are also major players in the secondary market.

When an individual applies for a mortgage, the lender feeds application information (credit score, income, liquid reserves, debt-to-income ratio, loan-to-value ratio, property value, etc.), into the GSE automated underwriter system. The GSE underwriter system produces the accept/reject decision. Generally, if the GSE accepts the loan, and the lender and borrower issue the loan, the lender sells the mortgage to the GSE.

Recent research¹⁸ suggests that automated underwriting systems have not removed discrimination, but have shifted the mode. Both face-to-face and fintech (online and automated) lenders charge Latin / African American borrowers 6-9 basis points higher interest rates. This research indicates that automated underwriting may result in pricing disparities based on algorithms that use machine learning to target applicants based on the likelihood they will not shop around for another loan and other demographic factors.

¹⁸ Consumer-Lending Discrimination in the Era of FinTech* Robert Bartlett School of Law UC, Adair Morse Haas School of Business UC Berkeley, Richard Stanton Haas School of Business UC, and Nancy Wallace Haas School of Business UC Berkeley. October 2018.

Indicators of Fair Housing Impediments

Numerous conditions point to fair housing impediments, including:

1. Socio-economic and housing market conditions.
2. Geographic concentrations that evidence segregation of people based on race, ethnicity, income and/or disability status.
3. Mortgage lending practices.
4. Community outreach efforts, including survey, interviews and focus groups.
5. Public policies.
6. Fair housing complaints and testing.

Socio-economic and Housing Market Indicators

1. Disability

- a. In 2017, there were 223,450 people with disabilities in Pima County, and 63% were age 65 and older – 37% of Tucson residents over age 65 and 50% of surrounding County residents over age 65 had a disability.
- b. Driven by increasing minority populations, immigration and migration, the aging population will become more diverse during the coming decade. Given current racial disparities in wealth, the next decade is likely to present both fair housing and housing choice challenges as many minority households enter into older age with fewer resources and increased risk of disability.
- c. Eighteen percent of people with disabilities live in poverty and people with disabilities comprise 29% of the Pima County population living in poverty.
- d. People with disabilities comprise nearly half (47%) of people living in poverty outside the City of Tucson, in large part due an older population, increased reliance on fixed incomes and higher rates of disability as people age.

2. Education

- a. The number of workers in jobs requiring a higher level of education increased by 68% between 1980 and 2015.
- b. Forty percent (40%) of White non-Hispanic people have a Bachelor's degree or higher as do 34% of White Hispanic people. Among racial minorities, attainment of a Bachelor's

degree ranges from a low of 12% for the Native American population to a high of 49% for the Asian population.

- c. The population with no High School Diploma or equivalent is 1.75 times more likely to live in the City of Tucson. Conversely, the population with a Graduate or Professional Degree is 1.6 times more likely to live outside the City of Tucson.
- d. There are two “A” rated schools and four “CSI” schools within areas of minority and poverty concentration.

3. Employment

- a. Nearly one-quarter (23%) of Pima County’s employed residents are employed in the retail trade, arts, entertainment, recreation, accommodation and food service industries. These industries often have lower-incomes, unpredictable work schedules and hours that vary from week to week.
- b. Hispanic employees of all races comprise 36% of the workplace, 51% of natural resource, construction and maintenance occupations, and 48% of service and production, transportation and material moving occupations – occupations that are generally lower paying, and may have variable work schedules and be subject to job loss during times of economic downturn.

4. Household Income

- a. There are as many low-income households in the City of Tucson as there are higher-income households outside of the City. Two-thirds of Pima County’s low-income households reside in Tucson as do sixty percent of moderate-income households.
- b. White non-Hispanic households have a median income 1.13 times the median household income of \$48,676; all racial and ethnic minorities have lower median household income.

5. Poverty

- a. Minorities in Pima County are more likely to live in poverty. The poverty rate of the White Hispanic population is 1.7 times higher than the poverty rate of the White non-Hispanic population. The poverty rate for people of all other races is 2.9 times the poverty rate of the White non-Hispanic population.
- b. Single-mother families (33%) have a poverty rate 3.65 times that of married-couple families and comprise 35% of families living in poverty. The poverty rate for minority single mothers (45%) is 1.7 times higher than that of White non-Hispanic single mothers (27%).

- c. The proportion of people in poverty in Tucson (24%) is double that of the surrounding area (12%).
- d. Single-parent families are 1.6 times more likely to live in the City of Tucson, while nonfamily households consisting of unrelated people living together are 1.9 times more likely to live in the City of Tucson. Conversely, married couple families with no children are 1.8 times more likely to live outside the City of Tucson.

6. Housing

- a. White non-Hispanic households have the highest homeownership rate (58%), followed by White Hispanic households (57%). Households of other races have a combined homeownership rate of 47%. Eighty percent (80%) of White non-Hispanic homeowners reside outside Tucson.
- b. Forty-five percent (45%) of renters occupy pre-1980 housing and 80% of those renters occupy units in Tucson. The high rental rate of older units can pose a problem for persons with disabilities as the majority of older units do not meet ADA requirements and will require some modification to reasonably accommodate a person with a disability.
- c. Nearly one-third (31.9%) of Tucson homeowners are housing cost burdened, as are 28.5% of homeowners in Pima County outside of Tucson.
- d. Fifty-six percent (56%) of Tucson renters are cost burdened as are 46% of renters outside the City of Tucson.
- e. Minorities experience higher rates of renter cost burden. High rental costs among minorities may hinder mobility and access to opportunity.
- f. While center-City housing may be older it is also more affordable and accessible to transportation and employment, making it more attractive to many lower-income households.
- g. Students living off campus compete for affordable rental housing and occupy an estimated 10% of rental units in Tucson.
- h. There is anecdotal evidence that landlords / property owners are unwilling to accept Section 8 Housing Choice Vouchers and that HCV holders are challenged to find housing in areas of higher opportunity.

Geographic Concentrations

Areas of geographic concentration are those where the concentration is at least 10% higher than Countywide.

1. There are 55 Hispanic concentration census tracts where the Hispanic population exceeds 46.6%. Eighty percent (80%) of Hispanic concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County. Hispanic concentrations in Tucson share many of the same boundaries as minority concentration tracts and are clustered along the I-10 corridor and in the southern part of the City. Forty-three (43) of the Hispanic concentration census tracts are also tracts that have concentrations of people living in poverty.
2. There are 32 minority concentration census tracts where the percentage of minorities exceeds 28.6%. Sixty-eight percent (68%) of minority concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County. Concentrations of minorities in Tucson are clustered along the I-10 corridor and in the southern part of the City. Twenty-five (25) of the minority census tracts are also tracts that have concentrations of people living in poverty.
3. There are 61 poverty concentration census tracts where the percentage of people living in poverty exceeds 28.2%. Eighty-seven percent (87%) of poverty concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County; 3 are on Tribal lands. Forty-seven (47) of the poverty census tracts are also minority and/or Hispanic concentration tracts.
4. There are 59 disability poverty concentration census tracts where the percentage of people with disabilities living in poverty exceeds 34.2%. Eighty-five percent (85%) of disability poverty concentration census tracts are wholly or partially in Tucson, 9% are in unincorporated Pima County and 6% are on Tribal lands. There is significant overlap of disability poverty concentration and minority and Hispanic concentration areas.
5. Subsidized housing (public housing, Low Income Housing Tax Credit and HUD-subsidized projects) are nearly all in areas of minority or poverty concentration; with several exceptions voucher holders are also concentrated in these areas.
6. Home Mortgage Disclosure Act data suggests a correlation of home purchase loan denial and higher cost loans in LMI and minority concentration tracts.

Lending (Home Mortgage Disclosure Act) Analysis

1. White non-Hispanic borrowers secure loan originations at a much higher rate than borrowers of other races and ethnicities. Given this trend, the homeownership rate among the White non-Hispanic population will continue to grow disproportionate with the homeownership rate of other races and ethnicities.
2. Hispanic borrowers are 3.25 times more likely than White non-Hispanic borrowers and 2.6 times more likely than borrowers of other races to receive a high-cost loan. They were also more likely to borrow using an FHA-insured loan, and 85% of high cost loans were FHA loans.
3. The rate of loan denial for White Hispanic loan applicants was nearly 6 times higher than that of White non-Hispanic loan applicants and 2.6 times that of loan applicants of other races.
4. Moderate-income borrowers are more likely to receive a high-cost loan than borrowers in other income categories.
5. The rate of high cost loans in minority poverty concentration areas was more than 2.5 times the rate outside of concentration areas. The rate of loan denials was also higher (11%) in minority poverty concentration areas than outside of concentration areas (8%).

Community Outreach

1. Forty-nine percent (49%) of survey respondents believed they or someone they know had experienced some form of housing discrimination. The most often cited forms of discrimination were 1) discouraging a person from living where he or she wants to live, 2) discrimination based on disability, and 3) predatory lending. Rental and leasing agents at apartment complexes and in single-family rentals were cited by two-thirds of respondents as the location of housing discrimination.
2. While nearly one-quarter of survey respondents did not believe housing discrimination is or is likely occurring in Pima County, 77% of respondents believe that it does occur or is likely. The forms of housing discrimination that are believed to be occurring most often are 1) refusing, discouraging or charging more to rent an apartment or buy a home and 2) discouraging a person from living where he or she wants to live.
3. While survey respondents felt relatively informed, 30% indicated they would not do anything or would not know what to do if they encountered housing discrimination.
4. When asked about choice in housing type or quality in a broad geography, survey respondents identified income, and source of income (public benefits) as primary barriers.

5. Both interviewees and focus group participants identified the concentration of affordable housing on the south side of Tucson as a barrier to housing choice.
6. Both interviewees and focus group participants identified access to affordable, safe and quality housing as a primary problem.
7. A shortage of affordable housing combined with the impact of limited and fixed income on housing choice was identified as a primary barrier to opportunity by interviewees.
8. When asked what would be the most effective method of providing fair housing information in the community, most survey respondents indicated that multiple methods of outreach were necessary.
9. Both interviewees and focus group participants cited gentrification as a growing community issue.

Fair Housing Complaints, Testing and Inquiries

1. The HUD Fair Housing and Equal Opportunity Office reported 169 complaints in Pima County between January 1, 2015 and April 15, 2019. More than one-third (36.4%) of complaints were filed on the basis of disability, while 12% were filed on the basis of race and 12% on the basis of sex.
2. HUD's records show 170 fair housing complaints were processed between January 1, 2015 and April 15, 2019. The majority of settled complaints included disability and failure to provide a reasonable accommodation as a basis.
3. Forty percent (40%) of fair housing tests conducted by the SWHFC found that allegations were supported, with a higher percentage (46%) for disability. Testing on national origin and familial status were less likely to find that allegations were supported.
4. From January 1, 2016 through December 31, 2018, SWFHC processed 477 inquiries. Of the inquiries, nearly half (47%) were regarding disability, while nearly one-quarter were regarding familial status.
5. It is very difficult for the average resident to find information about and navigate the complaint process for the City of Tucson Fair Housing Ordinance.
6. One of nineteen individuals contacted about a potential violation of the Tucson Fair Housing Code correctly referred the inquirer to the Tucson Office of Equal Opportunity Programs (OEOP).
7. A fair housing test conducted at the OEOP resulted in the tester being referred to outside organizations for assistance.

Public Policies and Practices

1. Several interviewees and focus group participants cited landlords unwilling to accept Section 8 Housing Choice Vouchers as a barrier to housing choice. The Pima County housing search engine revealed 148 available units that accept Section 8 HCVs; 83 of these units were also income restricted and required to accept Section 8 HCVs.
2. Information that comprehensively describes City and County actions to address fair housing impediments is difficult to find.

2015 Fair Housing Action Plan Review

The 2015 Fair Housing Action Plan identified eight impediments to fair housing choice in the City of Tucson and Pima County:

1. Illegal housing discrimination continues to occur in Tucson and Pima County.
2. Housing consumers do not understand their fair housing rights, how to recognize if they experience illegal housing discrimination, or how to get assistance if their rights are violated.
3. Housing providers and entities that assist people with housing related issues do not adequately understand fair housing rights and responsibilities and do not know how to identify fair housing violations or assist people whose fair housing rights may have been violated.
4. Tucson has significant areas of racial and ethnic concentrations, many of which are also high poverty areas. Some of these areas also have concentrations of other protected classes like persons with disabilities.
5. The City of Tucson's fair housing ordinance is not well known or publicized, the complaint process is difficult to navigate, and City staff and local housing providers and other service providers are generally unaware of the City's fair housing ordinance. Due to these factors, virtually no fair housing complaints are filed and processed under the Tucson City Code, and violators are not held accountable.
6. The foreclosure crisis disproportionately damaged minority neighborhoods. The subsequent real estate market recovery in Pima County and Tucson has created new problems for housing consumers, such as rising rents, limited rental housing stock, and fewer paths to homeownership. There is also evidence that lenders and insurance companies redlined areas that were severely impacted by foreclosures. Due to the fact that racial and ethnic minorities were disproportionately affected by the housing market collapse, these groups have also been

disproportionately affected by the resulting problems experienced by housing consumers during the recovery.

7. Banks have failed to maintain real estate owned (REO) properties in neighborhoods of minority concentration compared to similar homes in predominantly white neighborhoods.
8. There is a lack of accessible housing, particularly for families with persons with disabilities. SWFHC's enforcement program receives regular contact from people about lack of accessible housing and frequent denial of reasonable accommodations and modifications.

2015-2019 Activities to Address Fair Housing Impediments

Community Development Block Grant Funding

Community Development Block Grant (CDBG) funding supports community development, infrastructure, affordable housing, human services, and other activities. In the context of limited CDBG and leverage funding, the County and City made significant progress towards investing in housing and public and supportive services for vulnerable populations, and making public improvements.

Details regarding the historic expenditure of CDBG funding by the City and County are found in their respective Consolidated Annual Performance and Evaluation Reports (CAPER). The CAPERs are produced annually and describe affordable housing and community development resources, methods of distribution, geographic funding objectives, and the actions that were taken during the program year.

Actions to address Impediments identified in the 2015 Analysis of Impediments to Fair Housing Choice

The City of Tucson and Pima County took actions to address seven of the eight impediments identified in the 2015 AI:

- Displaying fair housing posters and making fair housing materials available in public facilities and to nonprofit and faith-based organizations.
- Continually encouraging the development of housing accessible to or adaptable for persons with disabilities through the enforcement of Inclusive Design Ordinances.
- Maintaining fair housing information on their websites.
- Providing funding to the Southwest Fair Housing Council to undertake education for consumers and housing professionals, and for testing activities.

- Distributing fair housing literature through the City and County at government offices, nonprofit agencies, libraries and events.
- Periodically attending community events and gatherings and staffing tables and booths to help educate the public about fair housing and available fair housing services.
- Continuing to develop the County’s affirmative marketing pilot program for subrecipients into a robust requirement and tool to help programs and projects affirmatively further fair housing.
- Contractually requiring that subsidized affordable housing projects and programs are marketed to people outside of racial and ethnic concentrations that are least likely to apply.
- Establishing a tiered payment standard, developed in accordance with HUD policy, that provides opportunity for landlords outside areas of racial and ethnic concentrations to participate in the Housing Choice Voucher program.
- Designating CDBG target areas to encourage investment and reinvestment in social, housing and economic programs and bricks and mortar projects. Target areas are areas where at least 51% of the population is low and moderate income; many of these areas are also minority, Hispanic and disability concentration areas.
- Funding programs that provide for housing rehabilitation and disability accessibility improvements for homeowners.
- Continuing to support the Don’t Borrow Trouble® Pima County (DBT) program, which provides assistance and referrals to prevent foreclosure, address predatory lending, and refer consumers to housing education and counseling services.
- Investing in homeownership programs for low- and moderate-income households that are available to any interested household regardless of their racial, ethnic or disability status. Homeownership education is offered in both English and Spanish in locations accessible to persons with disabilities.
- Investing in emergency housing expense (utilities, mortgage, rent) programs to promote housing stability.

Continuous Fair Housing Activities

Both the City and County also take the following ongoing actions to affirmatively further fair housing:

- Holding all public meetings, including those related directly to the use of Community Development Block Grant funds, in facilities accessible to persons with disabilities.
- Implementing the Limited English Proficiency plan.

- Including TDD numbers and information on how to request an accommodation in advertisements encouraging public input, or announcing public meetings.
- Sending meeting notices and input timelines to providers who serve people with disabilities and other protected classes.
- Distributing fair housing referral information and encouraging complainants to contact the Arizona Attorney General’s Office, HUD, or the Southwest Fair Housing Council.
- Ensuring that the Fair Housing Logo is displayed on business cards, and in program marketing information.

Impediments that Have Been Overcome

The two impediments related to the foreclosure market and related actions have been addressed or are no longer applicable:

- The City and County invested in programs and activities that encouraged homeownership and neighborhood stabilization and revitalization in areas most severely damaged by foreclosure, many of which were hard-hit areas of minority concentration.

Impediments and Actions that will Carry Forward to the 2020 Plan of Action

Continuous effort is necessary to affirmatively further fair housing particularly in the areas of education, testing and enforcement, geographic concentrations, and disability accessibility. These impediments will carry forward to the 2020 Plan of Action with the addition or modification of multiple actions.

One impediment was not addressed and will carry over to the 2020 Impediments to Fair Housing Choice with modification of several actions:

- Actions to improve enforcement of the City of Tucson Fair Housing Ordinance were not taken. The City of Tucson did not partner with the Southwest Fair Housing Council to:
 - Publicize the ordinance and complaint procedure;
 - Track fair housing inquiries and complaints; or train staff; and
 - Train housing providers and others in Tucson about the City’s fair housing ordinance and how to file a fair housing complaint with the City.

2020 Impediments to Fair Housing Choice and Plan of Action

The 2020 Analysis of Impediments to Fair Housing Choice identified seven (7) impediments:

1. Housing Discrimination
2. Community Education and Awareness
3. Geographic Concentrations
4. Lending Discrimination
5. Disability Accessibility
6. Fair Housing Monitoring and Reporting
7. Enforcement of The City of Tucson Fair Housing Ordinance

The following tables present the indicators leading to identification of the impediment and the action plan to address each of the identified impediments.

Impediment # 1 - Housing Discrimination	
Indicators	Action Plan
<p>A community survey, interviews with industry stakeholders, focus groups, and fair housing testing and complaint data indicate housing discrimination occurs.</p> <ol style="list-style-type: none"> 1. 49% of survey respondents believed they or someone they know had experienced some form of housing discrimination. The most often cited forms of discrimination were <ol style="list-style-type: none"> a. Discouraging a person from living where he or she wants to live, b. Discrimination based on disability, and c. Predatory lending. 2. The HUD Fair Housing and Equal Opportunity Office reported 169 complaints in Pima County between January 1, 2015 and April 15, 2019. 3. HUD's records show 170 fair housing complaints were processed between January 1, 2015 and April 15, 2019. 4. Forty percent of fair housing tests conducted by the SWHFC found that allegations were supported, with a higher percentage (46%) for disability. 	<p>Support and awareness will aide in identifying and addressing housing discrimination.</p> <ol style="list-style-type: none"> 1. Continue to support fair housing testing and enforcement. <ol style="list-style-type: none"> a. Encourage complainants to contact the Arizona Attorney General's Office, HUD or the Southwest Fair Housing Council. b. Fund fair housing testing to investigate and uncover illegal housing discrimination in the housing market throughout the City and County: <ol style="list-style-type: none"> i. Ensure that testing is conducted in each County district and each City ward annually. ii. Conduct testing of the listings on the Pima County housing search engine to identify potential misrepresentations and housing discrimination.

Impediment #2 - Community Education and Awareness

Indicators	Action Plan
<p>A community survey, interviews with industry stakeholders, focus groups, and fair housing testing and complaint data indicate there is a need for more outreach and education.</p> <ol style="list-style-type: none"> 1. While most survey respondents felt relatively informed, 30% indicated they would not do anything or would not know what to do if they encountered housing discrimination. 2. 77% of survey respondents believe that housing discrimination does occur or is likely. The forms of housing discrimination that are believed to be occurring most often are: <ol style="list-style-type: none"> a. Refusing, discouraging or charging more to rent an apartment or buy a home; and b. Discouraging a person from living where he or she wants to live. 3. Rental and leasing agents at apartment complexes and in single-family rentals were cited by two-thirds of respondents as the location of housing discrimination. 	<p>Continued and expanded education efforts will increase understanding of fair housing and the likelihood of it being reported.</p> <ol style="list-style-type: none"> 1. Add fair housing contact information to referral sheets for receptionists in all County and City departments. 2. Each April: <ol style="list-style-type: none"> a. Adopt a proclamation declaring April to be observed as Fair Housing Month. b. Reach out to stakeholders, residents and the community at large, including faith, education and nonprofit organizations through local and online media to announce April as Fair Housing Month. <ol style="list-style-type: none"> i. Include information regarding Fair Housing, Fair Housing services, and who to call for more information. c. Sponsor a fair housing event. Reach out to other jurisdictions and organizations to coordinate efforts and convey a common message. d. Sponsor an event, such as a poster or essay contest, in cooperation with the local Association of Realtors and/or similar private-sector organizations, one or



Impediment #2 - Community Education and Awareness

Indicators	Action Plan
	<p>more education institutions and/or faith organizations to improve awareness of fair housing among youth.</p> <p>3. Continually:</p> <ul style="list-style-type: none"> a. Make available fair housing posters, pamphlets and literature at City and County program offices, partner offices, and at other community locations such as libraries and faith organizations. <ul style="list-style-type: none"> i. Maintain records of the type of literature, distribution location(s) and number distributed. b. Display the Fair Housing Logo on business cards and in program marketing information. c. Maintain a Fair Housing page on the City and County websites. Include direct links to the Southwest Fair Housing Council, HUD Fair Housing, and the Arizona Attorney General Civil Rights Division websites. <p>4. Twice annually sponsor fair housing training.</p> <ul style="list-style-type: none"> a. Network with landlords and property managers, nonprofit, neighborhood-based, faith organizations and education institutions to reach a broad audience including persons with disabilities, minorities, and



Impediment #2 - Community Education and Awareness

Indicators	Action Plan
	<p>persons residing in minority or poverty concentration areas.</p> <ul style="list-style-type: none"> b. Include information regarding landlord/tenant issues and reasonable accommodations for persons with disabilities. c. Using sign-in sheets, track the volume of residents, landlords, City and County staff, and industry stakeholders participating in community education activities. d. Ensure that City and County staff in departments that may encounter fair housing issues attend training biennially. Include housing and community development staff, receptionists and other staff who regularly field calls from or interact with the public.



Impediment #3. Geographic Concentrations	
Indicators	Action Plan
<p>Concentrations of minority and poverty households persist. Socio-economic and housing market conditions impact minority and low-income population access to housing choice and opportunity.</p> <ol style="list-style-type: none"> 1. There are 55 Hispanic concentration census tracts; 80% of Hispanic concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County. Hispanic concentrations in Tucson share many of the same boundaries as minority concentration tracts and are clustered along the I-10 corridor and in the southern part of the City. Forty-three (43) of the Hispanic concentration census tracts are also tracts that have concentrations of people living in poverty. 2. There are 32 minority concentration census tracts; 68% of minority concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County. Concentrations of minorities in Tucson are clustered along the I-10 corridor and in the southern part of the City. Twenty-five (25) of the minority census tracts are also tracts that have concentrations of people living in poverty. 3. There are 61 poverty concentration census tracts; 87% of poverty concentration census tracts are located in Tucson or partially in Tucson and partially in adjacent unincorporated Pima County. 	<p>Program and project policies have the potential to expand housing choice and access to opportunity, and to alleviate segregated housing patterns.</p> <ol style="list-style-type: none"> 1. Continue to distribute fair housing brochures in both English and Spanish. 2. Provide information to housing counseling agencies to assist in educating minority and lower-income households regarding areas of high opportunity. 3. Expand landlord outreach to encourage landlords in areas of high opportunity to accept Housing Choice Vouchers. 4. Examine how to complement existing advice provided to voucher holders about areas of high opportunity with mobility counseling that offers a range of services, such as housing search counseling, unit referrals, free credit reports, and financial counseling. 5. Continue policies that promote affordable housing development in areas of opportunity outside of minority concentration areas. 6. When investing in projects and programs in concentration areas, assess how investments balance neighborhood improvements with possible unintended displacement.



Impediment #3. Geographic Concentrations

Indicators	Action Plan
<p>4. There are 59 disability poverty concentration census tracts; 85% of disability poverty concentration census tracts are wholly or partially in Tucson. There is significant overlap of disability poverty concentration and minority and Hispanic concentration areas.</p> <p>5. Subsidized housing (public housing, Low Income Housing Tax Credit and HUD-subsidized projects) are nearly all in areas of minority or poverty concentration; voucher holders are also concentrated in these areas.</p> <p>6. Home Mortgage Disclosure Act data suggests a correlation of home purchase loan denial and higher cost loans in LMI and minority concentration tracts.</p> <p>7. Subsidized multi-family housing (public housing, Low Income Housing Tax Credit and HUD-subsidized projects) are nearly all in areas of minority or poverty concentration; voucher holders are also concentrated in these areas.</p> <p>8. The poverty rate of the White Hispanic population is 1.7 times higher than the poverty rate of the White non-Hispanic population. The poverty rate for people of all other races is 2.9 times the poverty rate of the White non-Hispanic population.</p> <p>9. Single-mother families (33%) have a poverty rate 3.65 times that of married-couple families and comprise 35% of families</p>	<p>7. Conduct additional research into housing market, economic status and demographic changes, and borrowing patterns in minority concentration areas to determine the extent of neighborhood change or gentrification.</p> <p>8. Work cooperatively to make available for public use interactive maps.</p>



Impediment #3. Geographic Concentrations

Indicators	Action Plan
<p>living in poverty. The poverty rate for minority single mothers (45%) is 1.7 times higher than that of White non-Hispanic single mothers (27%).</p> <p>10. When asked about choice in housing type or quality in a broad geography, survey respondents identified income, and source of income (public benefits) as primary barriers.</p> <p>11. Both interviewees and focus group participants identified the concentration of affordable housing on the south side of Tucson as a barrier to housing choice.</p> <p>12. Both interviewees and focus group participants cited gentrification as a growing community issue.</p>	



Impediment #4 - Lending Discrimination.	
Indicators	Action Plan
<p>Minority loan applicants, and loan applicants in minority-concentration areas experience a disproportionately high rate of denial. Minority loan applicants and loan applicants in minority-concentration areas are also more likely to receive high-cost loans.</p> <ol style="list-style-type: none"> 1. White non-Hispanic borrowers secure loan originations at a much higher rate than borrowers of other races and ethnicities. 2. Hispanic borrowers are 3.25 times more likely than White non-Hispanic borrowers and 2.6 times more likely than borrowers of other races to receive a high-cost loan. 3. The rate of loan denial for White Hispanic loan applicants was nearly 6 times higher than that of White non-Hispanic loan applicants and 2.6 times that of loan applicants of other races. 4. Moderate-income borrowers are more likely to receive a high-cost loan than borrowers in other income categories. 5. The rate of high cost loans in minority poverty concentration areas was more than 2.5 times the rate outside of concentration areas. The rate of loan denials was also higher (11%) in minority poverty concentration areas than outside of concentration areas (8%). 	<p>Education targeted to minority and low-income borrowers, and loan applicants in minority- and low-income concentration areas will increase understanding of the credit market.</p> <ol style="list-style-type: none"> 1. Continually encourage minority and lower-income households to seek housing counseling from HUD-certified housing counseling agencies. 2. Require County and/or City-funded housing counseling and education programs to actively market housing education and counseling programs in areas of minority and low-income concentration, networking with community groups, neighborhood associations and faith organizations to reach a broad audience. 3. Encourage the expansion of housing education and counseling programs that: <ol style="list-style-type: none"> a. Include a component of rental education; b. Explain the benefits of shopping for a mortgage with multiple lenders; and c. Explain predatory lending, high-cost lending, and the pros and cons of various mortgage products. 4. Examine opportunities for portfolio lending partnerships that lower the cost of borrowing.



Impediment #5 - Disability Accessibility.	
Indicators	Action Plan
<p>The majority of fair housing complaints reported by Southwest Fair Housing Council and the United States Department of Housing and Urban Development were regarding disability; frequently related to reasonable accommodation.</p> <ol style="list-style-type: none"> 1. More than one-third (36.4%) of complaints filed between January 1, 2015 and April 15, 2019 were filed on the basis of disability. 2. The majority of fair housing complaints settled between January 1, 2015 and April 15, 2019 included disability and failure to provide a reasonable accommodation as a basis. 3. Forty percent of fair housing tests conducted by the SWHFC found that allegations were supported, with a higher percentage (46%) for disability. 4. From January 1, 2016 through December 31, 2018, SWFHC processed 477 inquiries; 47% were regarding disability. 5. Forty-five percent of renters occupy pre-1980 housing and 80% of those renters occupy units in Tucson. The high rental rate of older units can pose a problem for persons with disabilities as the majority of older units do not meet ADA requirements and 	<p>Increased support and awareness may identify and address housing discrimination, including that directed towards accessibility for persons with disabilities.</p> <ol style="list-style-type: none"> 1. Continue to fund organizations that provide disability accessibility improvements for homeowners. 2. Examine methods to fund opportunities for disability accessibility improvements for renters. 3. Continue to enforce Inclusive Design Ordinances for new construction. 4. Examine rehabilitation standards to ensure that reasonable disability accessibility improvements are incorporated into affordable rental housing projects to reduce the cost and complexity of future improvements necessary to provide reasonable accommodation. 5. Ensure that education and outreach activities include information regarding housing accessibility and adaptability for persons with disabilities and how to manage requests for reasonable accommodation.



Impediment #5 - Disability Accessibility.	
Indicators	Action Plan
will require some modification to reasonably accommodate a person with a disability.	6. Work with disability organizations that serve people with sight and hearing impairments to improve access to fair housing information.

Impediment #6 - Fair Housing Monitoring and Reporting.	
Indicators	Action Plan
<p>Information that comprehensively describes City and County actions to address fair housing impediments is difficult to find.</p> <ol style="list-style-type: none"> 1. The City of Tucson Consolidated Annual Performance Reports completed for the program years covering the 2015 Analysis of Impediments to Fair Housing Choice provide information only on activities undertaken by the Southwest Fair Housing Council and on investments in target areas. 2. The Pima County Consolidated Annual Performance Reports completed for the program years covering the 2015 Analysis of Impediments to Fair Housing Choice do not provide information on fair housing activities. 	<p>Public information about the nature of complaints and actions to address housing discrimination will support community education and further focus activities to affirmatively further fair housing.</p> <ol style="list-style-type: none"> 1. Identify a staff person responsible for fair housing monitoring and reporting at both the City and the County to: <ol style="list-style-type: none"> a. Maintain a fair housing complaint log that includes a brief summary of the complaint, date of contact, protected basis, housing tenure, and to whom the complainant is referred. b. Quarterly summarize all fair housing activities conducted by impediment and action.



Impediment #6 - Fair Housing Monitoring and Reporting.	
Indicators	Action Plan
	<ul style="list-style-type: none"> c. Incorporate fair housing activities by impediment and action into the Consolidated Annual Performance Report. d. Based on results of activities, identify education and other activities to affirmatively further fair housing.

Impediment #7 –Enforcement of The City of Tucson Fair Housing Ordinance	
Indicators	Action Plan
<p>Testing revealed a cumbersome process and lack of knowledge of the ordinance, who to contact to file a complaint, and how to identify housing discrimination.</p> <ul style="list-style-type: none"> 1. It is very difficult for the average resident to find information about and navigate the complaint process for the City of Tucson Fair Housing Ordinance. 2. One of nineteen individuals contacted about a potential violation of the Tucson Fair Housing Code correctly referred the inquirer to the Tucson Office of Equal Opportunity Programs (OEOP). 	<p>Transparency and public information will increase awareness of the City’s fair housing ordinance.</p> <ul style="list-style-type: none"> 1. Examine the effectiveness of modifying the complaint process or securing a third-party to process complaints on behalf of the City. 2. Develop policies and procedures for processing complaints and make these available to the public. <ul style="list-style-type: none"> a. Clearly identify the fair housing complaint form on the Office of Equal Opportunity Programs webpage. 3. Publicize the ordinance and complaint procedure. 4. Provide training for staff in complaint processing.



Impediment #7 –Enforcement of The City of Tucson Fair Housing Ordinance

Indicators	Action Plan
<p>3. A fair housing test conducted at the OEOP resulted in the tester being referred to outside organizations for assistance.</p>	<p>5. Provide training for staff on how to recognize illegal housing discrimination.</p> <p>6. Provide training for housing providers and the real estate industry about the City’s fair housing ordinance and the process for filing a complaint.</p> <p>7. Maintain a complaint log that includes inquiries, a brief summary of the complaint, date of contact, protected basis, and housing tenure. Publish this information annually.</p>



Appendix 1 - Survey Questions

The results of this survey will be included in the Analysis of Impediments to Fair Housing Choice for the City of Tucson – Pima County Consortium. This survey is anonymous and for research purposes only.

- Illegal housing discrimination occurs when **one or more of the following occurs** based on a person’s race, national origin, color, religion, sex, or if they have children or a disability:
- Refusing, discouraging or **charging more to rent** an apartment or buy a home.
- Discouraging a person from living where he or she wants to live, often by **steering him or her** to another apartment, complex or neighborhood.
- Refusing or making it **hard to get a loan** to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.
- Refusing, discouraging or **charging more for home insurance**.
- Discrimination based on disability:** Refusing to make a reasonable accommodation for a person with a disability, refusing to allow a modification to make an apartment more accessible for a person with a disability or lack of accessible units.
- Predatory lending: unfair, misleading, **deceptive or fraudulent loan practices**.

Have you or someone you know ever encountered one or more forms of housing discrimination as described on the title page in your local area?

- Yes, I have or I know someone who has.
- I think I may have or I may know someone who has.
- No, I have not and don’t know anyone who has.
- Don’t know
- Other _____

If you believe that you or someone you know encountered housing discrimination in your local area, which of the following best describes the type of discrimination.

- Refusing, discouraging or **charging more to rent** an apartment or buy a home.
- Discouraging a person from living where he or she wants to live, often by **steering him or her** to another apartment, complex or neighborhood.
- Refusing or making it **hard to get a loan** to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.
- Refusing, discouraging or **charging more for home insurance**.



- Discrimination based on disability:** Refusing to make a reasonable accommodation for a person with a disability, refusing to allow a modification to make an apartment more accessible for a person with a disability or lack of accessible units.
- Predatory lending: unfair, misleading, **deceptive or fraudulent loan practices.**
- Other:

If yes, which of the following best describes the person or organization that discriminated against you or the person you know?

- rental property manager/owner
- seller of a housing unit
- condominium or homeowner's association
- real estate professional
- loan officer or mortgage broker
- municipal or County employee
- insurance agent
- other

What best describes the location where the discrimination occurred?

- apartment complex
- individual housing unit for rent
- single family housing unit for sale
- condominium for sale
- real estate office
- lending institution
- Public Housing Authority
- City or County office
- other

Do you believe housing discrimination occurs in your local area?

- Yes
- Likely
- Unlikely
- No

If you think housing discrimination is occurring in your local area, what types do you think are most prevalent?

- Refusing, discouraging or **charging more to rent** an apartment or buy a home.
- Discouraging a person from living where he or she wants to live, often by **steering him or her** to another apartment, complex or neighborhood.

- Refusing or making it **hard to get a loan** to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.
- Refusing, discouraging or **charging more for home insurance**.
- Discrimination based on disability:** Refusing to make a reasonable accommodation for a person with a disability, refusing to allow a modification to make an apartment more accessible for a person with a disability or lack of accessible units.
- Predatory lending: unfair, misleading, **deceptive or fraudulent loan practices**.
- Other:

How well informed are you about housing discrimination?

- Very informed
- Somewhat informed
- Not very informed
- Not at all informed

What would you do if you encountered housing discrimination?

- Do nothing and seek other housing options
- Tell the person that you believe they are discriminating
- Report it
- Would not know what to do
- Other _____

If you wanted to report housing discrimination, who would you report it to?

- US Department of Housing and Urban Development
- City of County Office
- Arizona Attorney General's Office
- Other:

What do you think should be done to help prevent housing discrimination?

Do you feel your housing choices are geographically limited to certain areas or neighborhoods based on your or a family member's:

- Race yes/no
- Color yes/no
- Religion yes/no
- National origin yes/no
- Sex yes/no



- Disability yes/no
- Family status yes/no
- Age yes/no
- Ancestry yes/no
- Sexual orientation yes/no
- Gender identity yes/no
- Income yes/no
- Source of income (public benefits) yes/no
- Veteran status yes/no
- Criminal record yes/no

Do you feel your housing choices (type or quality) are geographically limited based on your or a family member's:

- Race yes/no
- Color yes/no
- Religion yes/no
- National origin yes/no
- Sex yes/no
- Disability yes/no
- Family status yes/no
- Age yes/no
- Ancestry yes/no
- Sexual orientation yes/no
- Gender identity yes/no
- Income yes/no
- Source of income (public benefits) yes/no
- Veteran status yes/no
- Criminal record yes/no

Do you feel that there is an adequate supply of affordable housing available to:

- All residents yes/no
- Families with children yes/no
- Elderly people yes/no
- People with disabilities yes/no
- People with criminal records yes/no

Are you familiar with fair housing services or programs provided in the community?

- Yes
- No



Have you seen or heard information regarding fair housing programs, laws, or enforcement in the community?

- Yes
- No

If you answered yes, what information have you seen/heard? (check all that apply):

- fair housing flyers or pamphlets
- fair housing handbook
- fair housing public service announcement on the radio
- fair housing public service announcement on the television
- fair housing information at a public event
- other:

What do you feel would be the most effective way to inform residents about their fair housing rights and/or responsibilities? (check all that apply):

- public meeting(s)
- fair housing literature/information in public libraries and facilities
- television advertisements/announcements
- radio advertisements/announcements
- information on the City or County website
- other:

Please tell us about you. Answering these questions is optional

Current Housing

- Rent
- Own
- Other

Zip Code of Your Primary Residence

Race/Ethnicity

- Asian
- Black or African American
- Native American
- Pacific Islander or Native Hawaiian
- White
- Other _____

Ethnicity



- Hispanic or Latino
- Not Hispanic or Latino

Gender

- Female
- Male
- Other _____

Family Status

- Have children in household
- No children in household

Number of People in Your Household

- 1
- 2
- 3
- 4
- 5+

Annual Household Income

- < \$25,000
- \$25,000-\$49,999
- \$50,000-\$74,999
- \$75,000-\$100,000
- \$100,000 or more

Do you or a household member have a disability?

- Yes
- No

Employment

- Public Sector
- Private Sector
- Nonprofit Sector
- Not Employed
- Other _____



Appendix 2 – Interview Questions

1. Pima County's Housing Problems

- 1) What are the greatest housing problems in Pima County for you, your members, or the people you serve?
- 2) Do you see people struggling to find housing in Pima County? What are the barriers to finding a home in the neighborhood of your choice?
- 3) Do you see people struggling to find safe and quality housing in Pima County? What are the barriers to finding a safe, quality home?
- 4) Do these problems affect all people equally or do they fall harder on certain groups (think about race, national origin, disability, sex/gender/gender identity, disability, whether a family has children)?
- 5) How do these housing problems affect your work?

2. Connections to Other Issues For each issue answer: 1) does this affect certain groups more than others? 2) how does it affect your work?

- 1) EMPLOYMENT:
 - i. How does where you live affect employment opportunities?
- 2) EDUCATION:
 - i. How does where you live affect where your children go to school? How does it affect their success in school?
- 3) TRANSPORTATION:
 - i. How does where you live affect your transportation costs or access public transit?
- 4) HEALTH:
 - i. How does where you live affect your health?
- 5) ENVIRONMENT:
 - i. How does where you live affect your exposure to environmental hazards (like contaminated soil or air pollution)?
- 6) SAFETY:
 - i. How does where you live affect your exposure to violent crime or gun violence?
- 7) CRIMINALIZATION:
 - i. How does where you live affect your exposure to police or criminalization?
- 8) WHAT DID WE MISS?
 - i. How does where you live affect other parts of your life?

3. HIGH PRIORITY BARRIERS TO FAIR HOUSING

- 1) What are the most important barriers to finding a safe, affordable home in the neighborhood of your choice?
- 2) What are the impacts of this barrier on you, your work, and your members?