# CITY OF AMARILLO TEXAS

# ANALYSIS OF IMPEDIMENTS

# TO FAIR HOUSING CHOICE

# May 2015



EQUAL HOUSING
OPPORTUNITY

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# Executive Summary

## Introduction

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

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

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

■Conduct an analysis of impediments to fair housing choice within the local jurisdiction.

■Take appropriate actions to overcome the effects of any impediments identified through that analysis.

■Maintain records reflecting the analysis and actions in this regard.

The City of Amarillo's commitment to affirmatively furthering fair housing choice and affordable housing through planning and entitlement program design and implementation is noteworthy. A major impediment is that the limited amount of entitlement funding received makes it difficult for the City to have measurable impact on removing or lessening the impact of some fair housing impediments. City and other non-federal entitlement resources and private sector support will be necessary in order to address many of the impediments. Despite limited funds, the City's efforts will continue to improve and maintain stability, and strengthen its older and lower income areas. The impediments identified in Section Six can be directly linked to and supported by data and analysis from the previous sections. In some instances, footnotes have provided information should the reader need to refer to other sections for more details.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important to consider when examining fair housing. Any disproportionate impacts on persons of a particular race, ethnicity, or members of the protected classes under fair housing law have been comparatively analyzed to determine to what extent those disparities are limiting fair housing choice.

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

the impediments and will require further research, feasibility and cost analysis, and final program design by the City if they choose to implement them. The following narrative provides a summary of each section of the report.

**Community Profiles**

**Demographics** - The demographic analysis of Amarillo concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010, and demographic data from the American Community Survey five year average for 2009 - 2012. Please note that the maps present data by census tract with an overlay of county and city boundaries.

According to the 2010 Census, the combined population of Potter and Randall Counties was 241,798, split almost equally between the two. The majority of the residents of the two counties live in Amarillo (190,695). The population in the two counties added 23,940 persons or 11 percent between 2000 and 2010. The population of Amarillo increased by 9.8 percent during the same period. In Amarillo, the White population was about 77 percent of the total. Hispanics were 45 percent of the population of Amarillo, 35 percent of Potter County and 16 percent of Randall County. African-Americans represented 6.6 percent of the population in Amarillo, 10.2 percent of Potter County and 2.4 percent of Randall County. The White population increased by 9.1 percent in Amarillo between 2000 and 2010, while the Hispanic population increased by 44.6 percent and the African-American population grew by 22.0 percent. There was a 69.9 percent increase in the Asian and Pacific Islander population between 2000 and 2010, accounting for 3.2 percent of the total population of the city.

**Households** - The percentage of female-headed households with children in Amarillo was disproportionately higher among African-Americans at 26.6 percent and Hispanics at 25.7 percent between 2009 and 2013. Comparatively, female-headed households with children for White households in Amarillo were 9.5 percent. Only 24.9 percent of African-American households were husband/wife

family households, compared to 49.1 percent of White households and 40.9 percent of Hispanic households.

Non-family households, defined by HUD as a single occupant household or non-related individuals living together as indicated in the census data, among Whites made up 37.9 percent of all White households in Amarillo. Non-family households among African-Americans accounted for 41.9 percent of all African-American households. Non-family households among Hispanics accounted for 23.8 percent of all Hispanic households. Most of the non-family households were householder living alone.

**Occupation -** Employment opportunities in the City and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5 of the Community Profile provides an analysis of occupation data indicating there have been some small shifts in the distribution of occupations between 2000 and 2012. Wholesale trade occupations saw a reduction of 1.3 percentage points, falling to 3.1 percent of the workforce. The largest occupation was Education, etc. with over 22 percent of the workforce, followed by Retail Trade at 13.6 percent and Manufacturing at 10.5 percent. Small increases were seen in Arts and Entertainment, etc. (1.7 percentage point increase) and Education, etc. (1.1 percentage point increase).

**Largest Employers -** According to the major employer data as published on the Amarillo Chamber's website, the largest employers in Amarillo include the Amarillo Independent School District with 4,282 employees, Tyson Foods with 3,700 workers and B&W Pantex with 3,200 workers. Baptist St. Anthony's Health Care had 2,900 employees. The City of Amarillo had 1,973 employees and the Texas Department of Criminal Justice had 1,360 workers. The Northwest Texas Healthcare System had 1,359 workers. Wal-Mart also had 1,359 workers and Affiliated Foods had 1,110 employees.

**Unemployment -** The data presented in Table 1.6 of the Community Profile, provide a portrait of the distribution of the unemployed. A closer look at the make-up of this total indicates that much higher levels of unemployment are centered in the African-American community. Unemployment was moderate to high, with rates ranging from 4.2 percent for Whites and 65 percent for Hispanics, compared to 11.3 percent for African-Americans. According to the US Department of Labor's Bureau of Labor Statistics, the unemployment rate for the Amarillo was 4.1 percent in July 2014. By comparison, the US unemployment rate was 6.2 in July 2014 and 5.1 percent for the State of Texas. The American Community Survey data for the 2008 – 2012 period as reported for Amarillo showed an unemployment rate of 9.3 for the US and 7.7 percent for Texas.

**Household Income -** The census data provides the distribution of income across income classes for Whites, African-American, and Hispanics. Overall, the income distribution data show disparities in Amarillo's income distribution across these populations and 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 modal income classes, the income classes with the highest number of households, for Whites was the $50,000 to $74,999 category with 19.4 percent earning in this income range. In comparison, 17.4 percent of Hispanic households and 12.0 of African-American households had incomes in this range. The most frequently reported income class for African-Americans and Hispanics was the $15,000 to $24,999 income range with 18.1 percent of Hispanic households and 18.8 percent of African-American households. Thirty-three percent of Hispanic households earned less than $25,000 per year, compared to 22.4 percent of White households and 47.0 percent of African-American households. According to the 2008 - 2012 American Community Survey (ACS) estimates (5-year average), the median household income for White households was $51,545, compared to $26,361 for African-American households, $34,167 for Hispanic households, and $46,028 for the overall city.

**Poverty -** The poverty data reveals that poverty is disproportionately impacting African-American and Hispanic populations in the City. The incidence of poverty among Hispanics in Amarillo was 28.1 percent of their total population between 2008 and 2012 and 35.0 percent among African-Americans, compared to 9.5 percent of White persons reported to be living in poverty. Highest concentrations of poverty are found in northwest and central Amarillo, where rates range from 39 to 52 percent by census tract.

**Educational Attainment –** The analysis of education attainment shows the percentage of the population age 25 or older with less than a high school degree in Amarillo; the percentage of the total population without a high school degree; and the educational attainment percentages by race and ethnicity. According to the 2008 - 2012 ACS estimates (5-year average), 38 percent of Hispanics age 25 and above reported less than a high school education compared to 9.1 percent of Whites and 17.3 percent of African Americans for the same age group. As a comparison, the percentage of population with less than a high school education in the city was 17.3 percent during the period.

**Public Transportation and Mobility** - According to the Amarillo City Transit website, the City of Amarillo provides public transit services, operated by the Amarillo City Transit Department. Amarillo City Transit (ACT) services include fixed route transit and demand response paratransit. Local transit services for the City have been in operation since 1925. The City of Amarillo began operating the local bus system in 1966; prior to that time the system was privately owned. Paratransit service, designated as "Spec-Trans" for persons with disabilities was initiated in July of 1987. Spec-Trans is reserved for persons who are unable to navigate an accessible fixed route bus and system. ACT does not subcontract any part of the services that are provided. The major trip generators include the medical center, education facilities, shopping centers and state offices. ACT does not provide transportation services for any agencies or programs. This service is dedicated to certified clients only.

The system includes eight fixed-route lines, all of which operate from a central hub and radiate out like spokes on a wheel, offering little interconnectivity. The routes operate from 6:30 am to 7:00 pm Monday through Saturday, with no service on most major holidays. While the economics of public transit prevent complete coverage that would allow all workers a reliable and speedy commute to any job location within the City, the distribution of routes in the existing transit systems do appear to focus on providing access to major employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

**Housing** - According to the 2010 Census, the total number of housing units in Amarillo was 80,298 with 6,380 or 7.9 percent vacant units. As shown in Table 1.10 in the Community Profile, there were 72,408 housing units in Amarillo in 2000. This represents a 10.9 percent increase in the number of housing units between 2000 and 2010. In 2010, approximately 57.6 percent were owner-occupied and 34.5 percent were renter-occupied. The median housing value in the city was $111,300 and the median contract rent was $574 between 2008 and 2012. Approximately 66.7 percent of White households lived in owner-occupied housing, compared to 34.4 percent of African-American households and 56.2 percent of Hispanic households. African-American and Hispanic owner households were well below the city average of 62.6 percent in 2008 - 2012.

Paying more than 30 percent of household income on housing expenses is considered "Cost Burdened" and paying more than 50 percent is considered "Severely Cost Burdened". Citywide, for households earning between 31 percent and 50 percent ($14,268 - $23,014) of the median family income, 17 percent of renters and 24 percent of homeowners earn incomes in that range paying more than 50 percent (severely cost burdened) on housing expenses. Approximately 61 percent of renters and 28 percent of homeowners are paying between 30 and 50 percent (cost burdened) on housing expenses in the Amarillo. Cost burden among homeowners is highest for the lowest income, persons earning less than 30 percent of median income ($13,808), as would be expected.

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

**Fair Housing Law** - The City of Amarillo has not enacted substantially equivalent fair housing law to that of the Federal Fair housing Act and does not provide local enforcement. The City's Community Development Department is responsible for conducting public education, training and outreach of fair housing rights and remedies in Amarillo.

**Complaint Analysis** - The Regional HUD Office in Fort Worth Texas conducts investigations of fair housing complaints that are reported directly to their office. Amarillo is part of HUD's Region IV that includes Arkansas, Louisiana, Oklahoma, New Mexico, and Texas. Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Amarillo from October 1, 2009 through September 30, 2014. Data on complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) Regional Office in Fort Worth, Texas. A total of twelve complaints were filed according to one of seven basis, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Of the twelve complaints, four cases were closed with a No Cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. Two cases were closed due to Administrative Closure and six cases were closed based on Conciliation.

**Entitlement Programs** - An assessment of characteristics affecting housing production, availability, and affordability in Amarillo and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG, HOME and ESG Entitlement funding by the City of Amarillo. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need.  We also assessed the

extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2014. The City of Amarillo's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized. The Consolidated Annual Performance and Evaluation Report submitted to HUD for the period ending September 30, 2013 indicated that the City of Amarillo received approximately $2,450,181 in Entitlement funding for Program Year 2013 and with Supplemental Funding of $716,617, operated a total budget of $3,166,798 for that program year.

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

Fair housing choice within Amarillo encounters a number of impediments, as identified through the community engagement process, and the construction of a Community Profile, Fair Housing Index and analysis of the Home Mortgage Disclosure Act data. All three analyses reveal disparate impacts on minority populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. Some area characteristics and physical conditions where minority populations and lower income persons are most likely to find housing affordable, are indicative of the ways in which the economy and housing and neighborhood conditions have suffered as a result of housing market distortions and disinvestment. Conditions further demonstrate that public policy and programmatic investments have only minimally improved the situation. The HUD RCAP/ECAP Analysis was performed to determine areas of racial and ethnic population and poverty concentrated census tracts. Concentrations of public and assisted housing were also analyzed to determine areas where housing impediments and demographic characteristics are impacting choice.

**Focus Groups and Community Engagement**

Three Fair Housing Focus Group sessions were held on October 28[th,] 2014 at the downtown Amarillo Public Library, 413 E. 4th Street, and October 29th, 2014 at the City of Amarillo City Hall Building 509 S. E. 7th Avenue, Amarillo, Texas. Supplemental interviews were conducted with and information and input received from various City Departments, Amarillo Housing Authority, Chamber of Commerce, Board of Realtors, Continuum of Care organization, community, professional and industry representatives to obtain information from those unable to attend the focus group sessions. Section Three of this report details the input received during the community participation process.

**Home Mortgage Disclosure Act Analysis (HMDA)** - In Amarillo, the least success in borrowing was found in the refinance and home improvement loan sectors. The highest success rates were found in the home purchase loan sector, particularly in government – backed loans. Home purchase loans were the most frequent loan type, edging out refinance loans.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans in the City. Although Hispanics and African-Americans accounted for the second and third highest number of applications after Whites, respectively, the percentage of loan originations for both were significantly lower compared to their percentages of population in the City. Applicants' poor credit history or higher debt-to-income ratios accounted for the highest percentage of loan denials among all races and ethnicities. The Section 04 HMDA Analysis is based on a review of Federal Financial Institutions Examination Council (FFIEC) data for home mortgage activity from the federal agencies that regulates the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose.

Section Five of the report, the **Fair Housing Index**, highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. The census tracts designated as having high risk of fair housing related problems are concentrated in the central and northwestern census tracts of Amarillo.

**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 (RCAP/ECAP) – as census tracts 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. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above 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 poverty rate in Amarillo is 16.9 percent. Three times the poverty rate is 50.7 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. The census tracts within the City of Amarillo that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the north central areas of Amarillo, with a couple of tracts to the southeast and southwest of the downtown area.

**Impediments to Fair Housing Choice**

Impediments to fair housing choice are detailed in Section Six of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of fair housing impediments in Amarillo. Five major categories of impediments were analyzed: 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 recommended in this section are conceptual frameworks for addressing impediments. These actions will require further research, analysis, and final program design by the City of Amarillo for implementation.

The Analysis of Impediments identified impediments related to **real estate market conditions as impediments**: a lack of affordability, cost burden and insufficient Income; **public policy related impediments**: a lack of public awareness of fair housing rights; limitations of public transportation and mobility; and concentrated poverty; **banking, finance, insurance and other Industry related impediments:** Lack of affordability and disparities among minorities in obtaining mortgage and home improvement financing;  and predatory lending; **socio-economic impediments:** poverty and low-income; and **neighborhood conditions related impediments:** Limited resources to assist lower income, elderly and indigent homeowners maintain their homes; concentrated poverty /lower income, and ethnic and racial segregation;  and poor housing conditions and a lack of stability in neighborhoods.

**Remedial Activities Designed To Address Impediments -** The major focus of the recommended remedial actions is centered on creating partnerships, identifying new federal, state, city and private resources and leveraging entitlement funds needed to enhance the jurisdiction's ability to increase its supply of affordable housing and better meet the needs of low-income and moderate-income households. The identified impediments and remedial actions are summarized below and details presented in Section Six of the report.

**6.1   Real Estate and Housing Market Related Impediments**

**Impediment:  Housing Affordability and Insufficient Income.**

> **Impediment #1:** Overall, the income data show a higher proportion of African-American, Hispanic and lower income households disparately

impacted by the cost of housing. Minorities and lower income persons are disproportionately defendant on subsidized housing to meet their housing needs and more likely to have incomes that are insufficient to acquire housing that is affordable without being cost burdened.

**Impediment #2:** Areas where minorities and lower income households are most likely to find housing affordable are in minority and low income concentrated census tracts. The demographic characteristics of these areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in Section 5 of the Fair Housing Index, the census tracts designated as having high to moderate risk of fair housing related problems and impediments are in northwest and central Amarillo, extending east in and around downtown. These areas are shown in dark red and red on the map. The largest portions of census tracts categorized as very low risk are in southwest Amarillo.

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

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

**Recommended Remedial Actions:**

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

**Action #2:** City of Amarillo will continue to help facilitate access to below-market-rate units and use its' federal funds to leverage private sector participation in financing affordable housing and for neighborhood reinvestment.

**Action #3:** City of Amarillo will continue to maintain a list of partner lenders providing affordable housing financing and subsidies.

**Action #4:** City of Amarillo will continue to identify and seek additional sources of funds for affordable housing as they become available.

**Action #5:** City of Amarillo will continue to encourage private sector support for affordable housing initiatives.

## 6.2 Public Policy and Fair Housing Infrastructure Impediments

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

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

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

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

**Recommended Remedial Actions:**

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

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

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

**Impediment:  Expanded Services Areas and Increased Access to Public Transportation is needed to address Mobility for transit dependent persons.**

> **Impediment #8:** Public transportation does not provide service after 7:00 pm or on holidays to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social service locations.

> **Impediment #9:** Transits accessibility remains an obstacle for some special needs groups such as seniors and the disabled.

> **Recommended Remedial Action:**

> **Action #9: Expand routes and service times for public transportation to Employment Centers** - Additional focus and analyses should be given to expanding public transportation as funds become available and it becomes economical to do so.

## 6.3    Banking, Finance, Insurance and other Industry related impediments

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

> **Impediments #10:** Continued emphasis is needed on programs and education that increase financial literacy and counseling for renters and homebuyers.

**Recommended Remedial Actions:**

> **Action #10:** City of Amarillo will continue to apply for competitive and non-Entitlement State and Federal funding and assistance from nonprofit intermediaries for financial literacy education programs. Financial literacy

should be emphasized as a means of preventing poor credit and understanding the importance of good credit.

**Action #11:** City of Amarillo will encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders. This may require traditional lenders and banks to establish "fresh start programs" for those with poor credit and previous non-compliant bank account practices.

**Action #12:** City of Amarillo will help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encouraged to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in lower income areas and continue supporting infill housing development. The City does not have regulatory authority to address this concern. Therefore, this recommendation is based on best practices approaches and will require the City to work with the financial and appraisal industry to help address this issue.

## 6.4 Socio-Economic Impediments

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

**Impediment #11:** Expansion of the supply and increased affordability of housing for senior, special needs housing and housing for disabled persons is needed.

**Impediment #12:** Removal of barriers for persons with limited English proficiency enabling them to better access the housing market is needed.

**Impediment #13:** Current rental subsidy programs offered by private developments funded by state and federally assisted housing programs have an insufficient number of units to meet the needs of households on their waiting list and others currently cost burden or in overcrowded conditions.

**Recommended Remedial Actions:**

**Action #13:** City of Amarillo will continue to provide language assistance to persons with limited English proficiency.

**Action #14:** City of Amarillo will continue to encourage recruitment of industry and job creation that provide living wages to persons currently unable to afford market rate housing.
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**Action #15**: City of Amarillo will support development that provides alternative housing choices for seniors.

## 6.5     Neighborhood Conditions Related Impediments

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

**Impediment# 14:** Expanded resources are needed to assist lower income persons, seniors and other special needs groups with maintaining homes and improving neighborhood stability.

**Recommended Remedial Action:**

**Action #16:** City of Amarillo currently provides assistance to income qualified low and moderate income households utilizing its' Entitlement Grants Programs and supports self-help initiatives utilizing nonprofit and private  sector  resources.  The  City  will  continue  its  support  and

implementation of these programs of self-help and community and housing improvement initiatives by providing housing assistance to qualified owners and assisting them in complying with municipal housing codes. This includes evaluating more centralized and enhanced programming utilizing CDBG funding for coordination of self-help programs and private sector volunteers and donated resources. Other activities that will be considered for the centralized self-help initiatives program include:

- o **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.

- o **Implement a Youth Build and Repair Program in conjunction with the local school district or the Amarillo Housing Agency.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.

- o **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could

be provided to enrollees by building supply stores, contractors, and hardware stores.

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

o **Increase the creation of Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood.

# CITY OF AMARILLO, TEXAS
# ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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# Introduction and Acknowledgements

**Introduction**

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

■Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.

■Take appropriate actions to overcome the effects of any impediments identified through that analysis.

■Maintain records reflecting the analysis and actions in this regard.

**Lead and Participating Agencies**

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

**Acknowledgements**

Data collected in preparing the AI relied in part on input from the public, including information gathered from three public engagement focus group sessions, key person interviews, and data provided by City Departments. We also acknowledge the participation of the City government officials, real estate and banking industries, non-profit, social services, business, home builders, apartment owners and managers, and the general public.

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## Section 1: Community Profile

**Introduction**

The Community Profile is a review of demographic, income, employment, and housing data of Amarillo. The data were gathered from 2008-2012 American Community Survey (ACS) 5-Year estimates; 1990, 2000, and 2010 U.S. Census; and other sources. The following sections provide an analysis of the current status of Amarillo:

- Demographics – documents and 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 – examines access and availability of public transit systems.
- 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 three racial/ethnic groups in Amarillo: White, Hispanic, and African-American. All other groups are smaller in number and percentage and, therefore, the results of their analysis will not be presented in detail. The analysis is supported with tables and maps provided for reference. While 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.

Map 1.1: Amarillo Base Map

Legend

Roads

Amarillo

Census Tracts

N

0  0.75  1.5    3    4.5    6
Miles
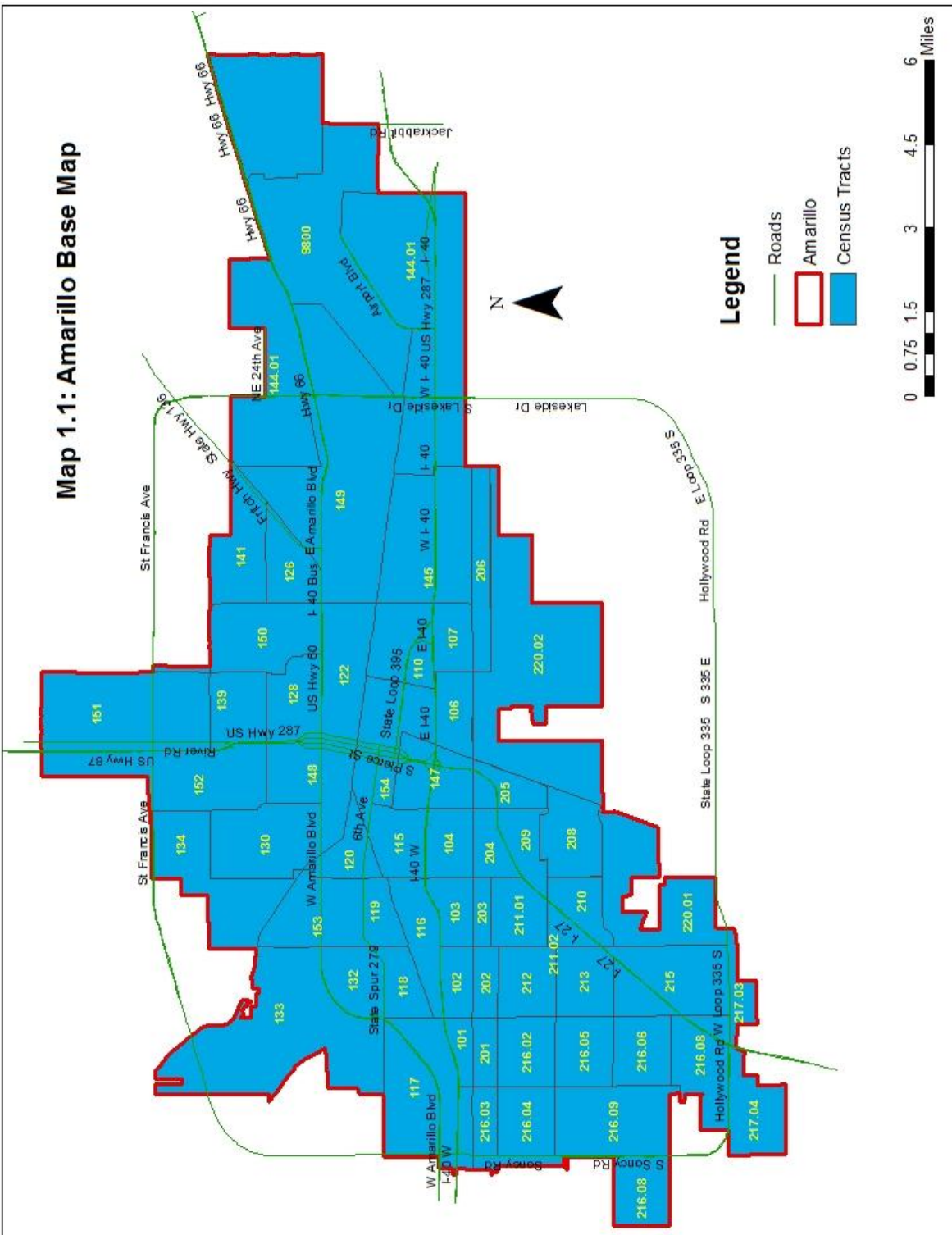
## 1.1. Demographics

The demographic analysis of the Amarillo area concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010. Please note that the attached maps present data by census tract with an overlay of the city limits for Amarillo. For reference, Map 1.1, on the previous page, provides a visual representation of Amarillo for comparison with thematic maps below.

### Race/Ethnicity

According to the 2010 Census, the combined population of Potter and Randall Counties was 241,798, split almost equally

> **The population of Amarillo increased by 9.8 percent between 2000 and 2010.**

between the two. The majority of the residents of the two counties live in Amarillo (190,695). Table 1.1, on page 4, shows that the counties' population increased by 23,940 or 11 percent between 2000 and 2010. The population of Amarillo increased by 9.8 percent during the same period.

In Potter and Randall Counties, the largest racial group was White, with about 70 percent of the population in Potter and 89 percent in Randall. In Amarillo, the White population was about 77 percent of the total. Hispanics were 45 percent of the

> **The White population was about 70 percent of the total population in Potter County, 89 percent in Randall County, and 77 percent in Amarillo in 2010. Almost 29 population of Amarillo identified as Hispanic.**

population. Hispanics were 35 percent of Potter County and 16 percent of Randall County. African-Americans represented 6.6 percent of the population in Amarillo and 10.2 percent of Potter County and 2.4 percent of Randall County. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity.

The White population increased by 9.1 percent in Amarillo between 2000 and 2010, while the Hispanic population increased by 44.6 percent. The African-American population grew by 22.0 percent. There was a 69.9 percent increase in the Asian and Pacific Islander population between 2000 and 2010, accounting for 3.2 percent of the total population of the city in 2010.
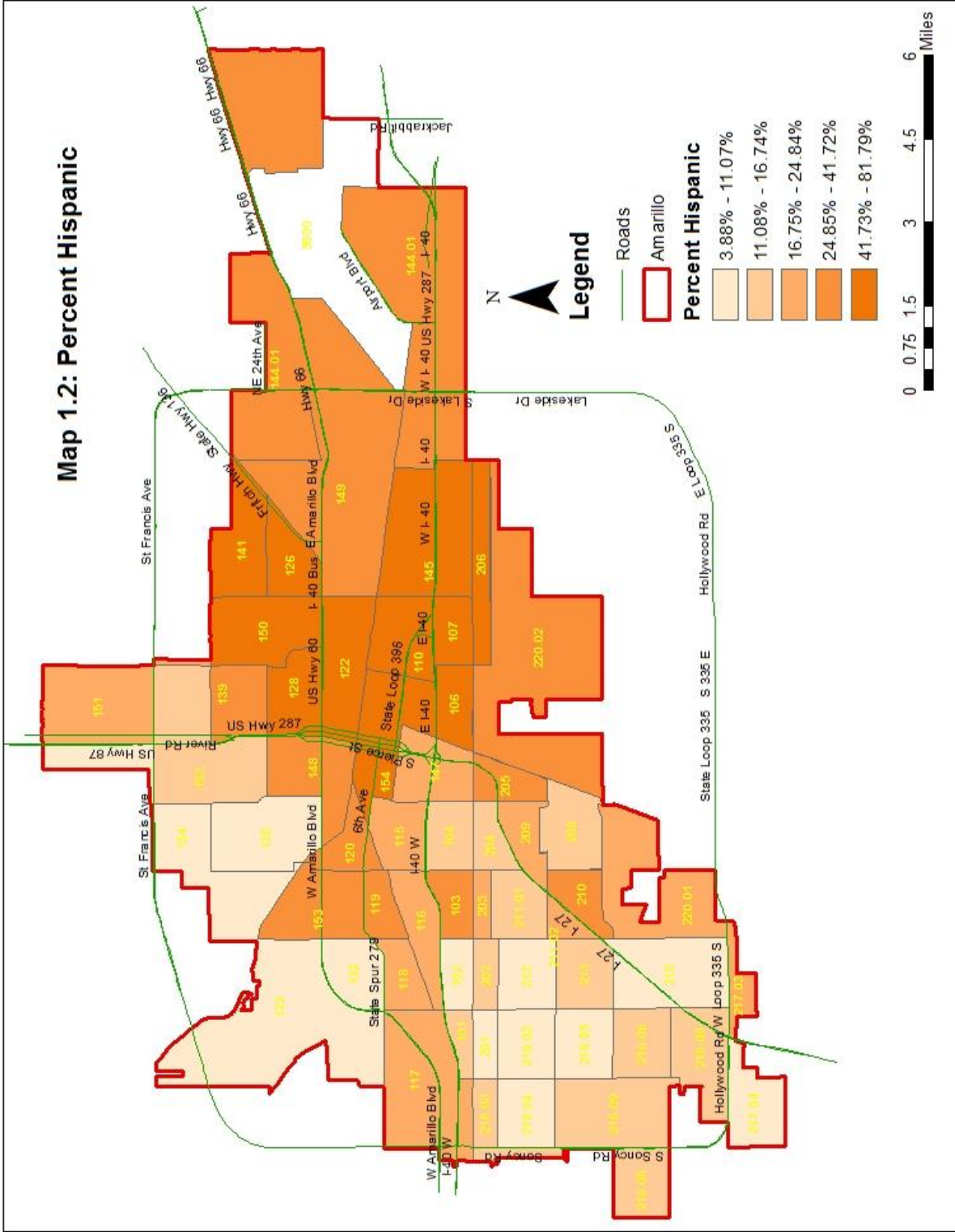
Maps 1.2 and 1.3, starting on page 5, indicate spatial concentrations of the Hispanic and African-American populations within Amarillo.
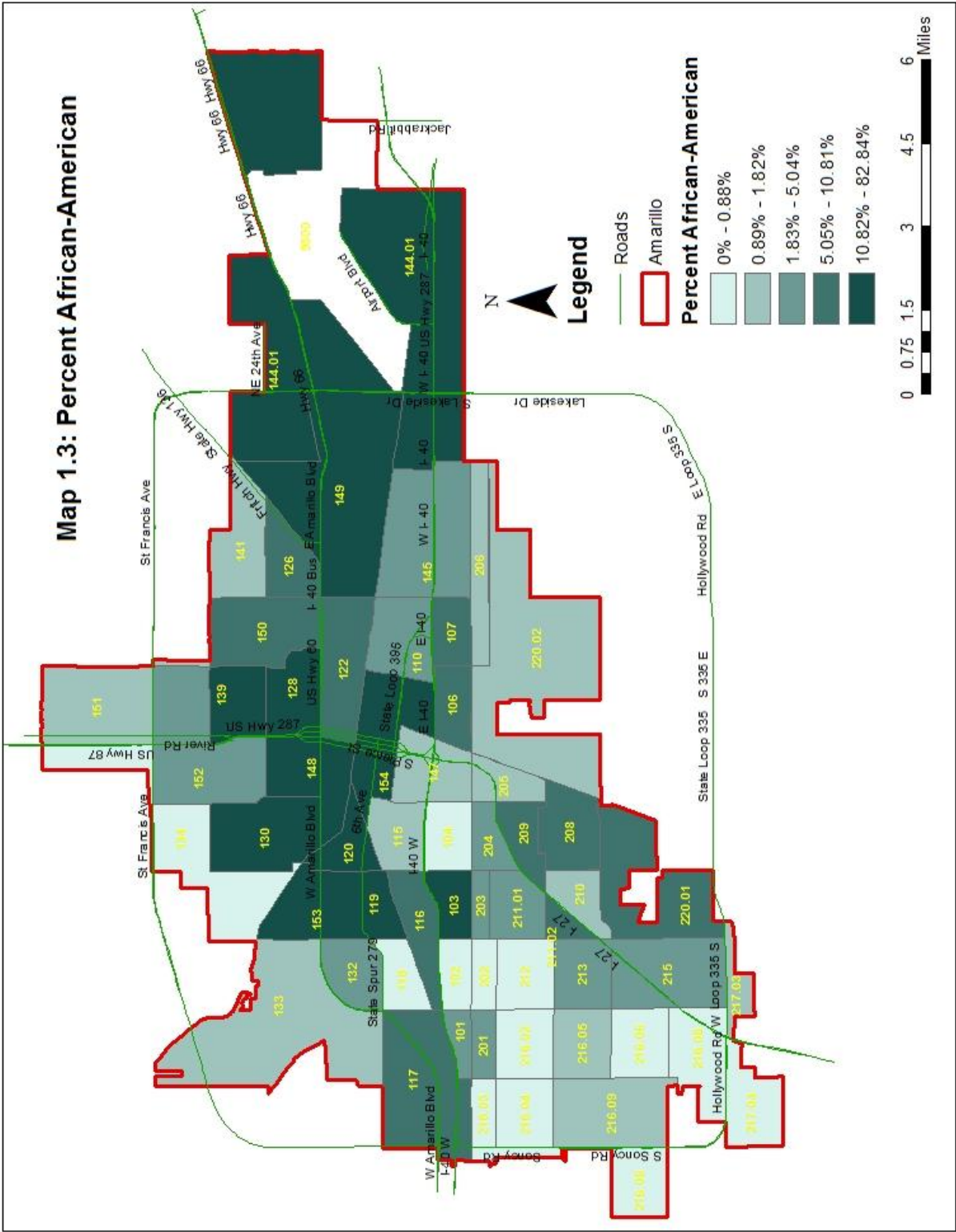
**Table 1.1**
Total population by race and ethnicity for Potter and Randall Counties and Amarillo, 2000 and 2010

| Race | 2000 | | 2010 | | % Change 2000-2010 |
|---|---|---|---|---|---|
| | # | % | # | % | |
| **Potter County** | | | | | |
| White | 77,890 | 74.7% | 84,523 | 70.0% | 8.5% |
| African-American | 11,308 | 10.8% | 12,365 | 10.2% | 9.3% |
| American Indian and Eskimo | 993 | 1.0% | 1,004 | 0.8% | 1.1% |
| Asian and Pacific Islander | 2,875 | 2.8% | 4,885 | 4.0% | 69.9% |
| Other Race | 17,528 | 16.8% | 14,611 | 12.1% | -16.6% |
| Two or More Races | 2,952 | 2.8% | 3,685 | 3.1% | 24.8% |
| Total | 113,546 | 100.0% | 121,073 | 100.0% | 6.6% |
| Hispanic (ethnicity) | 31,921 | 30.6% | 42,692 | 35.4% | 33.7% |
| **Randall County** | | | | | |
| White | 94,340 | 90.4% | 107,305 | 88.9% | 13.7% |
| African-American | 1,564 | 1.5% | 2,867 | 2.4% | 83.3% |
| American Indian and Eskimo | 974 | 0.9% | 822 | 0.7% | -15.6% |
| Asian and Pacific Islander | 2,004 | 1.9% | 1,725 | 1.4% | -13.9% |
| Other Race | 4,915 | 4.7% | 5,311 | 4.4% | 8.1% |
| Two or More Races | 1,715 | 1.6% | 2,695 | 2.2% | 57.1% |
| Total | 104,312 | 100.0% | 120,725 | 100.0% | 15.7% |
| Hispanic (ethnicity) | 10,718 | 10.3% | 19,775 | 16.4% | 84.5% |
| **Amarillo** | | | | | |
| White | 134,563 | 77.5% | 146,867 | 77.0% | 9.1% |
| African-American | 10,358 | 6.0% | 12,632 | 6.6% | 22.0% |
| American Indian and Eskimo | 1,346 | 0.8% | 1,480 | 0.8% | 10.0% |
| Asian and Pacific Islander | 3,627 | 2.1% | 6,162 | 3.2% | 69.9% |
| Other Race | 19,663 | 11.3% | 17,988 | 9.4% | -8.5% |
| Two or More Races | 4,070 | 2.3% | 5,566 | 2.9% | 36.8% |
| Total | 173,627 | 100.0% | 190,695 | 100.0% | 9.8% |
| Hispanic (ethnicity) | 37,947 | 21.9% | 54,881 | 28.8% | 44.6% |
| Source: 2000 and 2010 US Census | | | | | |

Map 1.2: Percent Hispanic

Legend

Roads

Amarillo

Percent Hispanic
3.88% - 11.07%
11.08% - 16.74%
16.75% - 24.84%
24.85% - 41.72%
41.73% - 81.79%

0  0.75  1.5  3  4.5  6
Miles

Map 1.3: Percent African-American

Legend

Roads

☐ Amarillo

**Percent African-American**
- 0% - 0.88%
- 0.89% - 1.82%
- 1.83% - 5.04%
- 5.05% - 10.81%
- 10.82% - 82.84%

0 0.75 1.5 3 4.5 6 Miles

**Household Structure**

In many communities, female-headed households and female-headed households with children face a higher rate of housing discrimination than other

households. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing 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 Amarillo was 9.5 percent, compared to 26.6 percent in African-American households, and 25.7 percent in Hispanic households. Only 24.9 percent of African-American households were husband/wife family households, compared to 49.1 percent of White households and 40.9 percent of Hispanic households.

Non-family households, defined by HUD as a single occupant household or non-related individuals living together as indicated in the census data, among Whites made up 37.9 percent of all White households in Amarillo. Non-family households among African-Americans accounted for 41.9 percent of all African-American households. Non-family households among Hispanics accounted for 23.8 percent of all Hispanic households. Most of the non-family households were householder living alone.

The spatial distribution of female-headed households with children is shown in Map 1.4 on page 9.

**Table 1.2**
Household structure by race for Amarillo, 2008 – 2012

| Household Type | White Non-Hispanic | | African-American | | Hispanic | |
|---|---|---|---|---|---|---|
| | # of Households | % of Households | # of Households | % of Households | # of Households | % of Households |
| Family Households | 31,048 | 62.1% | 2,631 | 58.1% | 11,731 | 76.2% |
| Husband-wife family | 24,546 | 49.1% | 1,127 | 24.9% | 6,307 | 40.9% |
| Other family: | 6,502 | 13.0% | 1,504 | 33.2% | 5,424 | 35.2% |
| Male householder, no wife present | 1,760 | 3.5% | 300 | 6.6% | 1,471 | 9.5% |
| Female householder, no husband present | 4,742 | 9.5% | 1,204 | 26.6% | 3,953 | 25.7% |
| Non-family households: | 18,932 | 37.9% | 1,896 | 41.9% | 3,673 | 23.8% |
| Householder living alone | 16,717 | 33.4% | 1,621 | 35.8% | 2,793 | 18.1% |
| Householder not living alone | 2,215 | 4.4% | 275 | 6.1% | 880 | 5.7% |
| Total Households | 49,980 | 100.0% | 4,527 | 100.0% | 15,404 | 100.0% |
| Source: 2008 - 2012 American Community Survey | | | | | | |

Map 1.4: Percent Female-Headed Households with Children

**Legend**

— Roads
☐ Amarillo

**Female Headed Households**

- 0.65% - 4.88%
- 4.89% - 6.88%
- 6.89% - 8.77%
- 8.78% - 14.23%
- 14.24% - 24.88%

0  0.75  1.5  3  4.5  6  Miles
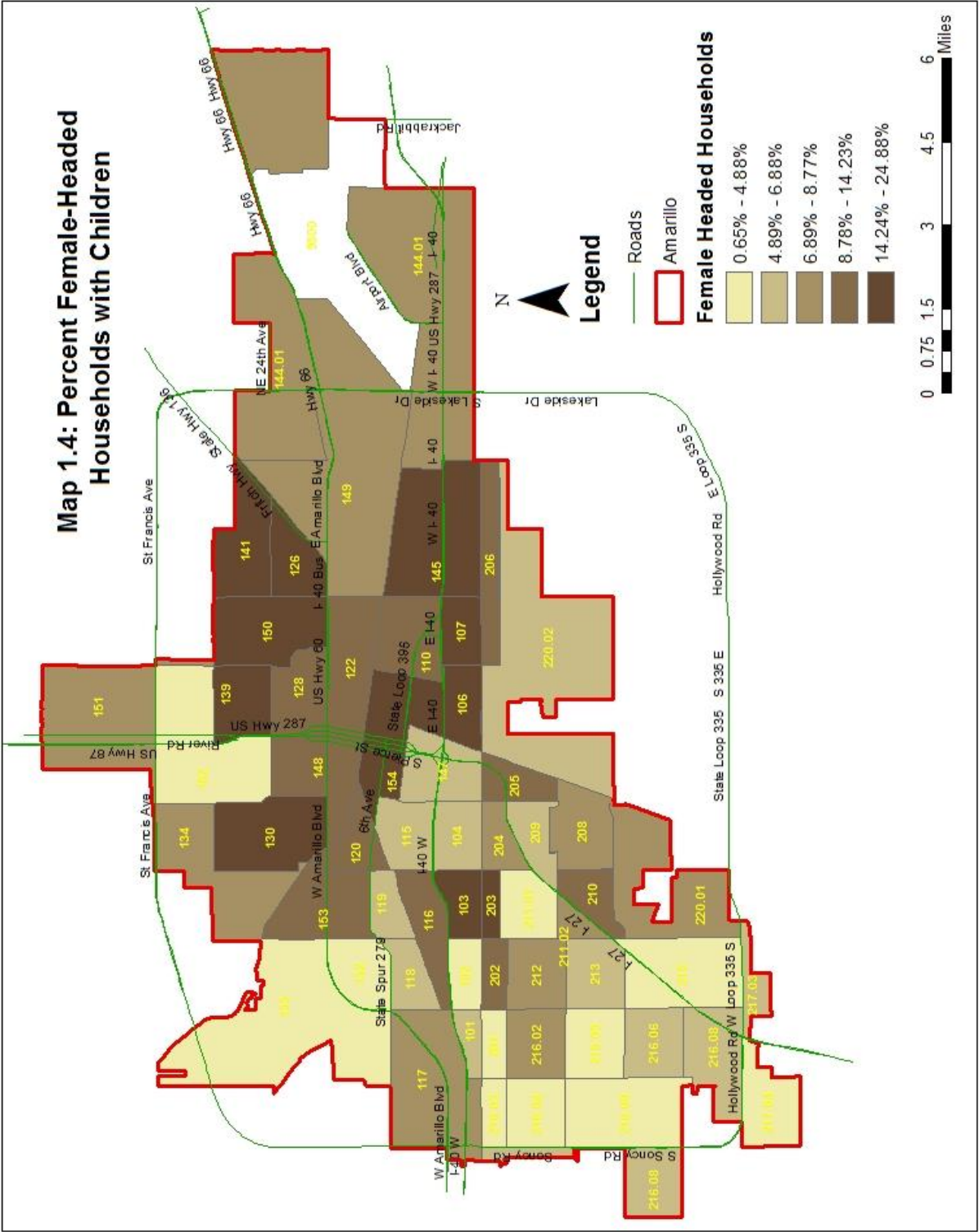
## 1.2. Income

Low-income households tend to be housed in less desirable housing stock and in less desirable areas in the city. Income limitations often prevent 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.

### Household Income

The data in Table 1.4 and Chart 1.1 on page 17 show the distribution of income across income classes among Whites, Hispanics, and African-American. Overall, the income distribution data show some disparity in Amarillo's income distribution across these populations.

Chart 1.1 shows that the modal income classes (the income classes with the highest number of households) for Whites was the $50,000 to $74,999 category with 19.4 percent earning in this income range. In comparison, 17.4 percent of Hispanic households and 12.0 of African-American households had incomes in this range. The most frequently reported income class for African-Americans and Hispanics was the $15,000 to $24,999 income range with 18.1

**While the modal income category for African-American households was the $15,000 to $24,999 range (18.8%), 47 percent earned less than $25,000 in 2012 (ACS 5 year average) .**

**Table 1.3**
Median Income for Amarillo, 2008-2012

|  | Median Household Income |
|---|---|
| **Amarillo** | $46,028 |

Source: 2008-2012 American Community Survey

percent of Hispanic households and 18.8 percent of African-American households. Thirty-three percent of Hispanic households earned less than $25,000 per year, compared to 22.4 percent of White households and 47.0 percent of African-American households.
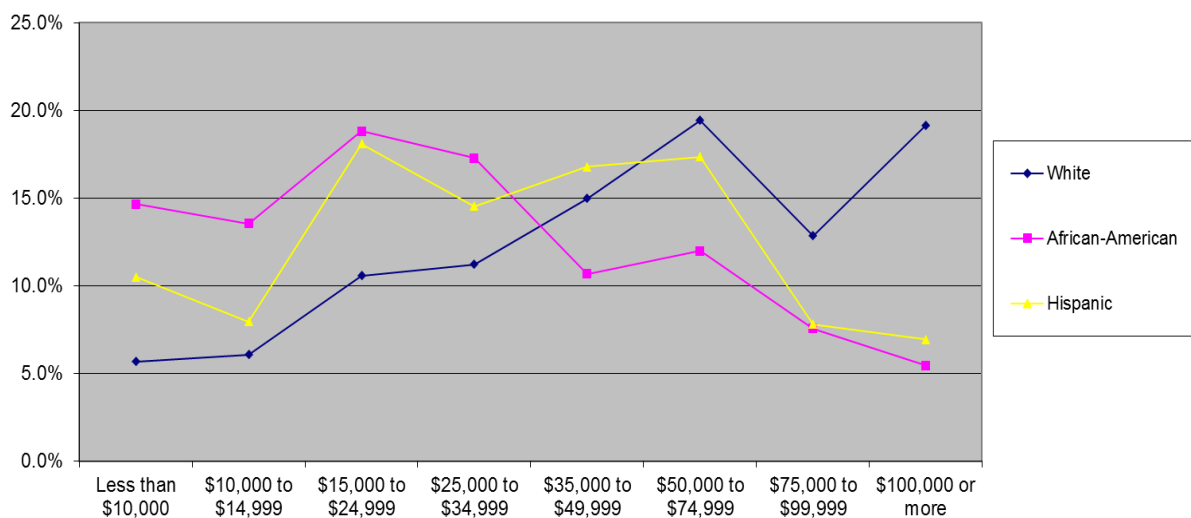
According to the 2008-2012 American Community Survey (ACS) estimates (5-year average), the median household income for White households was $51,545, $26,361 for African-American households, and $34,167 for Hispanic households, compared to $46,028 for the overall city. Map 1.5, on page 12, shows the 5-year average median household income by census tract for Amarillo between 2008 and 2012.

**Table 1.4**
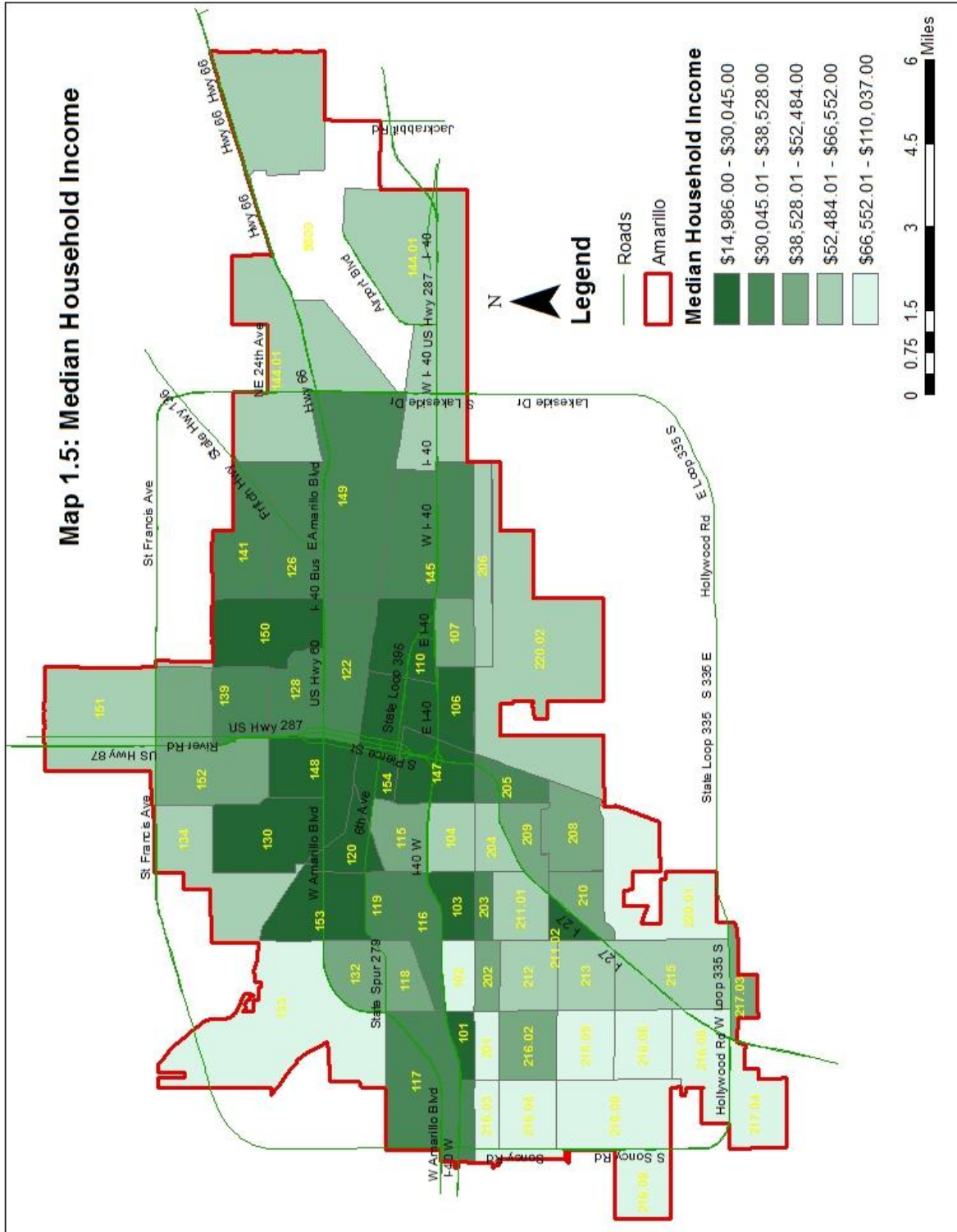Households by race by income for Amarillo, 2008-2012

| Income Class | White Non-Hispanic | | African-American | | Hispanic | |
|---|---|---|---|---|---|---|
| | # of Households | % of Households | # of Households | % of Households | # of Households | % of Households |
| Less than $10,000 | 2,833 | 5.7% | 664 | 14.7% | 1,619 | 10.5% |
| $10,000 to $14,999 | 3,042 | 6.1% | 613 | 13.5% | 1,226 | 8.0% |
| $15,000 to $24,999 | 5,285 | 10.6% | 852 | 18.8% | 2,788 | 18.1% |
| $25,000 to $34,999 | 5,615 | 11.2% | 783 | 17.3% | 2,240 | 14.5% |
| $35,000 to $49,999 | 7,492 | 15.0% | 483 | 10.7% | 2,586 | 16.8% |
| $50,000 to $74,999 | 9,719 | 19.4% | 543 | 12.0% | 2,673 | 17.4% |
| $75,000 to $99,999 | 6,423 | 12.9% | 342 | 7.6% | 1,202 | 7.8% |
| $100,000 or more | 9,571 | 19.1% | 247 | 5.5% | 1,070 | 6.9% |
| Total | 49,980 | 100.0% | 4,527 | 100.0% | 15,404 | 100.0% |
| Median Household Income | $51,545 | | $26,361 | | $34,167 | |
| Source: Five-Year Estimates, 2008-2012 American Community Survey | | | | | | |

Chart 1.1: Percent of Households by Income Class by Race for Amarillo



11

Map 1.5: Median Household Income

Legend

Roads

Amarillo

**Median Household Income**

$14,986.00 - $30,045.00

$30,045.01 - $38,528.00

$38,528.01 - $52,484.00

$52,484.01 - $66,552.00

$66,552.01 - $110,037.00

**Poverty**

The poverty data reported in Table 1.5 reveals that poverty is disproportionately impacting the Hispanic and African-American communities in the city. The incidence of poverty among Hispanics in Amarillo was 28.1 percent of their total population between 2008 and 2012, and poverty among African-Americans was reported to be 35.0 percent. Among White persons, the data reported 9.5 percent lived in poverty.

> **The incidence of poverty among Hispanics was 28.1 percent in Amarillo, compared to 9.5 percent for Whites and 35.0 percent for African-Americans.**
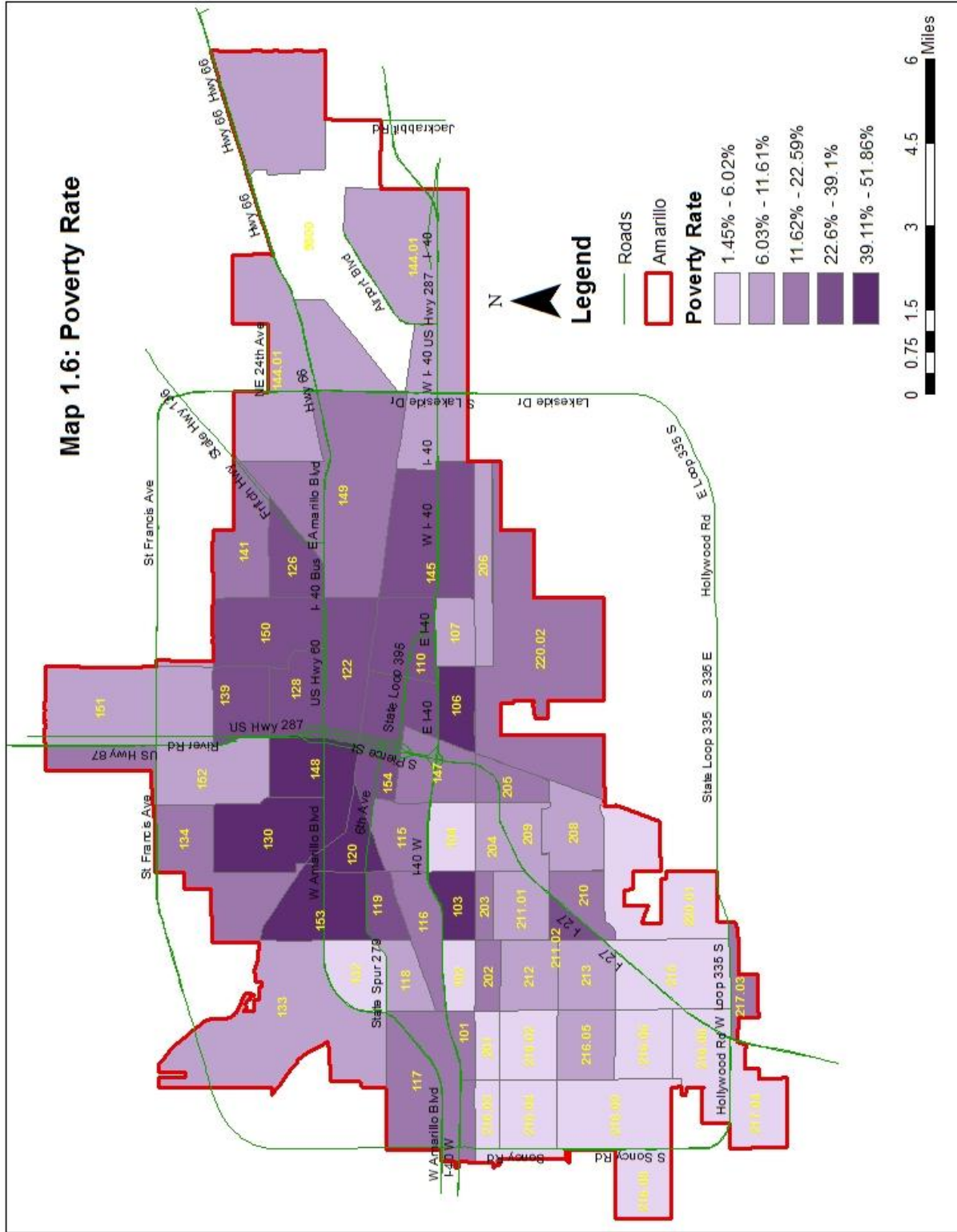
Poverty rates in Amarillo are shown on page 14 in Map 1.6. Concentrations are found in northwest Amarillo, where rates range from 39 to 52 percent by census tract.

**Table 1.5**
Poverty Status by race for Amarillo, 2008-2012

| Age Group | White Non-Hispanic | | African-American | | Hispanic | |
|---|---|---|---|---|---|---|
| | Number in Poverty | % in Poverty | Number in Poverty | % in Poverty | Number in Poverty | % in Poverty |
| Under 5 Years | 860 | 14.5% | 721 | 49.9% | 2,647 | 39.9% |
| 5 Years | 101 | 7.6% | 136 | 52.1% | 527 | 39.6% |
| 6 to 11 Years | 631 | 8.8% | 573 | 41.8% | 2,305 | 33.4% |
| 12 to 17 Years | 725 | 9.1% | 518 | 39.1% | 2,111 | 33.3% |
| 18 to 64 Years | 7,093 | 10.0% | 2,471 | 30.3% | 7,434 | 23.2% |
| 65 to 74 Years | 632 | 6.7% | 122 | 25.8% | 321 | 24.1% |
| 75 Years and Over | 530 | 6.2% | 130 | 41.1% | 145 | 20.9% |
| Total | 10,572 | 9.5% | 4,671 | 35.0% | 15,490 | 28.1% |
| Source: Five-Year Estimates, 2008 -2012 American Community Survey | | | | | | |

13

Map 1.6: Poverty Rate

Legend

Roads
Amarillo

Poverty Rate

1.45% - 6.02%
6.03% - 11.61%
11.62% - 22.59%
22.6% - 39.1%
39.11% - 51.86%

0  0.75  1.5    3    4.5    6
Miles

## 1.3. Employment

### Occupation

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 1.6, below, provides a look at occupation data, which indicate that there have been some small shifts in the distribution of occupations between 2000 and 2012. Wholesale trade occupations saw a reduction of 1.3 percentage points, falling to 3.1 percent of the workforce. The largest occupation was Education, etc. with over 22 percent of the workforce, followed by Retail Trade at 13.6 percent and Manufacturing at 10.5 percent.

Small increases were seen in Arts and Entertainment, etc. (1.7 percentage point increase) and Education, etc. (1.1 percentage point increase).

> **Wholesale trade occupations fell by 1.3 percentage points, while Arts, entertainment, etc. occupations grew by 1.7 percentage points.**

**Table 1.6**
Occupation of employed persons for Amarillo, 2000 and 2008-2012 (5-Year Average)

| Industry | 2000 | 2008-2012 Average | Percentage Point Change |
|---|---|---|---|
| Agriculture, forestry, fishing and hunting, and mining | 1.0% | 1.2% | 0.2% |
| Construction | 7.3% | 7.0% | -0.3% |
| Manufacturing | 10.3% | 10.5% | 0.2% |
| Wholesale trade | 4.4% | 3.1% | -1.3% |
| Retail trade | 14.4% | 13.6% | -0.8% |
| Transportation and warehousing, and utilities | 5.6% | 6.0% | 0.4% |
| Information | 2.8% | 1.7% | -1.1% |
| Finance and insurance, and real estate and rental and leasing | 6.7% | 6.8% | 0.1% |
| Professional, scientific, and management, and administrative and waste management services | 6.5% | 7.0% | 0.5% |
| Educational services, and health care and social assistance | 21.1% | 22.2% | 1.1% |
| Arts, entertainment, and recreation, and accommodation and food services | 8.2% | 9.9% | 1.7% |
| Other services, except public administration | 6.5% | 6.2% | -0.3% |
| Public administration | 5.1% | 4.9% | -0.2% |
| Source: 2000 US Census and Five-Year Estimates, 2008-2012 American Community Survey | | | |

## Unemployment

The data presented in Table 1.7, below, provide a portrait of the distribution of the unemployed. Looking at the table,

unemployment looks moderate to high, with rates ranging from 4.2 percent for Whites and 6.5 percent for Hispanics, compared to 11.3 percent for African-Americans.  According to the US Department of Labor's Bureau of Labor Statistics, the unemployment rate for the Amarillo was 4.1 percent in July 2014. By comparison, the US unemployment rate was 6.2 in July 2014 and 5.1 percent for the State of Texas.  The American Community Survey data for the 2008 – 2012 period as reported for Amarillo in the table, showed an unemployment rate of 9.3 for the US and 7.7 percent for Texas.  Map 1.7, on page 18, shows the distribution of unemployed in Amarillo.

**Table 1.7**
Employment Status by race for Amarillo, 2008-2012

| Employment Status | White Non-Hispanic | | African-American | | Hispanic | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| In Labor Force: | 62,410 | 67.2% | 6,263 | 66.5% | 25,999 | 72.1% | 99,195 | 68.5% |
| In Armed Forces | 165 | 0.3% | 35 | 0.6% | 18 | 0.1% | 220 | 0.2% |
| Civilian: | 62,245 | 99.7% | 6,228 | 99.4% | 25,981 | 99.9% | 98,975 | 99.8% |
| Employed | 59,613 | 95.5% | 5,520 | 88.1% | 24,294 | 93.4% | 93,656 | 94.4% |
| Unemployed | 2,632 | 4.2% | 708 | 11.3% | 1,687 | 6.5% | 5,320 | 5.4% |
| Not in Labor Force | 30,502 | 32.8% | 3,152 | 33.5% | 10,037 | 27.9% | 45,552 | 31.5% |
| Total | 92,912 | 100.0% | 9,415 | 100.0% | 36,036 | 100.0% | 144,747 | 100.0% |
| Source: Five-Year Estimates, 2008-2012 American Community Survey | | | | | | | | |

## Educational Attainment

Looking at education, Table 1.8 on page 17 shows the percentage of the population aged 25 or older with less than a high school

degree in Amarillo.   The second column shows the percentage of the total population without a high school degree and the remaining three columns show the percentage by race.  The data show a total percentage of the population over 25

years without a high school degree at 17.3 percent.  When looking at the distribution by race/ethnicity, the data show a Hispanic rate of 38 percent.  The White population had 9.1 percent with less than a high school degree.  For African-Americans, the rate was 17.3 percent.

**Table 1.8**
Less than High School Degree for Amarillo, 2008-2012

|  | % Less than High School Degree | White Non-Hispanic % Less HS | Hispanic % Less HS | Black % Less HS |
|---|---|---|---|---|
| Amarillo | 17.3% | 9.1% | 38.3% | 17.3% |
| Source: Five-Year Estimates, 2008 - 2012 American Community Survey | | | | |

Map 1.8 on page 19 shows the percentage of less than high school degree by census tract in Amarillo.

Map 1.7: Unemployment Rate

Legend

Roads

Amarillo

Unemployment Rate

0.63% - 2.61%
2.62% - 3.86%
3.87% - 5.88%
5.89% - 8.84%
8.85% - 17.38%

0    0.75  1.5    3      4.5     6
Miles

Map 1.8: Percent with Less than a High School Degree

Legend

—— Roads

☐ Amarillo

% Less than HS Degree

- 1.76% - 4.62%
- 4.63% - 10.54%
- 10.55% - 18.63%
- 18.64% - 31.73%
- 31.74% - 59.2%

0   0.75  1.5      3      4.5      6
Miles

19

**Largest Employers**

According to the major employer data as published on the Amarillo Chamber's website, the largest employers in Amarillo include the Amarillo Independent School District with 4,282 employees, Tyson

Foods with 3,700 workers and B&W Pantex with 3,200 workers. Baptist St. Anthony's Health Care had 2,900 employees. The City of Amarillo had 1,973 employees and the Texas Department of Criminal Justice had 1,360 workers. The Northwest Texas Healthcare System had 1,359 workers. Wal-Mart also had 1,359 workers and Affiliated Foods had 1,110 employees.

**Table 1.9**
Major Employers, Amarillo, Revised May 2012

| COMPANY | PRODUCT/ SERVICE | MOST RECENT EMPLOYMENT DATA |
|---|---|---|
| Amarillo Independent School District | Education | 4,282 |
| Tyson Foods, Inc. | Food Production | 3,700 |
| B&W Pantex | Weapons Manufacturing | 3,200 |
| Baptist St. Anthony's Health Care | Health Care | 2,900 |
| City of Amarillo | City Government | 1,973 |
| Texas Dept. of Criminal Justice | Government | 1,360 |
| Northwest Texas Healthcare System | Health Care | 1,359 |
| Wal-Mart | Retail | 1,359 |
| Affiliated Foods | Food Distribution | 1,110 |
| Bell Helicopter Textron, Inc. | Manufacturing | 1,068 |
| VA Medical Center, Amarillo | Health Care | 1,015 |
| Xcel Energy | Utility | 1,000 |
| Western National Life Insurance | Insurance | 890 |
| Texas Tech Univ. Health Science Ctr. | Health Care | 760 |
| Burlington Northern Santa Fe RR | Rail Distribution Service | 700 |
| Amarillo College | Education | 681 |

Source: Amarillo Chamber's Major Employers as posted on the Amarillo Chamber of Commerce Webpage

## 1.4. Public Transportation

Amarillo City Transit (ACT)

According to the Amarillo City Transit website, the City of Amarillo provides public transit services, operated by the Amarillo City Transit Department. Amarillo City Transit (ACT) services include fixed route transit and demand response paratransit. Local transit services for the City have been in operation since 1925. The City of Amarillo began operating the local bus system in 1966; prior to that time the system was privately owned.

Paratransit service, designated as "Spec-Trans" for persons with disabilities was initiated in July of 1987. Spec-Trans is reserved for persons who are unable to navigate an accessible fixed route bus and system.

ACT does not subcontract any part of the services that are provided. The major trip generators include the medical center, education facilities, shopping centers and state offices. ACT does not provide transportation services for any agencies or programs. This service is dedicated to certified clients only.

The system includes eight fixed-route lines, all of which operate from a central hub and radiate out like spokes on a wheel, offering little interconnectivity.  The routes operate from 6:30 am to 7:00 pm Monday through Saturday, with no service on most major holidays.

A route map is included as Map 1.9 on the following page.  Map 1.10 shows public transit usage by census tract.

# Map 1.9: Public Bus Routes
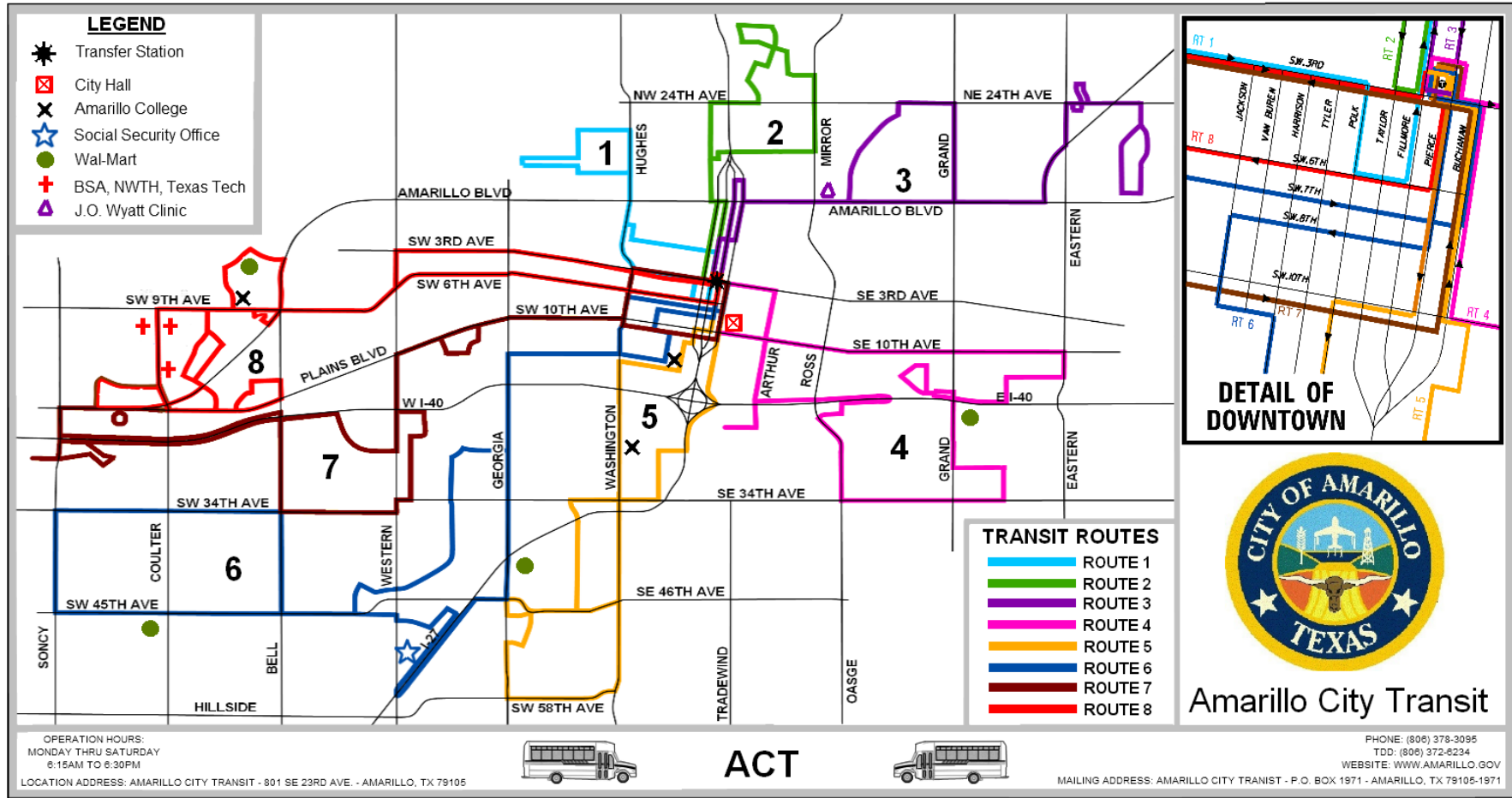
Map 1.10: Percent Taking Public Transportation to Work

Legend

Roads

Amarillo

Public Transportation

0% - 0.28%
0.29% - 0.7%
0.71% - 1.56%
1.57% - 2.77%
2.78% - 5.13%

0  0.75  1.5   3   4.5   6  Miles
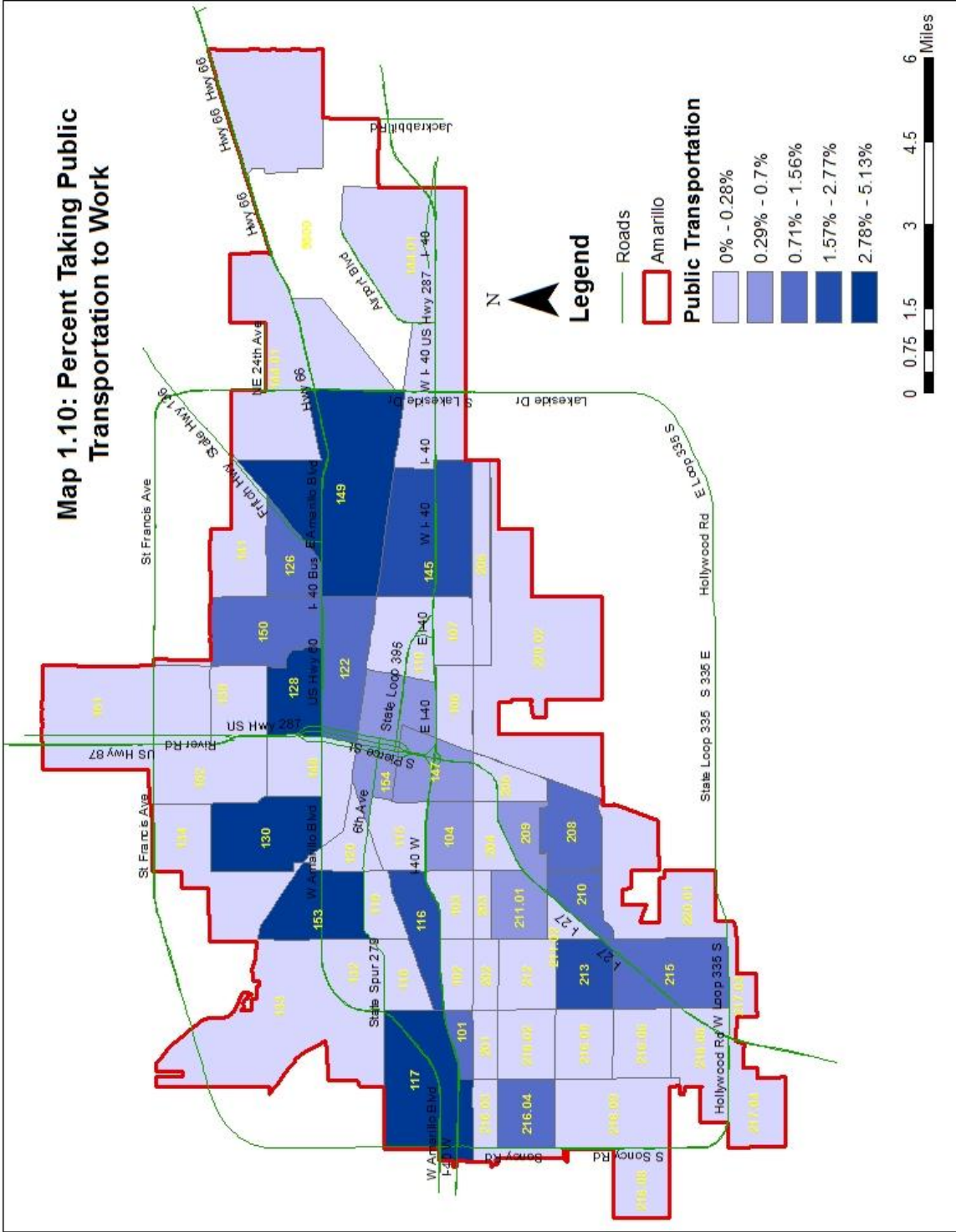
## 1.5. Housing

### Tenure

According to the 2010 Census, the total number of housing units in Amarillo was 80,298 with 6,380 or 7.9 percent vacant

> **The number of housing units in Amarillo grew by 10.9 percent between 2000 and 2010.**

units. As shown in Table 1.10, below, there were 72,408 housing units in Amarillo in 2000. This represents a 10.9 percent increase in the number of housing units between 2000 and 2010. In 2010, 57.6 percent were owner-occupied and 34.5 percent were renter-occupied. The median housing value in the city was $111,300 and the median contract rent was $574 between 2008 and 2012.

**Table 1.10**
Tenure for housing in Amarillo, 1990, 2000, and 2010

|  | 1990 | | 2000 | | 2010 | |
|---|---|---|---|---|---|---|
| Tenure | Number | Percent | Number | Percent | Number | Percent |
| Owner-occupied | 38,274 | 55.8% | 42,866 | 59.2% | 46,254 | 57.6% |
| Renter-occupied | 22,863 | 33.3% | 24,833 | 34.3% | 27,664 | 34.5% |
| Vacant | 7,455 | 10.9% | 4,709 | 6.5% | 6,380 | 7.9% |
| Total | 68,592 | 100.0% | 72,408 | 100.0% | 80,298 | 100.0% |
| Source: 1990, 2000, and 2010 US Census | | | | | | |

Looking at tenure by race as shown in Table 1.11, 66.7 percent of White households lived in owner-occupied housing, compared to 34.4 percent of African-American

**Table 1.11**
Tenure by Race in Amarillo, 2008-2012

|  | Owner-Occupied | | Renter-occupied | |
|---|---|---|---|---|
| Tenure by Race | Number | Percent | Number | Percent |
| White Non-Hispanic | 33,321 | 66.7% | 16,659 | 33.3% |
| African-American | 1,557 | 34.4% | 2,970 | 65.6% |
| Hispanic | 8,654 | 56.2% | 6,750 | 4.8% |
| Source: Five-Year Estimates, 2008-2012 American Community Survey | | | | |

households and 56.2 percent of Hispanic households. African-American and Hispanic owner households were well below the city average of 62.6 percent of occupied units in 2008-2012.

## Housing Type

Table 1.12, below, shows that of all housing units in Amarillo, 70.6 percent were categorized as single-family detached, 3.3 percent as single-family attached, 5.4 percent contained two to four units, 16.1 percent as multifamily, and 4.6 percent as mobile home or other.

## Age of Housing

As shown on Table 1.13, below, 15.9 percent of all housing units in the Amarillo were built prior to 1950, 19.8 percent were built between 1950 and 1959, 14.9 percent were built between 1960 and 1969, 16.7 percent were built between 1970 and 1979, and 32.7 percent were built after 1979. About 67 percent of the housing stock is more than 30 years old, built prior to 1980. These units may contain lead-based paint or likely to be in need of repairs and maintenance.

Maps 1.11, on page 26, and Map 1.12, on page 27, indicate the distribution of owner- and renter-occupied housing across Amarillo. Map 1.13, on page 28, shows the distribution of the oldest housing stock in Amarillo. Maps 1.14 and 1.15, on pages 29 and 30, provide a geographic depiction of the distribution of housing values and rents across Amarillo.

> **Over 70.6 percent of housing units in Amarillo were single-family detached.**

**Table 1.12**
Housing type for Amarillo, 2008-2012

| Units in Structure | Number | Percent |
|---|---|---|
| Single-family Detached | 56,400 | 70.6% |
| Single-family Attached | 2,638 | 3.3% |
| 2-4 Units | 4,346 | 5.4% |
| Multifamily | 12,831 | 16.1% |
| Mobile Home or Other | 3,646 | 4.6% |
| Total | 79,861 | 100.0% |

Source: Five-Year Estimates, 2008-2012 American Community Survey

> **Over 67 percent of housing units in Amarillo are more than 30 years old. These housing units may contain lead-based paint or likely to be in need of repairs and maintenance.**

**Table 1.13**
Age of Housing Stock in Amarillo, 2008-2012

| Year Built | Number | Percent |
|---|---|---|
| Built 2010 or Later | 224 | 0.3% |
| Built 2000 to 2009 | 9,620 | 12.0% |
| Built 1990 to 1999 | 6,379 | 8.0% |
| Built 1980 to 1989 | 9,972 | 12.5% |
| Built 1970 to 1979 | 13,311 | 16.7% |
| Built 1960 to 1969 | 11,861 | 14.9% |
| Built 1950 to 1959 | 15,788 | 19.8% |
| Built 1940 to 1949 | 6,945 | 8.7% |
| Built 1939 or Earlier | 5,761 | 7.2% |
| Total | 79,861 | 100.0% |

Source: Five-Year Estimates, 2008-2012 American Community Survey

Map 1.11: Percent Owner-Occupied

Legend

Roads

Amarillo

Percent Owner-Occupied

0% - 47.87%

47.88% - 61.59%

61.6% - 71.15%

71.16% - 80.33%

80.34% - 93.66%

0  0.75  1.5  3  4.5  6  Miles
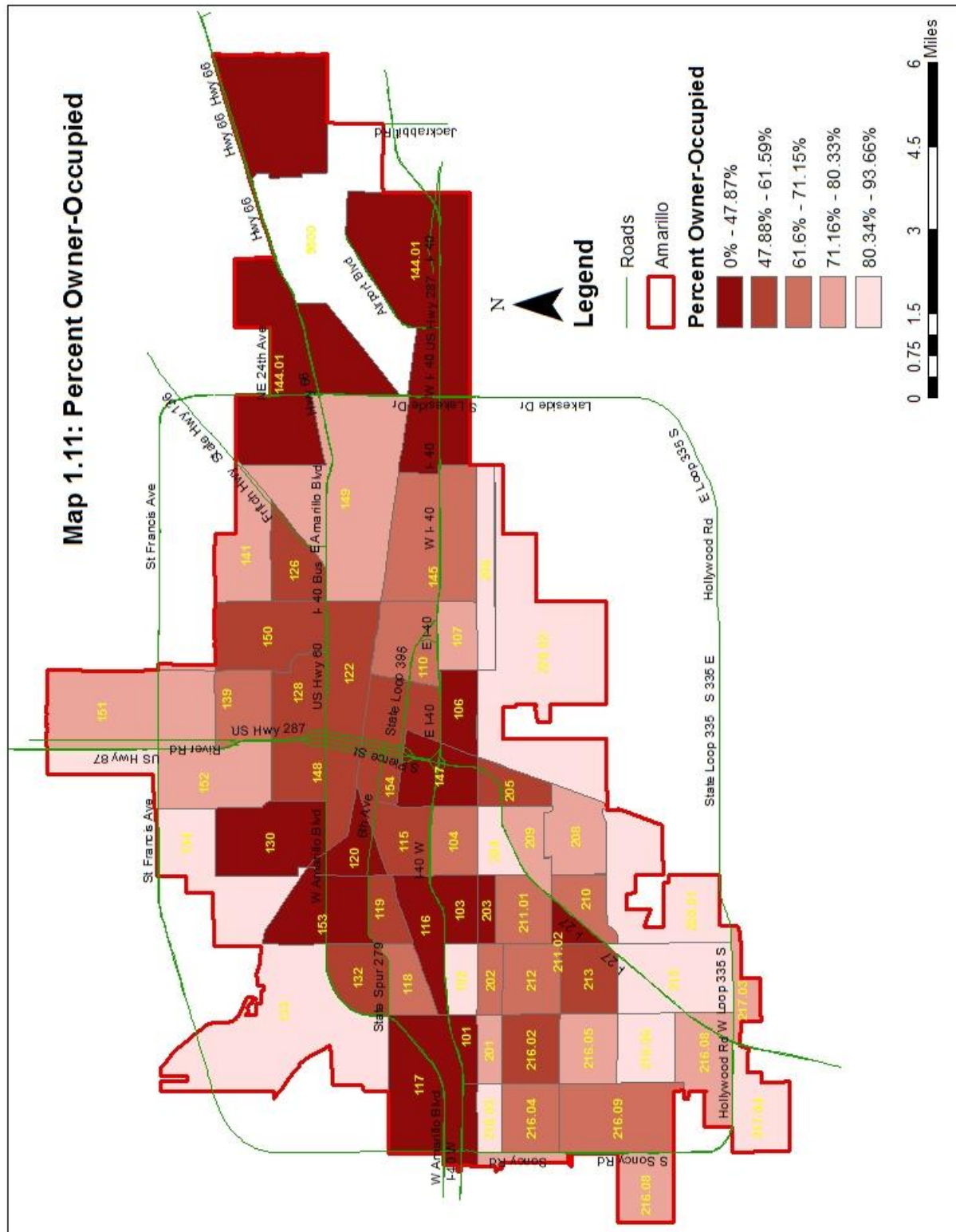
Map 1.11: Percent Renter-Occupied

Legend

Roads

Amarillo

Percent Renter-Occupied

6.34% - 19.67%
19.68% - 29.22%
29.23% - 40.29%
40.3% - 52.13%
52.14% - 100%
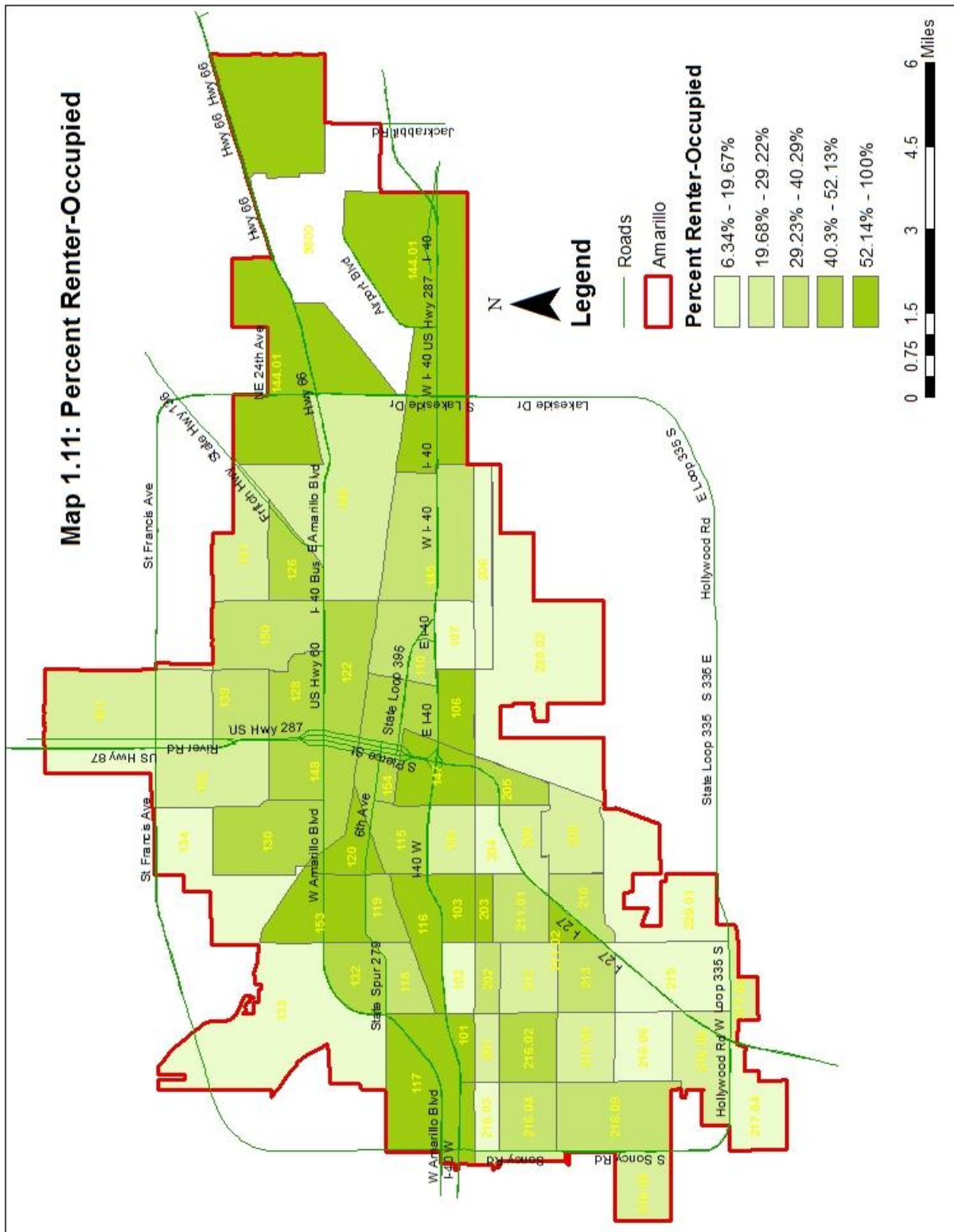
Map 1.13: Percent Pre-1980 Housing Stock

Legend

Roads

Amarillo

Percent Pre-1980 Housing

7.62% - 40.34%

40.35% - 70.36%

70.37% - 80.93%

80.94% - 86.16%

86.17% - 96.14%

0  0.75  1.5    3    4.5    6
Miles
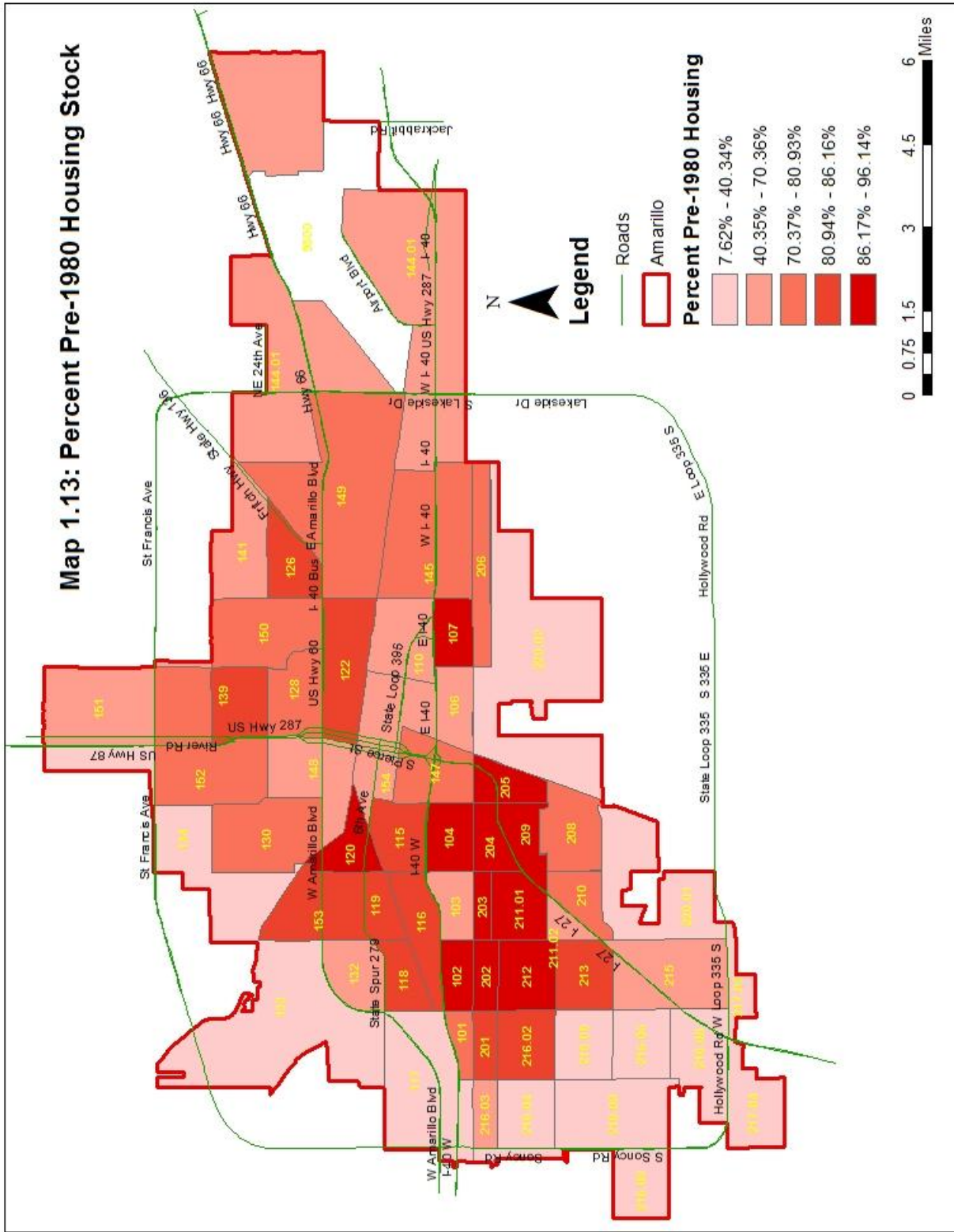
Map 1.14: Median Home Value

Legend

Roads

Amarillo

**Median Home Value**

$42,300.00 - $61,400.00

$61,400.01 - $86,500.00

$86,500.01 - $115,000.00

$115,000.01 - $154,300.00

$154,300.01 - $286,300.00

0   0.75   1.5        3         4.5        6
Miles
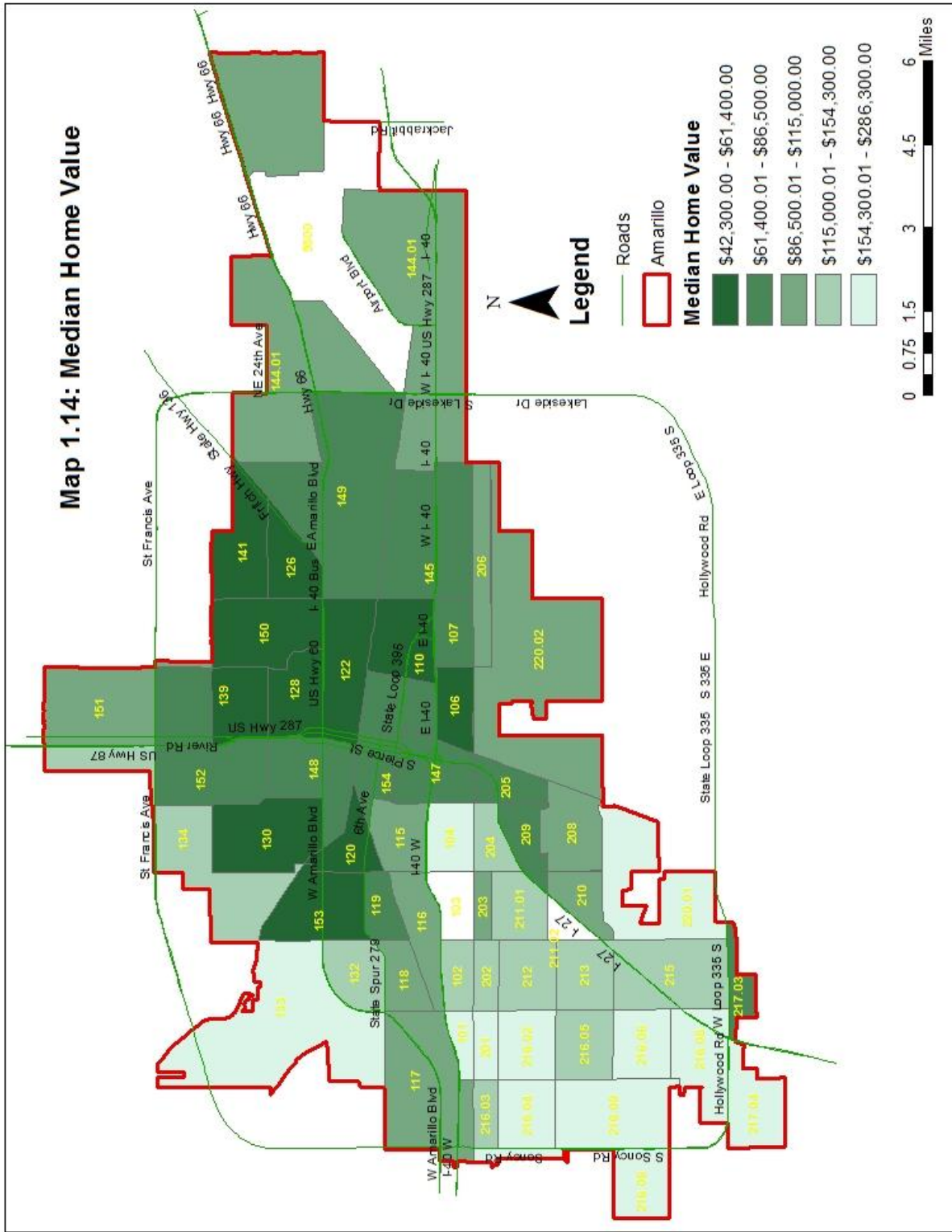
Map 1.15: Median Contract Rent

Legend

—— Roads
☐ Amarillo

**Median Contract Rent**
■ $386.00 - $480.00
■ $480.01 - $559.00
■ $559.01 - $611.00
■ $611.01 - $667.00
■ $667.01 - $1,262.00

0  0.75  1.5    3    4.5    6
Miles
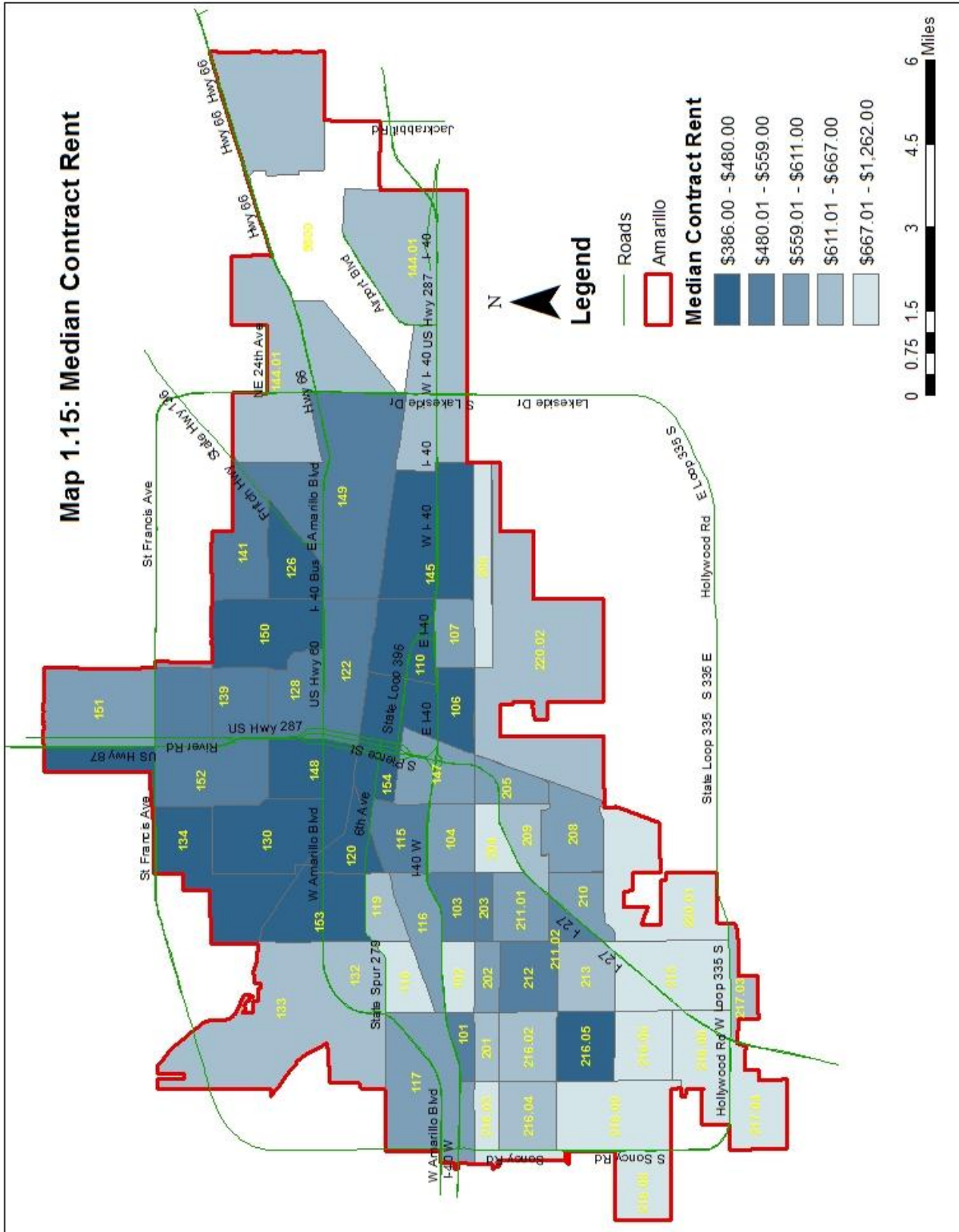
**Cost Burden**

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2007 through 2011, duplicated in Table 1.14, on page 32, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households in Amarillo. The table indicates that 64 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and over 53 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, nearly 15 percent more very low-income renters and 20 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".

> **Sixty-four percent of very low-income renter households in Amarillo are severely cost burdened, paying more than 50 percent of their incomes on housing expenses.**

Looking at households earning between 31 percent and 50 percent of the median family income, 17 percent of low-income renters and 24 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, 61 percent of renters and over 28 percent of homeowners are paying between 30 and 50 percent on housing expenses in the Amarillo. Overall, 20 percent of homeowners in Amarillo are cost burdened, as are 44 percent of renters. Included in those numbers are those with severe cost burden, almost 8 percent of homeowners and 20 percent of renters.

Over 66 percent of households earning less than 30% of the area median family income in Amarillo are renters. Renters continue to dominate tenure by income group from the two lowest income groups. For the income group earning more than 100% of the area median, over 81 percent are homeowners.

> **Sixty-six percent of households earning less than 30% of the area median family income are renters.**

| Table 1.14: Cost Burden by Tenure and Household Income | | | | | |
|---|---|---|---|---|---|
| **Income Distribution Overview** | Owner | % | Renter | % | Total |
| Household Income <= 30% HAMFI | 3,160 | 33.62 | 6,240 | 66.38 | 9,400 |
| Household Income >30% to <=50% HAMFI | 4,060 | 42.67 | 5,455 | 57.33 | 9,515 |
| Household Income >50% to <=80% HAMFI | 7,145 | 51.94 | 6,610 | 48.06 | 13,755 |
| Household Income >80% to <=100% HAMFI | 4,570 | 63.65 | 2,610 | 36.35 | 7,180 |
| Household Income >100% HAMFI | 25,375 | 81.40 | 5,800 | 18.60 | 31,175 |
| Total | 44,310 | 62.39 | 26,715 | 37.61 | 71,025 |
| | Cost burden | | Cost burden | | |
| **Income by Cost Burden (Owners and Renters)** | > 30% | % | > 50% | % | Total |
| Household Income <= 30% HAMFI | 7,275 | 77.39 | 5,720 | 60.85 | 9,400 |
| Household Income >30% to <=50% HAMFI | 6,395 | 67.21 | 1,930 | 20.28 | 9,515 |
| Household Income >50% to <=80% HAMFI | 4,335 | 31.52 | 705 | 5.13 | 13,755 |
| Household Income >80% to <=100% HAMFI | 1,085 | 15.12 | 140 | 1.95 | 7,175 |
| Household Income >100% HAMFI | 1,605 | 5.15 | 230 | 0.74 | 31,175 |
| Total | 20,695 | 29.14 | 8,725 | 12.28 | 71,025 |
| | Cost burden | | Cost burden | | |
| **Income by Cost Burden (Renters only)** | > 30% | % | > 50% | % | Total |
| Household Income <= 30% HAMFI | 4,935 | 79.09 | 4,020 | 64.42 | 6,240 |
| Household Income >30% to <=50% HAMFI | 4,265 | 78.19 | 930 | 17.05 | 5,455 |
| Household Income >50% to <=80% HAMFI | 2,065 | 31.24 | 200 | 3.03 | 6,610 |
| Household Income >80% to <=100% HAMFI | 260 | 9.96 | 80 | 3.07 | 2,610 |
| Household Income >100% HAMFI | 165 | 2.84 | 25 | 0.43 | 5,800 |
| Total | 11,690 | 43.76 | 5,255 | 19.67 | 26,715 |
| | Cost burden | | Cost burden | | |
| **Income by Cost Burden (Owners only)** | > 30% | % | > 50% | % | Total |
| Household Income <= 30% HAMFI | 2,340 | 74.05 | 1,700 | 53.80 | 3,160 |
| Household Income >30% to <=50% HAMFI | 2,130 | 52.46 | 1,000 | 24.63 | 4,060 |
| Household Income >50% to <=80% HAMFI | 2,270 | 31.77 | 505 | 7.07 | 7,145 |
| Household Income >80% to <=100% HAMFI | 825 | 18.05 | 60 | 1.31 | 4,570 |
| Household Income >100% HAMFI | 1,440 | 5.67 | 205 | 0.81 | 25,375 |
| Total | 9,005 | 20.32 | 3,470 | 7.83 | 44,310 |
| Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2007-2011 | | | | | |

As shown in Table 1.16, to the right, 27 percent of owner households with a mortgage in Amarillo were cost burdened according to the 2008-2012 five-year average from the American Community Survey. Cost burden among homeowners is highest for the lowest income, as would be expected. The table shows that 99 percent homeowners earning less than $20,000 per year are cost burdened. The percentage shrinks to 83.5 for those earning between $20,000 and $34,999. The percentage is still large at almost 38 percent for those earning between $35,000 and $49,999.

Table 1.17 on the following page shows a similar situation for renters. Overall, 46 percent of renter households in Amarillo are cost burdened. For the lowest income households, those earning less than $10,000, 75 percent are cost burdened. Eighty-six percent of those earning between $10,000 and $19,999 were also cost burdened.

**Table 1.15**
Owner Housing Costs as a Percent of Household Income in Amarillo, 2008-2012

| Housing Costs as a Percentage of Household Income | Number of Owner of Households | Cost Burden 30% |
|---|---|---|
| **With a Mortgage** | | |
| Less than $20,000 | 1,639 | |
|    Less than 30.0 Percent | 20 | |
|    30.0 Percent or More | 1,619 | 98.8% |
| $20,000 to $34,999 | 3,206 | |
|    Less than 30.0 Percent | 530 | |
|    30.0 Percent or More | 2,676 | 83.5% |
| $35,000 to $49,999 | 3,754 | |
|    Less than 30.0 Percent | 2,320 | |
|    30.0 Percent or More | 1,434 | 38.2% |
| $50,000 or More | 19,047 | |
|    Less than 30.0 Percent | 17,240 | |
|    30.0 Percent or More | 1,807 | 9.5% |
| Total Owner Households | 27,646 | |
|    Less than 30.0 Percent | 20,110 | |
|    30.0 Percent or More | 7,536 | 27.3% |
| **Not Mortgaged** | | |
| Less than $20,000 | 3,299 | |
|    Less than 30.0 Percent | 1,628 | |
|    30.0 Percent or More | 1,671 | 50.7% |
| $20,000 to $34,999 | 3,563 | |
|    Less than 30.0 Percent | 3,302 | |
|    30.0 Percent or More | 261 | 7.3% |
| $35,000 to $49,999 | 2,572 | |
|    Less than 30.0 Percent | 2,560 | |
|    30.0 Percent or More | 12 | 0.5% |
| $50,000 or More | 7,651 | |
|    Less than 30.0 Percent | 7,635 | |
|    30.0 Percent or More | 16 | 0.2% |
| Total Owner Households | 17,085 | |
|    Less than 30.0 Percent | 15,125 | |
|    30.0 Percent or More | 1,960 | 11.5% |

Source: Five-Year Estimates, 2008-2012 American Community Survey

**Eighty-six percent of renter households earning between $10,000 and $19,999 pay more than 30 percent of their incomes on housing expenses.**

**Table 1.16**
Gross Rent as a Percent of Household Income in Amarillo,
2008-2012

| Gross Rent as a Percentage of Household Income | Number of Households | Cost Burden 30% |
|---|---|---|
| Less than $10,000 | 3,501 | |
|    Less than 30.0 Percent | 162 | |
|    30.0 Percent or More | 2,642 | 75.5% |
| $10,000 to $19,999 | 6,032 | |
|    Less than 30.0 Percent | 435 | |
|    30.0 Percent or More | 5,179 | 85.9% |
| $20,000 to $34,999 | 6,856 | |
|    Less than 30.0 Percent | 2,689 | |
|    30.0 Percent or More | 3,783 | 55.2% |
| $35,000 to $49,999 | 4,662 | |
|    Less than 30.0 Percent | 3,583 | |
|    30.0 Percent or More | 796 | 17.1% |
| $50,000 or More | 6,365 | |
|    Less than 30.0 Percent | 5,921 | |
|    30.0 Percent or More | 281 | 4.4% |
| Total Renter Households | 27,416 | |
|    Less than 30.0 Percent | 12,790 | |
|    30.0 Percent or More | 12,681 | 46.3% |

Source: Five-Year Estimates, 2008-2012 American Community Survey

**1.6. 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 (RCAP/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and three times or more the poverty level of the city 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 RCAP/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 1.16 on the following page depicts the census tracts defined as concentrated and segregated as defined by the HUD RCAP/ECAP Calculation.

The poverty rate in Amarillo is 16.9 percent. Three times the poverty rate is 50.7 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. The census tracts within the City of Amarillo that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the north central areas of Amarillo, with a couple of tracts to the southeast and southwest of the downtown area.

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

Map 1.16: Areas of Concentrated Poverty and Racial/Ethnic Concentration and Segregation (RCAP/ECAP)

Legend

Roads

Amarillo

R/ECAP

Non-R/ECAP Tracts

R/ECAP Tracts

0  0.75  1.5  3  4.5  6  Miles
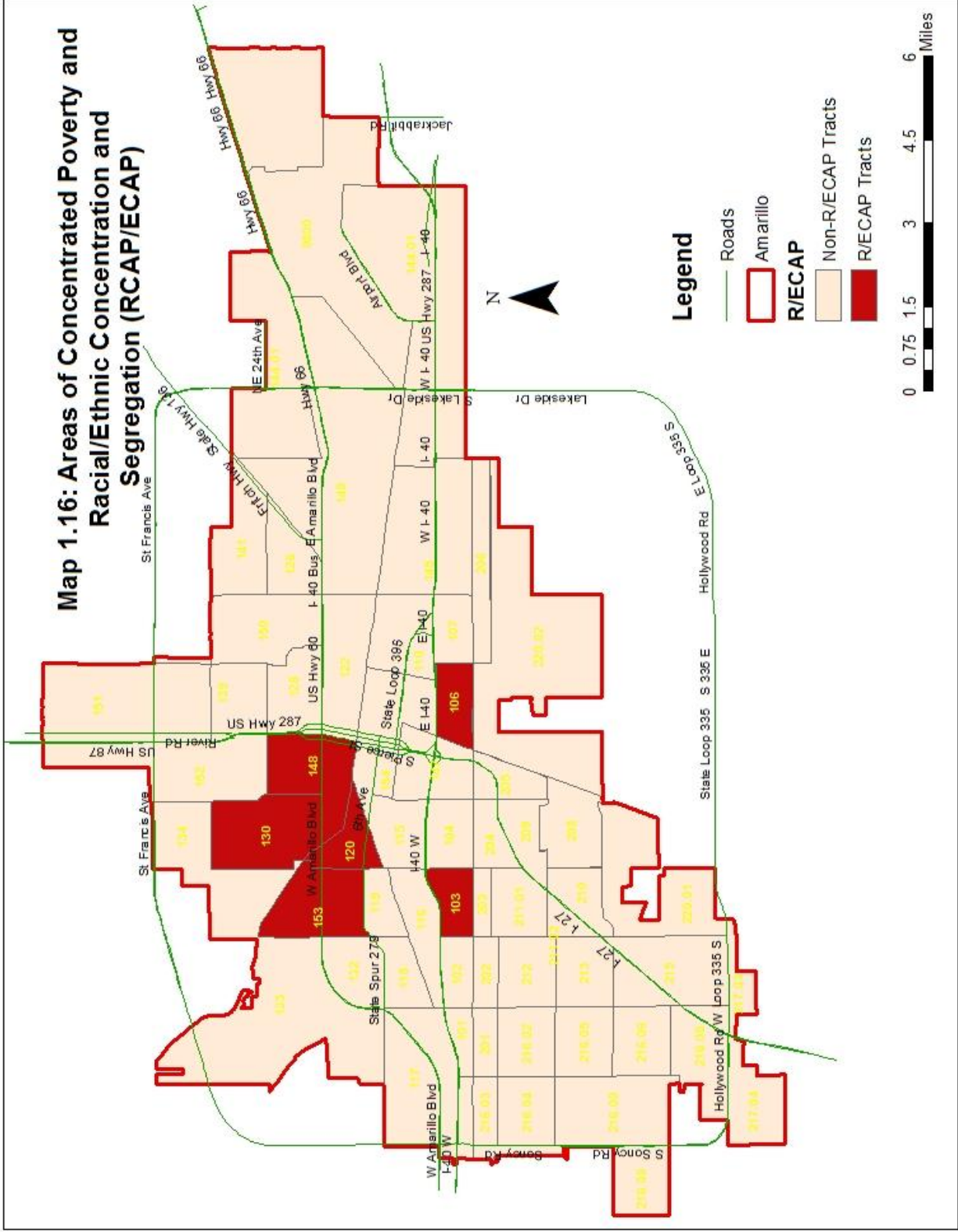
# Section 2: Fair Housing Law, Court Case, Policies, Regulatory and Complaint Analysis

**Introduction**

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

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing.  Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of City operated Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) programs operated utilizing federal funding provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, and the Consolidated Annual Performance Evaluation Reports (CAPER); and the Amarillo Housing Agency Annual Plan, Five Year Plan, Administrative policies and Annual Contributions Contract. City staff also provided information on its current and future initiatives utilizing CDBG funds and other federal grants.

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by Amarillo City Council and advisory boards and commissions and the Amarillo Housing 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 Fair Housing and Equal Opportunity (FHEO) Office has responsibility for fair housing enforcement in Amarillo. Official compliant date was received from the HUD Regional Office, Fair Housing Equal Opportunity Division.

## 2.1. Fair Housing Law

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

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

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or

- ✓ Evicting minorities, but not whites, for late payments or poor credit;

- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;

- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:

  - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or

  - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;

- Deny or make different loan terms for residential loans due to membership in a protected class by:

  - ✓ Using different procedures or criteria to evaluate credit worthiness,

  - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,

  - ✓ Implementing a policy that has the effect of excluding a minority area, or

  - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;

- Deny persons the use of real estate services;

- Intimidate, coerce or interfere; or

- Retaliation against a person for filing a fair housing complaint.

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

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

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

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

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from October and November 2014 was conducted. These types of advertisements cover an area larger than just Amarillo, 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 Amarillo area were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

**Fair Housing Assistance Program (FHAP) Agencies**

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

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

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

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The 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.

## Court Decisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, 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 pending appeal.

**Homelessness and the Fair Housing Act**

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

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

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

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

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

## Unfair Lending Practices

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

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

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

## 2.2. Enforcement

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

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

**Education and Outreach**

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

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

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

An assessment of characteristics affecting housing production, availability, and affordability in Amarillo and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG, HOME and ESG Entitlement funding by the City of Amarillo. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2014. The City of Amarillo's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized.

The Consolidated Annual Performance and Evaluation Report submitted to HUD for the period ending September 30, 2013 indicated that the City of Amarillo received approximately $2,450,181 in Entitlement funding for Program Year 2013 and with Supplemental Funding of $716,617, operated a total budget of $3,166,798 for that program year.

> **Entitlement Program Budget**
> $ 1,451,536.00 Community Development Block Grant (CDBG)
> $    579,998.00 Home Investment Partnership Grant (HOME)
> $     12,692.00 CDBG Program Income
> $      8,702.00 HOME Program Income
> $    153,979.00 HOME Program Match
> $    243,274.00 Emergency Solutions Grant (ESG)
> $ 2,450,181.00 Total Entitlement
>
> **Supplemental Funding**
> $ 318,762 Supportive Housing Grant
> $ 397,855 Shelter Plus Care Grant

**2.4. Regulatory and Public Policy Review**

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

The city zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Amarillo's land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing.

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

**2.5. Analysis of Fair Housing Complaints**

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Amarillo from October 1, 2009 through September 30, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Fort Worth, Texas. A total of twelve complaints were filed according to one of seven basis including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 2.5.1, shows the breakdown. The totals in the Chart 2.5.1 actually sum to more than 12 complaints because some cases cited multiple basis in their claim.

**Table: 2.5.1: Fair Housing Complaints by the Basis of Complaint Oct 2009 - Sept 2014**

| Protected Class | Race/ Color | National Origin | Familial Status | Handicap Disability | Sex | Religion | Totals |
|---|---|---|---|---|---|---|---|
| 2009 | | | | | | | 0 |
| 2010 | 1 | | | | 1 | | 2 |
| 2011 | 2 | | | 3 | 1 | | 6 |
| 2012 | 1 | 1 | | 2 | | | 4 |
| 2013 | | | | 1 | | | 1 |
| 2014 | 0 | | | | | | 0 |
| Total | 4 | 1 | | 6 | 2 | | 13 |

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

Of the twelve complaints, four cases were closed with a No Cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. Two cases were closed due to Administrative Closure and six cases were closed based on Conciliation. Table 2.5.2 shows case closure types by year the case was opened.

**Table: 2.5.2: Type of Case Closure (2009 - 2014)**

| Type of Closure | | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cases remain open | | | | | | | | | |
| Case Conciliated / FHAP Judicial Consent Order | | | | | 3 | 2 | 1 | | 6 |
| No Probable Cause / FHAP Judicial Dismissal | | | | 1 | 1 | | 2 | | 4 |
| Withdrawn/Conciliated | | | | | | | | | |
| Unable to Locate Complainant / Complainant failed to cooperate | | | | | | | | | |
| Administrative Closure | | | | 1 | 1 | | | | 2 |
| **Totals** | | | | 2 | 5 | 2 | 3 | | 12 |

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

## 2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The City of Amarillo has not enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The HUD FHEO Regional Office in Fort Worth, Texas is responsible for investigations of fair housing complaints that are reported directly to their office for Amarillo. Amarillo, Texas is part of the HUD Region VI that includes Arkansas, Louisiana, Oklahoma, New Mexico, and Texas. The City of Amarillo Community Development Department staff provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights in Amarillo. Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Amarillo from October 1, 2009 through September 30, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Fort Worth, Texas. A total of twelve complaints were filed according to one of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race.

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

The Consolidated Annual Performance and Evaluation Report submitted to HUD for the period ending September 30, 2013 indicated that the City of Amarillo received approximately $2,450,181 in Entitlement funding for Program Year 2013 and with Supplemental Funding of $716,617, operated a total budget of $3,166,798 for that program year. The city zoning ordinance building codes and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result.

# Section 3: Focus Group Sessions and Community Engagement

**Introduction**

This section reports on the results from three Fair Housing Focus Group sessions held on October 28th, 2014 at the downtown Amarillo Public Library, 413 E. 4th Street, and October 29th, 2014 at the City of Amarillo City Hall Building 509 S. E. 7th Avenue, Amarillo, Texas. Supplemental interviews were conducted with and information and input received from various City Departments and Divisions, Amarillo Housing Agency, Chamber of Commerce and Board of Realtors representatives, Continuum of Care organization, community, professional and industry representatives to obtain information from those unable to attend the focus group sessions. Participants in the focus groups sessions and supplemental interviews included Amarillo City staff and other government representatives; administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; and the general public and other community representatives.

Attendees 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 Amarillo were discussed. The Focus Group sessions were hosted by the City of Amarillo Community Development Department.

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**

Social-economic issues were of major concern to participants in the focus group sessions as well as those persons participating in the supplemental interviews. Frequently mentioned in the focus group sessions and interviews was the perception that lower income persons and seniors were particularly impacted as the supply of affordable housing in good condition becomes scarce and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed the number of persons lacking sufficient income for housing and housing related cost was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that insufficient income and cost burden is not only a concern with regard to social equity and the plight of the elderly and lower income households, but limited incomes are also having an adverse impact on the condition and quality of single family owner occupied housing due to deferred maintenance and residents inability to afford maintenance and utility cost. The impact of local unemployment, insufficient incomes to afford housing maintenance and their mortgage payments for persons living in the Amarillo market were also cited as contributing factors to housing and neighborhood decline.

Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the evolving demographics in the city and specific problems faced by residents and the

working poor relative to foreclosure and elderly residents on fixed incomes. Participants also felt that increased housing counseling-both pre-purchase and post purchase support was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. Homebuyers will need assistance with down payments and equity investments when buying a home, to replace the loss of private mortgage insurance. Participants emphasized the need for increased funding for project based rental assistance due to limitations in funding and long waiting list for the Section 8 Vouchers program.

## Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants' desired greater emphasis placed on building codes and regulatory controls to improve housing conditions, cost and accessibility. Participants recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure to support new housing development and funding for emergency repair and substantial renovation of owner occupied housing.

Decreased funding for entitlement funded programs and public housing were also viewed as primary barriers to affordable housing. Limited local funding for infrastructure and regulatory programs such as code enforcement and demolition were also cited as barriers.

## Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite fair housing education, training and outreach programs funded by the city, some residents appear to be unaware of their rights under fair housing

law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. 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. 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.

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

Predatory lending practices were identified as an 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 and persons interviewed were concerned that a growing number of people have fallen prey to sub prime loans because they have a poor credit rating or limited to no credit history.

**Lending, Foreclosures and the Mortgage Industry**

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

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

**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 an issue for some persons commuting to major employment centers.

**3.2.    Other Concerns and Solutions**

Participants supported greater emphasis and funding for financial literacy. 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 also wanted emphasis place on support to populations with limited English proficiency. Limited English proficiency is not only a growing need among Hispanics, but among other minority and non-English speaking refugee populations moving to Amarillo. Both increased English as a second language courses, and assistance with addressing cultural barriers and access to social services will require more resources.

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

**Introduction**

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry.  The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose.  The FFIEC provides the HMDA databases through their website for download and analysis.  Data were input into a spreadsheet for analysis.  For this analysis, the FFIEC databases were utilized for 2007 through 2012.

The data reported in this report are summarized by a variety of methods.  Tables 4.1 through 4.4 provide information for the Amarillo Metropolitan Statistical Area (the MSA), which includes Potter, Randall, Carson, and Armstrong Counties.  Charts 4.1 through 4.6 display the data graphically.  The maps, provided at the end of this section, present data by census tracts for the MSA with Amarillo city boundaries shown on the maps.

**4.1. Analysis**

Table 4.1 provides a look at the number of loan applications and origination rates in the MSA by loan type, ethnicity,

> **Over 73,400 conventional loan applications were reported in the MSA between 2007 and 2012.**

income, and loan purpose.  Looking first at loan type, conventional loans were the most frequent home loan applications with over 69 percent of home loan applications, with government-insured home loans (FHA and VA) showing lower origination rates, 42.3 percent compared to 52.6 percent for conventional loans.  About 40 percent of the conventional home loan applications were submitted in the first two years of the study period, 2007 through 2008, as detailed in Table 4.3 and shown in Chart 4.6.  In 2007, almost 12,254 conventional applications were recorded, compared to less than 2,300 for government-insured loans.  By 2010 conventional applications had dropped to about 6,600, still somewhat

higher than the number of government-insured applications reported at 3,959. Conventional applications continued to fall through 2011 to just over 6,600 applications. Government-insured loan applications peaked in 2009.

The second section of Table 4.1 reports number of loan applications and origination rates by ethnicity. The

**The White origination rate for all loans during the period from 2007 through 2012 was 55.2 percent.**

largest number of applications was from White applicants with over 55,200, with the highest origination rate at 55.2 percent. The second largest number of applications was from Hispanic applicants at over 9,100 applications. Hispanic origination rates were somewhat lower than Whites at 45.1 percent. African American applications numbered 1,313 with origination rates at 40.6 percent. Comparing origination rates by race/ethnicity by applicant income in Chart 4.2 shows much higher origination rates for White applicants within all income groups when compared to the other two largest racial/ethnic populations. Asians and Hawaiians had high overall origination rates in the very-low income category (for Asians) and in the moderate-, middle-, and high-income categories (for Hawaiians). Asians had a relatively low number of loan applications, fewer than 1,020 applications, and Hawaiians even fewer at 193. Hispanic applicants, the second highest number of applications reported, showed somewhat lower origination rates, even when comparing low-income White applicants to upper-income Hispanic applicants. Upper-income Hispanic origination rates were about 52 percent, compared to the low-income White origination rate of about 51 percent.

The third section of Table 4.1 shows the distribution of loan applications by applicant income. The largest number

**High- and low-income applicants had the two largest numbers of applications by income group.**

of applications reported was from high-income applicants with over 31,000 applications and an origination rate at 56.5 percent. The next largest number was from low-income applicants with over 11,500 applications and an origination

rate of 46.9 percent. Not surprisingly, the table shows that each successive higher income group had a higher origination rate then the previous income group.

The last section of Table 4.1 shows loan applications and origination rates by loan purpose. The most loan

**There were over 32,000 refinance loan applications submitted during the study period.**

applications were for home purchase loans at 35,531, compared to over 32,100 for refinance loans and just almost 5,800 for home improvement loans. Home purchase loans had the highest origination rate at 51.5 percent, compared to 47.1 percent for refinance loans and 49.9 percent for home improvement loans. These data are reflected in Chart 4.1.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose) for the MSA with percentages taken within category rather than demonstrating the percentage of applications that result in loan originations. For instance, Table 4.2 indicates that 73.8 percent of originations for the MSA were for conventional loans whereas the origination rate is 52.6 percent from Table 4.1. For comparison, ethnic percentages were included under the "Percent of Population" column to compare the percentage of originations by ethnic group to their percentage in the population for that geography.

For Loan Type, "Conventional" shows the highest percentages, at 73.8 percent. Government-insured loans,

**Over 73 percent of home loan originations were for conventional loans.**

which are government insured and have more stringent lending criteria, were approximately 26 percent of the originations. Referring back to Table 4.1, government insured loans had a slightly lower origination rate than conventional, at about 42 percent for government insured versus 52.6 percent for conventional.

In the MSA, for Ethnicity, "White" shows the highest percentage of originations at about 84 percent of the total. The

> **Whites accounted for almost 84 percent of all loan originations during the study period.**

percentage of originations is about equal the percentage of Whites in the population, though census data show Hispanics as White when looking at race, so the non-Hispanic White population is somewhat less than 85 percent. Hispanics account for 25.5 percent of the population, compared to 11.3 percent of loan originations. African-American applicants accounted for 1.5 percent of all originations, with six percent of the total population. This is likely a reflection of the reality that Hispanics and African-Americans are more likely to fall within lower-income groups and, therefore, less likely to qualify for mortgage financing. For Income, the highest income group (>120% median) displays the highest percentage of originations, 48.8 percent of all originations. It stands to reason that the highest income group would have the greatest success in being approved for loans. Loan Purpose data show that purchase loans accounted for about 50.3 percent of the originations. Refinance loans were the second most frequent purpose with over 41 percent. Home improvement loans accounted for eight percent of all originations.

Table 4.3 examines origination rates, total number of applications, and denials, all by years and loan types. The changes in the housing market over the

> **Conventional loan applications submitted dropped from a high of over 12,200 in 2007 to just over 6,600 in 2011.**

study period show up in some interesting patterns. The most noticeable change over the six years shown is the steep decline in conventional loan applications from a high of over 12,200 in 2007 down to a low of just over 6,600 in 2011. Home improvement loan applications also show a steady decline from 2007, falling from a high in 2007 of over 1,700 applications to less than 638 applications in 2010. Government-insured and refinance loans were the only categories to have an increase over the six-year period, with refinance starting at 4,894 applications in 2007 and peaking in 2009 at about 7,438 applications.

Government loan applications started at 2,279 in 2007, peaked at 4,872 in 2009, but fell back to less than 4,000 applications by 2011. These data are shown in Chart 4.6

Origination rates for conventional loans rose during the six years of the study period, starting at about 47 percent, and

**Origination rates for government-insured applications peaked at over 45 percent in 2010.**

peaking in 2012 at a high of 58 percent. Government-insured origination rates peaked at 45.0 percent in 2010. Refinance origination rates rose from a low of 36.7 percent in 2007 to a high of 51.2 percent in 2012. Home improvement origination rates also rose from the six year period low of 42 percent in 2007 to over 67 percent in 2012. These data are shown in Chart 4.5.

The total number of denials showed fairly consistent decline through the six-

**Credit history was the largest category for loan denials.**

year period for conventional, refinance, and home improvement loans. These data reflect the decline in total number of loan applications during the study period. Government-insured loan application denials peaked in 2009. These data are shown in Charts 4.3 and 4.4. Chart 4.4 shows that the reasons for loan denials were primarily due to credit history and debt-to-income ratio, with collateral coming in a somewhat distant third.

Table 4.4 compares applications reported between minorities and White applicants for the various loan purposes and income groups. For all three loan purposes shown, Purchase,

**The percentage of applications received from Whites was larger than those received from minorities for home purchase loans, refinance, and home improvement loans.**

Refinance and Home Improvement, the number of loan applications from White applicants was higher than from minorities. For home purchase loans, the percentage of applications from Whites applicants was over 72 percent and 16 percent for minorities. White applicants for home improvement loans

represented about 75 percent of applications. Refinance loans reported 78 percent submitted by Whites. As shown earlier, Whites account for about 84 percent of the population of the city, less those Hispanics reporting White as race in the census.

Looking at the income group comparison, similar patterns hold up for all income categories. The percentage of applications from Whites is highest for all of the income categories. The percentage peaks at about 37 percent minority for the very low-income group. Not surprisingly, denials were highest for the very low-income group, for minorities, Whites, and not provided, as well. The high-income group also had the most applications, with the low-income group second.

Map 4.2 through 4.7 present loan activities by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest shades indicate those areas where denials

**The maps show applications and the ratio of denials to originations with the darkest shaded areas showing where the least activity is located or where the least success in originating loans occurs.**

were highest in comparison to originations. Map 4.7 shows the ratio for all loan types combined. The ratio for the least successful areas, those in the darkest shades in each map, represents those areas where more loans were denied for each loan originated. Lighter shaded areas have more successful loan applicants.

Map 4.1 shows the total number of loan originations by census tract. Less active areas are shown in the darker colors, with the most active areas in lighter colors. Like the other maps, the dark 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 MSA, the least success in borrowing was found in the home improvement loan sector, given the number of applications submitted. The highest success was found in home purchase loan sector, particularly in conventional loans. Purchase loans were the most frequent loan type.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans in the MSA. Though, Hispanics accounted for the second highest number of applications after Whites, the percentage of loan originations was somewhat lower compared to their percentage in population in the MSA.

Applicants' credit history or higher debt-to-income ratios accounted for the highest percentage of loan denials among all races and ethnicities, with a significant showing for the collateral category, particularly in the early years of the study period.

Overall, the lending activity decreased in the middle years of the study due to the impacts of the economic slowdown and the sub-prime lending crises.

> **Lending activity decreased over the six years of the study period, reflecting the impacts of the economic slowdown and the national housing crisis.**

**Table 4.1**

**Home Mortgage Disclosure Act (HMDA) Analysis**
**Comparison of Number of Loan Application and Origination Rates**
**the Amarillo MSA**
**2007 - 2012**

| | Number of Apps. | Orig. Rate |
|---|---|---|
| **Loan Type:** | | |
| **Conventional** | 50,988 | 52.6% |
| **Government-insured** | 22,481 | 42.3% |
| | | |
| **Ethnicity:** | | |
| **Native** | 639 | 34.6% |
| **Asian** | 1,019 | 50.0% |
| **Black** | 1,313 | 40.6% |
| **Hawaiian** | 193 | 52.3% |
| **White** | 55,207 | 55.2% |
| **Hispanic** | 9,130 | 45.1% |
| **Not Provided** | 7,380 | 45.7% |
| **Not Available** | 7,718 | 14.9% |
| | | |
| **Income:** | | |
| **<50% median (very low)** | 6,124 | 37.7% |
| **50-79% median (low)** | 11,537 | 46.9% |
| **80-99% median (moderate)** | 8,350 | 49.7% |
| **100-120% median (middle)** | 7,254 | 51.4% |
| **>120% median (high)** | 31,396 | 56.5% |
| **Not Available** | 8,808 | 34.0% |
| | | |
| **Loan Purpose:** | | |
| **Purchase** | 35,531 | 51.5% |
| **Home Improvement** | 5,794 | 49.9% |
| **Refinance** | 32,144 | 47.1% |
| | | |
| **Totals** | 73,469 | 49.5% |

**Table 4.2**

**Home Mortgage Disclosure Act (HMDA) Analysis**
**Comparison of Originations Within Categories**
**the Amarillo MSA**
**2007 - 2012**

| | Number of Originations | Percent of Originations | Percent of Population |
|---|---|---|---|
| **Loan Type:** | | | |
| **Conventional** | 26,819 | 73.8% | |
| **Government-insured** | 9,517 | 26.2% | |
| | | | |
| **Ethnicity:** | | | |
| **Native** | 211 | 0.6% | 0.7% |
| **Asian** | 509 | 1.4% | 2.6% |
| **Black** | 533 | 1.5% | 6.0% |
| **Hawaiian** | 101 | 0.3% | 0.1% |
| **White** | 30,454 | 83.8% | 84.5% |
| **Hispanic** | 4,119 | 11.3% | 25.5% |
| **Not Provided** | 3,371 | 9.3% | |
| **Not Available** | 1,147 | 3.2% | |
| | | | |
| **Income:** | | | |
| **<50% median (very low)** | 2,307 | 6.4% | |
| **50-79% median (low)** | 5,413 | 14.9% | |
| **80-99% median (moderate)** | 4,151 | 11.4% | |
| **100-120% median (middle)** | 3,726 | 10.3% | |
| **>120% median (high)** | 17,747 | 48.8% | |
| **Not Available** | 2,992 | 8.2% | |
| | | | |
| **Loan Purpose:** | | | |
| **Purchase** | 18,292 | 50.3% | |
| **Home Improvement** | 2,889 | 8.0% | |
| **Refinance** | 15,155 | 41.7% | |
| | | | |
| **Totals** | 36,336 | | |

**Table 4.3**

**Analysis of Home Mortgage Disclosure Act Data, 2007-2012
Applications, Originations, and Denials by Year and Loan Type
the Amarillo MSA**

**Origination Rates**

| Year | Conventional | Government | Refinance | Home Improvement |
|------|--------------|------------|-----------|------------------|
| 2007 | 47.0% | 34.8% | 36.7% | 42.0% |
| 2008 | 52.6% | 39.7% | 44.7% | 47.6% |
| 2009 | 53.1% | 44.3% | 50.1% | 46.8% |
| 2010 | 55.3% | 45.0% | 50.4% | 50.0% |
| 2011 | 52.9% | 42.6% | 46.7% | 60.0% |
| 2012 | 58.0% | 43.7% | 51.2% | 67.1% |

**Total Number of Applications**

| Year | Conventional | Government | Refinance | Home Improvement |
|------|--------------|------------|-----------|------------------|
| 2007 | 12,254 | 2,279 | 4,894 | 1,701 |
| 2008 | 8,105 | 3,568 | 4,028 | 1,276 |
| 2009 | 9,164 | 4,872 | 7,438 | 825 |
| 2010 | 6,613 | 3,959 | 4,956 | 638 |
| 2011 | 6,605 | 3,720 | 4,692 | 660 |
| 2012 | 8,247 | 4,083 | 6,136 | 694 |

**Denials by Year by Loan Type**

| Year | Conventional | Government | Refinance | Home Improvement |
|------|--------------|------------|-----------|------------------|
| 2007 | 2,738 | 221 | 1,451 | 719 |
| 2008 | 1,698 | 268 | 990 | 493 |
| 2009 | 1,297 | 437 | 1,041 | 298 |
| 2010 | 1,098 | 359 | 810 | 245 |
| 2011 | 1,176 | 333 | 888 | 203 |
| 2012 | 1,208 | 351 | 983 | 168 |

## Table 4.4

## Analysis of Home Mortgage Disclosure Act Data
## Activity for the Amarillo MSA, 2007-2012

|  | # Apps. | % of Apps. | % Denied |
|---|---|---|---|
| **Home Purchase Loans** | | | |
| **Minorities** | 5,598 | 15.8% | 14.7% |
| **White** | 25,652 | 72.2% | 9.1% |
| **Not Provided/NA** | 8,457 | 23.8% | 4.0% |
| | | | |
| **Home Improvement Loans** | | | |
| **Minorities** | 1,782 | 30.8% | 43.9% |
| **White** | 4,352 | 75.1% | 32.3% |
| **Not Provided/NA** | 1,026 | 17.7% | 48.9% |
| | | | |
| **Refinance Loans** | | | |
| **Minorities** | 4,914 | 15.3% | 32.2% |
| **White** | 25,203 | 78.4% | 19.2% |
| **Not Provided/NA** | 5,615 | 17.5% | 15.6% |
| | | | |
| **Income Groups** | | | |
| **<50% MFI** | | | |
| **Minorities** | 2,271 | 37.1% | 35.1% |
| **White** | 4,720 | 77.1% | 29.4% |
| **Not Provided/NA** | 856 | 14.0% | 38.3% |
| **50 to 79% MFI** | | | |
| **Minorities** | 2,907 | 25.2% | 29.0% |
| **White** | 9,235 | 80.0% | 19.6% |
| **Not Provided/NA** | 1,659 | 14.4% | 21.8% |
| **80 to 99% MFI** | | | |
| **Minorities** | 1,679 | 20.1% | 23.6% |
| **White** | 6,666 | 79.8% | 16.6% |
| **Not Provided/NA** | 1,226 | 14.7% | 19.3% |
| **100 to 120% MFI** | | | |
| **Minorities** | 1,206 | 16.6% | 24.0% |
| **White** | 5,906 | 81.4% | 14.9% |
| **Not Provided/NA** | 1,055 | 14.5% | 13.9% |
| **>120% MFI** | | | |
| **Minorities** | 3,603 | 11.5% | 20.5% |
| **White** | 25,765 | 82.1% | 11.7% |
| **Not Provided/NA** | 4,566 | 15.5% | 11.9% |

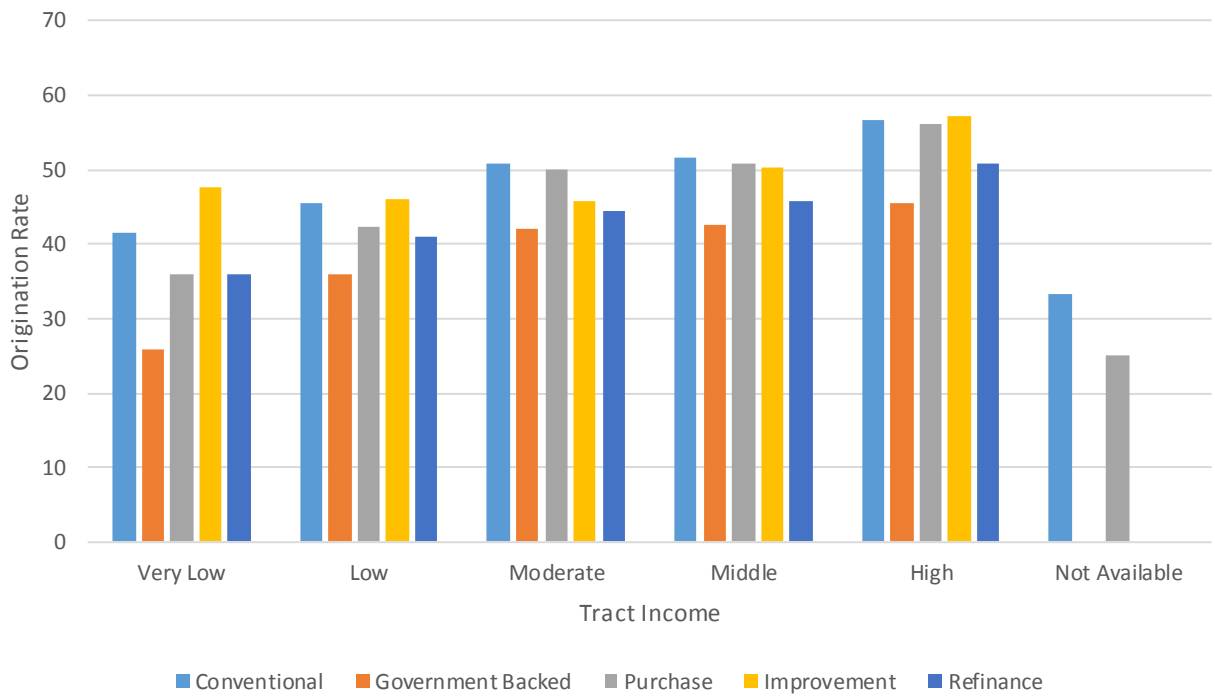Chart 4.1: Origination Rates by Loan Type by Tract Income



Chart 4.2: Origination Rates by Ethnicity by Applicant Income
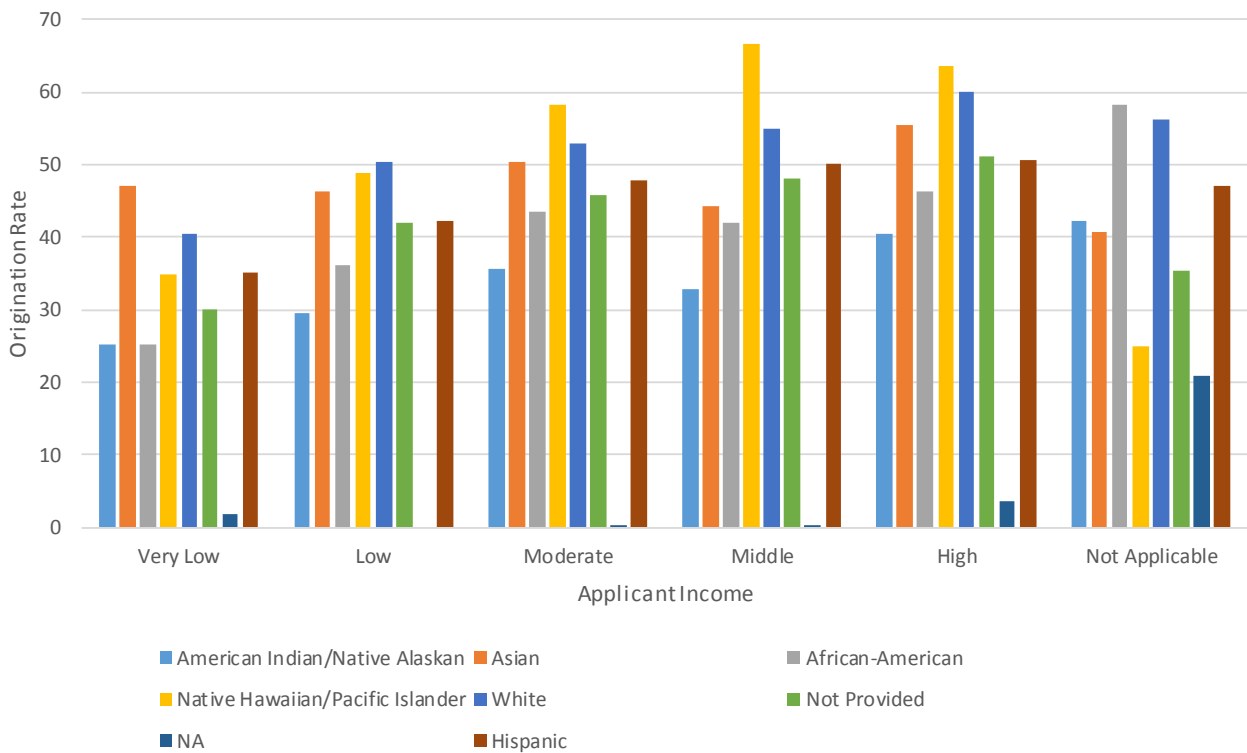
75

Chart 4.3: Reason for Denial by Year
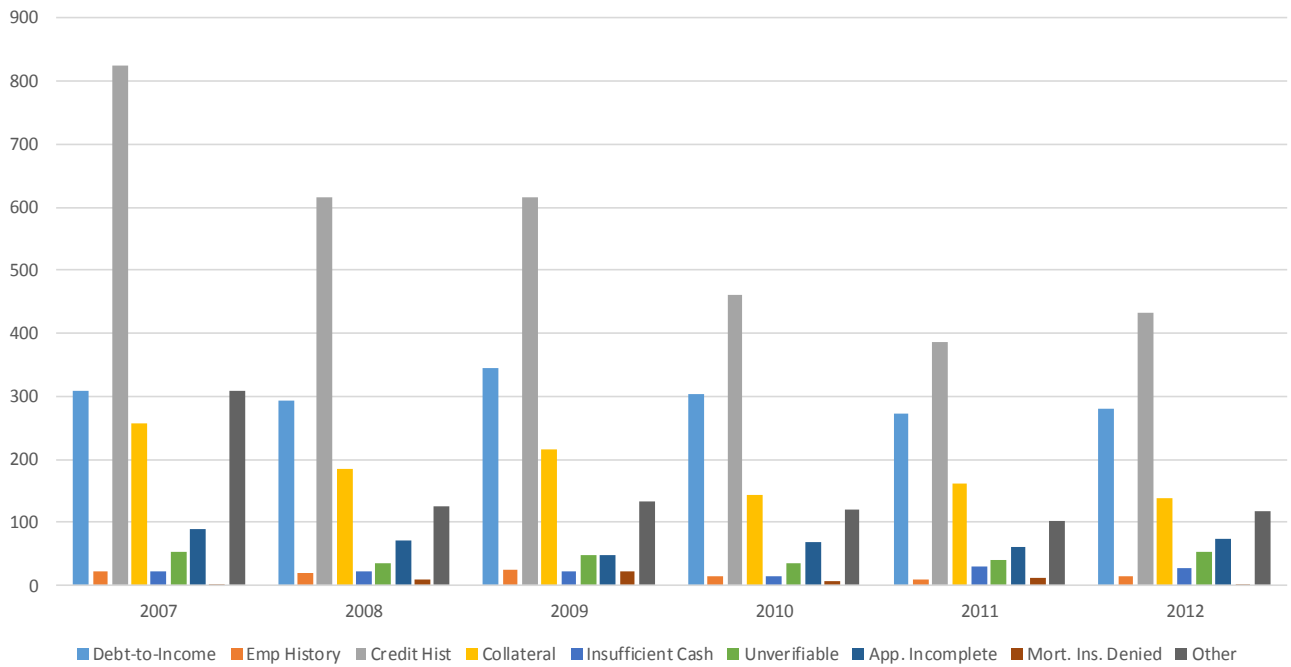


Chart 4.4: Reason for Denial by Loan Type
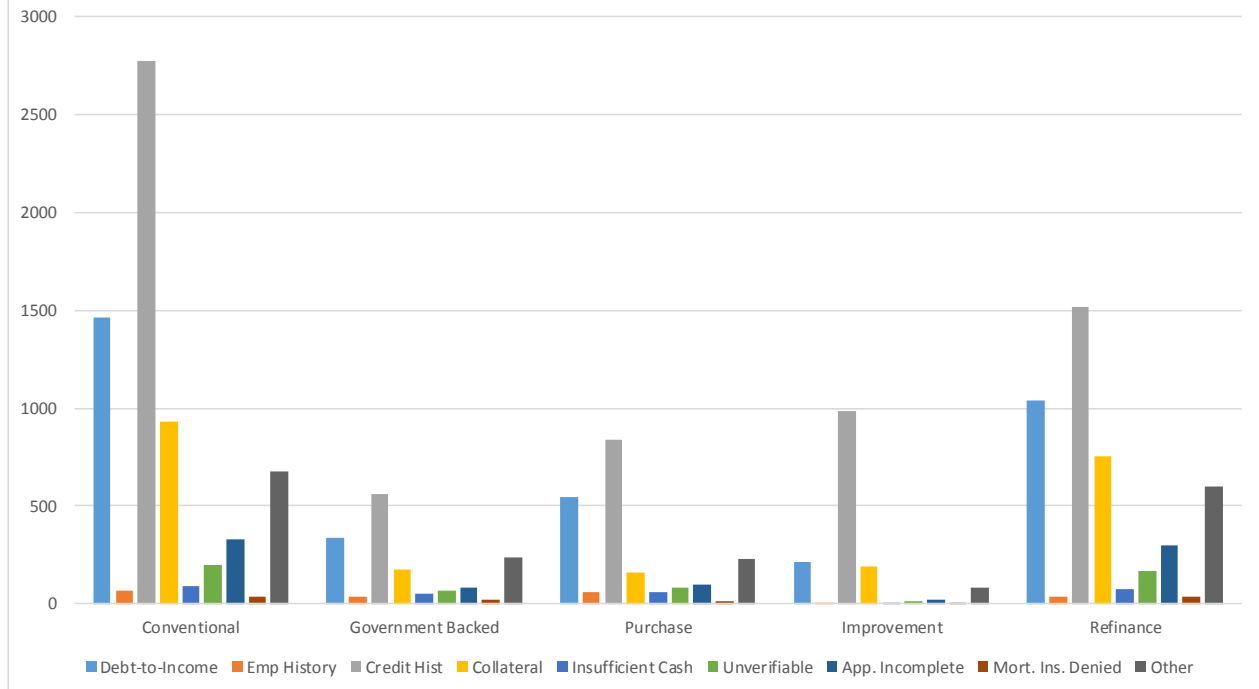
Chart 4.5: Origination Rates by Loan Type by Year
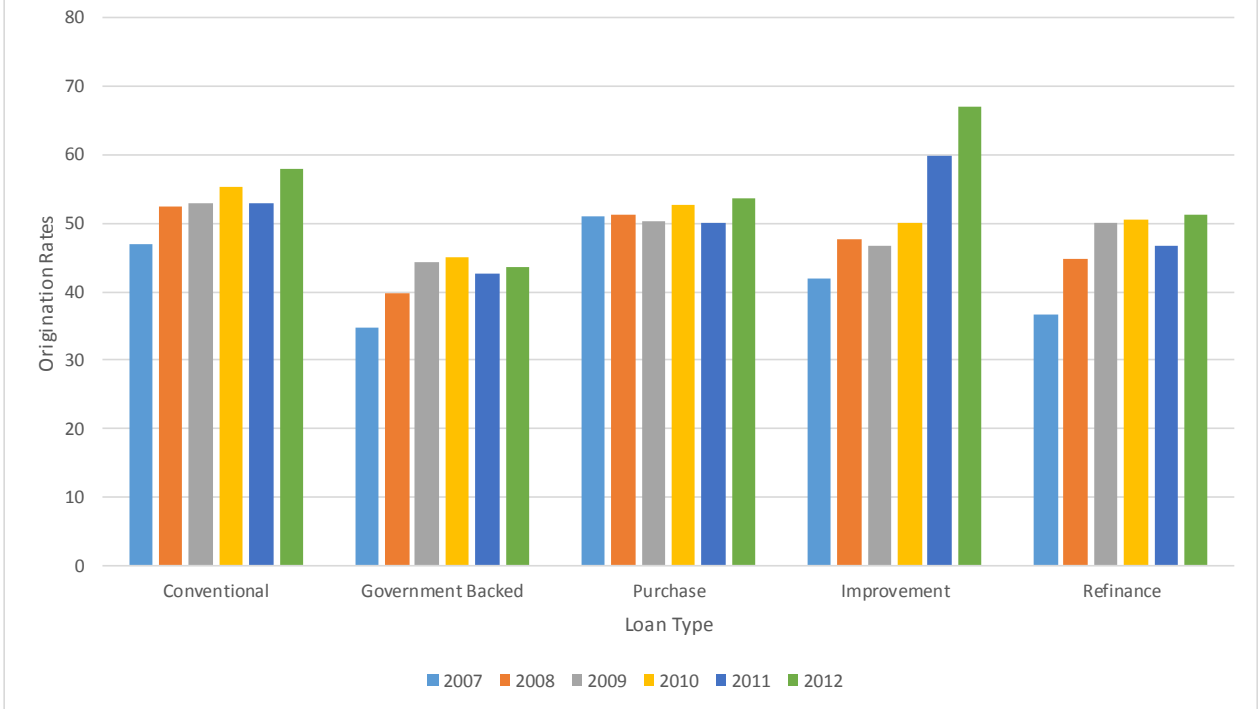


Chart 4.6: Total Applications by Loan Type by Year
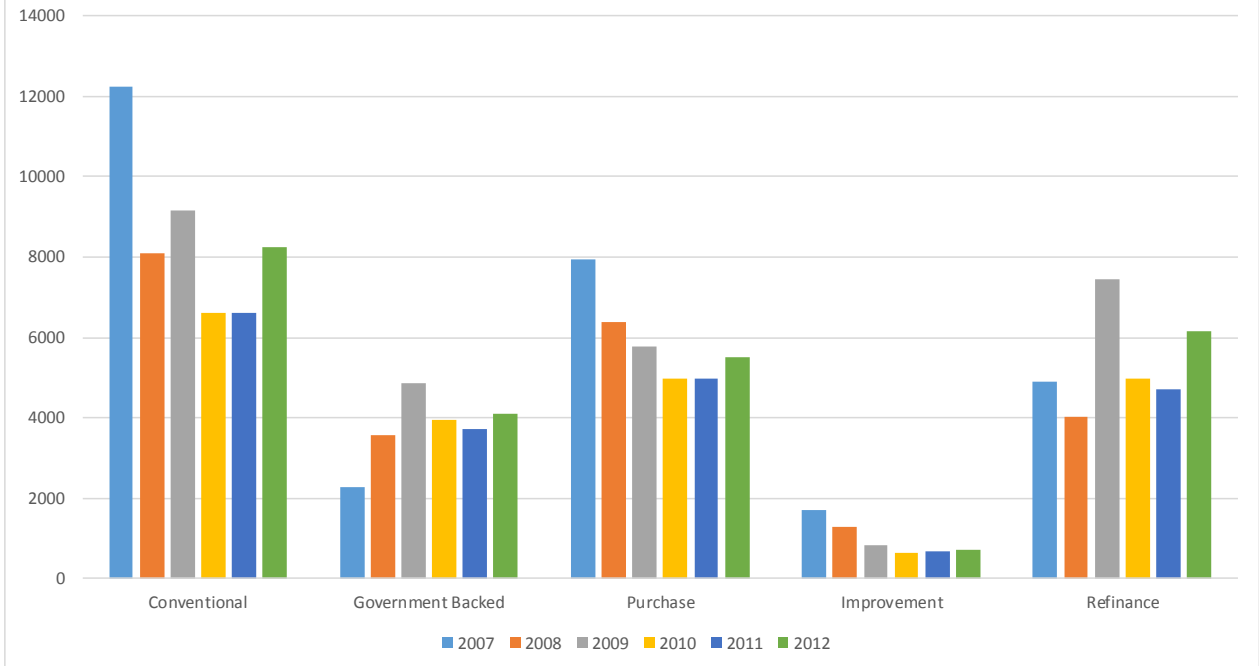
**Map 4.1: Total Applications, 2007 - 2012**

Legend

Roads
Cities

**Census Tracts**

**Total Applications**

0 - 446
447 - 775
776 - 1045
1046 - 2007
2008 - 5810
Counties

0    4.25    8.5    17    25.5    34
Miles
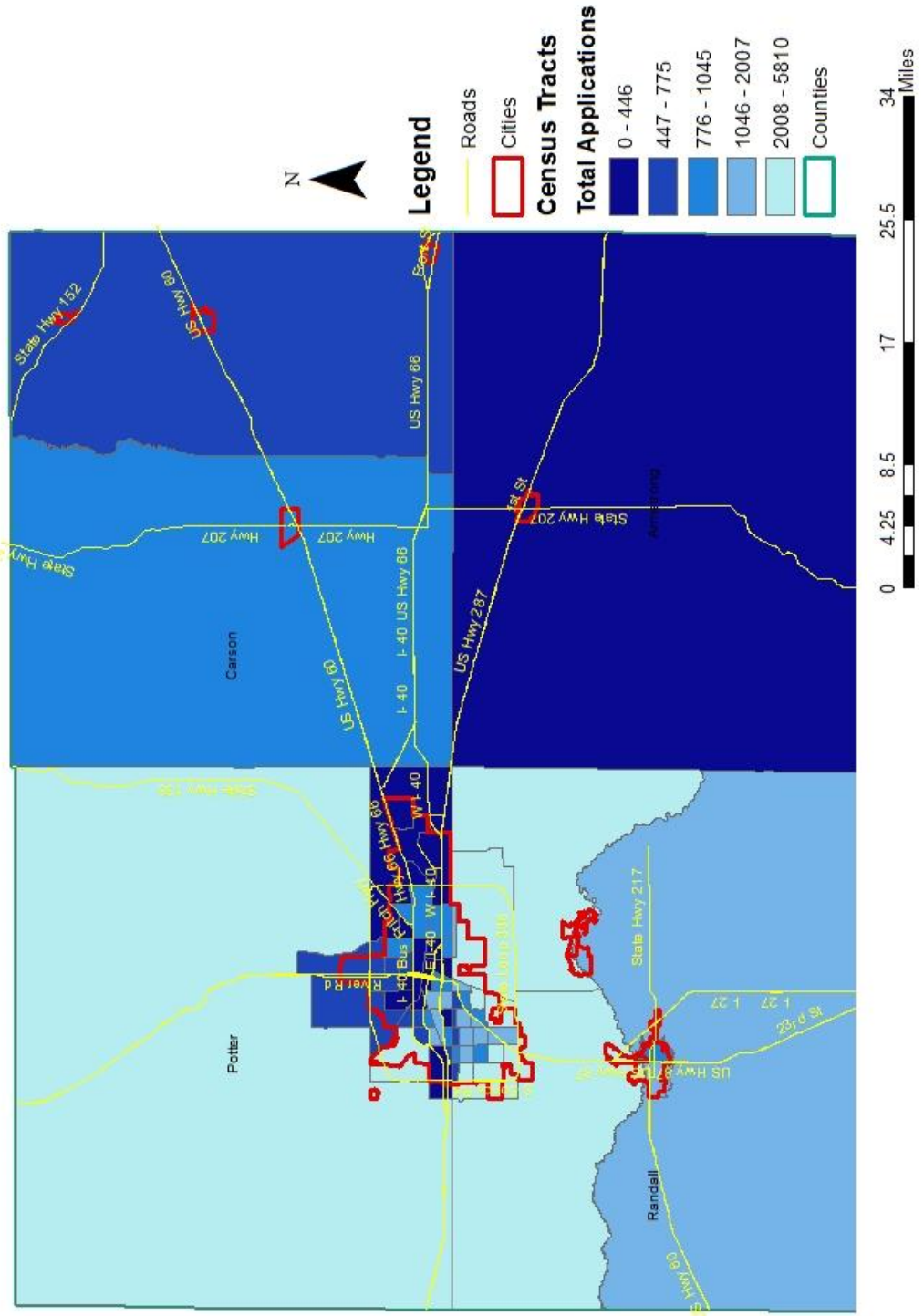
Map 4.2: Government-Backed Loans Denials to Originations, 2007-2012



N

**Legend**

— Roads

☐ Cities

**Census Tracts**

**Gov. Ratio**

☐ 0.0652 - 0.1515
☐ 0.1516 - 0.1887
☐ 0.1888 - 0.2393
☐ 0.2394 - 0.3857
☐ 0.3858 - 1.0000

☐ Counties

0   4.25   8.5   17   25.5   34
Miles
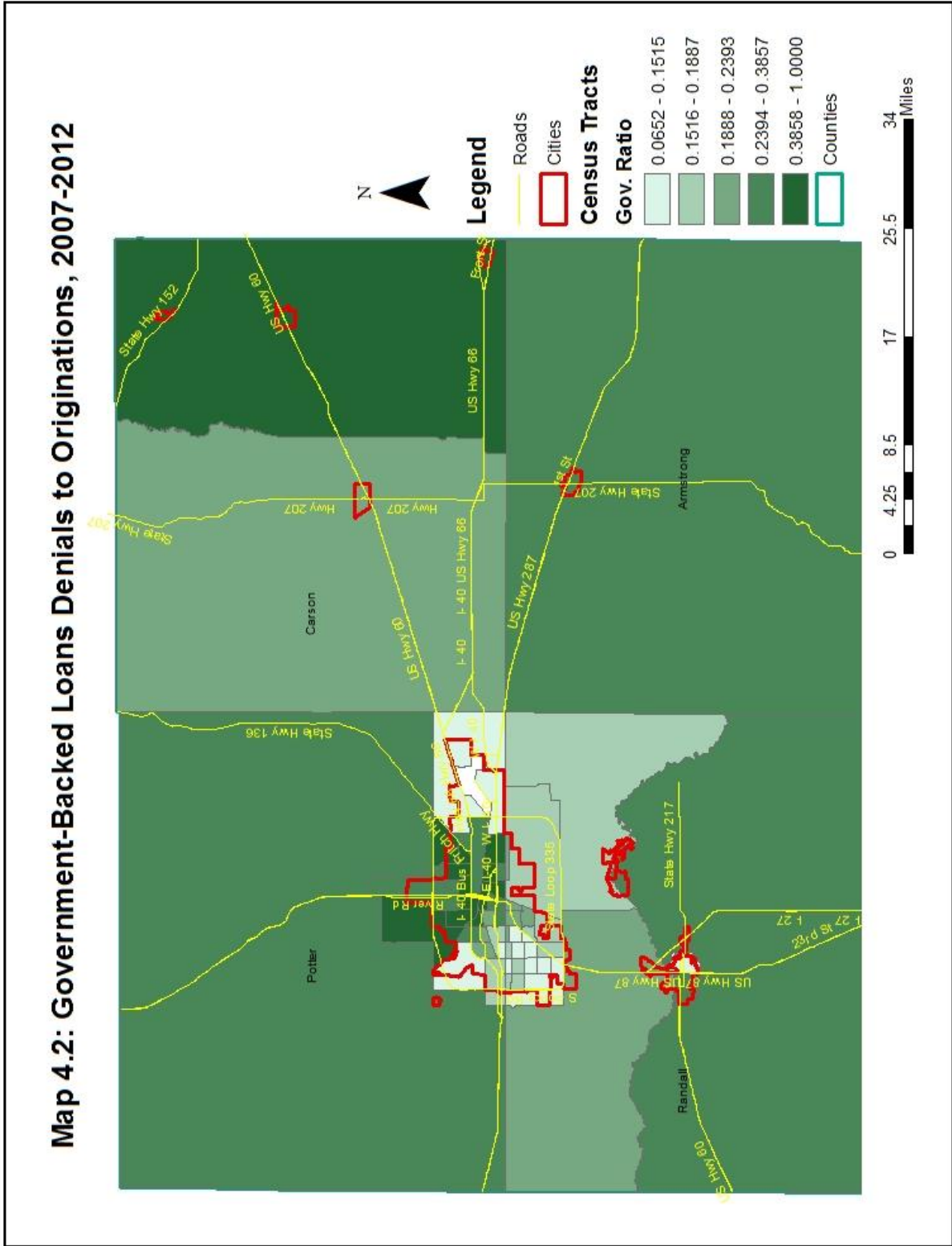
# Map 4.3: Conventional Loans Denials to Originations, 2007-2012

**Legend**

— Roads

☐ Cities

**Census Tracts**

**Conv. Ratio**

0.1364 - 0.2644
0.2645 - 0.3219
0.3220 - 0.4470
0.4471 - 0.6748
0.6749 - 1.5556

☐ Counties

N

Potter

Carson

Randall

Armstrong

State Hwy 152

State Hwy 136

Hwy 60

Hwy 207

State Hwy 207

US Hwy 60

US Hwy 66

US Hwy 287

I-40

I-40 US Hwy 66

E I-40  W I-40

State Loop 335

River Rd

State Hwy 217

I-27

23rd St

US Hwy 87

US Hwy 60

0   4.25   8.5   17   25.5   34

Miles

Map 4.4: Purchase Loans Denials to Originations, 2007-2012

**Legend**

—— Roads

☐ Cities

**Census Tracts**

**Purchase Ratio**

☐ 0.0577 - 0.0957
☐ 0.0958 - 0.1344
☐ 0.1345 - 0.1980
☐ 0.1981 - 0.3721
☐ 0.3722 - 1.7692

☐ Counties

0   4.25   8.5   17   25.5   34
Miles

Map 4.5: Refinance Loans Denials to Originations, 2007-2012

Legend

Roads

Cities

Census Tracts

Refinance Ratio

0.1943 - 0.2857
0.2858 - 0.3973
0.3974 - 0.4410
0.4411 - 0.8276
0.8277 - 1.5000

Counties

0   4.25   8.5   17   25.5   34
Miles
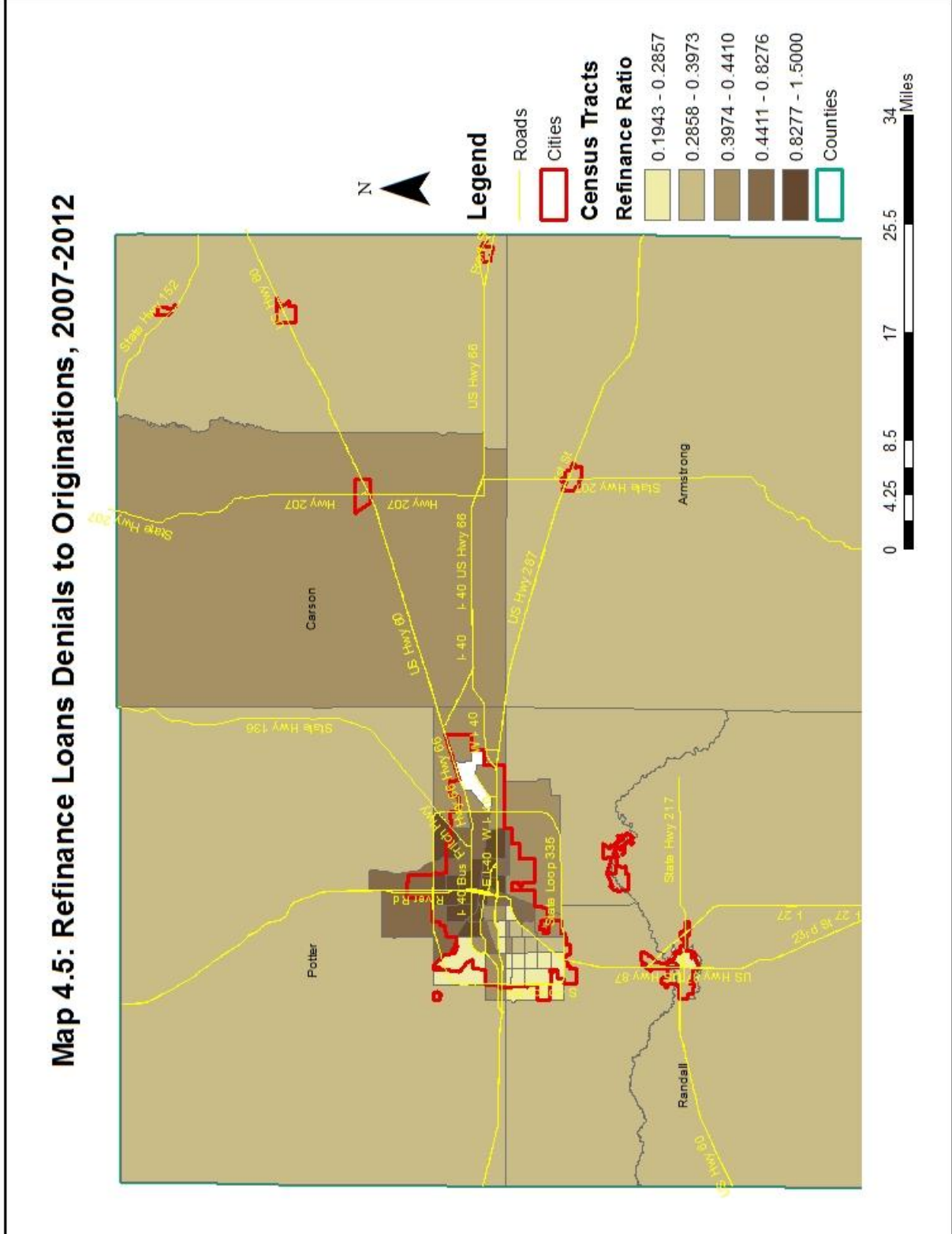
Map 4.6: Home Improvement Loans Denials to Originations, 2007-2012
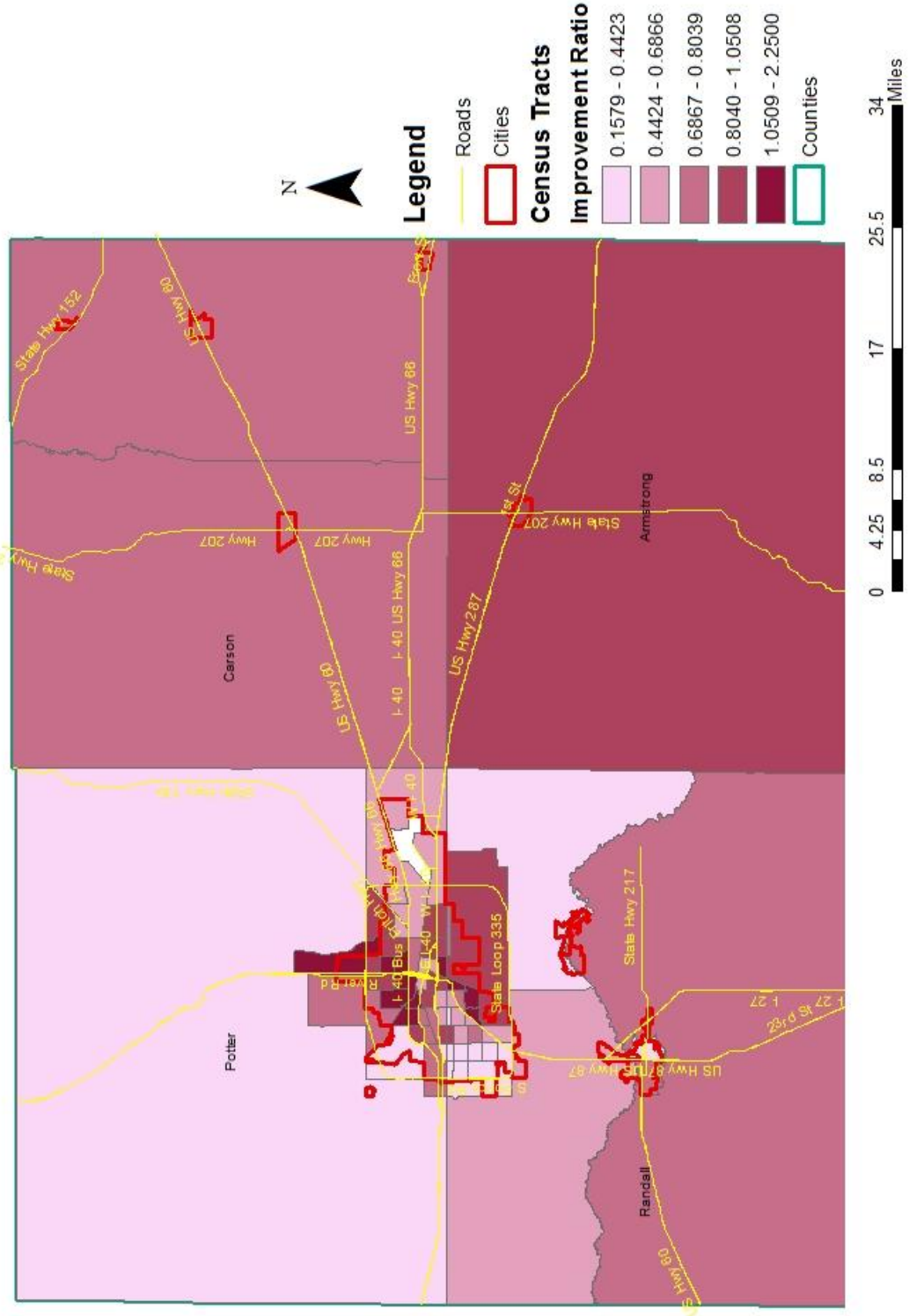
Map 4.7: All Loan Types, Denials to Originations, 2007-2012
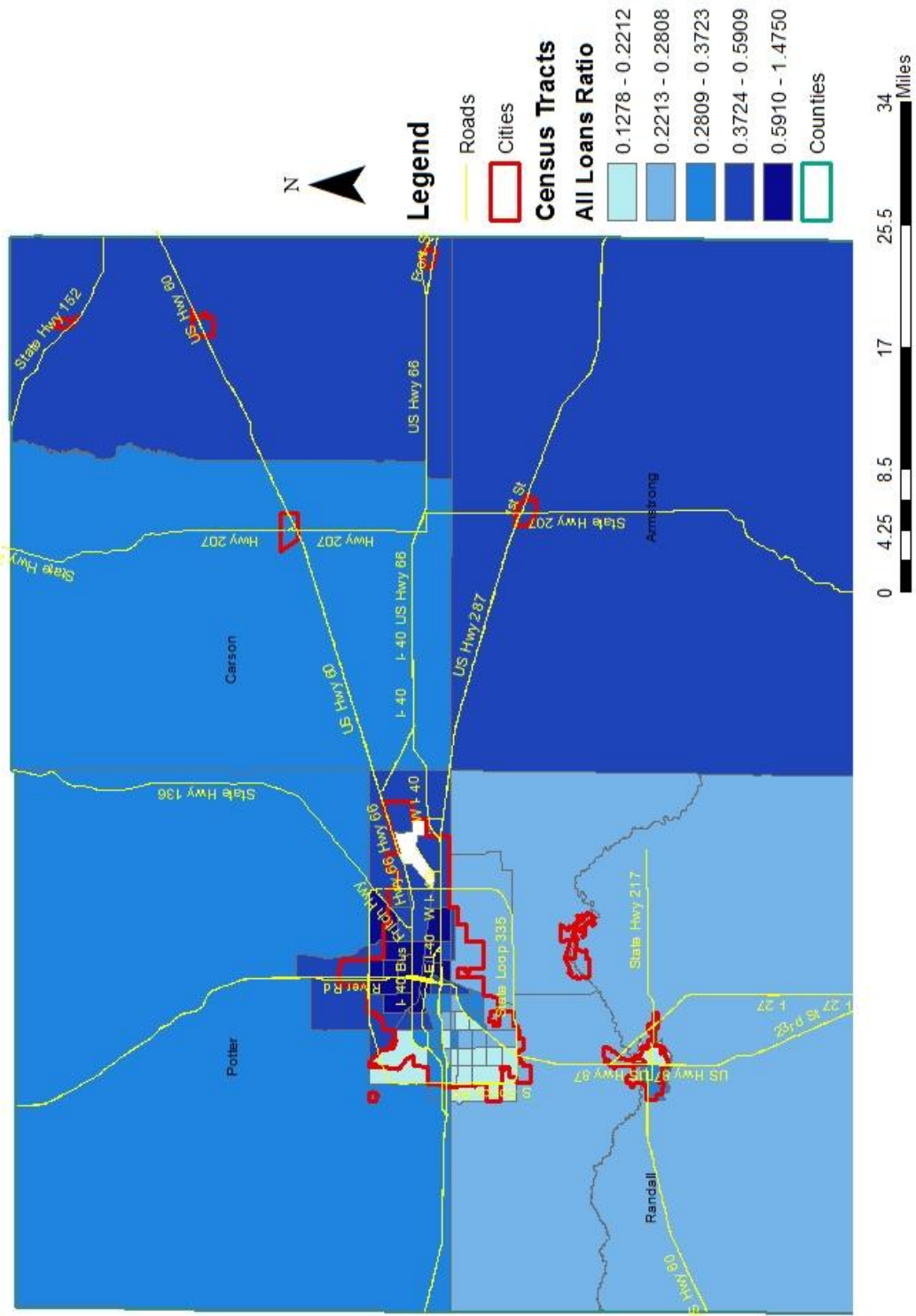
## Section 5: Fair Housing Index

**Introduction**

The Fair Housing Index is a measure developed by JQUAD specifically for Analyses of Impediments to Fair Housing. The index combines the effects of demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table, are standardized and added to classify the conditions in various census tracts into degree of problems that may cause impediments to fair housing choice. The map provides a general indication of geographic regions within the MSA, and the cities within the MSA, where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing. From a social equity perspective, the index serves to quantify the extent to which sub-populations within a given geography suffer from a lack of opportunity, which can lead to an unsafe or unhealthy environment, characterized by concentrations of poverty, unemployment, and other demographic indicators. The analysis is highly technical and utilizes advance statistical techniques. Therefore, in addition to the methodology in Section 5.1 below that describes the statistical techniques, Section 5.2 presents the key findings in less technical terms.

**5.1. Methodology**

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1980, median household income, percent of the population with less than a high school degree, percent of the workforce that is unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2007 through 2012 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial

Institutions Examination Council. With the exception of the HMDA data, all other data were found in the 2008-2012 American Community Survey (ACS) 5-Year estimates. Each variable contained data for every census tract in the MSA as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and ranges in value from –1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.8945.

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

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high

housing values, the current residents are likely not having problems with fair housing choice.  High housing value, therefore, would be assigned a positive value.  Each variable was considered in this light and assigned an appropriate sign, thus combining effects.  This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination.  With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1.  The analysis shows High Risk areas as those census tracts with standard scores below –1.50.  Scores between -1.49 and -1 are designated Moderate Risk areas.  Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk.  The results are summarized in the following section.

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

Included following the map is the correlation table (Table 5.1).  MedValue is the median home value according to the 2008 - 2012 ACS estimates.  MedRent is the median contract rent.  XMinority is the percent minority.  XFemHH is the percent female-headed household.  XPre80 is the percent of housing built prior

to 1980. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. TotalRat is the ratio of denials to originations from the HMDA data from 2007 to 2012.

Table 5.2 provides a sense of the disparity between the low and high values for each variable in the analysis (range), along with the median value to provide perspective as to the extent to which that disparity impacts social equity as measured by each variable. The same 10 variables are shown in this table.

## 5.2. Findings

Looking at the correlation table (Table 5.1), the variable representing the ratio of mortgage loan denials to originations for all loan types between the years of 2007 and 2012 (TotalRat), shows very high positive correlations to the percentage of the population with less than a high school degree (0.7981), percent minority (0.7503), and percent female headed households (0.6128) and moderate negative correlations to the median household income (-0.6201) and median value (-0.6913). These correlations indicate that in tracts where mortgage applicants have less success when applying for mortgage loans there are markedly higher percentages of persons with low levels of education, minority concentrations, and households without a husband present, and where property values and incomes are lower.

Percentage with less than a high school degree is also highly correlated with median housing hold income (-0.6895), percent minority (0.8945), median housing value (-0.7481), and female headed households (0.6963). These data show that lower education levels likely live in lower value housing, have lower incomes, and high concentrations of minorities and households headed by women.
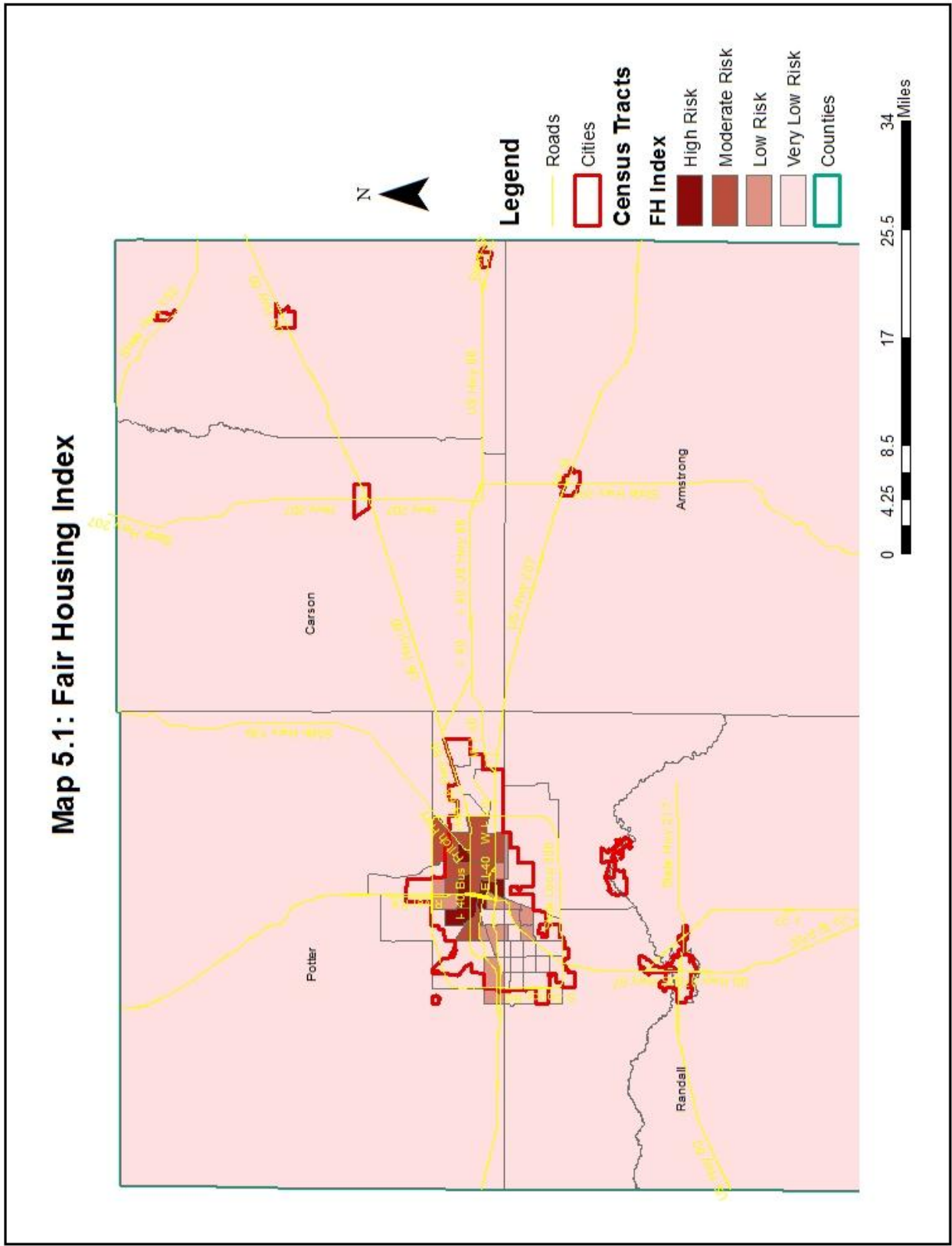
Median household income is also negatively correlated to percent minority (-0.6624), female-headed household (-0.6388), and the unemployment rate (-0.5565), and positively correlated to median housing value (0.8411). These correlations indicate that in tracts with higher median incomes there are lower percentages of female-headed households, lower concentrations of minorities, fewer unemployed persons, and higher housing values.

Unemployment shows moderate positive correlations with an inability to get mortgages (0.5961), percent minority (0.6746), and less than a high school degree (0.5732) and negative correlations to median household income (-0.5565). These data indicate that unemployed persons are more likely to be minority, without a high school degree, and have low household incomes.

As indicated on Maps 5.1 and 5.2, on the following pages, the majority of the census tracts designated as having a High Risk of fair housing related problems are concentrated in northwest and central Amarillo, extending east in and around downtown. The largest portions of census tracts categorized as very low risk are in southwest Amarillo.

These areas of greatest concern in the MSA contain the housing stock most likely experiencing a decline in housing conditions, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. These areas contain a concentration of lower income groups and lower valued housing stock and rents.

# Map 5.1: Fair Housing Index



**Legend**

— Roads

☐ Cities

**Census Tracts**

☐

**FH Index**

■ High Risk

■ Moderate Risk

■ Low Risk

☐ Very Low Risk

☐ Counties

0    4.25    8.5    17    25.5    34
Miles

Map 5.2: Fair Housing Index
Amarillo Only

Legend

Roads

Amarillo

FH Index

High Risk

Moderate Risk

Low Risk

Very Low Risk
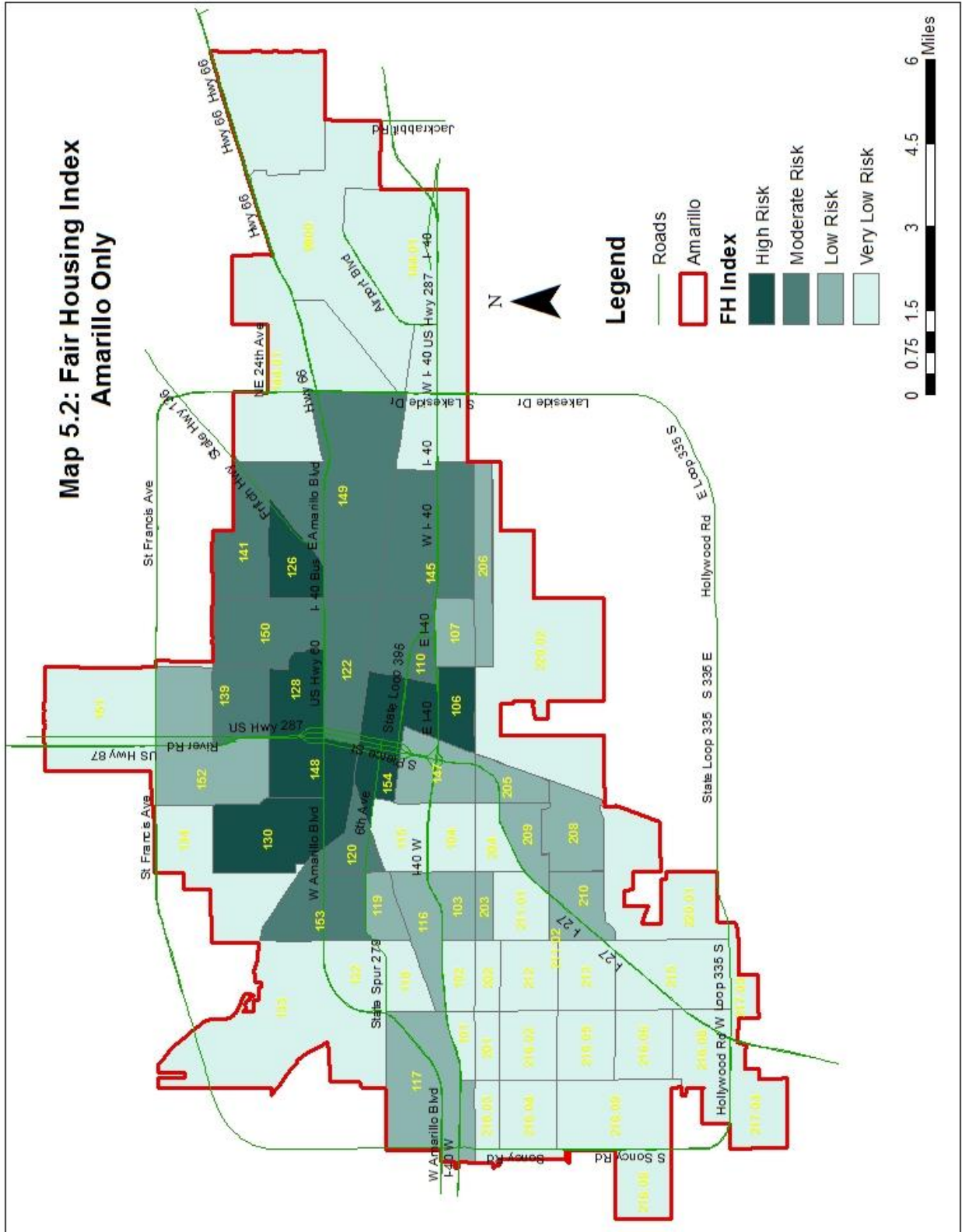
| Table 5.1: Correlation Table of Fair Housing Index Variables | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | TotalRat | XPubTrans | XLessHS | XUnemp | MedHHI | XPre80 | MedRent | MedValue | XMinority | XFemHH |
| TotalRat | 1.0000 | | | | | | | | | |
| XPubTrans | 0.2405 | 1.0000 | | | | | | | | |
| XLessHS | 0.7981 | 0.3665 | 1.0000 | | | | | | | |
| XUnemp | 0.5961 | 0.0445 | 0.5732 | 1.0000 | | | | | | |
| MedHHI | -0.6201 | -0.3478 | -0.6895 | -0.5565 | 1.0000 | | | | | |
| XPre80 | 0.2476 | 0.1377 | 0.2572 | 0.3024 | -0.6086 | 1.0000 | | | | |
| MedRent | -0.4513 | -0.1623 | -0.4574 | -0.2997 | 0.5645 | -0.3033 | 1.0000 | | | |
| MedValue | -0.6913 | -0.3090 | -0.7481 | -0.5309 | 0.8411 | -0.5648 | 0.4617 | 1.0000 | | |
| XMinority | 0.7503 | 0.4116 | 0.8945 | 0.6746 | -0.6624 | 0.2495 | -0.3236 | -0.6880 | 1.0000 | |
| XFemHH | 0.6128 | 0.2270 | 0.6963 | 0.5396 | -0.6388 | 0.2769 | -0.3032 | -0.6281 | 0.7745 | 1.0000 |

| Variable | Definition |
|---|---|
| XFemHH | % Female Headed Households, 2008-2012 |
| XMinority | % Minority, 2008-2012 |
| MedValue | Median Home Value, 2008-2012 |
| MedRent | Median Contract Rent, 2008-2012 |
| XPre80 | % of Housing Built Prior to 1980, 2008-2012 |
| MedHHI | Median Household Income, 2008-2012 |
| XLessHS | % Less than High School Degree, 2008-2012 |
| XUnemp | % Unemployed, 2008-2012 |
| XPubTrans | % Taking Public Transportation to Work, 2008-2012 |
| TotRat | Ratio of Home Loan Denials to Originations, All Loan Types, 2006-2012 |

| Table 5.2: Disparity Between High and Low Values by Variable | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | TotalRat | XPubTrans | XLessHS | XUnemp | MedHHI | XPre80 | MedRent | MedValue | XMinority | XFemHH |
| Low Value | 0.1277 | 0% | 1.8% | 0.63% | $14,986 | 7.6% | $195 | $42,300 | 8.0% | 0.1% |
| Median Value | 0.3127 | 0.0% | 11.8% | 4.5% | $49,489 | 72.7% | $570 | $110,300 | 30.9% | 7.0% |
| High Value | 1.475 | 51.3% | 59.2% | 17.4% | $110,037 | 96.1% | $1,262 | $286,300 | 100.0% | 24.9% |
| Disparity High | 1.3473 | 51.3% | 57.4% | 16.8% | $95,051 | 88.5% | $1,067 | $244,000 | 92.1% | 24.8% |

## Section 6: Impediments and Recommended Remedial Actions

**Introduction**

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

The analysis of impediments is designed to identify and reduce fair housing impediments and disparate impacts and is expected to increase the effectiveness of existing laws. More comprehensively, it offers considerable value in assessing fair housing issues and identifying solutions from a city or regional perspective, as many of the fair housing issues that are most intractable are not locally restricted and solutions are most certainly in need of a diverse group of participants in order to successfully solve or lessen their impact.

This section includes an examination of best practice policies, ordinances, and regulations that affirmatively further fair housing to inform alternative approaches to addressing impediments and remedial actions. This includes compiling examples of community development strategies that improve community infrastructure and housing stock, while maintaining a mix of housing types, incomes and culture. This section also seeks to identify gaps between physical infrastructure and housing availability by comparing current status and conditions with recommended improvements such as housing subsidies, livable wages, job creation, education, job training, and infrastructure improvements needed to support new affordable housing, the renovation of existing affordable housing, as well as mobility and public transportation.

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

The poverty rate in Amarillo is 16.9 percent. Three times the poverty rate is 50.7 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. The census tracts within the City of Amarillo that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the north central areas of Amarillo, with a couple of tracts to the southeast and southwest of the downtown area.

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

Impediments to fair housing choice and remedial actions to remove or lessen their impacts are detailed in this section of the report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of

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

## 6.1 Real Estate and Housing Market Related Impediments

**Impediment: Housing Affordability and Insufficient Income.**

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

> **Determinant:** Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in the City. The analysis included the correlation between median home values and household income, and the distribution of income across income classes for Whites, African-American,

95

Asians and Hispanics. The median housing value in the City was $111,300 and the median contract rent was $574 between 2009 and 2013. The average income required to qualify for a mortgage based on the median home value of $111,300 for the City is approximately $30,000 to $40,000 in household income and the average income to qualify for a contract rent of $574 is $20,000 to $30,000. As a reference, $25,000 per year is approximately $12.00 per hour for a forty-hour workweek, 52 weeks a year for a single wage earner.  According to the 2009 - 2013 ACS estimates (5-Year average), approximately 47.0 percent of African Americans, and 36.6 percent of Hispanics earn annual household incomes of less than $25,000 compared to 22.4 percent of Whites. Approximately 64.3 percent of African Americans and 51.1 percent of Hispanics earn annual household incomes of less than $35,000 compared to 33.6 percent of Whites, making housing affordability a concern for large segments of the City's population regardless of race and ethnicity.

Overall, the income distribution data show modal and median incomes above $35,000 for all ethnic and racial groups but reveals some disparity in City of Amarillo' income distribution across these populations. According to the 2008-2012 American Community Survey (ACS) estimates (5-year average), the median household income for White households was $51,545, $26,361 for African-American households, and $34,167 for Hispanic households, compared to $46,028 for the overall city.

Paying more than 30 percent on housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened". Citywide, for households earning between 31 percent and 50 percent ($14,268 - $23,014) of the median family income, 17 percent of renters and 24 percent of homeowners earning incomes in that range pay more than 50 percent (severely cost burdened) on housing expenses. Approximately 61 percent of renters and 28 percent of homeowners are paying between 30 and 50 percent (cost burdened) on housing expenses in the Amarillo.

Cost burden among homeowners is highest for the lowest income, persons earning less than 30 percent of median income ($13,808) as would be expected. The income data shows that 99 percent homeowners earning less than $20,000 per year are cost burdened. The percentage shrinks to 83.5 for those earning between $20,000 and $34,999.

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

**Impediment #2:** Areas where minorities and lower income households are most likely to find housing affordable are in minority and low income concentrated census tracts. The demographic characteristics of these areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in Section 05 of the Fair Housing Index, the census tracts designated as having high to moderate risk of fair housing related problems and impediments are in northwest and central Amarillo, extending east in and around downtown. These areas are shown in dark red and red on the map. The largest portions of census tracts categorized as very low risk are in southwest Amarillo.

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

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

**Recommended Remedial Actions:**

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

**Action #2:** City of Amarillo will continue to help facilitate access to below-market-rate units and use its' federal funds to leverage private sector participation in financing affordable housing and for neighborhood reinvestment.

**Action #3:** City of Amarillo will continue to maintain a list of partner lenders providing affordable housing financing and subsidies.

**Action #4:** City of Amarillo will continue to identify and seek additional sources of funds for affordable housing as they become available.

**Action #5:** City of Amarillo will continue to encourage private sector support for affordable housing initiatives.


## 6.2    Public Policy and Fair Housing Infrastructure Impediments

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

> **Determinant:** City and State Fair Housing regulations were compared to the Federal Fair Housing Act and the analysis has determined that the City of Amarillo has not enacted regulations that offer similar rights, remedies, and enforcement to the Federal Fair Housing Act. State of Texas Fair Housing regulations are construed as being substantially equivalent to the Federal Fair Housing Act. It is important to note that neither the State Act nor the Federal Act offer protections for persons based on "source of income for housing" or those

receiving "public assistance". Persons who are extremely low-income are often recipients of public assistance, including housing subsidies, and as such are not currently protected as class members under the State or Federal Fair Housing Acts.

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

**Determinant:** Amarillo, the state's 14th largest city, receives a higher ratio of new refugees to the existing population than any other Texas City according to 2007 - 2012 U.S. State Department data. The only Texas cities that receive a larger number of refugees than Amarillo (which received 480 in 2012) are also the state's largest: Houston, Dallas, Fort Worth, Austin and San Antonio. The State Department's studies show only a refugee's initial placement and do not account for secondary migration in which many refugees who initially settle elsewhere relocate to Amarillo for jobs or to join family members. The incidents of discrimination and impediments to fair housing increases as the City attempts to address the language and cultural barriers and the stress of providing affordable housing, supportive and social services. These increased demands will need to continue to be mitigated, in part, through the use of entitlement funded programs.

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

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

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

**Recommended Remedial Actions:**

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

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

**Action #8:** Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. City of Amarillo will encourage HUD to provide increased fair housing testing in local apartment complexes. The testing

program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, HUD will be asked to share its findings with the City that will offer outreach to landlords that showed differential treatment during the test.

**Impediment: Expanded Services Areas and Increased Access to Public Transportation is needed to address Mobility for transit dependent persons.**

**Determinant:** According to the Amarillo City Transit website, the City of Amarillo provides public transit services, operated by the Amarillo City Transit Department. Amarillo City Transit (ACT) services include fixed route transit and demand response paratransit. Local transit services for the City have been in operation since 1925. The City of Amarillo began operating the local bus system in 1966; prior to that time the system was privately owned. Paratransit service, designated as "Spec-Trans" for persons with disabilities was initiated in July of 1987. Spec-Trans is reserved for persons who are unable to navigate an accessible fixed route bus and system. ACT does not subcontract any part of the services that are provided. The major trip generators include the medical center, education facilities, shopping centers and state offices. ACT does not provide transportation services for any agencies or programs. This service is dedicated to certified clients only.

The system includes eight fixed-route lines, all of which operate from a central hub and radiate out like spokes on a wheel, offering little interconnectivity. The routes operate from 6:30 am to 7:00 pm Monday through Saturday, with no service on most major holidays. While the economics of public transit prevent complete coverage that would allow all workers a reliable and speedy commute to any job location within the City, the distribution of routes in the existing transit systems do appear to focus on providing access to major employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

**Impediment #8:** Public transportation does not provide service after 7:00 pm or on holidays to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social service locations.

**Impediment #9:** Transits accessibility remains an obstacle for some special needs groups such as seniors and the disabled.

**Recommended Remedial Action:**

**Action #9: Expand routes and service times for public transportation to Employment Centers** - Additional focus and analyses should be given to expanding public transportation as funds become available and it becomes economical to do so.

## 6.3    Banking, Finance, Insurance and other Industry related impediments

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

**Determinant:**  Overall, the number of applications and origination rates among Whites were higher than that of minorities in all loan types home purchase, home improvement and refinance loans. Hispanics and African-Americans accounted for lower percentage of loan applications and originations compared to their percentage in population in the City. One possible reason for lower number of applications from Hispanics could be due to language and cultural barriers that impede them in understanding the loan applications and mortgage process. Among African-Americans the issue is both the lack of applications and the lower origination rates.

**Determinant:** The analysis of HMDA data and the reported reasons for denial of loans showed that the majority of denials related to the applicants credit history or their debt-to-income ratio in City of Amarillo. Chart 4.4 shows that the reasons

for loan denials were primarily due to credit history (42%), debt-to-income ratio (28%), with collateral coming in a somewhat distant third (16%).

**Determinant:** There is a disparate impact on minority and lower income populations in loan applications submitted and origination rates compared to that of Whites. The largest number of applications was from White applicants with over 55,200, with the highest origination rate at 55.2 percent. The second largest number of applications was from Hispanic applicants at over 9,100 applications. Hispanic origination rates were somewhat lower than Whites at 45.1 percent. African American applications numbered 1,313 with origination rates at 40.6 percent. Comparing origination rates by ethnicity by applicant income shows much higher origination rates for White applicants within all income groups when compared to the other two largest racial/ethnic populations. Asians and Native Hawaiians had high overall origination rate the very-low income category (for Asians) and in the moderate-, middle-, and high-income categories (for Native Hawaiians). Asians had a relatively low number of loan applications, however, at fewer than 1,020 applications and Native Hawaiians even fewer at 193. Hispanic applicants, the second highest number of applications reported, showed somewhat lower origination rates, even when comparing low-income White applicants to upper-income Hispanic applicants. Upper-income Hispanic origination rates were about 52 percent, compared to the low-income White origination rate of about 51 percent.

In the MSA, for Ethnicity, "White" shows the highest percentage of originations at about 84 percent of the total. The percentage of originations is comparable to the percentage of Whites in the population, 88.9 percent according to the 2010 Census. Hispanics account for 16.4 percent of the population, compared to 11.3 percent of loan originations. African-American applicants accounted for 1.5 percent of all originations and 2.4 percent of the total population.

**Determinant:** The higher denial rates for minorities and lower income groups, coupled with the possibility that characteristics of redlining may be adversely

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

**Impediments #10:** Continued emphasis is needed on programs and education that increase financial literacy and counseling for renters and homebuyers.


**Recommended Remedial Actions:**

**Action #10:** City of Amarillo will continue to apply for competitive and non-Entitlement State and Federal funding and assistance from nonprofit intermediaries for financial literacy education programs. Financial literacy should be emphasized as a means of preventing poor credit and understanding the importance of good credit.

**Action #11:** City of Amarillo will encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders. This may require traditional lenders and banks to establish "fresh start

programs" for those with poor credit and previous non-compliant bank account practices.

**Action #12:** City of Amarillo will help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encouraged to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in lower income areas and continue supporting infill housing development. The City does not have regulatory authority to address this concern. Therefore, this recommendation is based on best practices approaches and will require the City to work with the financial and appraisal industry to help address this issue.

## 6.4    Socio-Economic Impediments

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

**Determinant:** 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 (RCAP/ECAP) – as census tracts 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. The poverty rate in Amarillo is 16.9 percent. Three times the poverty rate is 50.7 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. The census tracts within the City of Amarillo that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the north central areas of Amarillo, with a couple of tracts to the southeast and southwest of the downtown area.

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act (HMDA) Analyses all revealed disparate impacts on minority populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. Some area characteristics and physical conditions where minority populations and lower income persons are most likely to find housing affordable, are indicative of the ways in which the economy and housing and neighborhood conditions has suffered as a result of housing market distortions and disinvestment, and demonstrating that public policy and programmatic investments have only minimally improved the situation.

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

**Determinant: Persons with Disabilities.** Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-

rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

**Determinant: Homeless Individuals.** The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

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

**Impediment #11:** Expansion of the supply and increased affordability of housing for senior, special needs housing and housing for disabled persons is needed.

**Impediment #12:** Removal of barriers for persons with limited English proficiency enabling them to better access the housing market is needed.

**Impediment #13:** Current rental subsidy programs offered by private developments funded by state and federally assisted housing programs have an insufficient number of units to meet the needs of households on their waiting list and others currently cost burden or in overcrowded conditions.

**Recommended Remedial Actions:**

**Action #13:** City of Amarillo will continue to provide language assistance to persons with limited English proficiency.

**Action #14:** City of Amarillo will continue to encourage recruitment of industry and job creation that provide living wages to persons currently unable to afford market rate housing.
.
**Action #15**: City of Amarillo will support development that provides alternative housing choices for seniors.

## 6.5    Neighborhood Conditions Related Impediments

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

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

Neighborhoods and homeowners and renters must increase activities and programs that provide support for residents and landlords unable to keep pace

with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood "Image and Identity" and help attract new residents and retain existing residents and businesses.

Neighborhood assets must be protected and improved. Dilapidated and obsolete structures should be demolished. Code enforcement need to be expanded and additional resources allocated to support enhanced code enforcement throughout the City. Most of all, there is a need to encourage participation and cooperation from residents to maintain their homes, and to actively participate in community empowerment activities and self-help initiatives in older neighborhoods.

**Impediment# 14:** Expanded resources are needed to assist lower income persons, seniors and other special needs groups with maintaining homes and improving neighborhood stability.

**Recommended Remedial Action:**

**Action #16:** City of Amarillo currently provides assistance to income qualified low and moderate income households utilizing its' Entitlement Grants Programs and supports self help initiatives utilizing nonprofit and private sector resources. The City will continue its support implementation of these programs of self-help and community and housing improvement initiatives by providing housing assistance to qualified owners and assisting them in complying with municipal housing codes. This includes evaluating more centralized and enhanced programming utilizing CDBG funding for coordination of self help programs and private sector volunteers and donated resources. Other activities that will be considered as self-help initiative programs include:

o **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions,

community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.

- **Implement a Youth Build and Repair Program in conjunction with the local school district or the Amarillo Housing Agency.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.

- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.

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

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

## Section 7: Oversight, Monitoring and Maintenance of Records

**Introduction**

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

**Oversight and Monitoring**

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Amarillo Community Development Department with the support of an independent consultant.

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

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

provide recommendations for implementation to the City Manager, Mayor and City Council based on this evaluation.

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

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

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

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

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

**Maintenance of Records**

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

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

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

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