CITY OF ORANGE, TEXAS

ANALYSIS OF IMPEDIMENTS

Final Report August 6, 2019

Solomon Johnson Park

ORANGE
TEXAS

Edge Apartments

EQUAL HOUSING
OPPORTUNITY

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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I. Executive Summary

The preparation of the Analysis of Impediments (AI) serves as a component of the efforts of the City of Orange Planning and Community Development Department (PCDD), Grants Management Division (GMD) to satisfy the requirements of the Housing and Community Development Act of 1974. This act requires that any community receiving Entitlement funding under the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and the public housing authorities "affirmatively further fair housing."

The federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, gender, disability, familial status, or national origin. In addition, the U.S. Department of Housing and Urban Development (HUD) issued a Final Rule on February 3, 2012 that prohibits entitlement communities, public housing authorities, and other recipients of federal housing resources from discriminating on the basis of actual or perceived sexual orientation, gender identity, or marital status. Persons who are protected from discrimination by fair housing laws are referred to as "members of the protected classes."

This Analysis of Impediments is a review of demographic data, metrics of discrimination and disparity, local regulations and administrative policies, procedures, and practices that affect the location, availability, and accessibility of housing. It also assesses the conditions, both public and private, that affect fair housing choice.

A citywide analysis and discussion on the trends and issues relating to housing served as a basis for the development of the AI. The community engagement process solicited multiple perspectives including those of government agencies, City Boards and Commissions, fair housing advocates, social service agencies, housing developers, apartment owners, non-profit organizations, business and industry, civic and neighborhood associations, educational institutions, public and assisted housing residents and the general public.

Strategic planning sessions were held with City of Orange PCDD and GMD staff and other City Department representatives with policy, regulatory and program responsibilities that potentially impact housing, fair housing and neighborhoods to refine the work plan and approach for the AI and to identify key issues and data for the analysis. Public Forums and Stakeholder Focus Group sessions were held on June 24, and July 25, 2019 at the City of Orange Grants Division Offices, 303 North 8th Street, Orange, Texas, 77630. Supplemental interviews were conducted with and information and input received from various city departments, public and elected officials, Chamber of Commerce, Board of Realtors, Continuum of Care organization, community, professional and industry representatives to obtain information from those unable to attend the sessions.

Participants were engaged through three different exercises in two sessions. Exercise One: Power Point presentation by JQUAD providing an overview of the requirements of the Analysis of Impediments, example impediments from other communities, previous impediments identified in Orange, with discussion input from participants. Exercise Two: A video entitled Marva's Story, featuring the struggles of a recently divorced mother of three small children and domestic violence survivor, and her challenges in acquiring housing for her and the children. Participants were asked to identify five to ten fair housing impediments revealed in the video. Exercise Three: Real-Time survey administered utilizing response data survey equipment (clickers exercise) to assess the housing needs and fair housing issues faced by the audience.

The combination of quantitative data analysis and qualitative research identified a series of factors that significantly contribute to fair housing issues in Orange. These contributing factors were assigned three priority levels based on the amount and strength of the supporting evidence that initially identified the factor:

- High – factors that limit or deny fair housing choice or access to opportunity, and other factors that are urgent or establish a foundation for future actions;

- Medium – moderately urgent or building on prior actions;

- Low – limited impact on fair housing issues

The contributing factors are organized into groups that align with the issues discussed in the Fair Housing Analysis section of the AI: (B)(i) Segregation/Integration; (B)(ii) Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs); (B)(iii) Disparities in Access to Opportunity; (B)(iv) Disproportionate Housing Needs; (C) Publicly Supported Housing; (D) Disability and Access; and (E) Fair Housing Enforcement, Outreach Capacity, and Resources.

Acknowledgements

The following organizations were consulted with and or invited to provide input during the community participation process:

Special thanks to Delta Sigma Theta Sorority for their focus group support

Government Departments, Agencies
Housing Authority of City Orange
City of Orange Planning and Community Development Department
Grants Management and Code Enforcement Divisions

Board of Realtors and Chamber of Commerce

Banking and Mortgage Companies

Housing Developers, CHDO and Nonprofit Builders, Contractors, Home Buyer Education and Credit Counselors

City of Orange Mayor and City Council

Agencies and Organizations:
Continuum of Care
Religious Institutions and Faith Based Organizations
Educators and Institutions
Government and Community Services Organizations

II. Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Orange City, Texas gathered from the 2010 Census estimates, 2013-2017 American Community Survey (ACS) 5-Year estimates, 2010 U.S. Census, City of Orange, and other sources. The following sections provide a look at the current status of the community in Orange:

- Demographics - analyzes the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major employers.
- Public Transportation – evaluates access and availability of public transit system.
- Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

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

1.1. Demographics

The demographic analysis of Orange concentrates on the magnitude and composition of the population and changes that occurred between 2010 and 2017. Please note that the attached maps present data by census tract with an overlay of the city limits. For reference, Map 1.1, on the following page, provides a visual representation of Orange.

Map 1.1: Orange, TX Base Map – Streets and Highways

Map 1.1: Source: 2013-17 American Community Survey (ACS) – U.S. Census

According to the 2017 Census estimates, the total population of Orange was 18,950. Table 1.1, below, shows that the total population of the city slightly increased between 2010 and 2017. Orange experienced an increase in the Hispanic population, increasing 32 percent between 2010 and 2017. The percentage of Hispanic population when compared to the total population increased from 5.2 percent in 2010 to 6.9 percent in 2017, a 1.7 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity. It is a common misidentification for ethnic Hispanics to choose the 'other' category on the Census for race rather than White or African American.

Table 1.1
Total population by race and ethnicity for Orange, 2010 and 2017

Race	2010		2017		% Change 2010-2017
	#	%	#	%	
Orange City					
White	11,094	58.6%	10,860	57.3%	-2%
Black or African American	6,314	33.4%	5,618	29.6%	-11%
American Indian and Alaska Native	0	0.0%	47	0.2%	0%
Asian	375	2.0%	662	3.5%	77%
Native Hawaiian and Other Pacific Islander	0	0.0%	0	0.0%	0%
Some other race	0	0.0%	7	0.0%	0%
Total	18,919	100.0%	18,950	100.0%	0%
Hispanic (ethnicity)	982	5.2%	1,299	6.9%	32%

*Table 1.1 Source: 2013-17 American Community Survey (ACS) – U.S. Census*

Orange's population slightly increased between 2010 and 2017, and the City's population has remained racially and ethnically diverse. However, there are areas of the city with concentrations of minority populations and concentrated poverty.

The percentage of Black or African American population decreased slightly from 33.4 percent in 2010 to 29.6 percent in 2017. White population decreased from 58.6% to 57.3% during that same period. Hispanic population increased slightly from 5.2% to 6.9%.

The White population decreased by less than 2 percent, and their percentage of the total population decreased from 58.6 percent to 57.3 percent between 2010 and 2017. African Americans made up 29.6 percent of the population in 2017, a 11 percent decrease over the 7-year period. The Asian population increased by 77 percent between 2010 and 2017, also an increase of 2.0 and 3.5 percent respectively, of the total population of the city in 2017.

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

Map 1.2: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.2: Percent African American

Legend

Orange County

Percent African American

- 0.00% - 0.01%
- 0.02% - 0.13%
- 0.14% - 0.16%
- 0.17% - 0.34%
- 0.35% - 0.65%

N

Miles
0   1.25 2.5   5   7.5   10

Map 1.3: Percent Hispanic

Legend

⬜ Orange County

Percent Hispanic

- 🟥 0.02%
- 🟧 0.03% - 0.04%
- 🟩 0.05% - 0.07%
- 🟦 0.08% - 0.13%
- 🟪 0.14% - 0.23%

N

Miles
0   1.25 2.5   5   7.5   10
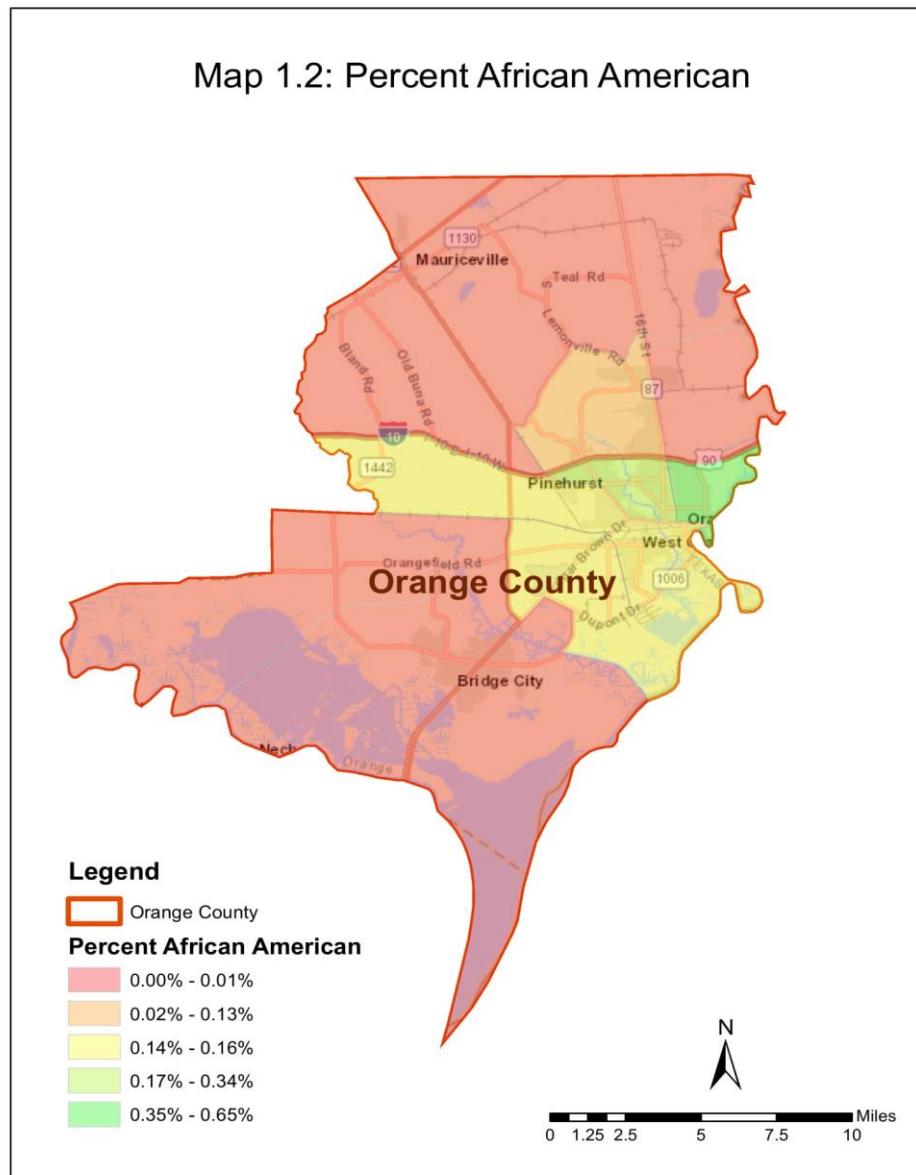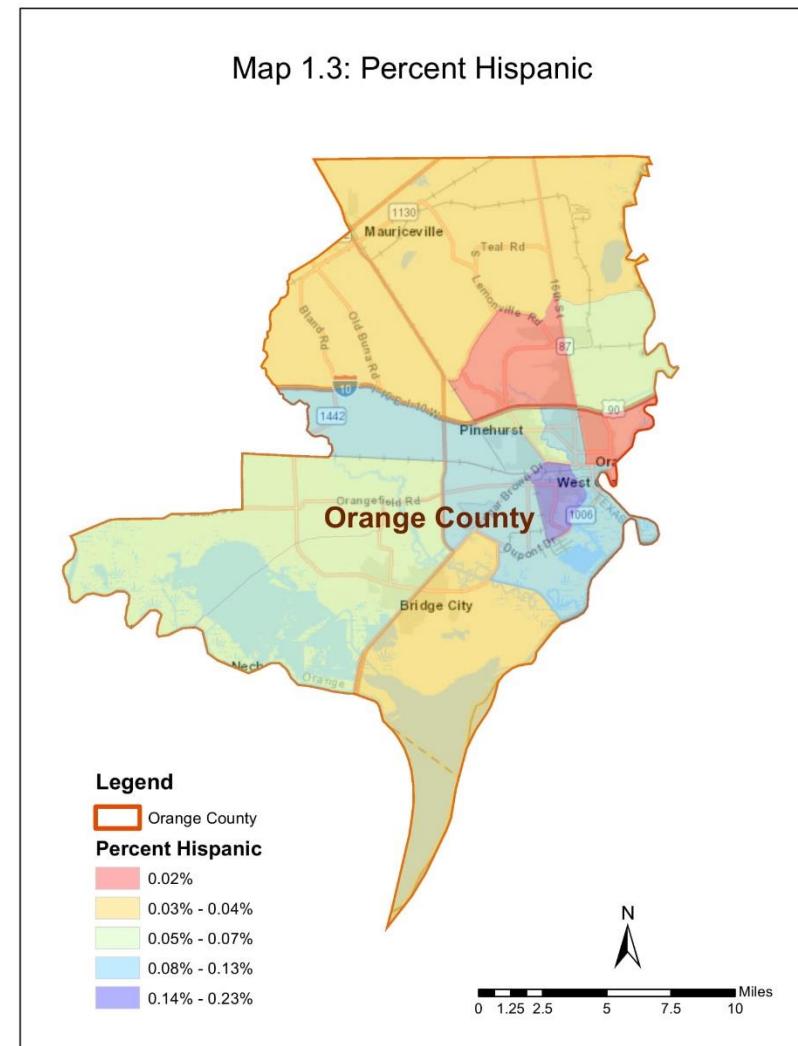
Map 1.3: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.4: Percent American Indian and Alaska Native

Legend

☐ Orange County

**Percent American Indian and Alaska Native**

☐ 0.00%

☐ 0.01%

☐ 0.02%
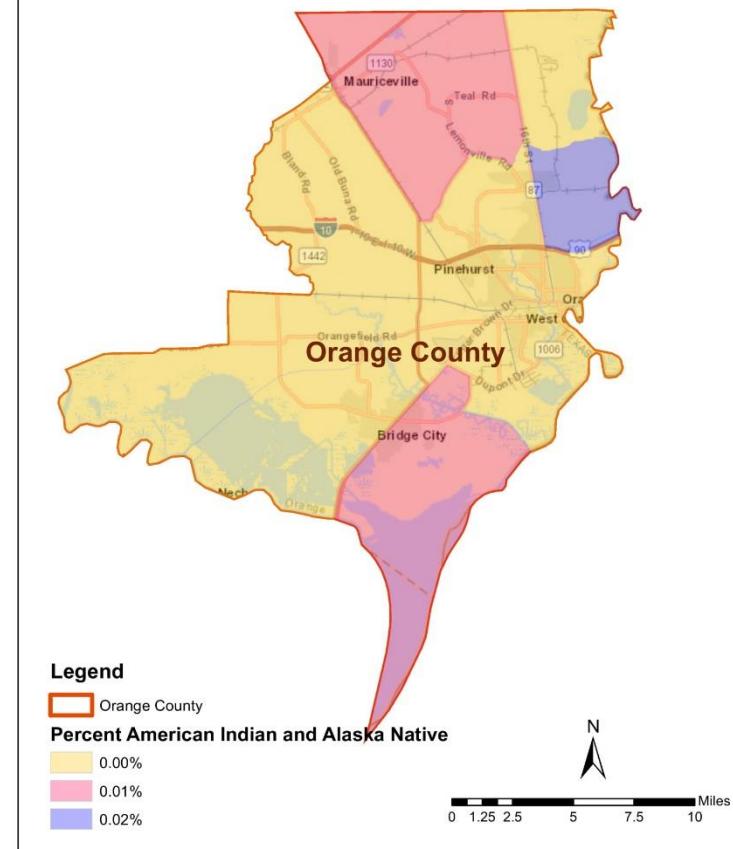
Map 1.4: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.5: Percent Asian and Pacific Island
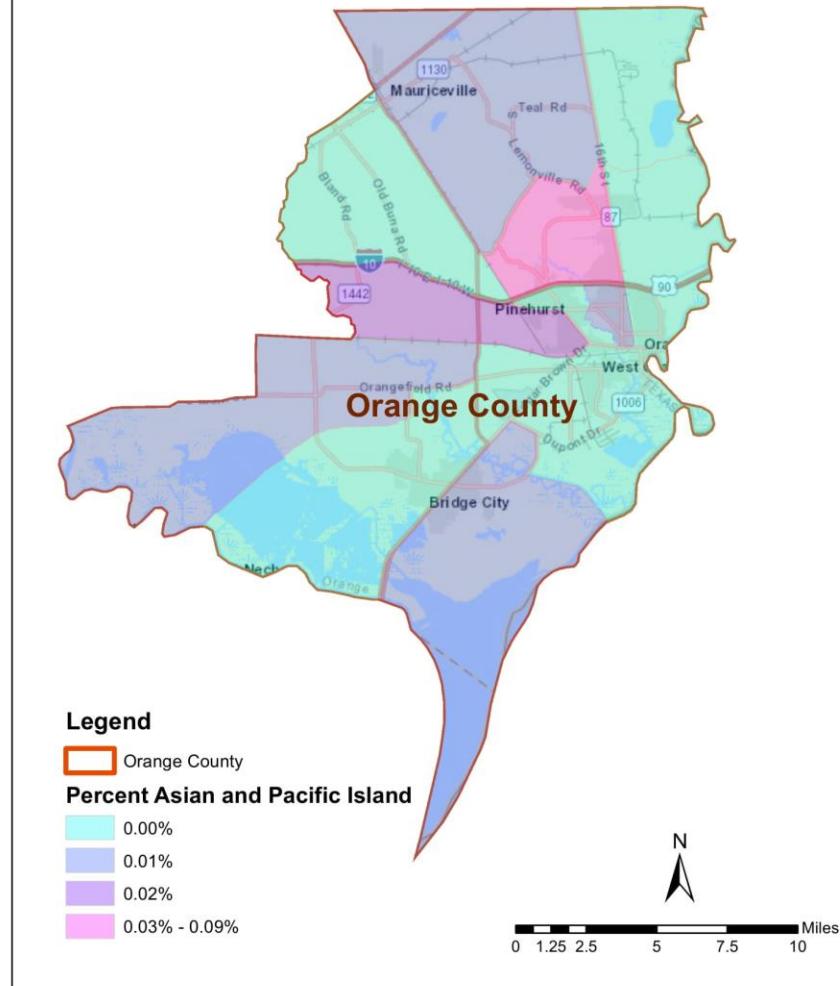
Map 1.5: Source: 2013-17 American Community Survey (ACS) – U.S. Census

In many communities, female-headed households and female-headed households with children face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increases incidents of reported rental property owners' refusal to rent to tenants with children. This factor is evidenced when comparing this demographic factor to fair housing complaint data. As shown in Table 1.2, on the following page, the percentage of female-headed households among White households in the city was 13 percent, compared to 29 percent in African American households, and 11 percent in Hispanic households. Only 15 percent of African American households were husband/wife family households, compared to 47 percent of White households and 29 percent of Hispanic households.

Non-family households as a percentage of total households for all three of the major races/ethnicities were comparable. Non-family households among Whites made up 35 percent of all White households in Orange City. Non-family households among African Americans accounted for 41 percent of all African American households. Non-family households among Hispanics accounted for 46 percent of all Hispanic households. Table 1.2, on the following page, shows the family structure of White, African American, and Hispanic households between 2013 and 2017.

Table 1.2
Household structure by race for Orange, 2013-2017 (5-Year Average)

Household Type	White Non-Hispanic		African American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Family households:	3,051	65%	1,513	56%	173	54%
Married-couple family	2,192	47%	403	15%	93	29%
Other family:	859	18%	1,110	41%	80	25%
Male householder, no wife present	240	5%	323	12%	46	14%
Female householder, no husband present	619	13%	787	29%	34	11%
Nonfamily households:	1,635	35%	1,165	44%	148	46%
Householder living alone	1,339	29%	1,094	41%	133	41%
Householder not living alone	296	6%	71	3%	15	5%
Total Households	4,686	100%	2,678	100%	321	100%

Table 1.2: Source: 2013-17 American Community Survey (ACS) – U.S. Census

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

Map 1.6: Percent Female Headed Household

Legend

▭ Orange County

Percent Female Headed Household

- 0.02% - 0.09%
- 0.10% - 0.15%
- 0.16% - 0.20%
- 0.21% - 0.29%

N

Miles
0 1.25 2.5   5   7.5   10
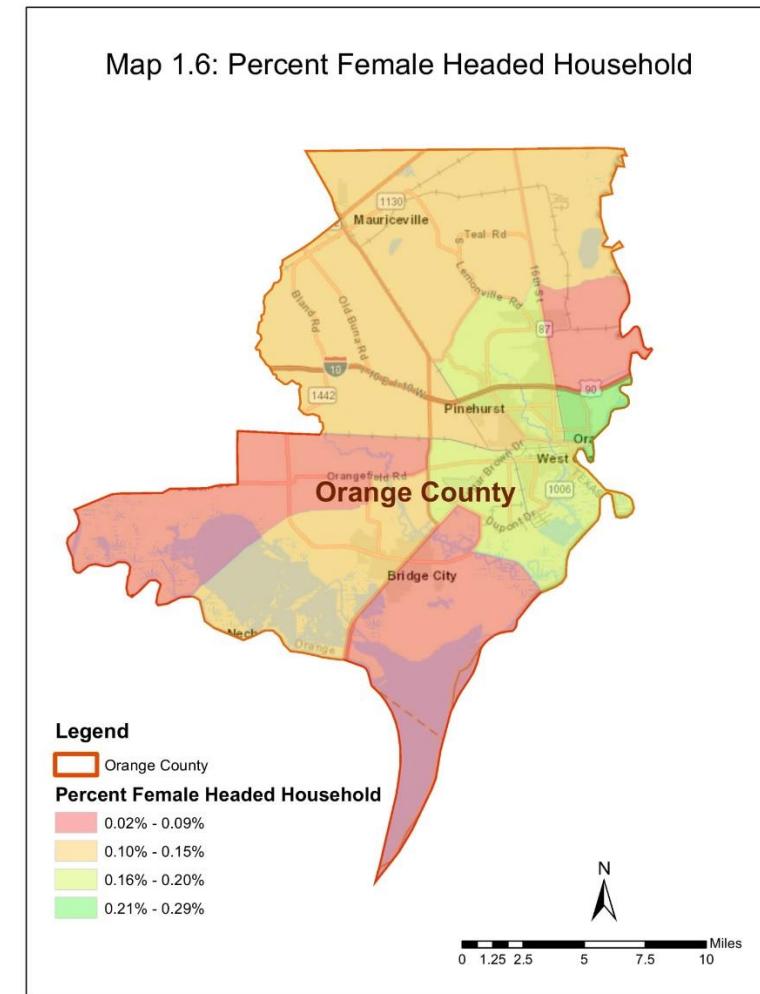
Map 1.6: Source: 2013-17 American Community Survey (ACS) – U.S. Census

1.2. Income

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

The data in Table 1.3 on the following page, show the distribution of income across income classes among Whites, African American, and Hispanics. Overall, the income distribution data show a higher proportion of low-income households within the African American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

The date is Table 1.3 shows that the modal income classes (the income classes with the highest number of households) for Whites were the $60,000 to $124,999 with 10.8 percent of Whites in this income range. The most frequently reported income for African American households was the less than $10,000 to $14,999 range with 11.6 percent of African Americans in this range. The most frequently reported income for Hispanic households in the 2013 - 2017 ACS data was the less than $10,000 to $14,999 range with 7.89 percent of Hispanics in this range.

According to the 2013 - 2017 ACS estimates (5-year average), the median household income was reported to be $59,135 for White households, $30,177 for African American households and $32,875 for Hispanic households, compared to $ $43,042 for the overall city. Map 1.7, on page 14, shows the median household income by census tract between 2013 and 2017. Again, there were major disparities in income among minorities, particularly for African Americans.

Table 1.3
Households by race by income for Orange, 2013-2017

Household Type	White Non-Hispanic		African American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Less than $10,000	444	2.97%	341	7.14%	41	2.38%
$10,000 to $14,999	197	1.32%	554	11.60%	95	5.51%
$15,000 to $19,999	212	1.42%	169	3.54%	0	0.00%
$20,000 to $24,999	306	2.04%	161	3.37%	0	0.00%
$25,000 to $29,999	242	1.62%	107	2.24%	4	0.23%
$30,000 to $34,999	236	1.58%	158	3.31%	29	1.68%
$35,000 to $39,999	192	1.28%	241	5.05%	0	0.00%
$40,000 to $44,999	180	1.20%	114	2.39%	24	1.39%
$45,000 to $49,999	82	0.55%	199	4.17%	0	0.00%
$50,000 to $59,999	279	1.86%	121	2.53%	16	0.93%
$60,000 to $74,999	559	3.73%	186	3.89%	0	0.00%
$75,000 to $99,999	598	3.99%	180	3.77%	35	2.03%
$100,000 to $124,999	352	2.35%	87	1.82%	40	2.32%
$125,000 to $149,999	249	1.66%	10	0.21%	0	0.00%
$150,000 to $199,999	343	2.29%	11	0.23%	20	1.16%
$200,000 or more	215	1.44%	39	0.82%	17	0.99%
Total	4,686	100%	2,678	100%	321	100%
Median Household Income	$59,135		$30,177		$32,875	
City Median Household Income	$ $43,042					

Table 1.3: Source: 2013-17 American Community Survey (ACS) – U.S. Census

> **Household income levels among African Americans were disproportionately lower compared to Whites.**
>
> **The modal income class for Whites was the 60,000 to $124,999 range, and that of African American households was the $10,000 to $14,999 range.**

Map 1.7: Median Household Income

Legend

▢ Orange County

Median Household Income

☐ $28,920.00 - $32,500.00

☐ $32,500.01 - $48,929.00

☐ $48,929.01 - $60,114.00

☐ $60,114.01 - $61,771.00

☐ $61,771.01 - $71,530.00

N

Miles
0   1.25 2.5   5   7.5   10
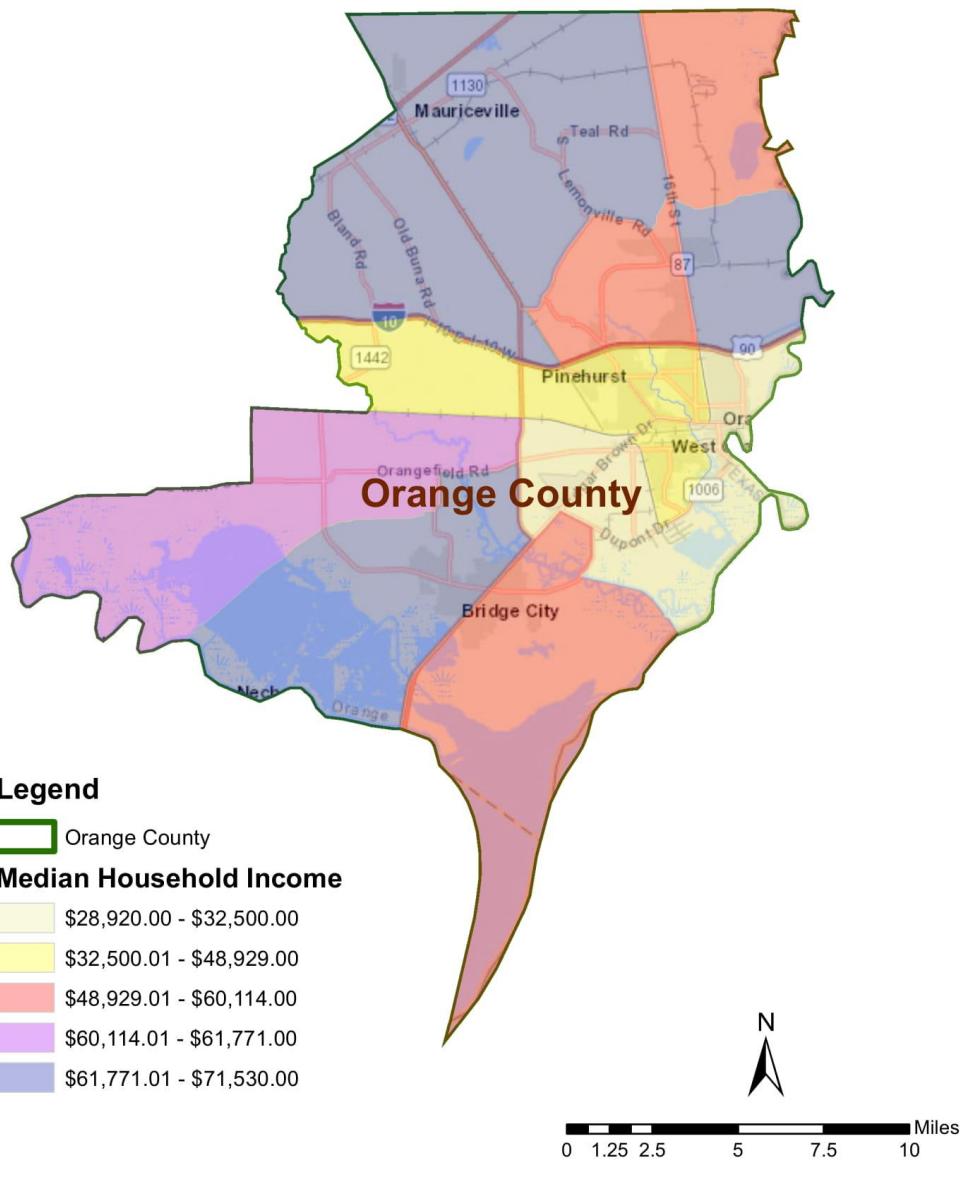
Map 1.7: Source: 2013-17 American Community Survey (ACS) – U.S. Census

The poverty data in Table 1.4, below, shows major effects on the African American and Hispanic communities. The incidence of poverty among African Americans was 8.3 percent of the total population between 2013 and 2017, and Hispanics was reported to be 13.4 percent. Among White persons, the data reported 12.6 percent lived in poverty. In comparison, the poverty rate for the city was 21.5 percent during the period.

Table 1.4
Poverty Status by race Orange, 2013-2017

Age Group	White Non-Hispanic		African American		Hispanic	
	# in Poverty	% in Poverty	# in Poverty	% in Poverty	# in Poverty	% in Poverty
Under 6 years	218	5.4%	276	6.1%	82	3.1%
6 to 11 years	177	4.4%	161	3.5%	111	4.2%
12 to 17 years	102	2.5%	103	2.3%	125	4.7%
18 to 59 years	1007	25.1%	885	19.5%	87	3.3%
60 to 74 years	130	3.2%	138	3.0%	44	1.7%
75 to 84 years	30	0.7%	73	1.6%	9	0.3%
85 years and over	35	0.9%	39	0.9%	0	0.0%
Total	1,699	9.0%	1,675	8.8%	458	2.4%
City Poverty %	22.1%					

Table 1.4: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Higher percentage of African Americans and Hispanics lived in poverty, compared to Whites between 2013 and 2017.

The poverty rate among African Americans was 30.3 percent, Hispanics was 37.0 percent, compared to White persons was 16.2 percent between 2013 and 2017.

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

The U. S. Department of HUD has defined "Areas of Poverty, Racial and Ethnic Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into "Opportunity Areas". Opportunity Areas – areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. The Map 1.8 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

The poverty rate in Orange is 22.1 percent. Three times the poverty is 66.3 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. The census tracts within the City of Orange that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the northern census tracts in the City of Orange.

In addition to poverty, racial and ethnic concentrations and segregation, these areas contain housing units in very poor condition and neighborhood conditions and infrastructure in need of improvement in order for conditions to be reversed and become areas of opportunity.

Map 1.8: Areas of Concentrated Poverty and Racial/Ethnic Concentration and Segregation (RCAP/ECAP)
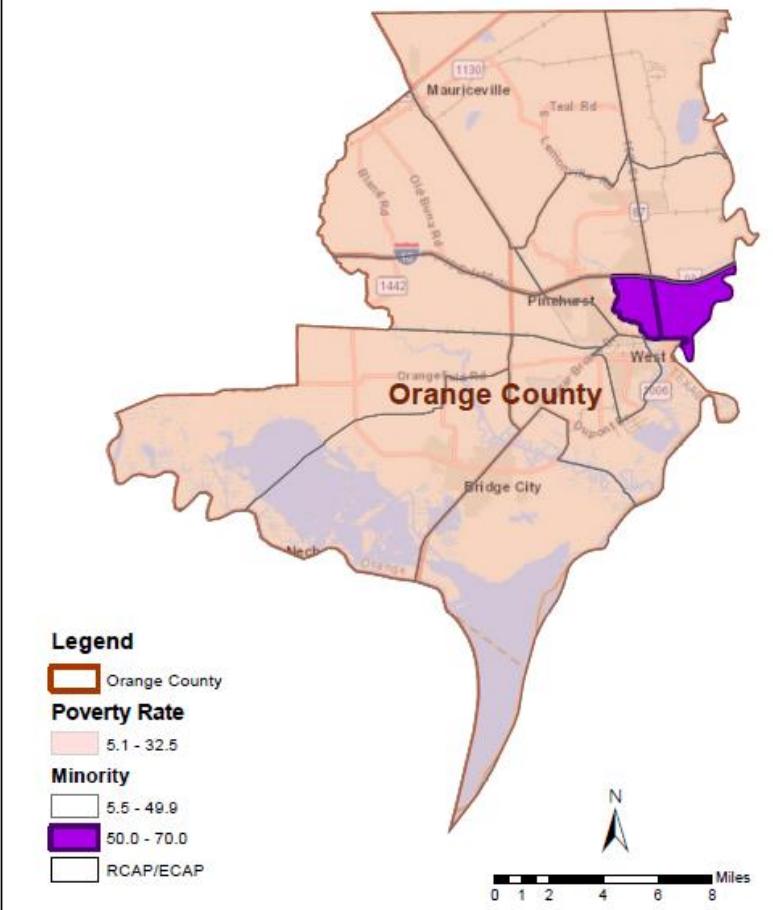
Map 1.8 Source: American Community Survey (ACS), 2013-2017; Decennial Census (2010); Brown Longitudinal Tract Database (LTDB) based on decennial census data, 1990, 2000 & 2010.

1.3. Employment

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5, below, provides a look at occupation data, which indicate that there has been some shift in the distribution of occupations between 2010 and 2017. Retail trade had the largest increase during the period, up 114.8 percent. Transportation and warehousing, and utilities sector had an increase of 87.9 percentage points. The Arts, entertainment, and recreation, and accommodation and food services sector had an increase, of 46.9 percentage points. Construction realized the largest reduction with 51.0 percentage points.

Table 1.5
Occupation of employed persons for Orange, 2010 and 2013 - 2017 (5-Year Average)

Industry	2010	2013-2017 Average	% Change
Agriculture, forestry, fishing and hunting, and mining	62	77	24.2%
Construction	867	425	-51.0%
Manufacturing	1,579	1,218	-22.9%
Wholesale trade	151	157	4.0%
Retail trade	613	1,317	114.8%
Transportation and warehousing, and utilities	355	667	87.9%
Information	145	87	-40.0%
Finance and insurance, and real estate and rental and leasing	416	391	-6.0%
Professional, scientific, and management, and administrative and waste management services	664	816	22.9%
Educational services, and health care and social assistance	1,420	1,610	13.4%
Arts, entertainment, and recreation, and accommodation and food services	597	877	46.9%
Other services, except public administration	460	271	-41.1%
Public administration	267	353	32.2%

Table 1.5: Source: 2013-17 American Community Survey (ACS) – U.S. Census

The data presented in Table 1.6, provide a portrait of the distribution of the unemployed. A closer look at the make-up of this total, however, indicates that much higher levels of unemployment are centered in the African American community. Between 2013 and 2017, 7.6 percent of White persons age 16 and over reported being unemployed. African Americans persons in the same age group reported a 14.0 percent unemployment rate and Hispanic reported a 9.3 percent rate. As a comparison, the citywide unemployment rate was 5.3 percent during the period.

Table 1.6
Employment Status by race for Orange, 2013 - 2017

Employment Status	White Non-Hispanic		African American		Hispanic		Total	
	#	%	#	%	#	%	#	%
In Labor Force:	5,501	59.7%	2,706	61.9%	430	9.72%	8,637	47.9%
In Armed Forces	0	0.0%	0	0.0%	0	0%	0	0.00%
Civilian	5,001	90.9%	2,558	95%	430	100%	7,989	92.5%
Employed	5,121	102%	2,346	92%	430	100.0%	7,897	98.8%
Unemployed	380	7.6%	360	14%	0	0.0%	740	9.3%
Not in Labor Force	3,715	40%	1,668	38%	321	7.3%	5,704	31.7%
Total	9,216	100%	4,374	100%	4,423	100%	18,013	100%

Table 1.6: Source: 2013-17 American Community Survey (ACS) – U.S. Census

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

The unemployment rate among African Americans was 14.0 percent, Hispanics was 9.3 percent, compared to White persons was 7.6 percent between 2013 and 2017.

Map 1.9: Unemployment Rate

Legend

▢ Orange County

Unemployment Rate

▢ 2.20 - 2.80
▢ 2.81 - 4.60
▢ 4.61 - 6.70
▢ 6.71 - 10.70
▢ 10.71 - 15.50

N

Miles
0 1.25 2.5   5   7.5   10
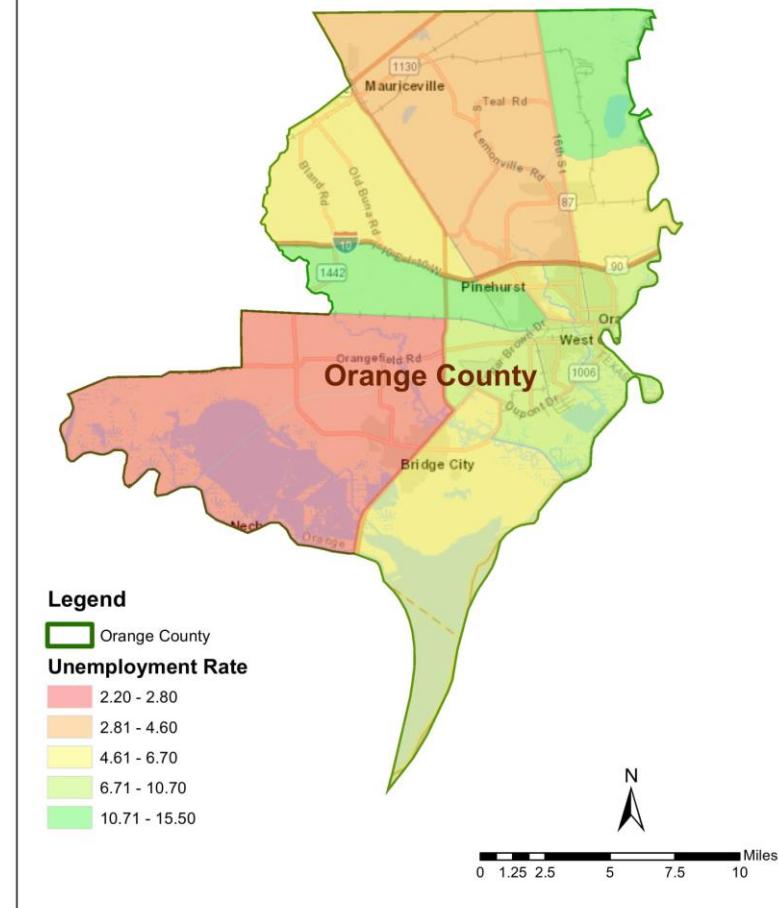
Map 1.9: Source: 2013-17 American Community Survey (ACS) – U.S. Census

20

According to the major employer data provided by the City of Orange and Orange County, the major employers in the city include DuPont Sabine Riverworks with 900 employees, International Paper with 450 employees, Arlanxeo with 300 employee, Southeast Texas Industries with 250 employees, and Cloeren Incorporated with 220 employees.

In Orange, the difference in the unemployment rate between the three groups can, to some extent, be attributed to limitations due to educational attainment. According to the 2013 - 2017 ACS estimates (5-year average), 15.5 percent of African Americans age 25 and above reported less than a high school education compared to 8.1 percent of Whites and 21.2 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 11.3 percent during the period.

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

1.4. Public Transportation

The South East Texas Transit Agency (SETT) provides Demand Response service. Service hours are from 7:00 am until 4:00 pm, Monday through Friday. The SETT Regional Transit Agency provides shuttle services through 24-hour advanced scheduling. The one-way fare is $1 in within Orange County and $2.50 outside the city limits

The service area of SETT includes all of Orange County, Hardin and Western Jefferson County. Passengers are picked up from their driveway and take to any destination within the service area. SETT provides vehicles with wheelchair access for disabled passengers.

Map 1.10 on the following page illustrates SETT service area.

The SETT Regional Transit Agency provides transportation services for passengers within Orange's Urban and Rural areas at affordable prices. The one-way fare is $1 in within Orange County and $2.50 outside the city limits

Map 1.10 South East Texas Transit Agency (SETT) Service Area Map

Orange County

Pine Forest

Vidor

I-10

Rose City

Pinehurst

Orange

West Orange

Bridge City

FARE SCHEDULE

SERVICE AREA	SERVICE PROVIDER	ONE-WAY TRIP FARE*
Orange County Monday-Friday 7 am to 4 pm	Orange County Transportation (409) 745-9511	$1.00 within county $2.50 to Beaumont $2.50 to Port Arthur
City of Orange Monday-Friday 7 am to 4 pm	Orange Community Action Association (409) 886-8348	$1.00 within county
	Urbanized areas not qualifying for rural transit services	

* Rates and times may vary between providers and are subject to change. Reservations required. 24-hour advance notice recommended. Same day service subject to availability.

1.5. Housing

According to the 2017 American Community Survey, the total number of housing units in the city was 9,219 with 1,294 or 14 percent vacant units. As shown in Table 1.7, to the right, there were 9,211 housing units in Orange in 2010. The total number of

Table 1.7
Tenure for housing in Orange, 2000, and 2013-2017 (5-Year Average)

Tenure	2010		2013-2017	
	Number	Percent	Number	Percent
Owner-occupied	5,045	64%	4,736	51%
Renter-occupied	2,824	36%	3,189	35%
Vacant	1,342	17%	1,294	14%
Total:	9,211	100%	9,219	100%

Table 1.7: Source: 2013-17 American Community Survey (ACS) – U.S. Census

housing units in the city increased by less than 1 percent between 2010 and 2017. According to the 2013 - 2017 ACS estimates (5-year average), the total number of housing units in the city 9,219 of which, 51.0 percent were owner-occupied, 35 percent were renter-occupied, and the remaining 14 percent were vacant. The median housing value in the city was $92,100 and the median contract rent was $610 between 2013 and 2017.

Table 1.8, to the right, shows that of all housing units, 71.4 percent were categorized as single-family detached, 1.1 percent as single-family attached, 4.9 percent contained two to four units, 19.2 percent classified as multifamily, and

Table 1.8
Housing type for Orange, 2013-2017 (5-Year Average)

Units in Structure	Number	Percent
Single-Family detached	6,579	71.4%
Single-Family attached	100	1.1%
2-4 units	451	4.9%
Multifamily	1,772	19.2%
Mobile home or Other	317	3.4%
Total	9,219	100%

Table 1.8: Source: 2013-17 American Community Survey (ACS) – U.S. Census

The Majority of housing stock in Orange was single-family housing, and more than half of housing stock in the city was owner-occupied between 2013 and 2017.

Approximately 71.4 percent of housing units in the city were single-family, and 51.0 percent were owner-occupied during that same period.

3.4 percent as mobile home or other.

As shown on Table 1.9, 28.4 percent of all housing units were built prior to 1960, 15.3 percent were built between 1960 and 1969, 17.8 percent were built between 1970 and 1979, 9.9 percent were built between 1980 and 1989, and 24.2 percent were built after 1989. About 56.3 percent of the housing stock is more than 40 years old, built prior to 1980. These units may contain lead-based paint or likely need repairs and maintenance.

Table 1.9
Age of Housing Stock in Orange, 2013 - 2017 (5-Year Average)

Year Built	#	%
Built 2014 or later	53	0.6%
Built 2010 to 2013	578	6.3%
Built 2000 to 2009	1,078	11.7%
Built 1990 to 1999	927	10.1%
Built 1980 to 1989	915	9.9%
Built 1970 to 1979	1,637	17.8%
Built 1960 to 1969	1,414	15.3%
Built 1950 to 1959	1,523	16.5%
Built 1940 to 1949	587	6.4%
Built 1939 or earlier	507	5.5%
Total:	9,219	100.0%

Table 1.9: Source: 2013-17 American Community Survey (ACS) – U.S. Census

A Majority of housing stock in Orange was more than 40 years old, and these units may contain lead-based paint or likely need repairs and maintenance.

Approximately 71.4 percent of the housing stock was built prior to 1990.

According to the 2013 - 2017 ACS data shown in Table 1.10, the homeownership rate among Whites was 68.0 percent, compared to 45.1 percent among African Americans, and 61.7 percent among Hispanics.

Table 1.10
Tenure by Race in Orange, 2014-2017 (5-Year Average)

Tenure by Race	Owner-occupied		Renter-occupied		Total
	#	%	#	%	
White	3,185	68.0%	1,501	32.0%	4,686
African American	1,207	45.1%	1,471	54.9%	2,678
Hispanic	198	61.7%	123	38.3%	321

Table 1.10: Source: 2013-17 American Community Survey (ACS) – U.S. Census

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

The homeownership rate among Whites was 68.0 percent, African Americans were 45.1 percent, and Hispanics was 61.7 percent between 2013 and 2017.

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

# Map 1.11: Percent Single Family Units

Legend

☐ Orange County

Percent Single Family Units

☐ 0.59% - 0.62%
☐ 0.63% - 0.67%
☐ 0.68% - 0.72%
☐ 0.73% - 0.78%
☐ 0.79% - 0.81%

Miles
0 1.25 2.5   5   7.5   10
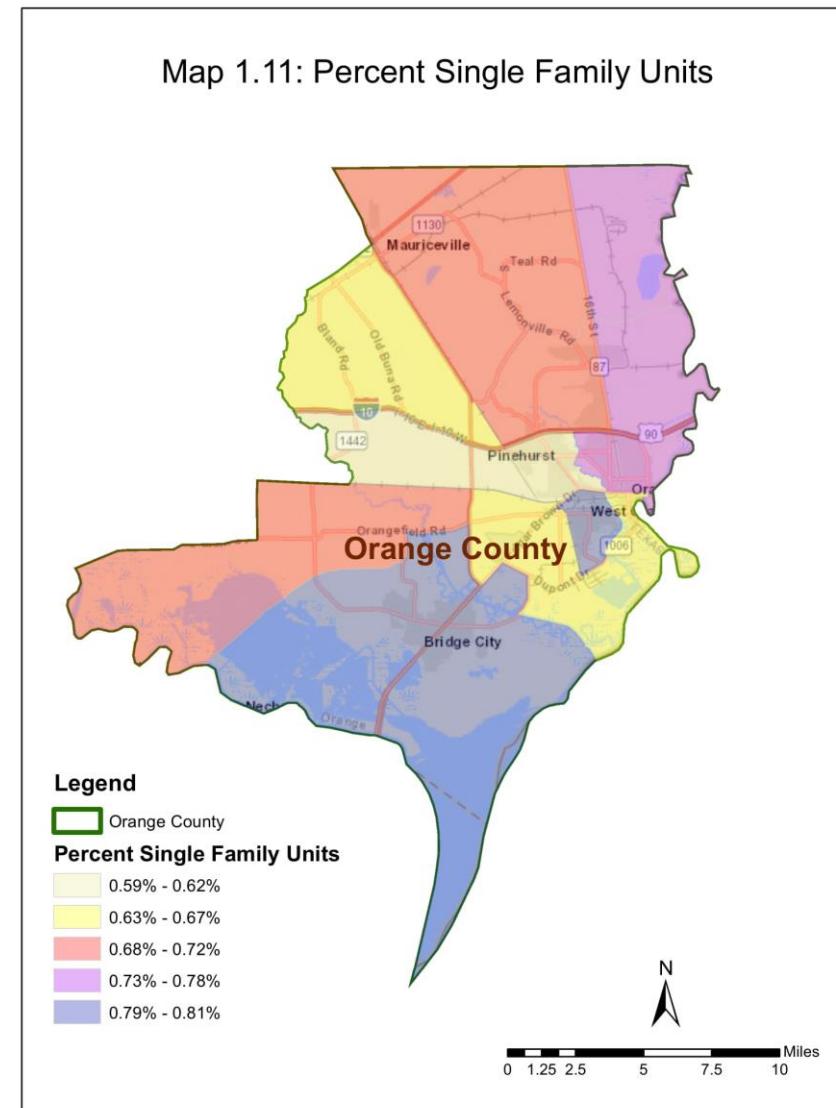
Map 1.11: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.12 Percent Multifamily Units

Legend

☐ Orange County

Percent Multifamily Units

▨ 0.00% - 0.03%

▨ 0.04% - 0.09%

▨ 0.10% - 0.14%

▨ 0.15% - 0.18%

▨ 0.19% - 0.24%
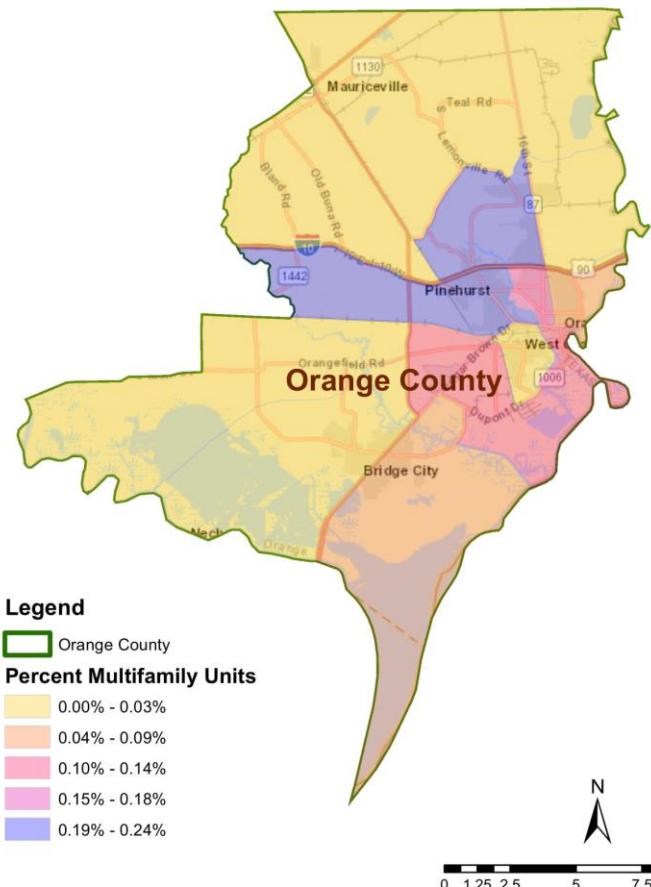
Map 1.12: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.13 Percent Pre-1960 Housing Stock

Legend

☐ Orange County

Percent Pre-1960 Housing Stock

- 4.00% - 7.60%
- 7.61% - 11.10%
- 11.11% - 19.90%
- 19.91% - 26.10%
- 26.11% - 54.40%

N

Miles
0 1.25 2.5   5   7.5   10
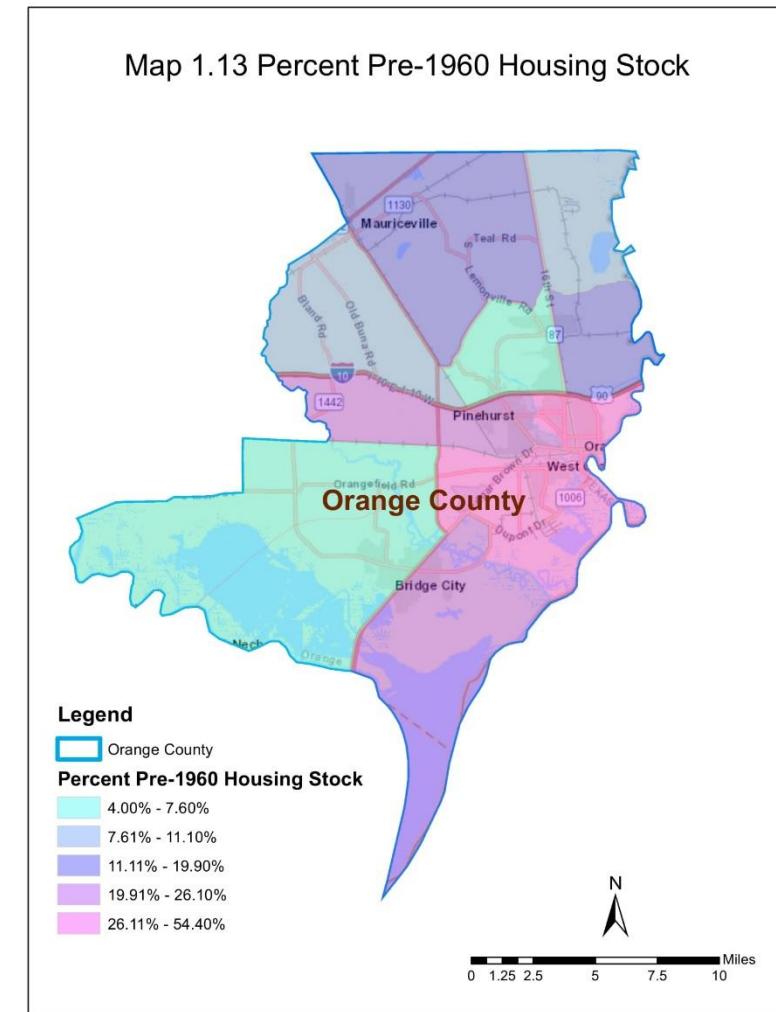
Map 1.13: Source: 2013-17 American Community Survey (ACS) – U.S. Census

29

Map 1.14 Median Home Value

Legend

☐ Orange County

Median Home Value

☐ $58,200.00

☐ $58,200.01 - $78,300.00

☐ $78,300.01 - $97,500.00

☐ $97,500.01 - $146,000.00

☐ $146,000.01 - $189,100.00

N

Miles
0 1.25 2.5   5   7.5   10
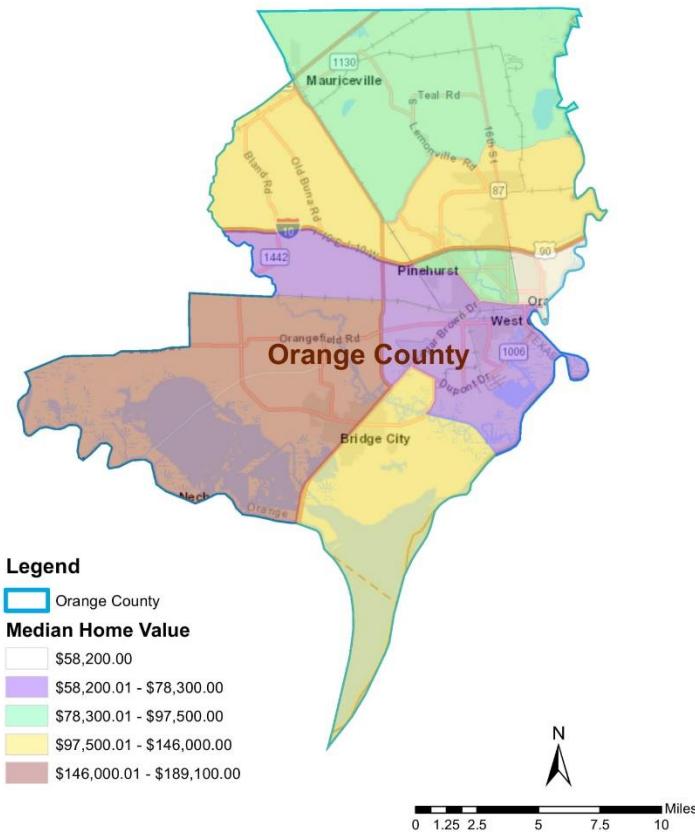
Map 1.14: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Map 1.15 Median Contract Rent

Legend

☐ Orange County

Median Contract Rent

- 0
- 1 - 545
- 546 - 607
- 608 - 646
- 647 - 675
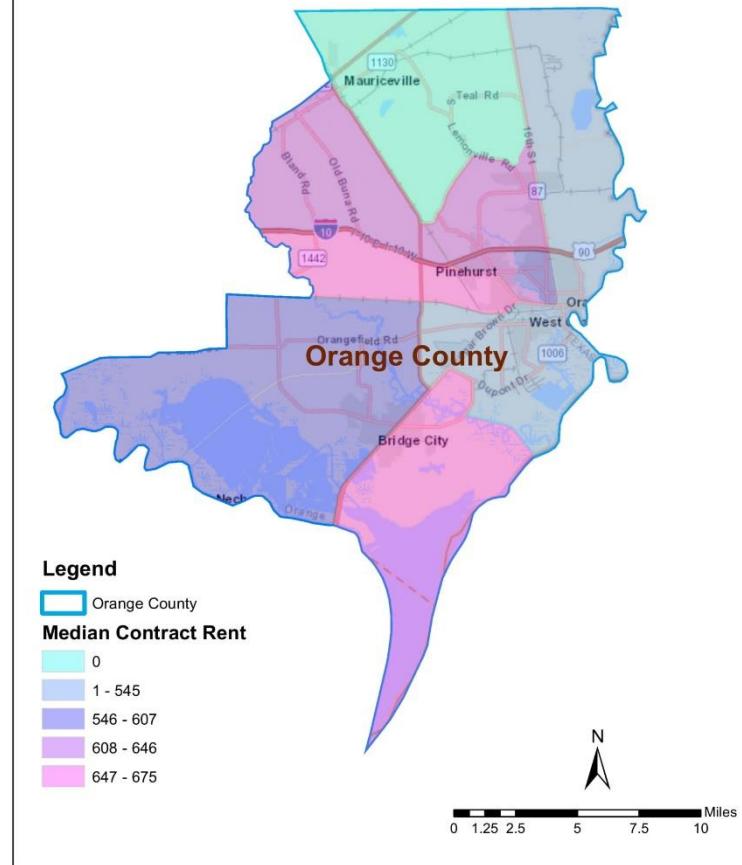
Map 1.15: Source: 2013-17 American Community Survey (ACS) – U.S. Census

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2011 through 2015, duplicated in Table 1.11, on page 33, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households in Orange. The table indicates that 48.6 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 66.7 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, about 33 percent more very low-income renters and about 21 percent more very low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened".

Looking at households earning between 31 percent and 50 percent of the median family income, 31.7 percent of low-income renters and 13.3 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, 65.3 percent of renter households and 34.7 percent of homeowners are earning less than 30 percent the median family income in Orange. Since 2015, cost burden for homeowners has decreased to 19.6 percent while cost burden for renters has increased to 43.7 percent in the same time. Additionally, those with severe cost burden, 10.4 percent are homeowners and 20.0 percent are renters.

Table 1.11
Cost Burden by income and tenure, 2011 - 2015

Income Distribution Overview	Owner	%	Renter	%	Total
Household Income <= 30% HAMFI	465	34.7%	875	65.3%	1340
Household Income >30% to <=50% HAMFI	450	42.3%	615	57.7%	1065
Household Income >50% to <=80% HAMFI	785	55.7%	625	44.3%	1410
Household Income >80% to <=100% HAMFI	290	51.3%	275	48.7%	565
Household Income >100% HAMFI	2720	78.2%	760	21.8%	3480
Total	4710	59.9%	3150	40.1%	7860
Income by Cost Burden (Owners and Renters)	Cost burden > 30%		Cost burden > 50%		Total
Household Income <= 30% HAMFI	1010	75.4%	735	54.9%	1340
Household Income >30% to <=50% HAMFI	565	52.8%	250	23.4%	1070
Household Income >50% to <=80% HAMFI	520	37.0%	120	8.5%	1405
Household Income >80% to <=100% HAMFI	39	6.9%	4	0.7%	565
Household Income >100% HAMFI	155	4.5%	0	0.0%	3480
Total	2289	29.1%	1109	14.1%	7860
Income by Cost Burden (Renters only)	Cost burden > 30%		Cost burden > 50%		Total
Household Income <= 30% HAMFI	615	70.3%	425	48.6%	875
Household Income >30% to <=50% HAMFI	425	69.1%	195	31.7%	615
Household Income >50% to <=80% HAMFI	315	50.4%	10	1.6%	625
Household Income >80% to <=100% HAMFI	20	7.3%	0	0.0%	275
Household Income >100% HAMFI	0	0.0%	0	0.0%	760
Total	1375	43.7%	630	20.0%	3150
Income by Cost Burden (Owners only)	Cost burden > 30%		Cost burden > 50%		Total
Household Income <= 30% HAMFI	395	84.9%	310	66.7%	465
Household Income >30% to <=50% HAMFI	145	32.2%	60	13.3%	450
Household Income >50% to <=80% HAMFI	210	26.8%	115	14.6%	785
Household Income >80% to <=100% HAMFI	19	6.6%	4	1.4%	290
Household Income >100% HAMFI	155	5.7%	0	0.0%	2720
Total	924	19.6%	489	10.4%	4710

Table 1.11 Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2011 - 2015

According to the 2013 - 2017 ACS estimates, shown in Table 1.12 to the right, 42.5 percent of renter households paid more than 30 percent of their household income towards rent. Over 60.0 percent of the renter households with household income of less than $10,000, 78.5 percent of the renter households that earned between $10,000 to $19,999, 63.6 percent of the renter households that earned between $20,000 to $34,999, and 18.4 percent of the renter households that earned between $35,000 to $49,999 spent more than 30 percent of their households income towards rent during the five-year period.

Table 1.12
Gross Rent as a Percent of Household Income in Orange, 2013-2017 (5-Year Average)

Gross Rent as a Percent of Household Income	Number of Households	Cost Burden 30%
Less than $10,000	502	
Less than 30.0 percent	43	
30.0 percent or more	301	60.0%
$10,000 to $19,999	782	
Less than 30.0 percent	26	
30.0 percent or more	614	78.5%
$20,000 to $34,999	563	
Less than 30.0 percent	195	
30.0 percent or more	358	63.6%
$35,000 to $49,999	441	
Less than 30.0 percent	356	
30.0 percent or more	81	18.4%
$50,000 or more	901	
Less than 30.0 percent	870	
30.0 percent or more	0	0.0%
Total Renter Households	3,189	
Less than 30.0 percent	1,490	
30.0 percent or more	1,354	42.5%

Table 1.12: Source: 2013-17 American Community Survey (ACS) – U.S. Census

As shown in Table 1.13, to the right, 8.61 percent of owner households were 30 percent cost burden and 9.71 percent of the owner households were 50 percent cost burden during the same period.

Table 1.13

Owner Costs as a Percent of Household Income in Orange, 2013-2017 (5-Year Average)

Housing Cost as a Percent of Household Income	Number of Owner Households	Percent
Less than 30.0 percent	3,786	
30.0 percent or more	408	8.61%
50.0 percent or more	460	9.71%
Not computed	82	
Total Owner-Occupied households	4,736	

Table 1.13: Source: 2013-17 American Community Survey (ACS) – U.S. Census

According to the 2013 - 2017 ACS data, 42.5 percent of the renter households in Orange were cost burden paying more than 30 percent of income for housing.

For this same time period, 8.61 percent owner households paid more than 30 percent of their household income for housing and 9.71 percent of owner households were 50 percent cost burden.

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One of the most revealing indicators that minorities are more likely to require rental housing and lag far behind Whites in obtaining housing of their choice is in the category of homeownership. The homeownership rate among Whites was 68.0 percent, 23 percentage points higher than African Americans at 45.1 percent, and 7 percentage points higher than that of Hispanics, with a homeownership rate at 61.7 percent between 2013 and 2017.

Other limitations for minorities include lower incomes, and a disproportionate number of minority households living in poverty. The incidence of poverty among African Americans was 30.3 percent of the total population between 2013 and 2017, and Hispanics was reported to be 37.0 percent. Among White persons, the data reported 16.2 percent lived in poverty. In comparison, the poverty rate for the city was 22.1 percent during the period. The median household income was reported to be $59,135 for White households, $30,177 for African American households and $32,8752 for Hispanic households, compared to $43,042for the overall city. All of these factors combine limit housing choice of the City's minority populations.

III. Fair Housing Law, Court Cases, Policy, Regulatory and Complaint Analysis

Introduction

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

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

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

A more difficult, but intertwined, aspect of evaluating barriers to fair housing involves analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and moderate and low-income households. This included an analysis of city operated housing programs provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, the Consolidated Annual Performance Evaluation Reports (CAPER), City of Orange Housing Authority Five Year and Annual Plans and documentation on various housing programs and projects. City and PHA staff also provided information on current and future initiatives to develop affordable housing and acquire additional funds.

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by elected and appointed advisory boards and commissions such as the City of Orange Housing Authority Board, and City of Orange City Council, Community Economic Development, Housing Board of Adjustment and Appeals, Planning, Zoning Appeals, and Community Redevelopment Agency.

Section 2.5 provides an analysis of fair housing complaints filed with HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Fort Worth, Texas Regional Fair Housing and Equal Opportunity (FHEO) Office has responsibility for fair housing enforcement in Orange.

2.1. Fair Housing Law

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

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

- ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,
- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
- ✓ Evicting minorities, but not whites, for late payments or poor credit;

- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
  - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
  - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;

- Deny or make different loan terms for residential loans due to membership in a protected class by:
  - ✓ Using different procedures or criteria to evaluate credit worthiness,
  - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
  - ✓ Implementing a policy that has the effect of excluding a minority area, or
  - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must

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allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

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

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

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

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

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

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

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and

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investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

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

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

This Act declares it illegal to discriminate in the sale, rental, advertising, financing, or providing of brokerage services for housing. The Texas Statue parallels the Federal Fair Housing Act and has been determined to contain all of the requisite provisions to pass HUD's scrutiny as a substantially equivalent law. The City of Orange has not enacted local Fair Housing

Court Decisions

The impact of Landmark Cases and other significant Court Cases were reviewed to examine how court litigation and settlements might be impacting interpretation of Fair Housing Law. The following summarizes some of the key cases that provide responses to Fair Housing issues and solutions and remedial actions for resolving those issues.

Texas Department of Housing and Community Affairs v. Inclusive Communities Project Inc. is the first case to affirm disparate impact must be considered in determining violations to the 1968 Fair Housing Act. On June 25, 2015, the U.S. Supreme Court, in a 5-4 decision written by Justice Kennedy, upheld the disparate impact doctrine under the Fair Housing Act. This precedent-setting opinion affirmed both 40 years of legal jurisprudence and the decisions of 11 U.S. appellate courts in holding that disparate impact is cognizable under the Fair Housing Act.

The Court acknowledges the Fair Housing Act's continuing role in moving the Nation toward a more integrated society. The Court affirmed that disparate impact is an important protection for all of us. This also affirms that those protected under the 1968 Fair Housing Act, individuals and families, and their right to housing, cannot be restricted because they have children, women who experience domestic violence can cannot suffer eviction just because they suffered abuse or their previous address is a shelter, and communities of color can live with the security of knowing that the predatory lending practices that dumped millions of subprime loans into their

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neighborhoods will not be allowed. Neighborhoods still trying to recover from the financial crisis can have hope because disparate impact is an important tool in addressing unfair practices that contribute to economic and wealth disparities. Where we live makes

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

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

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cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

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

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

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

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

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

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

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

Similar to the Walker case, **Young v. HUD** represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor

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public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and $13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

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

A. The final judgment that was entered by the Court in 1995,

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

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

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

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

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

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

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that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination."- was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, know as the Olmstead case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

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

the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a $10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of $5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

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

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

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

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over $38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is in progress and a judgment is expected in 2009.

Homelessness and the Fair Housing Act

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

- o A supervised publicly or privately-operated shelter designed to provide temporary living accommodations;

- An institution that provides temporary residence for individuals intended to be institutionalized; or,

- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

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

Unfair Lending Practices

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

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The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore, states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

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

The Department of Housing and Urban Development (HUD) enforce local, state and federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status.

The Regional HUD Office in Fort Worth and Houston Field Office conducts investigations of fair housing complaints that are reported directly to their office. Texas is part of HUD's Region that includes Arkansas, Louisiana, Oklahoma, Texas, and New Mexico. When HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the city, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5.

When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act and or Texas Ordinance has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in the Federal District Court.

Education and Outreach

The City of Orange Grants Management Division receives fair housing complaints and makes referrals to HUD for enforcement. This agency is also responsible for conducting public education, training and outreach of fair housing rights and remedies in Orange. These services are an essential ingredient of fair housing enforcement. This includes outreach and education to the general public, landlords and tenants, housing and financial providers, as well as citizens, concerning fair housing and discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again in a few months," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run

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over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

2.3. Production and Availability of Affordable Units

An assessment of characteristics affecting housing production, availability, and affordability in Orange was conducted, including the adequacy and effectiveness of housing and housing related programs designed and implemented by the City of Orange, and Public Housing and the Section 8 Voucher Programs operated by the City of Orange Housing Authority. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need.

The analysis also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2015. Our analysis for this section is also based on the Orange Housing Authority Administrative Plan and Annual Contributions Contract (ACC) and Section 8 Management and Assistance Plans and City of Orange's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation provided by the city and housing authority.

2.4. Regulatory and Public Policy Review

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

The city zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Orange's land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information maintained by the U.S. Department of HUD providing a breakdown of complaints filed for Orange was considered in determining impacts on fair housing from May 1, 2015 through April 31, 2019. HUD enforcement data indicated that during this period, only complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. All three cases were assigned a "no cause determination" by HUD.

Table 2.1 normally depicts how complaint cases are divided on a protected class basis if complaints had been received. The tables do not contain data, reflecting very few cases were reported and therefore not a significant determinant in evaluating fair housing impacts. Our conclusions reflect a basis for recommending increased fair housing outreach and education programs to ensure that the protected class members, public and industry understand what constitutes a violation of the Fair Housing Act and where they can report violations.

Table 2.1: Number of Complaints by Protected Class by Year (2014 - 2018)

Protected Class	Race/ Color	National Origin	Familial Status	Disability	Sex	Religion	Totals
2014							
2015							
2016							
2017							
2018							
Totals							

Source: HUD Fort Worth, Texas Regional Office, FHEO

Table 2.2 is used to tally the case closure types by year the case was opened.

Table 2.2: Number of Complaints by Protected Class by Year (2014 - 2018)

Type of Closure	2014	2015	2016	2017	2018	Totals
Case Conciliated						
No Probable Cause						
Withdrawn						
Lack of Jurisdiction						
Complainant failed to cooperate						
Unable to Locate the complainant						
FHAP judicial dismissal						
FHAP judicial consent order						
Totals						

Source: HUD Fort Worth, Texas Regional Office, FHEO

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The State of Texas has enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The City of Orange has not enacted local substantially equivalent Fair Housing Law. The State of Texas ordinance disallows the same activities prohibited under the federal act. Having a fair ordinance, especially one equivalent to the federal Fair Housing Act, evidences a jurisdiction's commitment to fair housing choice.

During the period between May 1, 2015 and April 31, 2019, there were only a few complaints received and investigated through the HUD FHEO Regional Office. HUD enforcement data indicated that during this period, only complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. All three cases were assigned a "no cause determination" by HUD. The City Grants Management Division provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights and remedies.

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

Fiscal Year CAPERS submitted to HUD by the City GMD indicated that the City of Orange received Entitlement funding annually over the past five years. Based on Orange City's planned utilization of these funds for housing and housing related programs, they should enhance their ability to address impediments relative to housing advocacy, education, outreach and enforcement; increased availability and affordability,

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rehabilitation, homeownership, and financial literacy programs; and de-concentrations of public and assisted housing, racial / ethnic concentrations, and poverty as identified in this AI conducted in Program Year 2019.

There remains a major inability for the City to address the fair housing issues associated with the recovery from Hurricane Ike and Hurricane Harvey. Resources for housing and infrastructure destroyed by the hurricane and obsolete prior to the storms, so far has had limited impact on reducing fair housing impacts on protected class members and low-moderate income persons and persons living in poverty. Additional persons not impacted by fair housing issues are impacted not due to limited resources for housing and limited housing choices.

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

IV. Community Engagement

Introduction

This section will report on the results from the focus group sessions held on June 24, and July 25, 2019 at the City of Orange Grants Department Offices, 303 North 8th Street, Orange, Texas, 77630. Invitees and Participants in the focus groups sessions and supplemental interviews included City Staff, City of Orange Housing Authorities personnel and other government representatives; Continuum of Care representatives, administrators from local colleges, universities, and school districts; non-profit organizations, CHDO organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; general public and other community representatives.

Attendees were gathered through invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notice published in the local newspaper. At each focus group session, general issues related to the housing market, neighborhoods and concerns pertaining to fair housing choice in Orange were discussed. Supplemental interviews were conducted with various community, professional and industry representatives to obtain information from those unable to attend the sessions on June 24, 2019. The Focus Group sessions were hosted by the City of Orange Grants Department.

Participants were engaged through three different exercises in the two sessions. Exercise One: Power Point presentation by JQUAD providing an overview of the requirements of the Analysis of Impediments, example impediments from other communities and previous impediments identified in Orange, and discussion input from participants. Exercise Two: A video entitled Marva's Story, featuring the struggles of a recently divorced mother of three small children and domestic

violence survivor, and her challenges in acquiring housing for her and the children. Participants were asked to identify five to ten fair housing impediments revealed in the video. Exercise Three: Real-Time survey administered utilizing response data survey equipment (clickers exercise) to assess the housing needs and fair housing issues faced by the audience.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants and those participating in supplemental interviews. JQUAD has made every effort to document all comments as a matter of record, and to ensure that the comments, as presented on the following pages, have not been altered to reflect our analysis, investigation or substantiation of information obtained during these sessions. Focus Group comments and information obtained during interviews were later analyzed and to the extent substantiated or collaborated by the data and analysis, included in Section Six: Impediments and Remedial Actions. Comments from Focus Group participants included the following.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

Among the social-economic issues discussed in the focus group sessions was the perception that the supply of affordable housing is inadequate and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed that poverty and the number of persons lacking sufficient income for housing was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that poverty and limited incomes are also having an adverse impact on the condition and quality of neighborhoods and single-family owner-occupied housing in some areas. The impacts of unemployment, lack of job opportunities and insufficient incomes to afford decent housing were cited as contributing factors to housing and neighborhood decline.

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Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the changing demographics in the city and specific problems faced by residents and the working poor relative to foreclosure. Participants also felt that increased housing counseling-both pre-purchase and post purchase support-was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. Persons needed utility assistance and other essential housing related support to remain in the housing they current reside and to avoid homelessness. Homebuyers will be faced with providing greater down payments and equity investments when buying a home, due to the mortgage crisis.

Participants emphasized the need for increased funding for project based rental assistance due to limitations in the Section 8 Vouchers program, fair market rents that lag far below many of the rents charged by multifamily and single family rental housing providers, increased demand for rental assistance, and additional development funding for new scattered site public and assisted housing units. The Housing Authority indicated that Fair Market Rents (FMR) were sometimes restrictive in their client's ability to access quality housing, especially housing in non-racially concentrated census tracts. The FMR limitation is a contributing factor along with historical segregation within this community.

Housing programs such as Neighborhood Stabilization Program (NSP) while successful, are experiencing problems with affordability due to housing related cost such as taxes and insurance. Solutions are needed to insure that as housing values and living expense cost increase, the ability for homeowners to keep pace with housing related cost is addressed.

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Housing Supply, Neighborhood Conditions, and Regulatory Controls

Participants' desired greater emphasis is placed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. They recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure to support new housing development and repair funding for owner occupied housing; and assurance that zoning regulations provide variances, when necessary, to induce vacant lot infill housing in developed neighborhoods. Acquisition and utilization of vacant lots, homebuyer subsidies for repairs, drainage, sidewalks, and increased emphasis on code enforcement were also cited as needs.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite programs funded by the City, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported, and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. For example, attendees and persons interviewed felt that in some instances, people do not register fair housing complaints for fear of retaliation by their landlords, or if they report violations such as housing code, enforcement will result in higher rents or evictions actions by their landlords.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental housing and tenant's rights counseling and advocacy for renters. They were concerned that first-time home buyers often do not know where to go for help or how to start the process of purchasing a home. Anecdotal accounts by attendees and those interviewed included obstacles faced by renters such as denial of rental applications based on having no prior address, and/or frequent gaps in their rental histories. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system.

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Access to Banking, Financial Institutions, and Basic Goods and Services

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

Others expressed concerns that lower income residents are paying higher prices due to a lack access to basic goods and services. For example, healthy food choices were often limited resulting in resident in low income and minority concentrated neighborhoods having diets lacking in fresh vegetables and fruits and other commodities being priced outside their affordability. Neighborhood markets and grocery stores in the neighborhoods are sometime limited to convenience stores charging exorbitant prices, taking advantage of persons with limited mobility or access to public transportation.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a major barrier that limits housing choice. Criminal background histories and immigration status are relatively new factors contributing to the inability to qualify for home purchases and rental housing leases. Credit issues appeared to be the major barrier, based on focus group participants' comments. Both a lack of qualified applicants and an adequate pool of applicants for mortgages, coupled with the inability of some housing units to qualify based on lending program guidelines were cited as barriers. Participants felt that greater emphasis should be placed on credit

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counseling and financial literacy being accessible to a broader population including youth and young adults age eighteen to thirty. Persons with a criminal felony record and those convicted of sex crimes are having particular problems finding housing to rent as well as qualifying for mortgages.

Other participants cited instances in which elderly and other owners of affordable housing are no longer able to afford routine maintenance on their home. Any major systems failure such as roof replacement, foundation problems or even heating and air conditioning replacement can render their home a health and safety risk or place the homeowner in violation of local property standards codes.

Special Needs Housing

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

Participants were also concerned with limitations in available rental housing for the disabled and a lack of emphasis on building code standards that require new home construction to meet "visitable housing" standards. Some were concerned that information as to availability of ADA compliant housing is not readily available to those in need. These standards include insuring that at least one

main entry into the dwelling and at least one-bathroom, downstairs bedroom and hallway are handicapped accessible.

Housing for the homeless and those persons at risk of becoming homeless was cited as an important issue that needs to be addressed. Housing for the homeless, victims of domestic violence and others were seen as particularly needed due to the limited supply of shelter, transitional and permanent housing and housing services in Orange. Others were concerned with limitations in funding for existing agencies providing services to the homeless.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services. Public transportation was deemed inadequate, for persons commuting to major employment centers.

3.2. Other Issues and Solutions

Attendees indicated a need for increased emphasis on mitigating the impacts of increased incidents of discrimination or impediments to housing for persons with disabilities, renters with past criminal records or prior convictions for sexual abuse related crimes, those in need of special needs housing or facing evictions, foreclosures and homelessness.

Participants voiced support for a greater emphasis on credit education and housing consumer counseling. Increased financial literacy courses taught in high schools was a best practice identified by the facilitator for the focus group session and well received by participants. Participants cited the need for additional funding for fair housing outreach, education and enforcement, fair housing training for landlords and homeowner associations and other at risk of violating fair housing law.

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V. Home Mortgage Disclosure Act Analysis

Introduction

The Consumer Financial Protection Bureau (CFPB) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. This data was formerly gathered by the Federal Financial Institutions Examination Council (FFIEC) until 2016. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The CFPB provides the HMDA databases through their website for download and analysis. Data were input into a spreadsheet for analysis. For this analysis, the CFPB databases were utilized for 2014 through 2017.

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

4.1. Analysis

Table 4.1 examines home loan activities in Orange and Orange County. The data are presented by loan type, ethnicity, income, and loan purpose. In Orange County, White applicants represented the largest number of loan applicants at 7,640. Origination rates, the percentage of applications that result in loans being made, for Whites were 55.4 percent. African Americans were the next largest applicant group with 332 applications submitted and an origination rate of over 41.9 percent. Hispanics submitted 365 applications and had an origination rate of

about 48.2 percent. Asian origination rates were about 47.8 percent, and there were 69 applications reported. High-income applicants showed both the highest number of applications at 4,507, and the highest origination rate, about 62.1 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 1,083 applications from middle-income applicants and an origination rate of over 53.5 percent. Conventional loans account for the largest number of applications for loan type at 6,215, and an origination rate of over 48.2 percent. Home Purchase loans show the highest number of applications for loan purpose, at 5,380 and the origination rate of over 55.4 percent. Home improvement loans had an origination rate of about 61.9 percent with 695 loan applications. Refinance loans had about 47.6 percent origination rate with 2,843 applications.

Isolating the census tracts within the City of Orange, for Loan Type, "Conventional" shows the highest number of loan applications at 3,723, and an origination rate of 57.6 percent. The origination rate for FHA loans was over 67.5 percent. An evaluation of loan purpose reveals that home purchase loan applications were at 3,176 with an origination rate of 65.9 percent. Home Improvement loans had 425 applications with an origination rate of 67.8 percent. For refinance loans, the origination rate was about over 50.1 percent with 1,968 applications. In Orange, White applicants had the highest origination rate at 63.6 percent and the highest number of loan applications, about 4,664. Hispanics had 251 applications and an origination rate of over 55.0 percent. The origination rate for Asians was 52.5 percent with 59 applications. The origination rate for African-Americans was about 42.6 percent with 317 applications. The origination rate for the very low-income group was 28.8 percent compared to about 67.5 percent among high-income applicants.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications

that result in loan originations. For example, the first percentage in the "% of Originations" column indicates that 62.9 percent of originations in the county were for conventional loans compared to 57.6 percent origination rate from Table 4.1. For comparison, race and ethnic percentages were included under the "% Pop." column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the "Loan Type" category, "Conventional" shows the highest percentage, about 63.6 percent of all originations in Orange County. FHA loans, which are government insured and have more stringent lending criteria, were about 25.6 percent of all originations. Referring back to Table 4.1, the origination rates were about 67.5 percent for FHA versus approximately 57.6 percent for conventional.

For Ethnicity, "White" shows the highest percentage of origination at 88.8 percent of the total originations in the county. The percentage of Whites in the population was over 81.4 percent. Hispanic applicants represented over 3.7 percent of originations with less than 5.7 percent of the total population in the county. Asian applicants accounted for 0.7 percent of all originations, with 0.5 percent of the total population in the county. African-American applicants accounted for about 2.9 percent of all originations, with about 8.3 percent of the total population in the county.

The highest income group (>120% median) displays the highest percentage of originations, at about 58.7 percent of all originations. In contrast, the very low-income group accounts for less than 2.2 percent of all originations.

The loan purpose data for the county shows that home purchase loans were the most frequent purpose at over 62.6 percent. Refinance loans accounted for over 9.0 percent of the originations. Home improvement loans accounted for about 28.4 percent of all originations.

In the city of Orange, over 63.6 percent of all originations were from conventional loans. FHA loans were over 25.6 percent of all originations. In the city, Whites had the highest percentage of origination, about 88.0 percent of the total. The percentage of Whites in the population was about 62.0 percent. African-American applicants accounted for about 4.0 percent of all originations, with over 29.6 percent of the total population. Hispanic applicants accounted for over 4.1 percent of originations, while their presence in the population was about 6.9 percent of all residents. Asian applicants represented 0.9 percent of originations with 3.5 percent of the total population. Native American applicants represented 0.1 percent of originations with 0.1 percent of the total population. The highest income group (>120% median) displays the highest percentage of originations, over 62.4 percent of all originations in the city. In contrast, the very low-income group accounts for less than 1.9 percent of all originations. The loan purpose data show that Home Purchase loans were the most frequent purpose, over 62.2 percent of all originations in the city. Refinance loans accounted for 29.3 percent of the originations. Home improvement loans accounted for about 8.6 percent of all originations in the city.

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

Origination rates for Orange indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 9.3 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 17.7 times per 100 submissions, Moderate-Income (81-95% median income) had an origination success ratio of 8.0 percent, Middle-Income applicants (96-120% median income) had an origination success ratio of 10.5 percent, and High-Income applicants (>120% median income) had a 37.7 percent success ratio. When isolating the Low-Income census tracts, the origination rates

differ than the overall city origination rates. In Low-Income tracts, Very Low-Income applicants generated originations 38.9 percent of the time. Similar differences in origination rates are noted in the other income groups. Moderate-Income applicants in low-income tracts had a 49.1 percent origination rate. High-Income applicants in low-income tracts had a 56.9 percent origination rate.

Comparing Low-Income tracts to High-Income tracts, moderate to high differences are noted between origination rates. Within High-Income tracts, Very Low-Income applicants generated a 34.1 percent origination rate, 8.7 percentage points higher than Very Low-Income applicants in the Low-Income tracts. High-Income applicants generated a 68.1 percent origination rate within High-Income tracts, 12.8 percentage points higher than in Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 7.3 percentage points higher than in the Low-Income tracts. While this analysis does not provide conclusive proof that redlining exists, it is reasonable to expect that higher- income applicants would have relatively equal origination rates across all census tracts. The relatively small number of applications in the lower income tracts, however, makes any conclusions about redlining impossible.

Table 4.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were 67.9 percent for Whites and 58.0 percent for minorities, a difference of 9.1 percentage points. White applicants for home improvement loans are successful almost 11.8 percentage points more often than minorities. The rates for refinance loans show an 18-percentage point difference.

Looking at the income group comparison, minorities origination rates are around 23 percentage points lower than Whites in the two lowest income groups. With Moderate Income applicants (81-95% MFI), White origination rates are higher than minorities 21 percentage points. In the High-Income group (>120% MFI), White

origination rates are almost 9 percentage points higher. Within each income group, Whites and minorities are not entering the loan markets with relatively equal incomes.

Chart 4.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. All types of loans had higher origination rates within the higher income group of tracts. FHA loans had the highest origination rate in most income group of tracts. VA loan origination rates are higher in the very low- and middle-income group tracts.

Chart 4.2 shows origination rates by ethnicity and income of the census tract. Whites, Asians and Hispanics show the highest origination rates of all races in all income groups of tracts.

Chart 4.3 looks at total loan applications by year. Conventional home loan applications peaked in 2017 with over 988, as did Home Purchase loan applications for the year. The highest amount of FHA home loan applications was submitted in 2015 and 2016. In 2015, over 550 refinance applications were recorded, compared to less than 107 for home improvement loans.

Chart 4.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types typically have a higher success rate as the tract income increases. Home purchase and Home Improvement loans peaked at High-Income tracts. Refinance loans have the lowest origination rates in low and very low-income tracts.

Map 4.1 and maps 4.3 through 4.6 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest purple indicate those areas where at least 16 applications are denied for every 100 applications that are originated. The blue areas indicate those areas where between 0.08 and 0.11 applications are denied

for every 100 applications originated. The green areas show 0.06 to 0.07 applications denied for every 100 applications originated. The light-yellow areas show 0.04 to 0.052 applications denied for every 100 applications originated.

Map 1.7 in the Community Profiles section shows the median household income for Orange by census tract between 2013 and 2017. Comparing Map 4.1 and Map 1.7, the areas that had higher denial to origination ratio for all types of home loans generally coincide with areas with lower incomes. This indicates that lower income census tracts had lower home loan origination rates.

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

4.2. Conclusions

In the City of Orange and Orange County, the highest success in loan originations was in the home purchase loans and the least success was in refinance loans. Overall, the origination rates among Whites were higher than minorities in home purchase, home improvement, and refinance loans.

Home Purchase loans were the most frequent loan type in the county and the city. The loan applications and originations were significantly lower compared to their percentage in population for African Americans and Hispanics in the county and the city. The analysis reveals two issues, the lack of applications from minorities and the disproportionate loan denials rates between Whites and some minority populations. One possible explanation for lower loan originations among minorities could be lack of credit history, poor credit history, or higher debt-to-income ratio. During the period between 2014 and 2017, the majority of loan denials for all applicants were related to the applicants' credit history.

While our analysis does not provide conclusive evidence of redlining, the data tend to suggest that some characteristics of redlining may exist and therefore impacting lending decisions and higher denial rates in some of the very low-income census tracts in Orange city. While it is expected that very low-income applicants would not have a very high success rate in their loan applications, within the very low-income census tracts, even high-income applicants showed a poor success rate. Due to very low number of applications in the lower income census tracts, any conclusive determination of redlining is impossible for the city.

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

Table 4.1

Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
City of Orange and Orange County
2014 - 2017

Loan Type:	Orange		Orange County	
	Number of Apps	Origination Rate	Number of Apps	Origination Rate
Conventional	3,723	57.6%	6,215	48.2%
FHA	1,277	67.5%	1,838	66.4%
VA & Other	569	63.6%	865	63.2%
Ethnicity:				
American Indian or Alaska Native	39	56.4%	57	50.9%
Asian	59	52.5%	69	47.8%
Black or African American	317	42.6%	332	41.9%
Not Provided	480	43.5%	800	40.3%
Native Hawaiian or Other Pacific Islander	9	55.6%	19	47.4%
Not applicable	1	100.0%	1	100.0%
White	4,664	63.6%	7,640	55.4%
Hispanic	251	55.0%	365	48.2%
Income:				
<51% median (very low)	222	28.8%	468	22.9%
51-80% median (low)	638	50.5%	1,216	43.0%
81-95% median (moderate)	338	57.1%	637	47.4%
96-120% median (middle)	631	58.2%	1,083	53.5%
>120% median (high)	3,111	67.5%	4,507	62.1%
Unknown	629	51.0%	1,007	45.3%
Loan Purpose:				
Home Purchase	3,176	65.9%	5,380	55.4%
Home Improvement	425	67.8%	695	61.9%
Refinance	1,968	50.1%	2,843	47.6%
Totals	5,569	60.5%	8,918	53.4%

Table 4.1: Source: Home Mortgage Disclosure Act (HMDA)

Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
City of Orange and Orange County
2014 - 2017

Loan Type:	Orange Number of Originations	% of Origination	% of Pop	Orange County Number of Originations	% of Originations	% of Pop
Conventional	2,143	63.6%		2,998	62.9%	
FHA	862	25.6%		1,220	25.6%	
VA & Other	362	10.8%		547	11.5%	
Ethnicity:						
American Indian or Alaska Native	22	0.7%	0.2%	29	0.6%	0.3%
Asian	31	0.9%	3.5%	33	0.7%	1.1%
Black or African American	135	4.0%	29.6%	139	2.9%	8.3%
Not Provided	209	6.2%		322	6.8%	
Native Hawaiian or Other Pacific Islander	5	0.1%	0.1%	9	0.2%	0.1%
Not applicable	1	0.0%		1	0.0%	
White	2964	88.0%	57.3%	4,232	88.8%	81.4%
Hispanic	138	4.1%	6.9%	176	3.7%	5.7%
Income:						
<51% median (very low)	64	1.9%		107	2.2%	
51-80% median (low)	322	9.6%		523	11.0%	
81-95% median (moderate)	193	5.7%		302	6.3%	
96-120% median (middle)	367	10.9%		579	12.2%	
>120% median (high)	2100	62.4%		2,798	58.7%	
Unknown	321	9.5%		456	9.6%	
Loan Purpose:						
Home Purchase	4,959	62.2%		2,982	62.6%	
Home Improvement	1529	8.6%		430	9.0%	
Refinance	3,840	29.3%		1,353	28.4%	
Totals	3,367	100.0%		4,765	100.0%	

Table 4.2: Source: Home Mortgage Disclosure Act (HMDA)

Table 4.3

Home Mortgage Disclosure Act (HMDA) Analysis
Analysis of Redlining in Low-Income Census Tracts
City of Orange
2014 - 2017

Low-Mod Income Tracts	Orange # of Applications	Origination Rate
<51% median	63	25.4%
51-80% median	101	43.6%
81-95% median	67	52.2%
96-120% median	87	49.4%
>120% median	226	55.3%
High-Income Tracts		
<51% median	82	34.1%
51-80% median	287	47.7%
81-95% median	173	59.5%
96-120% median	335	60.0%
>120% median	1,878	68.1%
Difference Between High and Low-Mod Tracts (percentage point difference)		
<51% median		8.7%
51-80% median		4.2%
81-95% median		7.3%
96-120% median		10.6%
>120% median		12.8%
Origination Rates for Orange		
<51% median		28.8%
51-80% median		50.5%
81-95% median		57.1%
96-120% median		58.2%
>120% median		67.5%
Unknown		51.0%

Table 4.3: Source: Home Mortgage Disclosure Act (HMDA)

Table 4.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for City of Orange, 2014 - 2017

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	352	10.6%	25.3%	58.0%
White	2742	82.2%	15.5%	65.3%
Not Provided	242	7.3%	23.6%	52.1%
Home Improvement Loans				
Minorities	47	10.8%	21.3%	59.6%
White	367	84.0%	18.3%	62.6%
Not Provided	23	5.3%	43.5%	21.7%
Refinance Loans				
Minorities	276	13.5%	33.0%	35.9%
White	1555	76.0%	23.3%	49.3%
Not Provided	215	10.5%	34.4%	36.3%
Income Groups				
<51% MFI				
Minorities	48	21.5%	58.3%	22.9%
White	162	72.6%	51.9%	46.6%
Not Provided	23	10.3%	47.8%	21.7%
51 to 80% MFI				
Minorities	76	12.3%	43.4%	30.3%
White	494	80.1%	26.5%	57.0%
Not Provided	47	7.6%	36.2%	34.0%
81 to 95% MFI				
Minorities	63	15.1%	39.7%	41.3%
White	310	74.5%	21.3%	57.4%
Not Provided	43	10.3%	46.5%	23.3%
96 to 120% MFI				
Minorities	57	8.6%	28.1%	45.6%
White	542	81.5%	22.1%	43.2%
Not Provided	66	9.9%	30.3%	42.4%
>120% MFI				
Minorities	324	10.0%	21.6%	61.1%
White	2642	81.7%	13.1%	61.8%
Not Provided	269	8.3%	26.4%	50.2%

Table 4.4: Source: Home Mortgage Disclosure Act (HMDA)

## Chart 4.1: Origination Rates by Loan Types by Income of Census Tracts
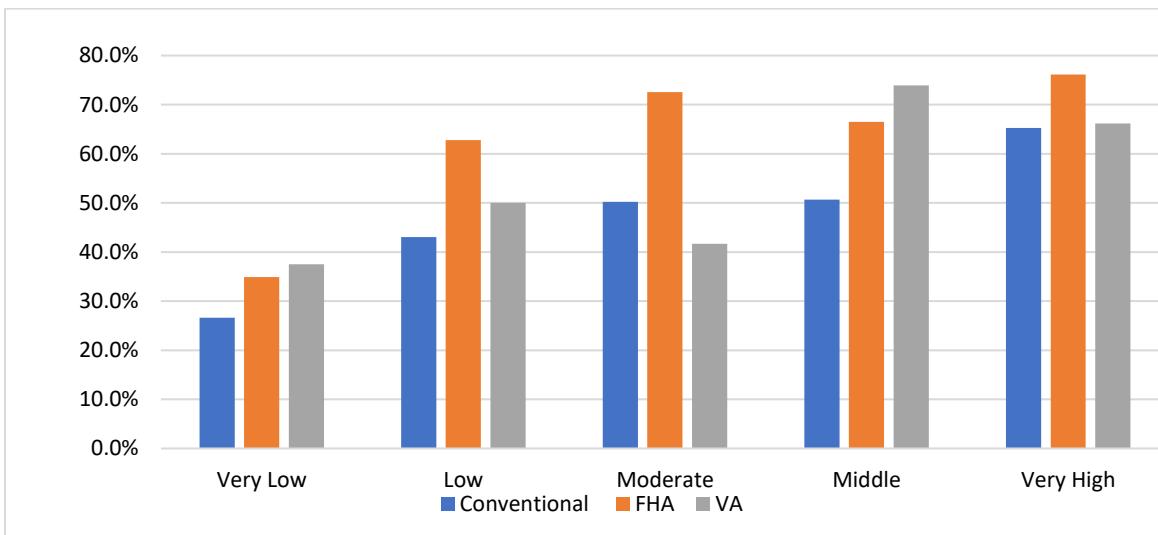
Chart 4.1: Source: Home Mortgage Disclosure Act (HMDA)

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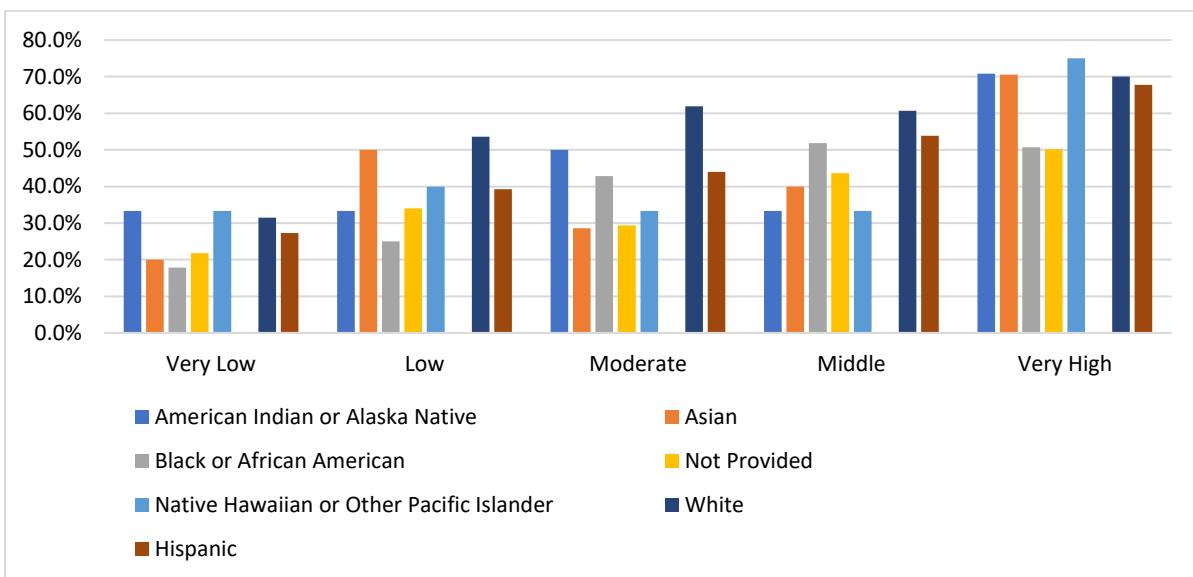

Chart 4.2: Source: Home Mortgage Disclosure Act (HMDA)

Chart 4.3 Total Applications by Year
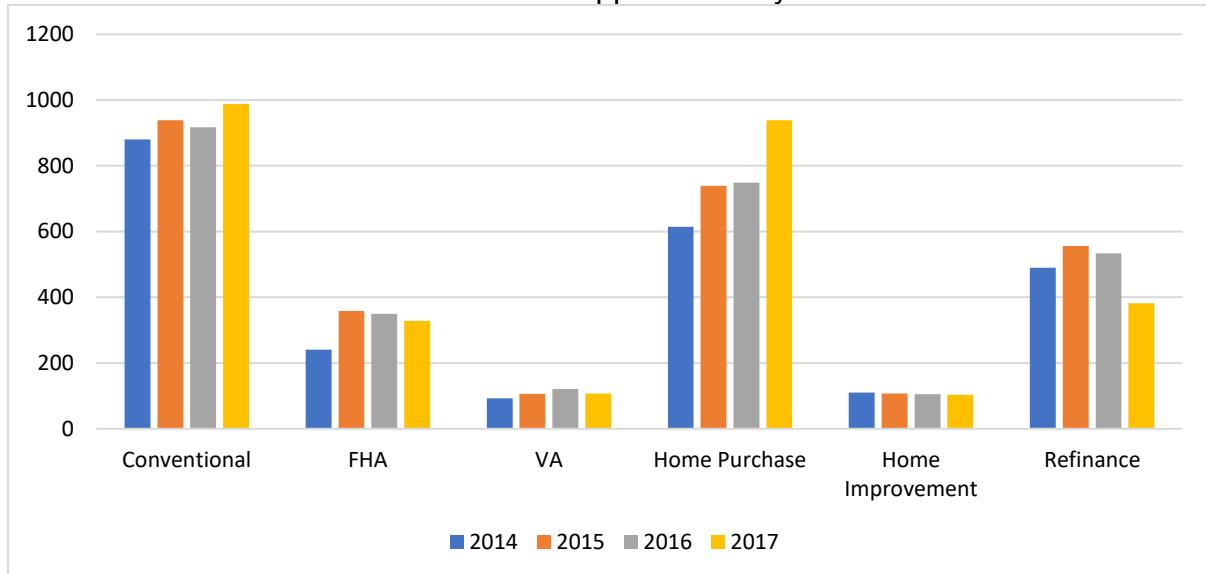
Chart 4.3: Source: Home Mortgage Disclosure Act (HMDA)

## Chart 4.4: Origination Rates by Loan Purpose by Income of Census Tracts
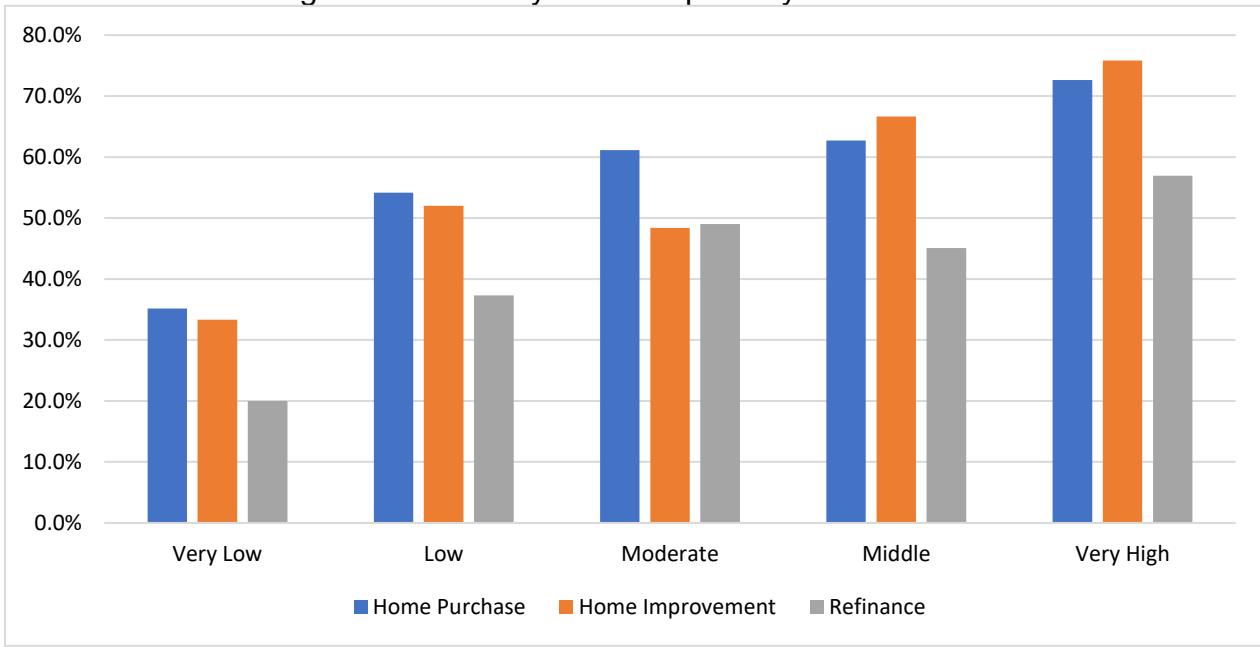
Chart 4.4: Source: Home Mortgage Disclosure Act (HMDA)

Map 4.1: Ratio of All Loan Denials to Originations, 2014-2017

Map 4.1: Ratio of All Loan Denials to Originations, 2014-2017

Legend

Orange County Limits

Ratio of All Loan Denials to Originations
- 0.03
- 0.04 - 0.05
- 0.06 - 0.07
- 0.08 - 0.11
- 0.12 - 0.16
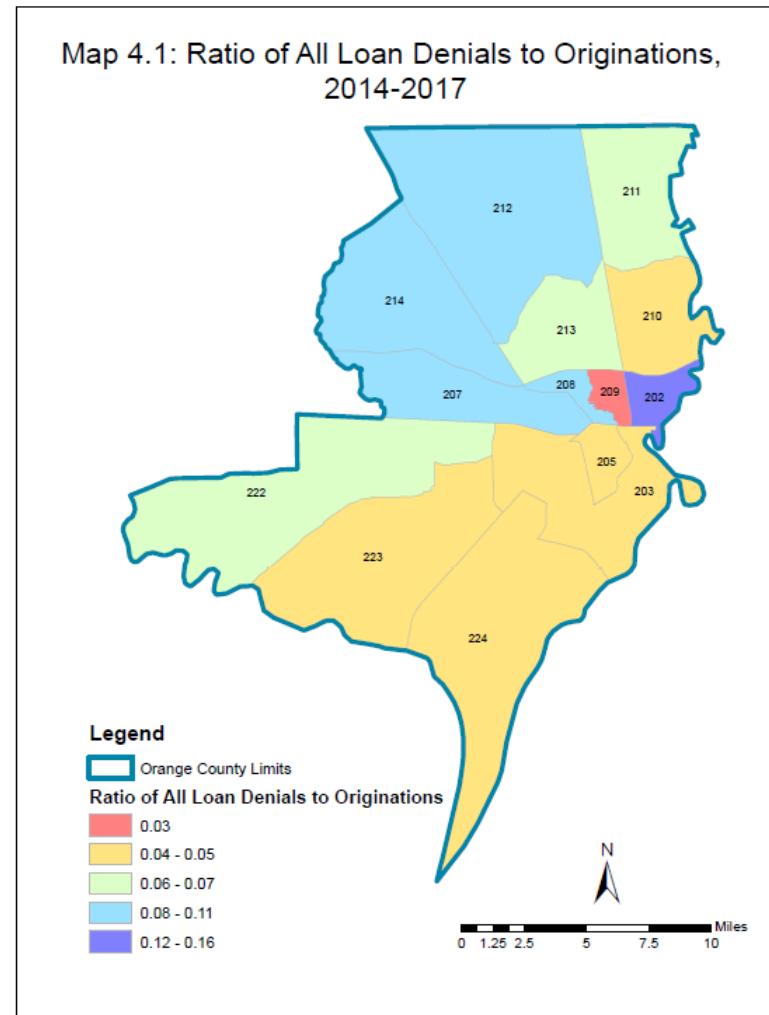
Map 4.1: Source: Home Mortgage Disclosure Act (HMDA)

Map 4.2: Total Number of Loan Applications, 2014-2017
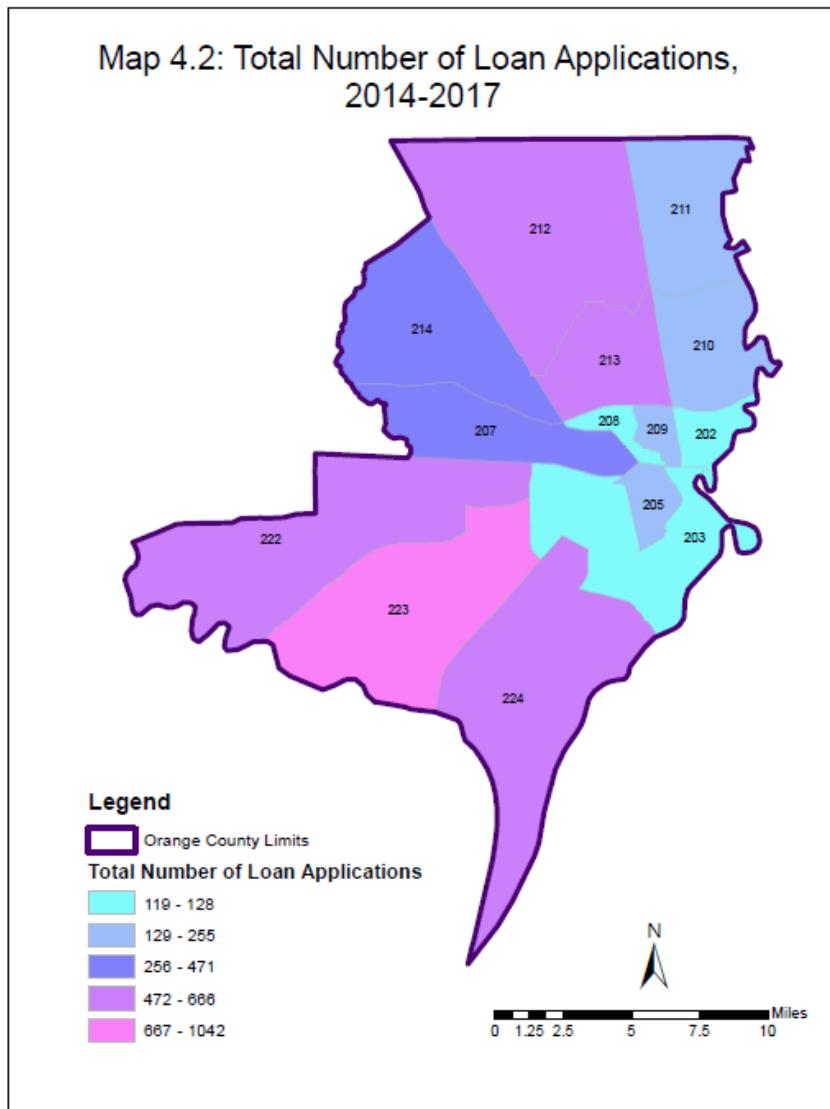
Map 4.2: Source: Home Mortgage Disclosure Act (HMDA)

Map 4.3: Ratio of Conventional Loan Denials to Originations, 2014-2017
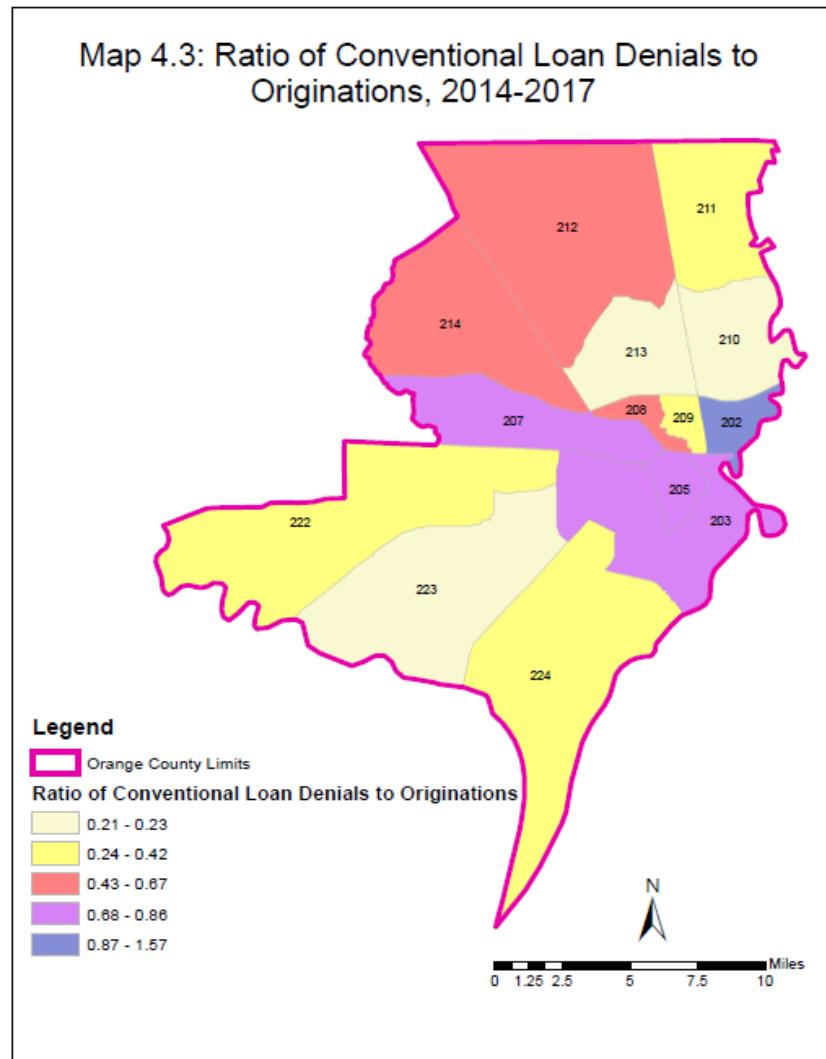
Map 4.3: Source: Home Mortgage Disclosure Act (HMDA)

**Map 4.4: Ratio of Government-Backed Loan Denials to Originations, 2014-2017**
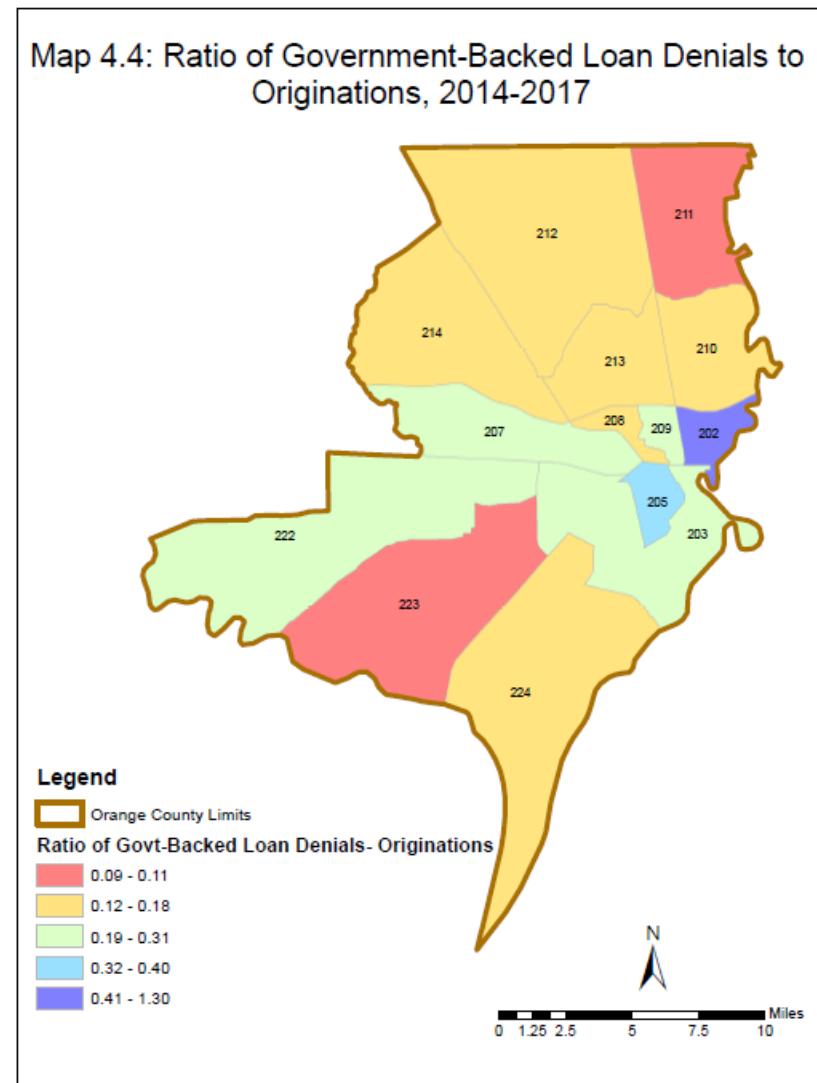
Map 4.4: Source: Home Mortgage Disclosure Act (HMDA)

Map 4.5: Ratio of Home Purchase Loan Denials to Originations, 2014-2017
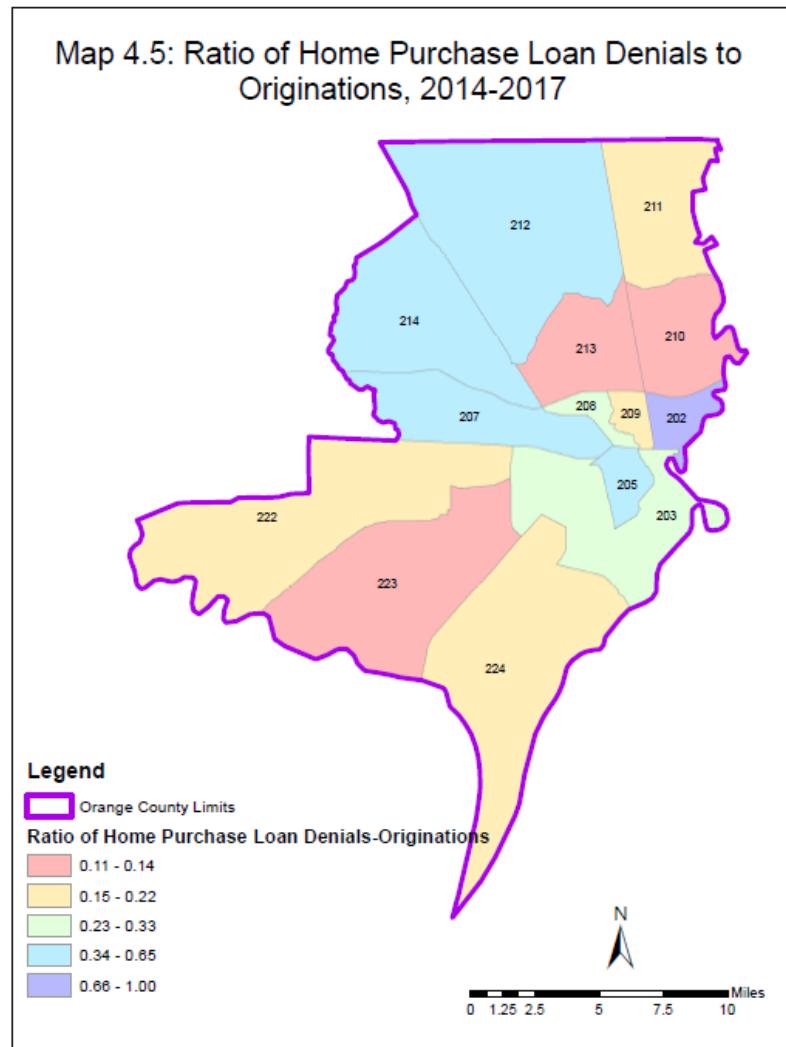
Map 4.5: Source: Home Mortgage Disclosure Act (HMDA)

Map 4.6: Ratio of Refinance Loan Denials to Originations, 2014-2017
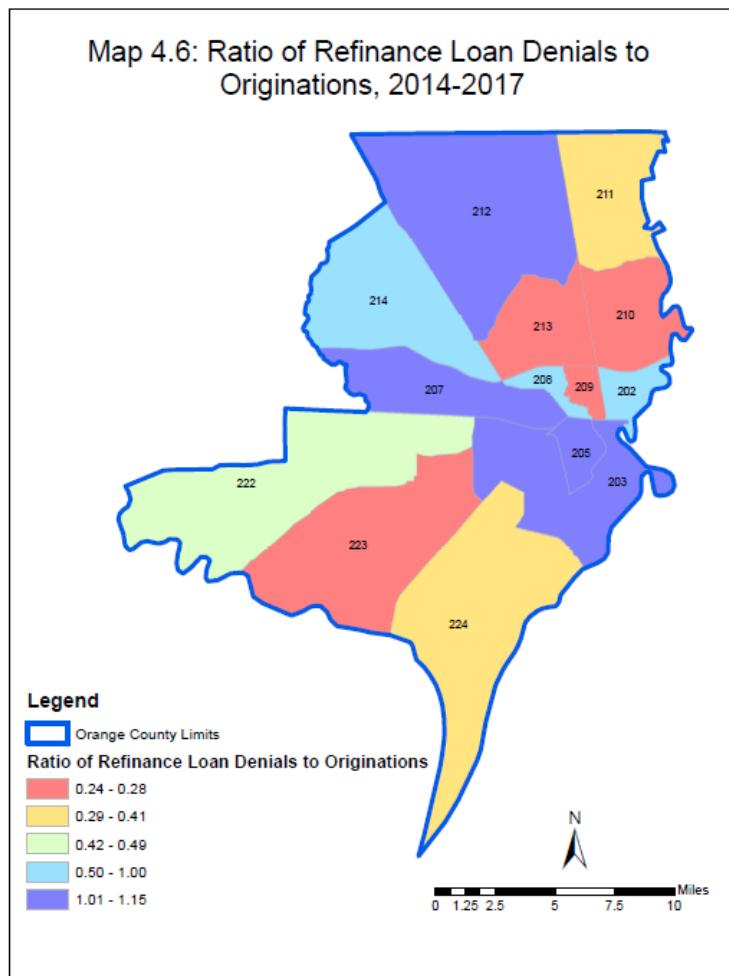
Map 4.6: Source: Home Mortgage Disclosure Act (HMDA)

VI. Fair Housing Impediments Goals and Priorities for 2019 AI

2019 Analysis of Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section Six of the 2019 Analysis of Impediments report. The impediments identified draws on information collected and analyzed to provide a detailed analysis of fair housing impediments in Orange, Texas. Impediments were divided into five major categories: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are recommended to address each impediment. Some of the remedial actions and recommended goals are conceptual frameworks for addressing the impediments. The goals require further research, analysis, and final program design by the City of Orange, Planning and Community Development Department for implementation.

Goals and Remedial Activities designed to address impediments

The major focus of the recommended remedial actions and goals are centered on creating public -private partnerships, identifying new federal resources, and leveraging private funding needed to enhance the jurisdiction's ability to leverage federal entitlement funds needed to increase its supply of affordable housing and better meet the needs of low-income and moderate-income households. Other remedial actions are recommended as a means of reversing the negative and sometimes disparate impacts of market conditions and mortgage lending trends that adversely and disproportionately impact minorities and members of the protected classes under the fair housing act. These include sub-prime lending, foreclosures, credit and collateral deficiencies that impact loan origination rates, employment, and concentrated poverty, race, ethnicity, and income. Goals were prioritized by the City with input from the public and the identified goals and remedial actions are presented in this section of the report.

The contributing factors pertaining to each identified impediment were assigned three priority levels based on the amount and strength of the supporting evidence that initially identified the factor. The contributing factors are grouped by the same issues that organize the AI, and some factors may appear for multiple issues.

- High – factors that limit or deny fair housing choice or access to opportunity, as well as other factors that are urgent or establish a foundation for future actions

- Medium – moderately urgent or building on prior actions

- Low – limited impact on fair housing issues

Goal 1: De-concentration of Poverty, Race/Ethnicity, and Public and Assisted Housing.

Contributing Factors:

Location and type of affordable housing

The availability of affordable units in Orange of sizes

Lack of affordable, accessible housing in range of unit sizes

Fair Housing Issues:

Segregation/Integration R/ECAPs

Disparities in Access to Opportunity

Disproportionate Housing Needs

Transforming Concentrated Areas into Opportunity Areas

Metrics, Milestones for Achievement:

Request HUD Increase Section 8 FMR's to enhance utilization of HCVs in non-R/ECAP areas;

Request HUD funding for Choice Neighborhood Program Planning and Implementation;

Lobby State legislature to amend LIHTC Funding Criteria to include a Location Criteria Policy that incentivizes developers' applications to choose non poverty and racial/ethnic concentrated census tracts to help reduce concentrated poverty, race and ethnicity;

Request HUD funding for Neighborhood Revitalization in R/ECAP areas and new housing development and investment in Opportunity Areas;

Request HUD provide funding to incentivize landlord participation in the Section 8 Voucher Program; and consider funding additional After School Learning Centers and Adult Literacy Programs in public and privately-owned multifamily housing development.

Responsible Program Participant(s)

City of Orange, TX

Orange Housing Authority

Discussion

Fair housing is distinct from affordable housing. However, there is a great deal of overlap between the two issues. Fair housing experts and advocates, including those consulted in Orange indicate that the most prevalent barrier to fair housing is poor housing and neighborhoods in areas of concentrated poverty, low income and public and assisted housing. To address the contributing factors related to the type and location of affordable housing, The City and Orange Housing Authority will evaluate partnerships with private developers to increase afterschool and youth enrichment programs.

Goal 2: Expand supply of affordable housing, housing choice and access to financing.

Contributing Factors:

Location and type of affordable housing

The availability of affordable units in a range of sizes

Lack of affordable, accessible housing in range of unit sizes

Fair Housing Issues:

Appraisal Values

Supply of Affordable Housing

Recapture of Adjudicated and abandoned properties for affordable housing

Metrics, Milestones for Achievement:

Continue to maintain a list of local publicly supported developments with expiring subsidies in order to identify partners and potential sources of funding for preservation.

Request City consider enacting Inclusionary Zoning regulations to generate additional affordable housing units. City staff will evaluate the impact on fair housing for residential development proposal.

Encourage City of Orange utilize incentives to encourage developers increase the supply of affordable housing in opportunity areas and/or outside of "concentration areas."

Encourage private landlords to increase participation in the Housing Choice Voucher program, particularly for units in opportunity neighborhoods.

Implement Mortgage Subsidy; Property Acquisition \ Adjudication; Appraisal Exceptions; and City Infrastructure Replacement programs in support of affordable housing programs.

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Responsible Program Participant(s)

City of Orange, TX

Orange Housing Authority

Discussion:

Concentrated poverty, lower income, and public and assisted housing must be reduced in R/ECAP areas to address contributing factors related concentrations and improve the type and location of affordable housing. Deteriorated conditions replaced with access to quality affordable housing and goods and services. The City, Orange Housing Authority, and private market will support increased supply of quality affordable housing.

Goal 3: Increase homeownership for low-income protected class members.

Contributing Factors

Location and type of affordable housing

The availability of affordable units in a range of sizes

 Lack of affordable, accessible housing in range of unit sizes

Fair Housing Issues

Segregation/Integration R/ECAPs

Disparities in Access to Opportunity

 Disproportionate Housing Needs

 Disability and Access

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Metrics, Milestones for Achievement

Within the next five-year Consolidated Planning cycle, create a framework for providing additional rehabilitation and down payment assistance for qualified first-time homebuyers.

Within the next five-year Consolidated Planning cycle, host annual homebuyer education and financial literacy workshops.

Responsible Program Participant(s)

City of Orange, TX

Discussion

The City of Orange has a relatively low homeownership rate, especially among certain racial and ethnic groups. African American households have much lower homeownership rates than other racial/ethnic groups. Persons with physical disabilities also face difficulty in finding a unit that is already accessible or easily modified. Increasing homeownership for protected classes not only helps these households build wealth and access opportunity, it relieves pressure from the rental market. The City and Orange Housing Authority will assist qualifying residents and low-income households achieve homeownership.

Goal 4: Improve transportation for low- income and disabled persons.

Contributing Factors

The availability, type, frequency, and reliability of public transportation

Limited affordability for transportation by seniors, disabled persons and lower income.

Location of employers and essential services not easily accessible.

Access to private transportation for persons with disabilities costly and sometimes limited availability.

Fair Housing Issues

Disparities in Access to Opportunity

 Disability and Access

Metrics, Milestones for Achievement

Design and implement a CDBG funded Transportation Assistance Program for seniors and disabled persons to access essential services and increase mobility.

Identify key community asset or major employer currently underserved by transit service.

 Responsible Program Participant(s)

City of Orange, TX

Discussion

Consider entitlement funded subsidy for senior transportation, an essential element of daily city life. For many low-income households and members of the protected classes, the available transportation options in Orange are inconvenient or costly enough to be unreasonable choices. The City will work together with transportation agency, local taxi companies, social service agencies, and local employers to assess the current effectiveness and feasibility of additional public transportation in addressing the needs of the low-income and protected classes, and to effectively adjust service accordingly.

Goal 5: Enact Local Fair Housing legislation, and increase outreach and education and anti- discrimination investigation, enforcement, and operations

Contributing Factors

Local Fair Housing legislation needed to access resources for the City, and fair housing agencies and organizations to increase resources for education and enforcement.

Fair Housing Issues

Local Fair Housing Enforcement, Outreach Capacity, and Resources.

Metrics, Milestones for Achievement

Enact substantially equivalent fair housing legislation

Apply for FHIP and FHAP funding to support local initiatives.

Support increased funding to State and HUD- certified organization to conduct paired discrimination testing in the rental market.

Annually train city staff to refer callers about fair housing to the designated state and federal agencies. In addition, train all staff that interacts with the public in techniques to communicate with those with language and/or cultural barriers.

Responsible Program Participant(s)

City of Orange, TX

Discussion

Any effort to affirmatively further fair housing can only go so far without effective and efficient investigation and enforcement of discriminatory actions. However, resources for these activities are already limited and are only becoming more so. The City will ensure that discriminatory activity is properly referred to enforcement agencies for investigated by a trained agency. In addition, the City of Orange will evaluate and strive to improve the way they interact with the public in order to prevent unintentional barriers from occurring.

Goal 6: Increase the level of fair housing knowledge and understanding among housing developers, real estate professionals, landlords and owners of private rental housing, elected officials, and the general public.

Contributing Factors

Community opposition, NYMBYSM, lack of industry requirement for fair housing training.

Fair Housing Issues

Segregation/Integration

 Publicly Supported Housing

Metrics, Milestones for Achievement

Advertising fair housing resources, where to file fair housing complaints and violations, and providing compliant filing procedures.

Partner with local organizations such as lending institutions, attorneys, realtors, etc. to host a fair housing community forum annually. Hold an annual fair housing training for elected officials, appointed boards, and department staff.

Responsible Program Participant(s)

City of Orange, TX

Discussion

While fair housing education and outreach are constant needs in any jurisdiction, the City will work to improve the level of fair housing knowledge and understanding among local housing developers, real estate professionals, local elected officials, design and construction professionals and the public with a focus on members of the protected classes. The City will focus on internal education and training to reduce the chances of

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creating impediments to fair housing within their own organizations. The City will partner with state, regional and local organizations whose clients are hard to reach, protected class members, in an effort to help citizens better understand their rights provided under the Federal and State Fair Housing Acts and to report violations to fair housing.

Goal 7: Increase Housing Affordability, Homeownership, Resources for Affordable Housing, and Accessibility.

Contributing Factors

Financial Literacy

Limited Resources

Access to financing

Fair Housing Issues

Segregation/Integration

 Limited Accessibility

Metrics, Milestones for Achievement

Consider enacting Energy Efficiency and Green Building standards; "Visitable" Housing Regulations in building codes.

Work with Financial Institutions, Real Estate Associations and Educational Institutions to design and implement local Financial Literacy / Life Skills programs as required curriculum for high school juniors and seniors.

Partner with local organizations such as lending institutions, attorneys, realtors, etc. to host a fair housing community forum annually. Hold an annual fair housing training for elected officials, appointed boards, and department staff.

Responsible Program Participant(s)

City of Orange, TX

Discussion

Fair housing education and outreach are constant needs, and the City will work to improve the level of fair housing knowledge and understanding among local housing developers, real estate professionals, local elected officials, design and construction professionals and the public with a focus on members of the protected classes. The City will focus on internal education and financial literacy aimed at helping 18 to 30-year old reduce the chances of creating financial and credit related impediments to fair housing.

Goal 8: Increase Rehabilitation, Preservation, Sustainability of affordable housing and program efficiency.

Contributing Factors

Infrastructure to support housing development

Limited homebuyer resources to make housing affordable

Access to financing

Fair Housing Issues

Segregation/Integration

 Limited Accessibility

Metrics, Milestones, and Timeframe for Achievement

Consider creating additional Volunteer Repair Programs – People Helping People and expanding others as a means for improving and preserving existing affordable housing, and corporate challenges for volunteer programs, compliance Store, and fix it clinics.

Responsible Program Participant(s)

City of Orange, TX

Discussion

Neighborhoods and housing most affordable to low- and moderate-income persons are experiencing decline. Programs and funded is needed to maintain existing housing, enhance the quality of life and amenities in aging neighborhoods, and to assist owners and renter with maintenance, repairs and affordability. Commercial corridor reinvestment is needed to provide quality goods and services and to improve entrances and access to neighborhoods.

Goal 9: Increase Economic Development, Job Creation, Small Business Entrepreneurial Opportunities and Commercial Corridor Revitalization.

Contributing Factors

Limited Resources

Access to financing

Job that do not pay living wages or match the qualifications of the demographics of protected class members and those with limited education and skills.

Fair Housing Issues

Segregation/Integration

 Lack of Living Wages

 Lack of Income

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Metrics, Milestones for Achievement

Commercial Corridor Reinvestment

Micro Business Enterprise Development

Economic Development – Workforce Readiness collaboration

Responsible Program Participant(s)

City of Orange, TX

Discussion

Employment opportunities for lesser skilled and lesser educated persons are limited. Many jobs do not pay living wages that support a person's ability to afford housing and housing related cost without paying more that 30% of their household income. The City and Chamber should continue to recruit industry and jobs that mirror these demographics in the workforce, encourage living wages, and support job training and education program that will help person become qualified for better paying jobs.

Goal 10: Expand Housing Types and Locations.

Contributing Factors

Limited Resources

Access to financing

Fair Housing Issues

Segregation/Integration

 Lack of housing types

Lack of Income and affordability

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Metrics, Milestones, and Timeframe for Achievement

Live-Work Housing

Lower cost Cluster or Cottage Housing for seniors

Affordability housing for at risk populations including former felons and persons existing jail or prison; homeless and those at risk of becoming homeless, seniors aging in place.

Housing Reinvestment in R/ECAP Areas

Responsible Program Participant(s)

City of Orange, TX

Discussion

Residential and Commercial reinvestment is needed neighborhoods, to provide affordable alternative housing types, to provide quality goods and services, and to improve entrances and access to neighborhoods.

Goal 11: Address issues associated with efforts to recover from Hurricane Harvey and Hurricane Ike.

Contributing Factors

Infrastructure to support housing development

Limited homebuyer resources to make housing affordable

Access to financing and federal resources for recovery

Post Harvey property values and risk of permanent displacement of population.

Fair Housing Issues

Segregation/Integration

Limited Housing and Access to Financing for repair and replacement of Housing.

Increase poverty due to loss of jobs and limited economic development opportunities

Metrics, Milestones, and Timeframe for Achievement

Consider creating additional Volunteer Repair Programs – People Helping People and expanding others as a means for improving and preserving existing affordable housing, and corporate challenges for volunteer programs, compliance Store, and fix it clinics.

Apply for any additional federal funds for Buyout and repair with Jefferson County and Texas General Land Office as funds become available.

Responsible Program Participant(s)

City of Orange, TX

Discussion

A significant number of housing units in Orange were damaged or destroyed by Hurricane Harvey in August 2017. Housing most affordable to low- and moderate-income persons was already experiencing decline prior to Harvey. Additional funding is needed to maintain existing housing, enhance the quality of life and amenities in aging neighborhoods, and to assist owners and renter with maintenance, repairs and affordability. Commercial corridor reinvestment is needed for quality goods and services and to improve entrances and access to neighborhoods. Infrastructure improvements are needed to support housing development and housing and commercial corridor revitalization, repairs, and infill development. Disaster recovery funding is also needed for resiliency and sustainability initiatives to ensure the City of Orange improves pump stations, drainage and infrastructure to protect against future flooding and hurricanes.