

2015-2019 Analysis of Impediments to Fair Housing Choice

City of Phoenix, Arizona

April 14, 2015

**Prepared for the
City of Phoenix**

By



Table of Contents

Executive Summary	3
Introduction	15
Definitions & Data Sources	16
Limitations of this Analysis	22
Historical Overview	23
Socioeconomic Analysis.....	25
Demographic Overview	25
Economic Overview.....	28
Protected Class Analysis.....	31
Segregation Analysis.....	48
Housing Profile.....	62
Public Investment, Infrastructure and Education	92
Access to Areas of Opportunity	113
Land Use & Zoning.....	119
Home Mortgage Disclosure Act (HMDA) Analysis	129
Fair Housing Organizations & Activities	138
Housing Discrimination Complaints & Lawsuits	148
Impediments & Recommendations.....	176
Conclusion.....	181

Executive Summary

Introduction

Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin, and was amended in 1988 to include familial status and disability. HUD grantees receiving funds under the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs are required to complete a fair housing study, known as an Analysis of Impediments to Fair Housing Choice (AI) to ensure that housing and urban development programs are being administered in a way that furthers fair housing for these protected classes.

Local entitlement communities meet this obligation by performing an “Analysis of Impediments to Fair Housing Choice” (AI) within their communities and developing and implementing strategies and actions to overcome any impediments to fair housing choice based on their history, circumstances, and experiences. Through this process, local entitlement communities promote fair housing choices for all persons, to include Protected Classes, as well as provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities.

Historical Overview

With a land area 516.70 square miles, Phoenix is the largest city in Arizona and one of the largest in the country. In 2013, Phoenix had an estimated population of 1,513,367, making it the sixth most populous city and the most populous capital in the country. Phoenix is located in Maricopa County, which is considered the south-central area of the state and has experienced exponential population growth over the last 20 years largely due to location and a fast growing economy.

The City of Phoenix has maintained a council-manager government since 1913. This varies from the former mayor-council structure previously held, in that significant administrative authority is vested in the city manager which encourages a more balanced approach to policy-making. The City Manager is responsible for overseeing the delivery of public services and the management of City departments while the council acts as a legislative body serving on behalf of the community. Both the mayor and city council members are elected into office and serve four year terms whereas the city manager is appointed. In 1993, Phoenix captured the international Bartelsmann Award for being one of the best managed cities in the world and was regarded as “employee-centered and responsive to the public’s needs”. Today, the City continues to maintain its organized approach to government and strong political leadership. Additionally, Phoenix has also received accolades for its transparency and several administrative honors.

Socioeconomic Overview

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends.

The City's white population represented the largest racial group in both the 2000 and 2010 Censuses; it also experienced the largest numerical increase during this time, growing by 195,274 persons. The next largest population increases, in absolute terms, occurred in groups of those who identified as Black and Asian of which grew by more than 10,000 persons. The large absolute growth in the Black population also represented a relatively large percentage change in the size of this population over the decade; however, the percentage change in the population of Native Hawaiian/Pacific Islanders during this time actually represented very modest growth in absolute terms. In terms of ethnicity, defined separately from race, the Hispanic population has increased by 7.2% between 2000 and 2013.

Data on population by age in 2000 and 2010 in the City of Phoenix reflects that the largest population groups in both Census counts represented persons aged 5 to 19 and 35 to 54. The share of the total population represented by persons aged 35 to 54 was over 27% in both Censuses, the share of persons aged less than 5 years, 5 to 19 years, and 55 to 64 years grew modestly over the decade.

According to the Bureau of Labor Statistics, the yearly unemployment rate in the Phoenix-Mesa-Glendale, Arizona Metropolitan Statistical Area was at its highest in the five-year period at 9.2 percent in 2009. As a result of the fluctuating labor force and employment rates, the unemployment rate rose to over 9 percent in 2009 but fell to 5.8 percent in 2014.

Protected Class

As of 2013, the City of Phoenix had an estimated population of 1.51 million people, an increase of 12.7% since 2000. The largest share of the population was non-Hispanic white (45.9%), Latino residents comprised the second largest racial/ethnic group at 40.3% of the total. Other minority population segments include African Americans (6.6%), Asians (3.4%), persons of multiple races (1.8%), and American Indians/Alaska Natives (1.6%). Native Hawaiians/Pacific Islanders and persons of other races each made up 0.2% of total population.

Racial and ethnic diversity increased in Phoenix, since the 2000 Census, as it did nationally and in Arizona. The City's Hispanic population has expanded by 150,479 residents (or 33.4%). Other minority groups also saw considerable growth rates from 2000 to 2012 although they remained relatively small shares of Phoenix overall. The Native Hawaiian/Pacific Islander population more than doubled (104.9%).

As of the 2008-2012 American Community Survey, 20.6% of Phoenix's population was foreign born, above the foreign born population share of the MSA (14.6%), state (13.6%) and U.S. (12.9%). Since the 2000 Census, the City's non-native population grew by 17.2%, a rate that was below those of the three other geographies, ranging from 27.9% in the U.S. to 34.7% in the MSA. In 2000, Phoenix was home to 39.2% of the state's non-native residents; by 2008-2012, it was home to 34.7%. The largest share of foreign born Phoenix residents are from the Latin America (72.7%), compared to 52.8% of the U.S. population. Asians make up 13.6% of Phoenix's foreign born population, up from 8.7% in 2000; Europeans constitute the third largest group at 7.1% of all non-U.S. natives.

An analysis of changes in household types in Phoenix between 2000 and 2010 indicates a drop in the number of married couple households (by 617 households or 0.3%); married couples with children fell by 3.4%. Numbers of other household types (single householders with and without children, and nonfamily households), meanwhile, grew by rates ranging from 15.1% to 35.8%. These trends indicate growing diversity in terms of householders and family type in Phoenix that is reflective of national trends.

As of the most recent American Community Survey data (2008-2012), the City of Phoenix had a disabled population of 134,773 (or 9.3% of total population). This rate was below that of both the state (11.5%) and nation (12.0%). Of persons with a disability, two-thirds were under the age of 65 and the remaining one-third were 65 or over.

Housing needs for residents with a disability vary depending on several factors including disability type. Ambulatory difficulties affect the largest portion – over half (52.3%) – of Phoenix residents with a disability. Cognitive difficulties and independent living difficulties each affect more than one-third of residents (38.9% and 35.0%, respectively). Note that the total number of difficulties is 1.9 times Phoenix's total disabled population, indicating that many people face more than one difficulty.

Segregation Analysis

Overall, within the City of Phoenix, there is a high and persistent level of segregation between Hispanic and White residents in both 2000 and 2010. Asians and Blacks are also moderately segregated within Phoenix.

Population groups that are most similarly distributed throughout the city (and thus least segregated from one another) are Hispanics and Blacks and Asians and Whites. Stakeholder input reflected these patterns, as interviewees noted that African Americans and Latinos tended to live in similar areas on the south and west parts of the city.

In the City of Phoenix, Whites are the most isolated, in effect segregated, from other racial and ethnic groups. In 2010, the average White resident lived in a tract that was 64% White, down from an average of 71% in 2000. Isolation was also high for Latinos – the average Latino resident lived in a tract that was 59% Latino, up from 55% in 2000. Black and Asian residents had much lower levels

of isolation reflecting their low population shares and likelihood of interacting Hispanics and Whites.

Public Investment, Infrastructure, and Education

The City of Phoenix is served by 411 public schools that provide education services for 234,623 students. Students are served by 33¹ independent school districts due to prior annexations of regions which had previously operating school districts. Enrollment of students from racial and ethnic minority groups (73%), primarily Hispanic, exceeds enrollment for minority students in the state of Arizona (58%). And, the overall student to teacher ratio of 22:1 also exceeds the state ratio of 18:1.

The City of Phoenix's completion rates are consistent for higher education among high school graduates, falling just below national averages. However, rates for high school completion are low for all age groups as compared to national averages. Both the state and the City of Phoenix have high school drop-out rates that exceed national averages. Poverty rates were higher for City residents with lower educational attainment, while median income grew higher as educational attainment increased. Poverty rates for residents who did not complete high school (38.3%) are high, which is of importance due to the City of Phoenix's high rate of high school drop-outs and lowered rates for high school completion. These residents are more likely to experience poverty and lower incomes.

The City of Phoenix is served by the Valley Metro public transit system. Since 2012, the area has been served by a regional transportation system following the merging of the Regional Public Transportation Authority (RPTA) and the Valley Metro Rail. Valley Metro provides several public transit services including: Local, LINK, Express and RAPID bus service, light rail, neighborhood circulators, rural routes, Dial-A-Ride, and vanpool services. Assistance for providing services are also provided to local businesses, such as, car pool, vanpool, and bike to help meet Maricopa County trip reduction goals through the provision of alternative modes of transportation. Public transportation is supported through a portion of the state of Arizona's lottery revenues, and local sales taxes from Maricopa County and various cities across Maricopa County including: Phoenix, Scottsdale, Mesa, Tempe, Glendale, and Peoria. Residents of Phoenix passed a four-tenths of a cent sales tax in 2000 that has been used to fund improvements to local bus service, Bus Rapid Transit, light rail, and Neighborhood Mini Bus Service.

Since 1999, the state of Arizona has had below average rainfall most years. The year 2014, was the driest in the Phoenix region with only 0.06 inches of rainfall since June 2014. The state uses water from the Colorado River for a portion of its water needs; however the river has less than average runoff since 2000, with the exception of three years. The Phoenix metro area utilizes Roosevelt Lake to meet approximately half of the City's water needs. However, the lake is only at 39% of capacity currently. Additionally, the six regional reservoirs are also at low capacity. Each of these issues

¹ <http://jphxprd.phoenix.gove/PhoenixSchools>

means that the availability of water in the region is decreasing and projections are that local farmers will have to rely more heavily on groundwater which also has decreased availability. Despite the leveling off of water usage during the recession and banked water, the area is anticipated to experience water shortages if water consumption is not reduced.² The Central Arizona project which manages the area water system projects that Phoenix could see cutbacks in water distribution as early as 2019 unless consumption is reduced.

Access to Areas of Opportunity

Communities conduct an access to areas of opportunity analysis to develop an informed understanding of the gaps or needs that exist within a community and their impact upon the community's citizens. Community needs may affect larger percentages of the population or smaller subsets such as, youth, seniors, parents, businesses, community organizations, and faith-based organizations. Community needs that affect a large percentage of the community are more likely to have community support for addressing those needs.

While it is important to identify needs in the community, it is equally as important to identify the assets which place a greater emphasis on existing strengths in the community that can be used to address community needs. Access to area of opportunities are aspects of the community that can be leveraged to develop solutions to meet community needs. These assets may include people, organizations, facilities, policies, regulations, services, partnerships, businesses, and the community's collective experience.

Communities may use an access analysis as a foundation for community improvement, to determine funding priorities for external resources, or to empower the community members to take an active role in community improvement. Community members are likely to feel encouraged about planning efforts when those plans are inclusive and are predicated on the desires of the community.

Land Use & Zoning

In the state of Arizona, local municipalities have authority to rezone private property. In 2006, Arizona voters passed Proposition 207, the Private Property Rights Protection Act, which requires the state or any local municipality to pay a landowner compensation when a land use regulation (such as a zoning ordinance) imposed without the consent of the landowner, results in a decrease in the landowner's property value. In the City of Phoenix, the responsibility for administering a local zoning ordinance is divided between the Planning Commission, the City Council, the Zoning Administrator, and the Board of Adjustment ("BOA").

² "Five Reasons to Panic about Arizona's water and Five Reason's not too: Is Arizona Really Running Out of Water". <http://www.azcentral.com/story/news/local/arizona/2014/08/11/arizona-water-supply-drought/13883605/> Accessed: December 7, 2014.

While local governments have the power to enact zoning and land use regulations, that power is limited by state and federal fair housing laws (e.g., Arizona Fair Housing Act, the federal Fair Housing Act (FHA), Americans With Disabilities Act (ADA), constitutional due process and equal protection. The Arizona Fair Housing Act (1990) is substantially similar to the federal FHA. The Act identifies unlawful housing practices and protects against discrimination based on race, color, religion, sex, familial status, national origin, or disability. The Act creates a statutory procedure for aggrieved persons to file an administrative complaint with the state Attorney General. The Act also grants jurisdiction to the superior courts to enforce local fair housing ordinances.

On a local level, the City of Phoenix has adopted a Fair Housing ordinance, and prohibits discrimination in housing (and employment and public accommodation) on the basis of race, color, religion, sex, national origin, age, genetic information, or marital status. In 2013, the City Council passed an ordinance adding protections based on the new categories of “sexual orientation,” “gender identity or expression,” and “disability,” which went into effect on March 28, 2013.

Housing Profile

The Phoenix-Mesa- Glendale Metropolitan Statistical Area (MSA) experienced some of the most extreme difficulties nationally in its housing market due to the overall the recession which began in 2007. The economic downturn resulted in a slow-down in population growth, increased unemployment and stagnation in payrolls, and increased foreclosure and mortgage delinquency rates. Within the MSA, 56% of mortgages have negative equity, which is more than two times the national average of 23%. In the MSA, the sale of distressed homes, foreclosures, and short sales, represent 56% of home sales in the region as compared to a national rate of 35%. The high proportion of sales involving distressed properties has continually depressed Phoenix home prices and created a “soft” selling market in the region. Vacancy rates have also risen in the City peaking at 12% in 2009 and 2010. Due to the market downturn, construction in the area has been stagnant with the number of 1-unit housing remaining unchanged since the housing crisis began. The median price of housing in the City of Phoenix is below national average. The City has seen increasing rate of poverty over the past decade, making housing affordability a key issue for the area.

Home Mortgage Disclosure Act (HMDA) Analysis

Loan approval rates were lowest and denial rates highest for low income applicants. Male or female co-applicants had a relatively small number of applications in this category reflecting their greater likelihood of being dual income households and thus having incomes above 50% of the area’s median. In the moderate income bracket, male-female co-applicants again had the highest denial rates. At the high income level, approval and denial rates varied little by applicant sex.

For low income applicants, loan approval rates were similar regardless of applicant race or ethnicity. More variability can be seen in the moderate income range. At high incomes, approval and denial rates are less related to applicant race or ethnicity. Given that the largest share of minority

loan applications were by moderate income applicants, and approval rates varied most at this income level, Whites had a higher overall loan approval rate than when looking at all applications irrespective of income.

Fair Housing Organizations & Activities

In 2014, the Arizona Fair Housing Center was awarded \$320,430.00 by HUD to provide fair housing enforcement activities throughout Arizona. Planned include fair housing tests and intake and processing of complaints. The Center also provides counseling, mediation, and referral services; and will recruit, train, and retrain new and/or existing testers. The purpose of this AFHC project was to carry out a fair housing program to ensure equal housing opportunity to all residents living in Arizona. The Center uses grant funds toward education and outreach activities designed to inform the public of its rights and responsibilities under the Fair Housing Act (FHA) and to increase the awareness of potential housing discrimination victims. The educational efforts were to specifically address the low- to moderate-income and underserved populations, including non-English speaking individuals, minorities, immigrants, and persons with disabilities. The project will also direct media efforts, community educational campaigns, and enforcement efforts toward these underserved populations.

The Southwest Fair Housing Council was awarded \$123,555.00 to use to provide services in the Metropolitan Phoenix area. Grant activities included conducting fair housing/fair lending trainings for consumers, staff of non-profit agencies and the housing industry; submitting referrals to HUD or a Fair Housing Assistance Program agency for assistance in remedying allegations of housing/lending discrimination; facilitating or participating in six community events targeting individuals at risk for fair housing/fair lending discrimination; facilitating six media activities including broadcast, print, social, internet and/or other types of media, and other education and outreach activities.

Housing Discrimination Complaints & Lawsuits

The number and types of reported incidents of discrimination speak not only to the level of intolerance in a community but also to the level awareness of what constitutes a violation of law, and the level of comfort those victimized have to seek redress for those violations. HUD's Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. HUD's Region IX office in San Francisco, California oversees housing, community development, and fair housing enforcement in American Samoa, Arizona, California, Guam, Hawaii, and Nevada.

From January 1, 2006 and September 30, 2014 there were 909 housing complaints filed with HUD FHEO for the City of Phoenix. Of these complaints, 172 were determined to have cause and were settled through conciliation or judicial consent order. A total of \$152,050 in settlement

compensation was paid regarding the “with cause” claims. A total of 438 complaints were withdrawn for no cause.

The City of Phoenix’s Equal Opportunity Department (EOD) strives to improve Phoenix quality of life by promoting equal opportunity, embracing diversity and eliminating discrimination. The Compliance and Enforcement Division enforces city of Phoenix ordinances that prohibit discrimination in employment, housing and public accommodations.

Between January 1, 2010 and June 30, 2014 there were 211 complaints of housing discrimination alleged to have occurred within the City of Phoenix. Of these complaints, 130 were determined not to have reasonable cause for discrimination, 3 cases had cause findings, 53 cases were negotiated through settlement or conciliation, 9 were administratively closed, 14 were withdrawn and 2 cases were pending.

Impediments and Recommendations

Impediment# 1: Lack of Awareness of Fair Housing Laws

As expressed in the Phoenix Fair Housing Survey, a substantive number of persons, 17.8% of survey respondents reported that they did not know their fair housing rights. Additionally, 9.4% of survey respondents also reported they had experienced housing discrimination. Of those respondents, 56.2% reported being discriminated against by a land lord or property manager, (25%) reported discrimination by a City official, (15.7%) reported discrimination by a mortgage lender, and (12.5%) reported discrimination by a real estate agent.

However, only 11.4% of those experiencing discrimination filed a report. Of the respondents who reported that they did not file a fair housing claim, 17.3% noted they were not sure what good filing a report would do because they did not know that the discrimination was a legal violation; 43.1% were not sure of where to file a complaint, and 8% of respondents noted they did not file a complaint because of fear of retaliation. The common perception is that individuals with more knowledge are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

Recommendations:

The City should consider annually reserving a portion of its CDBG public service funds to be awarded as a competitive Fair Housing Grant to an organization that will carry out a focused fair housing education program in the area. As a component of the Fair Housing Grant, the successful applicant should collaborate with the assigned HUD Office of Fair Housing and Equal Opportunity and/or with other local fair housing advocacy organizations to develop an appropriate fair housing training curriculum and education program.

The City should also continue to work with local nonprofits and fair housing agencies to implement a fair housing education program designed to increase understanding of fair housing and the dynamics of the local housing market among home seekers (buyers and renters) and housing industry stakeholders. Additionally, fair housing training should be made mandatory for City staff, subrecipients, and any other entities the City may contract with under its CDBG program.

Impediment# 2: Age and Condition of Housing Stock

According to the analysis included in this AI the age of City's housing stock is an impediment to fair housing in the Phoenix. Approximately 45.8% of Phoenix's housing stock was built before 1979 and 16.5% was built before 1950. The age of the housing stock creates impediments to fair housing for several reasons. It means the housing is generally in greater need of repair, and is expensive to maintain the condition of housing for both homeowners and rental property owners. The data in this Analysis indicates that City of Phoenix residents living below the poverty level are more likely to occupy older housing stock. Phoenix residents living below the poverty line are twice as likely to live in housing stock built between 1940-1949 and 1939 or earlier.

The cost of maintaining older housing represents a barrier to homeownership for low and moderate-income buyers. The age of the housing stock is also an impediment to fair housing for those with physical disabilities in that older housing is likely to contain physical barriers such as steep stairs, narrow passages and doorways, and small room sizes. The cost of making older housing accessible for those with disabilities limits the supply and availability of appropriate and affordable housing for many, especially those with limited income.

Recommendations:

The City of Phoenix must actively work to address the need for decent and affordable housing by prioritizing federal grant funding to address and remove barriers to accessibility in the city's rental and owner housing stock to the extent that resources allow. Promote a greater degree of compliance with laws governing accessibility features of newly constructed and substantially rehabilitated buildings. Expand the number of accessible, affordable units available in the City. Additionally, the City should develop training workshops for design professionals and city staff on the topic of accessibility features and provide support to install or improve accessibility features in older housing.

Impediment# 3: Unequal Distribution of Resources

A notable number of respondents (16.71%) reported that public transit did not provide access to major employment centers. Respondents were asked if public transit was provided during their work hours and 15.53% reported no. Several stakeholders reported uneven distribution of parks and recreational facilities with low-income neighborhood having less amenities are facilities with high criminal activity causing safety to be an issue. Residents reported that schools in lower-income neighborhoods performed poorly and research into educational attainment showed high school dropout rates. Residents also indicated that lack of public transit from low-income neighborhoods into neighborhoods with higher performing schools makes it difficult for students from low-income neighborhoods to attend better schools.

Recommendations:

The City of Phoenix should work to expand public transit in low-income neighborhoods by increasing routes and hours especially targeting the creation of routes into major business centers and areas with high performing schools and centering transit hours around typical work hours. The City should also examine expanding public safety education and resources around parks and recreational facilities. The City should collaborate with local non-profits to provide services, such as after school and recreational programming.

Impediment #4: Disparities in Mortgage Lending

An analysis of 2013 Home Mortgage Disclosure Act (HMDA) data for City of Phoenix census tracts shows that minority applicants for home purchase loans were denied mortgages more frequently than non-Hispanic Whites. Black applicants who completed loan applications were denied mortgages 1.5 times as frequently as Whites, and Hispanic applicants were denied 1.6 times as often. While these disparities may arise from legitimate factors such as differences in debt-to-income ratio, credit history, collateral, or credit applications, they still have the effect of limiting housing choice for racial and ethnic minorities in the City of Phoenix.

In addition to facing higher denial rates, minorities in Phoenix were also less likely to apply for home purchase loans than Whites. In 2013, the majority of loan applicants in Phoenix were White (69.2%), about one-fifth (22.6%) were Hispanic, and 2.8% were Black. In comparison, Phoenix's population was 45.1% White, 41.3% Hispanic, and 6.6% Black in 2013, according to ACS estimates. Like loan application outcomes, the rates at which members of each racial/ethnic group apply for mortgages are likely affected by income, credit history, collateral, and other financial factors. However, varying levels of access to banks, information about loan products, and knowledge about the home buying process may also affect application rates, and form an impediment to housing choice for minority residents in Phoenix.

Recommendations

Patterns of lending disparity revealed in the HMDA data should be studied further to determine whether discrimination is taking place. While HMDA records include loan outcomes, reasons for denials are not required to be reported, nor does the data capture instances of discrimination that may lead an applicant to withdraw or not complete their application. These data limitations require an alternate means of further study. Specifically, fair housing testing of mortgage lenders, either through the City's Equal Opportunity Department or through a local fair housing organization, should be conducted to further evaluate potential impediments to fair housing.

Impediment #5: Location of Affordable Housing

HUD's picture of subsidized households shows that, relative to Phoenix's overall population, members of several protected classes are overrepresented as residents of public housing and housing choice voucher holders. Black residents, disabled persons, female householders, and households with children all make up larger shares of the subsidized housing population than they do of the city's population as a whole. It follows that the availability and location of affordable housing units, including units that accept vouchers, are more likely to affect the housing choices of these protected classes. Further, the degree to which affordable housing is located in areas with access to community resources such as quality schools, transit options, and job opportunities is also more likely to impact these groups.

Looking at the location of subsidized housing (including housing choice voucher holders, public housing, and Low Income Housing Tax Credit units) shows that the largest shares of these units are in and around the Central City and southern Phoenix, with limited affordable housing in northern Phoenix. However, HUD-defined opportunity indices indicate that the Central City and areas to its south and west have some of the lowest opportunity levels in city in terms of poverty, elementary school proficiency, and labor market engagement. Stakeholder input supports this finding, with several interviewees suggesting that school quality varies considerably by neighborhood, along with access to other community resources such as quality grocery stores. Being that protected classes make up a disproportionate share of subsidized housing residents, they are more likely to reside in the low opportunity areas where this housing is located.

Recommendation

Addressing access to community resources relative to the location of affordable housing can take a two-pronged approach. As noted in impediment #3, the City of Phoenix should focus on improving the distribution of resources to adequately cover all areas of the city. Additionally, the City should develop a strategy for the development of new affordable housing, including identifying target areas where the number of subsidized housing units could be increased. The City should communicate this strategy to developers and nonprofit partners, and give funding priority to projects that fall in line with it.

To expand areas where housing choice vouchers can be used, the City should encourage landlords to accept vouchers by providing information about the program and, potentially, incentives for participating. The City should also make housing choice voucher holders aware of the availability of units in other areas of the city, and potentially partner with local nonprofit organizations to provide additional information or assistance to households who wish to move.

Introduction

Equal access to housing choice is a cornerstone principle of America's commitment to equality and opportunity for all. Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism, and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), and specifically HUD's Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

Provisions to affirmatively further fair housing (AFFH) are principal and long-standing components of HUD's housing and community development programs. These provisions flow from the mandate of Section 808(e)(5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department's housing and urban development programs in a manner to affirmatively further fair housing.³ A fair housing study, known as an Analysis of Impediments to Fair Housing Choice (AI), is required of HUD grantees receiving funds under the Community Development Block Grant (CDBG) and Home Investment Partnerships Act (HOME) programs. To perform this Analysis of Impediments, the City of Phoenix contracted with WFN Consulting.

³ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 1: Fair Housing Planning Historical Overview, Page 13)*. March 1996.

Definitions & Data Sources

Definitions

Affirmatively Further Fair Housing –In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with “the 1968 Fair Housing Act’s obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status.”⁴

Fair Housing - carrying out its Analysis of Impediments to Fair Housing Choice, the City utilized the following definition of Fair Housing:

- A condition in which individuals of similar income levels in the same housing market have a like range of choice available to them regardless of race, color, ancestry, national origin, religion, sex, disability, age, marital status, familial status, sexual orientation, source of income, or any other category which may be defined by law now or in the future.

Impediments to Fair Housing Choice - As adapted from the *Fair Housing Planning Guide*, impediments to fair housing choice are understood to include:⁵

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

Protected Classes - In carrying out its Analysis of Impediments to Fair Housing Choice, the City utilized the following definitions of Protected Classes:

- Federally Protected Classes: Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

Affordable - Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD’s definition:

⁴ U.S. Department of Housing and Urban Development. “HUD Publishes New Proposed Rule on Affirmatively Furthering Fair Housing Choice.” Press Release No. 13-110. July 19, 2013.

⁵ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

- HUD defines "affordable" housing as housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.
- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners' association fees.

Data Sources Used in This Analysis

Decennial Census Data – Data collected by the Decennial Census for 2010 and 2000 is used in this Assessment (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100 percent data,” meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census; therefore, SF 3 data from the 2000 Census was the only tract-level data source available for some variables.

American Community Survey (ACS) – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census’s SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2013 ACS 1-Year Estimates – Based on data collected between January and December 2013, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.

- ACS Multi-Year Estimates – More current than Census 2010 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater. The 2008-2012 ACS 5-year estimates are used most often in this assessment.

Stakeholder Engagement

Housing& Community Development Survey – This survey was designed to collect input from a broad spectrum of the community and received responses from residents throughout the City. The survey consisted of 29 distinct questions, allowing a mixture of both multiple choice and open-ended responses. In all, there were over 398 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey respondents is cited in this assessment, it refers only to the percentage of respondents to the particular question being discussed and may not be a percentage of the full number of survey respondents. Surveys were received over a 48-day period, from October 15, 2014 to December 1, 2014. Paper surveys received were manually entered by the Survey Administrator into Survey Monkey for tabulation and analysis. To prevent “ballot stuffing,” the Survey Monkey software bars the submission of multiple surveys from a single IP address.

The online survey was available through the project’s website, which was included on all public notices advertising community meetings, distributed to contacts via email distribution lists provided by the City of Phoenix, provided at each public meeting and to all stakeholders interviewed, and posted on the City’s website. Hard copies of the survey were also made available at each community meeting and to any sub-recipients interested in sharing hard copies with their clients. A Spanish translation of the same survey was also made available in hard copy and online.

Stakeholder Interviews – Key community stakeholders were identified, contacted, and interviewed individually as part of this Analysis. These stakeholders included elected officials, representatives of nonprofit organizations, municipal and county staff, fair housing advocates, lenders, and real estate agents. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis. Thirty stakeholder interviews were conducted.

Public Meetings – Two public meetings were held in order to provide forums for residents of the study area and other interested parties to contribute to this AI. Meeting dates, times, and locations are listed below. Meetings were held both during the day and in the evenings in various locations across the region, providing a variety of options for residents to attend. These meetings were advertised via public notices in local newspapers and through email notifications to the City’s stakeholder contacts as provided by the City of Phoenix. The format of these meetings ranged from

small-group roundtable discussions to moderated forums. Notes were taken of public comments at all meetings.

Public Kickoff Meeting

Burton Barr Library

1221 N. Central Ave., Phoenix AZ

Monday, October 20, 2014

10:00 a.m.

Phoenix Neighborhood Meeting

Neighborhood Resource Center

2405 E. Broadway, Phoenix, AZ

Thursday, October 23, 2014

5:30 p.m.

Community Survey of Fair Housing and Community Needs

Additional evaluation of perceptions related to fair housing and community needs in the City of Phoenix was conducted via a community survey designed to gather insight into the knowledge, experience, opinions, and feelings of local residents, employees, and service providers. A total of 397 residents completed the English survey and 1 respondent completed the Spanish version. Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although several questions allowed respondents to offer written comments. While a summary of findings and comments are presented throughout the report as relevant, complete results are available in the Appendix to this report.

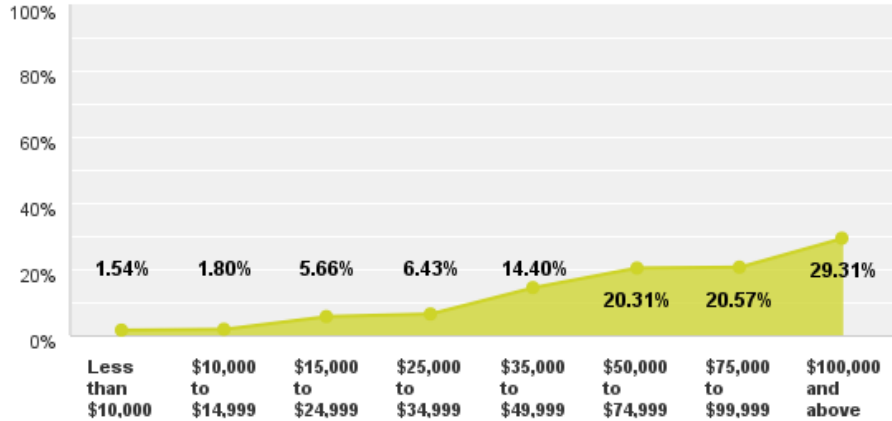
Respondent Demographics

A total of 398 City of Phoenix residents completed the survey. The most widely reported occupations were educational services, health care and social assistance (16.28%), professional, scientific, and management (11.57%), and finance, insurance, and real estate (17.91%) representing over 45% of survey respondents. A large percentage of respondents, 17.9%, reporting not currently working.

A large percentage of survey respondents were primarily from middle to upper middle class income groups with over 70% of households earning \$50,000 or more annually. The graph below depicts income distribution for survey respondents:

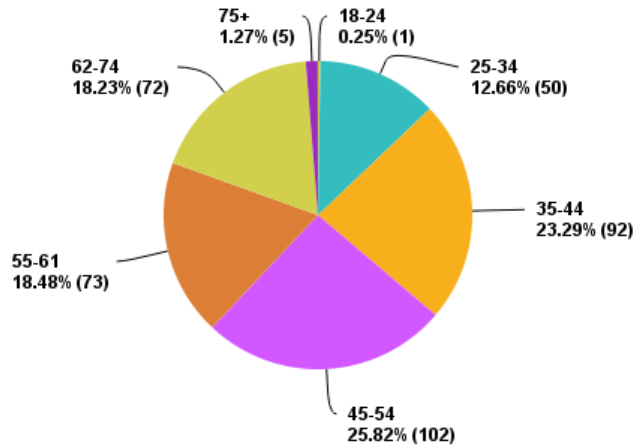
Q3 Please SELECT the ONE income range that most accurately reflects your total household income.

Answered: 389 Skipped: 8



Q4 Which is your age group?

Answered: 395 Skipped: 2

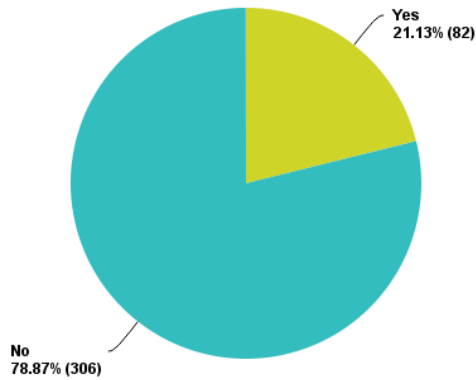


The majority of respondents, 49.14%, were between the ages of 35-54. Young adults ages 18-24 and the frail elderly, ages 75 years or more, had the lowest representation, with less than 1% and less than 2% of responses.

Slightly more than 20%, or approximately 1 in 5, respondents self-identified as a member of a minority group.

Q6 The U.S. Census Bureau considers the following to be "minority groups:" Black, Hispanic, Asian, Pacific Islander, or American Indian/Alaska Native. Are you a member of one of the groups listed above?

Answered: 388 Skipped: 9



Approximately 1 in 10, 10.28%, of respondents reported that a language other than English was spoken in the home. Nearly 1 in 5, 19.85%, of respondents reported that a person with a disability lived in the home. The majority of respondents, 68.45%, work in Phoenix. Small numbers of residents work in the following locations: Scottsdale (5.61%), Tempe (4.01%), Mesa (1.34%), Chandler (1.07%), and Gilbert (0.53%).

Limitations of this Analysis

This Analysis of Impediments to Fair Housing Choice was prepared by WFN Consulting for the City of Phoenix. This report seeks to analyze the current fair housing climate in this region, identify impediments to fair housing choice and equity, and set forth recommended strategies for overcoming the identified impediments. Some of the impediments identified in this report will require additional research and on-going analysis by entities within the region. This report does not constitute a fair housing action plan or any other type of community plan, however, it should be a key resource to inform such plans as they are developed.

HUD's primary guidance for developing Analyses of Impediments is found in the Fair Housing Planning Guide, published in 1996. Since that time, HUD's approach to fair housing has greatly evolved and formal guidance has largely yet to catch up. In 2013, HUD released a new proposed rule titled "Affirmatively Furthering Fair Housing" that outlines significant changes to the development of local fair housing studies. Because this proposed rule has yet to be finalized, the methodology and components of this AI, to the greatest extent possible, meet both the revised criteria of the proposed rule as well as the traditional AI requirements found in the Fair Housing Planning Guide.

Though licensed attorneys with land use and fair housing experience have participated in the research contained herein, no portion of this Analysis shall constitute or be relied upon as legal advice or as a legal opinion.

Throughout this analysis, the authors have made careful decisions regarding which datasets to use. The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. Additionally, there is the unavoidable tradeoff between geographic and socioeconomic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Finally, all source data used in the preparation of this analysis, whether from national sources (e.g. the U.S. Census Bureau), local sources (e.g. *Regional Housing Plan*), or from proprietary sources (e.g. the National Low Income Housing Coalition's *Out of Reach* report) is assumed to be accurate.

Historical Overview

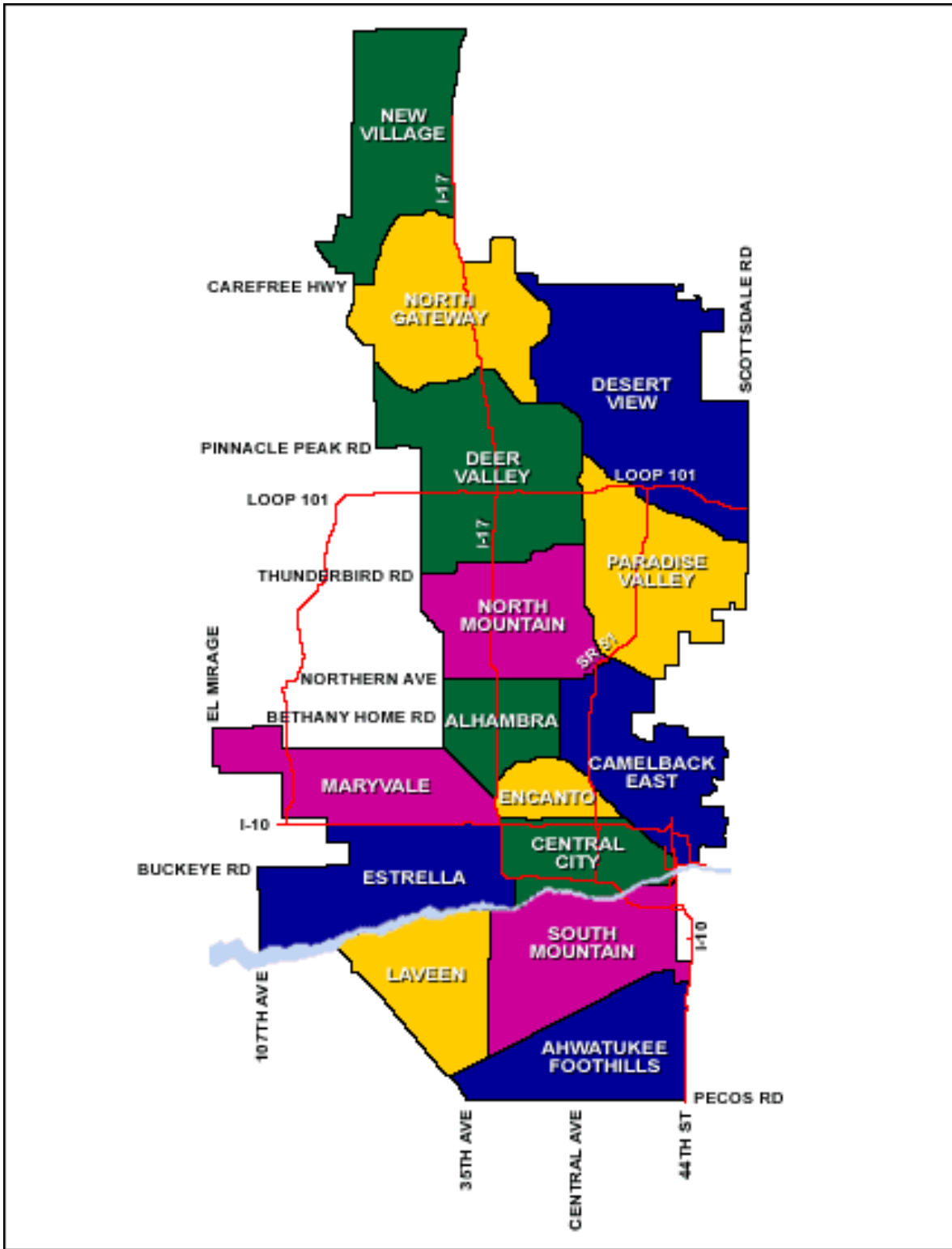
With a land area 516.70 square miles, Phoenix is the largest city in Arizona and one of the largest in the country. In 2013, Phoenix had an estimated population of 1,513,367, making it the sixth most populous city and the most populous capital in the country. Phoenix is located in Maricopa County, which is considered the south-central area of the state and has experienced exponential population growth over the last 20 years largely due to location and a fast growing economy.

In 1867, the modern redevelopment of the area that would later be known as Phoenix was sought after by John W. (Jack) Swilling as a means for acquiring an irrigation system that would contribute to a less costly source of food for soldiers stationed in the area. Prior to the inhabitation of the Swilling and others, many ethnic groups, both modern and prehistoric, lived in and contributed to the development of Phoenix. These groups adapted to the environment, modifying the land and soil as necessary to survive. Most notably, the Hohokam people who inhabited Phoenix and surrounding areas for over 1500 years developed an irrigation system still used today. Early pioneers expanded their system which led to the availability of adequate water supply necessary for longer crop seasons. As with the rest of Arizona, copper, cattle, cotton, citrus, and climate have played a major role in the growth of the area. These five commodities were the economic and social foundations of the territory and early statehood of Arizona.

With a brief decline in the 1930s following the Great Depression, Phoenix regained its economy by the 1940s due to the expansion of the United States' defense operations following the attack on Pearl Harbor and the country's subsequent involvement in World War II. The Arizona deserts attracted many air bases, testing stations and training camps. Nearby soldiers on active duty visited Phoenix for recreation, frequenting local businesses. This would later largely contribute to the recovery for the city, as well as the state. Following this postwar growth, many of those stationed near Phoenix remained and relocated with their families to nearby suburban areas which led to an economic boom in the 1940s that has remained relatively steady over the years.

The City of Phoenix has maintained a council-manager government since 1913. This varies from the former mayor-council structure previously held, in that significant administrative authority is vested in the city manager which encourages a more balanced approach to policy-making. The City Manager is responsible for overseeing the delivery of public services and the management of city departments while the council acts as a legislative body serving on behalf of the community. Both the mayor and city council members are elected into office and serve four year terms whereas the city manager is appointed. In 1993, Phoenix captured the international Bartelsmann Award for being one of the best managed cities in the world and was regarded as "employee-centered and responsive to the public's needs". Today, the City continues to maintain its organized approach to government and strong political leadership. Additionally, Phoenix has also received accolades for its transparency and several administrative honors.

Map of Phoenix Villages



Socioeconomic Analysis

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends; these data are also available by Census tract, and are shown in geographic maps. Ultimately, the information presented in this section helps illustrate the underlying conditions that shape housing market behavior and housing choice in the City of Phoenix by presenting the demographic, economic, and housing stock context.

To supplement 2000 and 2010 Census data, information for this analysis was also gathered from the Census Bureau’s American Community Survey (ACS). The ACS data cover similar topics to the decennial counts but include data not appearing in the 2010 Census, such as household income and poverty. The key difference of these datasets is that ACS data represent a five-year average of annual data estimates as opposed to a point-in-time 100 percent count; the ACS data reported herein span the years from 2008 through 2013. The ACS figures are not directly comparable to decennial Census counts because they do not account for certain population groups such as the homeless. However, percentage distributions from the ACS data can be compared to distributions from the 2000 and 2010 Censuses.

Demographic Overview

As part of the essential review of the background context of the City of Phoenix markets in which housing choices are made, detailed population and demographic data describe the City’s residents. These data summarize not only the protected class populations, but characteristics of the total population for the entire City and the outcome of housing location choices. These data help to address whether over concentrations of racial and ethnic minorities exist, and if so, which areas of the City are most affected. Extreme concentrations of protected class populations do not necessarily imply impediments to fair housing choice, but may represent the results of impediments identified in other data, which is identified in the Protected Class Section of this Analysis.

Population Estimates
City of Phoenix, AZ

Year	Population	Annual % Change
2013	1,513,350	1.65%
2012	1,488,759	1.31%
2011	1,469,484	1.38%
2010	1,449,481	-9.04%
2009	1,593,660	4.24%
2008	1,528,813	0.99%
2007	1,513,777	5.88%
2006	1,429,637	3.74%
2005	1,377,980	4.03%
2000	1,321,045	-

Source: 2000 and 2010 U.S. Census, www.census.gov

The Population Estimates table presents population estimates in Phoenix, as drawn from the 2000 and 2010 Censuses and intercensal estimates for 2005 through 2009, 2011, and 2012. In total, population in the City increased from 1,321,045 persons in 2000 to 1,513,350 in 2013, or by 14.5 percent.

Population by Race and Ethnicity

The white population represented the largest racial group in Phoenix in both the 2000 and 2010 Censuses; it also experienced the largest numerical increase during this time, growing by 195,274 persons. The next largest increases, in absolute terms, occurred in groups of those who identified as Black and Asian of which grew by more than 10,000 persons. The large absolute growth in the Black population also represented a relatively large percentage change in the size of this population over the decade; however, the percentage change in the population of Native Hawaiian/Pacific Islanders during this time actually represented very modest growth in absolute terms. In terms of ethnicity, defined separately from race, the Hispanic population has increased by 7.2% between 2000 and 2013.

Demographic Profile Highlights 2000 and 2010 Census			
	2000	2010	2013
Total Population	1,321,045	1,445,632	1,513,350
Male	671,760	725,020	756,150
Female	649,285	720,612	757,200
One Race	1,277,769	1,393,298	1,462,911
White	938,853	951,958	1,134,127
Black or African American	67,416	93,608	104,192
American Indian and Alaskan Native	26,696	32,366	31,862
Asian	26,449	45,597	44,936
Native Hawaiian and Other Pacific Islander	1,766	2,555	2,643
Other race	216,589	267,214	145,151
Two or more races	43,276	52,334	50,439
Hispanic or Latino (of any race)	449,972	589,877	624,916
Source: 2000 and 2010 U.S. Census, www.census.gov			

Population by Age

Data on population by age in 2000 and 2010 in the City of Phoenix reflects that the largest population groups in both Census counts represented persons aged 5 to 19 and 35 to 54. The share of the total population represented by persons aged 35 to 54 was over 27% in both Censuses, the

share of persons aged less than 5 years, 5 to 19 years, and 55 to 64 years grew modestly over the decade. The largest population increase in absolute terms occurred in the cohort of persons aged 35 to 54 years, which grew by 41,215 people, though the largest percentage change was in the cohort of persons aged 55 to 64. The pace of growth among persons aged 20 to 24, 25 to 34, and over 65 years lagged behind growth in all other age groups, resulting in lower shares of the total population represented by these age cohorts in 2010, as compared to 2000. Nevertheless, the population of age cohorts over 5 years old increased over the decade, and overall the population increased by 192,305 or 14.5%.

City Population By Age							
Age	2000 Census		2010 Census		2013 ACS		00 - 13 % Change
	Population	% of Total	Population	% of Total	Population	% of Total	
Under 5 years	114,516	8.67%	119,911	8.29%	111,958	7.40%	-2.23%
5 to 19	308,263	23.33%	332,344	22.99%	331,742	21.92%	7.61%
20 to 24	103,873	7.86%	106,757	7.38%	121,508	8.03%	16.97%
25 to 34	227,481	17.22%	224,128	15.50%	243,939	16.12%	7.23%
35 to 54	369,057	27.94%	401,531	27.78%	410,272	27.11%	11.16%
55 to 64	91,060	6.89%	139,018	10%	155,675	10.29%	70.95%
65 and Over	106,795	8.08%	121,943	8.44%	138,256	9.14%	29.45%
TOTALS	1,321,045	100.00%	1,445,632	100.00%	1,513,350	100.00%	14.55%

Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

Disability Status

Disability is defined by the Census Bureau as a lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work.

For all persons aged 5 years or older, the City of Phoenix had a disability rate of 8% in 2013. This disability rate represented 144,843 persons living with a disability in the City, including 84,010 persons between the ages of 5 and 17 and 47,424 persons over the age of 65. One-year ACS estimates for 2013 reflected the disability rate has increased slightly from the 2010 census of 7.6%, but the share of the youngest and oldest age groups with disabilities increased.

Population By Disability City of Phoenix, AZ						
	2000 Census		2010 Census		2013 ACS	
Age	Disabled	% of Total	Disabled	% of Total	Disabled	% of Total
5-17	13,071	5.7%	11,523	12%	13,409	5.1%
18-64	169,273	19.3%	75,627	8.3%	84,010	8.7%
Over 65	45,694	43.5%	43,835	35.0%	47,424	34.8%
TOTAL	228,038	68.5%	130,985	55.3%	144,843	48.6%
Disability Rate	19.1%		7.6%		8%	

Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

Economic Overview

Labor Force & Employment

Data regarding the labor force, defined as the total number of persons working or looking for work, and employment, or the number of persons working, as gathered from the decennial census and American Community Survey estimates are presented below. As shown, labor force and employment figures in the City of Phoenix reflects increases in the number of persons employed in 2010 and a decrease in the number of persons unemployed in 2013.

Labor Force and Total Employment

	2010		2013	
	Number of Persons	Percent	Number of Persons	Percent
EMPLOYMENT STATUS				
Employed	629,430	57.80%	679,459	59.10%
Unemployed	82,085	7.50%	67,913	5.90%

Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

According to the Bureau of Labor Statistics, the yearly unemployment rate in the Phoenix-Mesa-Glendale, Arizona Metropolitan Statistical Area was at its highest in the five-year period at 9.2 percent in 2009. As a result of the fluctuating labor force and employment rates, the unemployment rate rose to over 9 percent in 2009 but fell to 5.8 percent in 2014.

Unemployment Rates
Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area

Year	2009	2010	2011	2012	2013	2014
Unemployment Rate	9.2	9.7	8.6	7.4	6.9	5.8

Source: Bureau of Labor Statistics Local Area Unemployment

Household Income

The following table presents the number of households in the City of Phoenix by income range, as derived from the 2010 census count and 2013 ACS estimates. The median income in the City of Phoenix in 2010 was \$46,601. As reflected in the 2010 ACS, the City had 10% of households with incomes under \$10,000, and an additional 6.4% of households had incomes between \$10,000 and \$14,999. In 2010, 16.7% of households had incomes between \$50,000 and \$74,000. Comparatively in 2013, the City had 8.5% of households with incomes less than \$10,000 and 17.7% of households with incomes between \$50,000 and \$74,999. This finding suggests that incomes in the City have improved slightly over time.

Households by Income				
	2010		2013	
	Number of Households	Percent	Number of Households	Percent
Less than \$10,000	51,245	10%	44,169	8.5%
\$10,000 to \$14,999	32,560	6.4%	29,151	5.6%
\$15,000 to \$24,999	61,547	12%	65,300	12.6%
\$25,000 to \$34,999	66,998	13.1%	55,994	10.8%
\$35,000 to \$49,999	75,370	14.7%	77,940	15.1%
\$50,000 to \$74,999	85,461	16.7%	91,441	17.7%
\$75,000 to \$99,999	50,751	9.9%	56,264	10.9%
\$100,000 to \$149,999	53,875	10.5%	56,490	10.9%
\$150,000 to \$199,999	16,417	3.2%	20,439	4%
\$200,000 or more	17,208	3.4%	20,088	3.9%
TOTALS	511,432	100%	517,276	100%

Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

Poverty

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Further, poverty is not defined for persons in military barracks, institutional group quarters, or for unrelated individuals under age 15 such as foster children.

The table follow reflects the persons in poverty by age in the City of Phoenix. As noted in both the 2010 census and 2013 ACS, the City had the largest percentage of persons 18 and under in poverty.

Persons in Poverty by Age

Age	2010		2013	
	Number of Households	% of Population	Number of Households	% of Population
18 and Under	124,609	31.4%	137,192	34.5%
18 to 64	183,377	20.2%	202,272	21%
65 and Older	13,574	10.8%	13,839	10.2%

Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

Protected Class Analysis

The Fair Housing Act and similar state fair housing laws list seven prohibited bases for housing discrimination: race, color, national origin, gender, familial status, disability, and religion. City of Phoenix fair housing laws also prohibit housing discrimination based on sexual orientation and gender identity or expression. This protected class analysis addresses each of the federally protected population groups and their geographic distribution in the City of Phoenix.

Race and Ethnicity

As of 2012, the City of Phoenix had an estimated population of 1.49 million people, up by 12.7% since 2000. The largest share of the population was non-Hispanic White (45.9%), with Latino residents making up the second largest racial/ethnic group at 40.3% of the total. Other minority population segments include African Americans (6.6%), Asians (3.4%), persons of multiple races (1.8%), and American Indians/Alaska Natives (1.6%). Native Hawaiians/Pacific Islanders and persons of other races each made up 0.2% of total population.

Population by Race and Ethnicity in the City of Phoenix							
Race by Ethnicity	2000		2010		2012		2000-2012 % Change
	Count	Share	Count	Share	Count	Share	
Non-Hispanic	871,073	65.9%	855,755	59.2%	888,308	59.7%	2.0%
White	736,844	55.8%	672,573	46.5%	683,240	45.9%	-7.3%
Black or African American	63,756	4.8%	86,788	6.0%	98,375	6.6%	54.3%
American Indian/Alaska Native	21,472	1.6%	23,327	1.6%	24,278	1.6%	13.1%
Asian	25,453	1.9%	43,894	3.0%	49,983	3.4%	96.4%
Native Hawaiian/Pacific Islander	1,353	0.1%	2,055	0.1%	2,772	0.2%	104.9%
Other race	1,488	0.1%	2,242	0.2%	2,575	0.2%	73.1%
Two or more races	20,707	1.6%	24,876	1.7%	27,085	1.8%	30.8%
Hispanic or Latino	449,972	34.1%	589,877	40.8%	600,451	40.3%	33.4%
Total Population	1,321,045	100.0%	1,445,632	100.0%	1,488,759	100.0%	12.7%

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

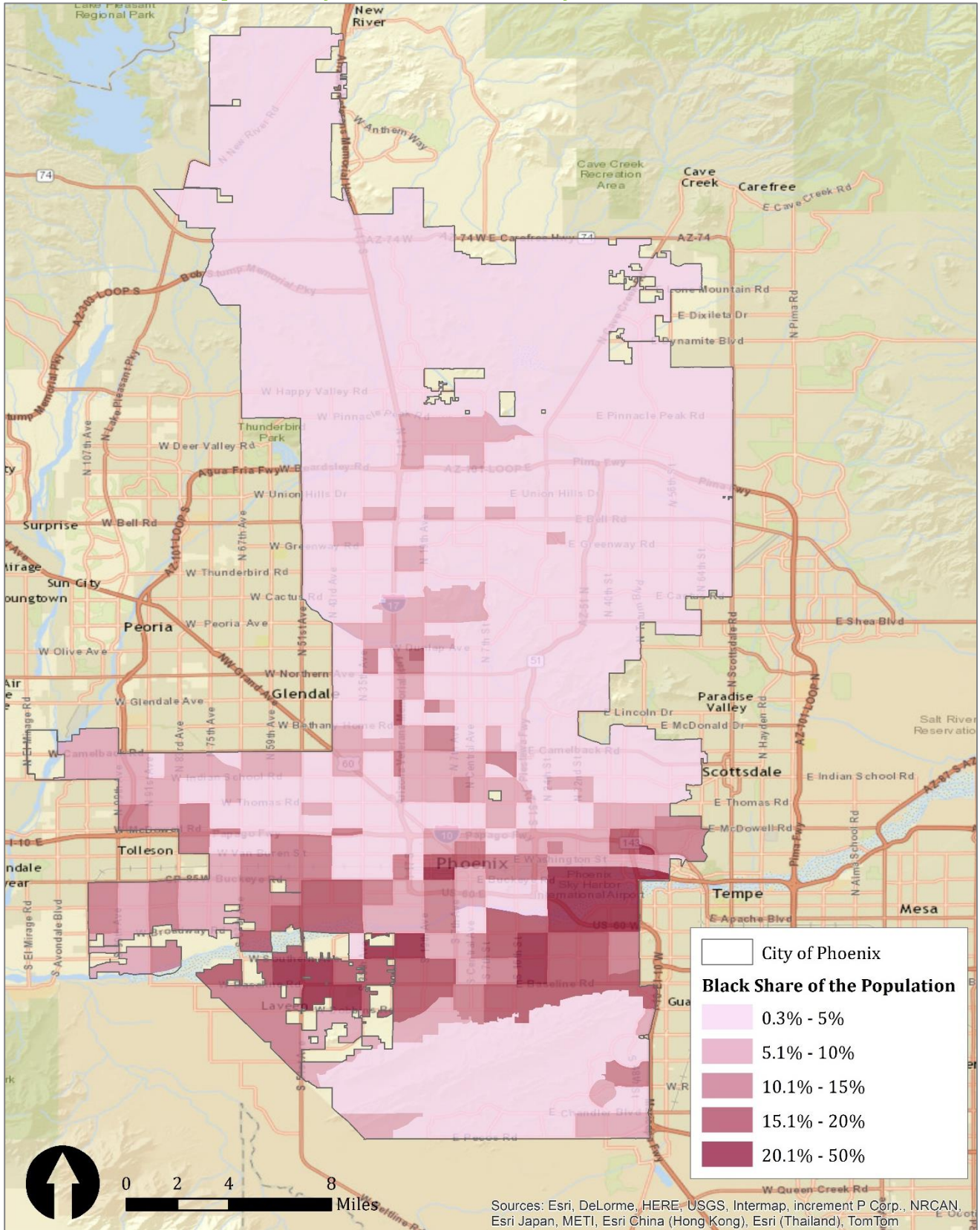
Since the 2000 Census, racial and ethnic diversity increased in Phoenix, as it did nationally and in Arizona. The City's White population fell by 7.3% (53,604 persons), while its Hispanic population expanded by 150,479 residents (or 33.4%). Other minority groups also saw considerable growth rates from 2000 to 2012 although they remained relatively small shares of Phoenix overall. The Native Hawaiian/Pacific Islander population more than doubled (104.9%), the Asian population nearly doubled (96.4%), and the African American population increased by 54.3%.

Hispanic population growth and a stagnant/decreasing White population are not unique to Phoenix. Nationally, the Hispanic population grew by 50.0% from 2000 to 2012, well above the population growth rate for Whites of 1.4%. In Arizona, the Hispanic population expanded by 52.5% and the White population grew by 13.9%.

The maps on the following pages show the racial and ethnic composition of the City of Phoenix by census tract. The first map displays the share of the population that is African American by census tract in 2010. African Americans made up more than 20% of the population in 11 tracts, including 47.1% in one tract. The largest concentrations of Black residents was south of downtown Phoenix, in the South Mountain and Laveen villages. The majority of tracts in the City had an African American population that made up less than 5% of the tract total, including most of the tracts north of I-10 and in the Ahwatukee Foothills village. Input from stakeholders echoed the Census data, with several interviewees indicating that Phoenix's African American residents are heavily concentrated on its south side.

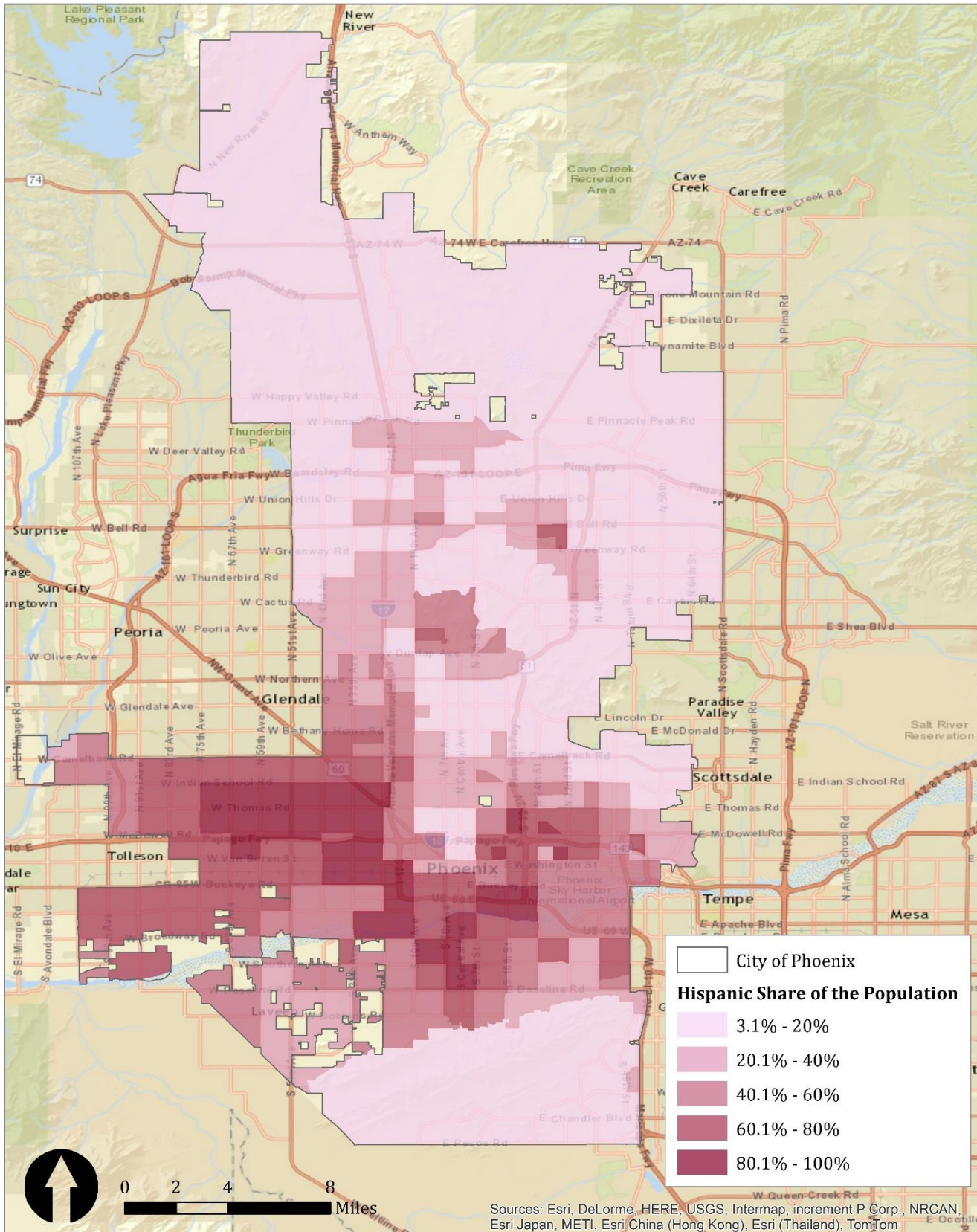
The map on page 33 shows Hispanic population by census tract in 2010. Latinos made up more than 80% the population in 38 tracts and between 60% and 80% of the population in an additional 64 tracts. Most of these tracts are in the central city or to its south or west, a finding congruent with the input of several stakeholders, who identified south and west Phoenix as areas of Latino population concentrations. The segregation analysis will further compare and quantify residential patterns by race and ethnicity in the City of Phoenix.

Black Share of the Population by Census Tract in the City of Phoenix, 2010



Source: U.S. Census 2010 SF1 Table P5

Hispanic Share of the Population by Census Tract in the City of Phoenix, 2010



Source: U.S. Census 2010 SF1 Table P5

Racially and Ethnically Concentrated Areas of Poverty

In addition to looking at residential patterns of protected classes, this section uses a methodology developed by HUD to identify racially and/or ethnically concentrated areas of poverty (RCAP/ECAPs). HUD defines an RCAP/ECAP as a census tract with an individual poverty rate of 40% or greater (or an individual poverty rate at least 3 times that of the tract average for the metropolitan area, whichever is lower) and a non-White population of 50% or more.

According to the 2008-2012 American Community Survey, there are 53 tracts in the City of Phoenix that are areas of concentrated poverty and majority non-White population (see the table below). These tracts are home to 191,892 residents, or 13.1% of the City's total population.

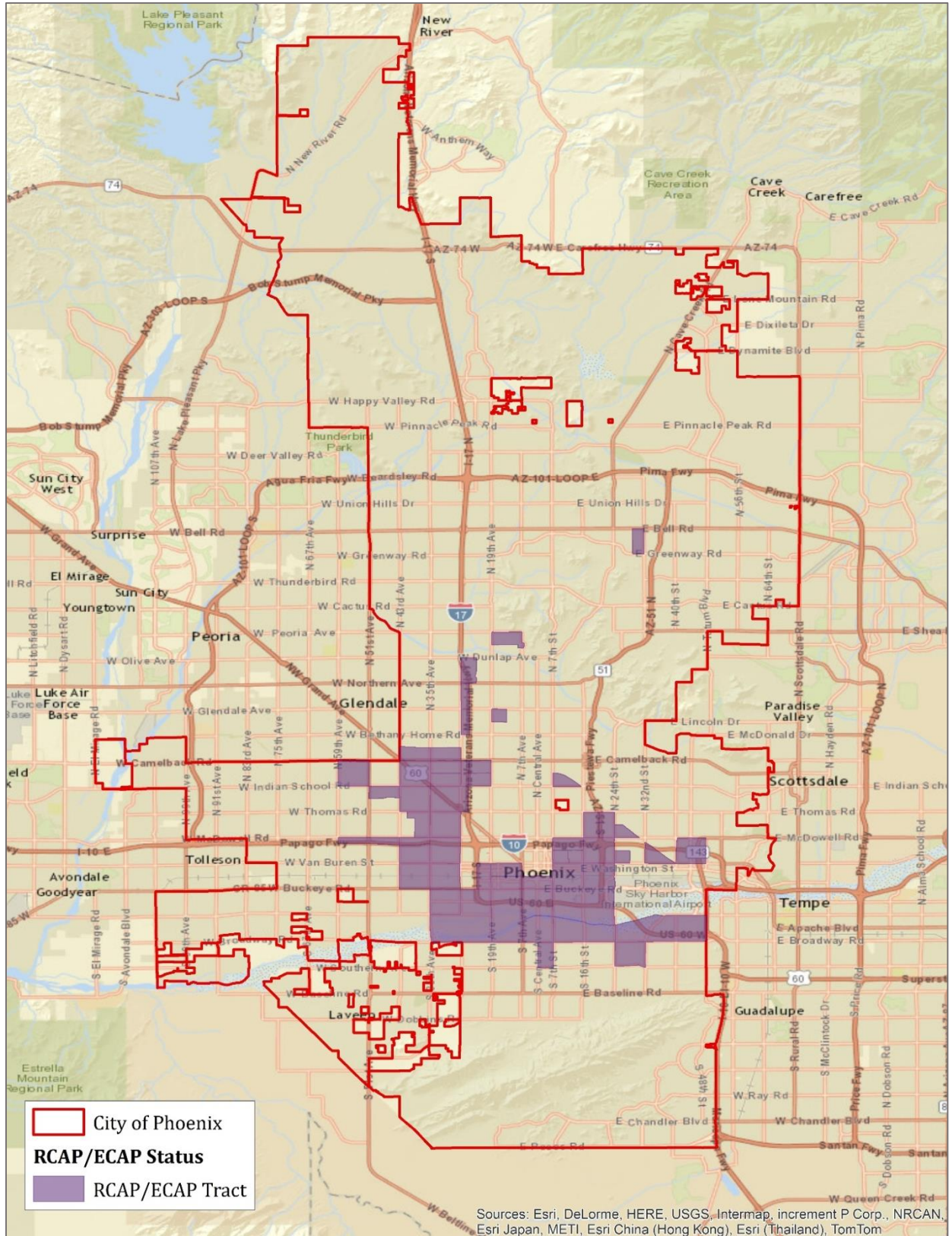
Latinos make up the largest share of the RCAP/ECAP population at 72.7%. Nearly one-quarter of Phoenix's Hispanic population lives in an RCAP/ECAP, compared to 15.8% of its African American population, 17.7% of its American Indian population, and only 4.2% of its White population. The only racial group more likely to live in a minority area of concentrated poverty are Native Hawaiians/Pacific Islanders, 31.3% of whom do so.

City of Phoenix Racially/Ethnically Concentrated Areas of Poverty, 2008-2012		
	Count	Share of Total
Non-Hispanic, One Race Alone		
White	28,930	15.1%
Black/African-American	14,357	7.5%
American Indian/Alaska Native	4,040	2.1%
Asian	2,832	1.5%
Native Hawaiian/Pacific Islander	1,020	0.5%
Some Other Race	106	0.1%
Non-Hispanic, Two or More Races	1,040	0.5%
Hispanic	139,567	72.7%
Total Population in RCAP/ECAP Tracts	191,892	100.0%

Source: 2008-2012 5-Year American Community Survey Tables B03002 and B17001

The map on the following pages indicate the locations of RCAP/ECAPs in Phoenix. As shown, these tracts are most heavily concentrated in a contiguous band in the Central City and to its south and west, including northern South Mountain, northeastern Laveen, and eastern Estrella and Maryvale. Seven RCAP/ECAP tracts are located north of this band, but none are further north than Bell Road or further south than Baseline Road.

Racially and Ethnically Concentrated Areas of Poverty in the City of Phoenix, 2008-2012



Source: 2008-2012 5-Year American Community Survey Tables B03002 and B17001

National Origin

As of the 2008-2012 American Community Survey, 20.6% of Phoenix's population was foreign born, above the foreign born population share of the MSA (14.6%), state (13.6%) and U.S. (12.9%). Since the 2000 Census, the City's non-native population grew by 17.2%, a rate that was below those of the three other geographies, ranging from 27.9% in the U.S. to 34.7% in the MSA. In 2000, Phoenix was home to 39.2% of the state's non-native residents; by 2008-2012, it was home to 34.7%.

The largest share of foreign born Phoenix residents are from Latin America (72.7%), compared to 52.8% of the U.S. population. Asians make up 13.6% of Phoenix's foreign born population, up from 8.7% in 2000; Europeans constitute the third largest group at 7.1% of all non-U.S. natives.

National Origin of Foreign Born Population in the City of Phoenix					
National Origin	2000		2008-2012		Percent Change
	Count	Share	Count	Share	
Europe	21,137	8.2%	21,536	7.1%	1.9%
Asia	22,328	8.7%	40,865	13.6%	83.0%
Africa	3,150	1.2%	9,392	3.1%	198.2%
Oceania	975	0.4%	1,091	0.4%	11.9%
Americas	209,735	81.5%	228,654	75.8%	9.0%
Caribbean & Central America	201,217	78.2%	219,130	72.7%	8.9%
South America	3,189	1.2%	4,666	1.5%	46.3%
North America	5,329	2.1%	4,858	1.6%	-8.8%
Foreign Born Population	257,325	100.0%	301,538	100.0%	17.2%
Foreign Born Population as Share of Total	19.5%		20.6%		

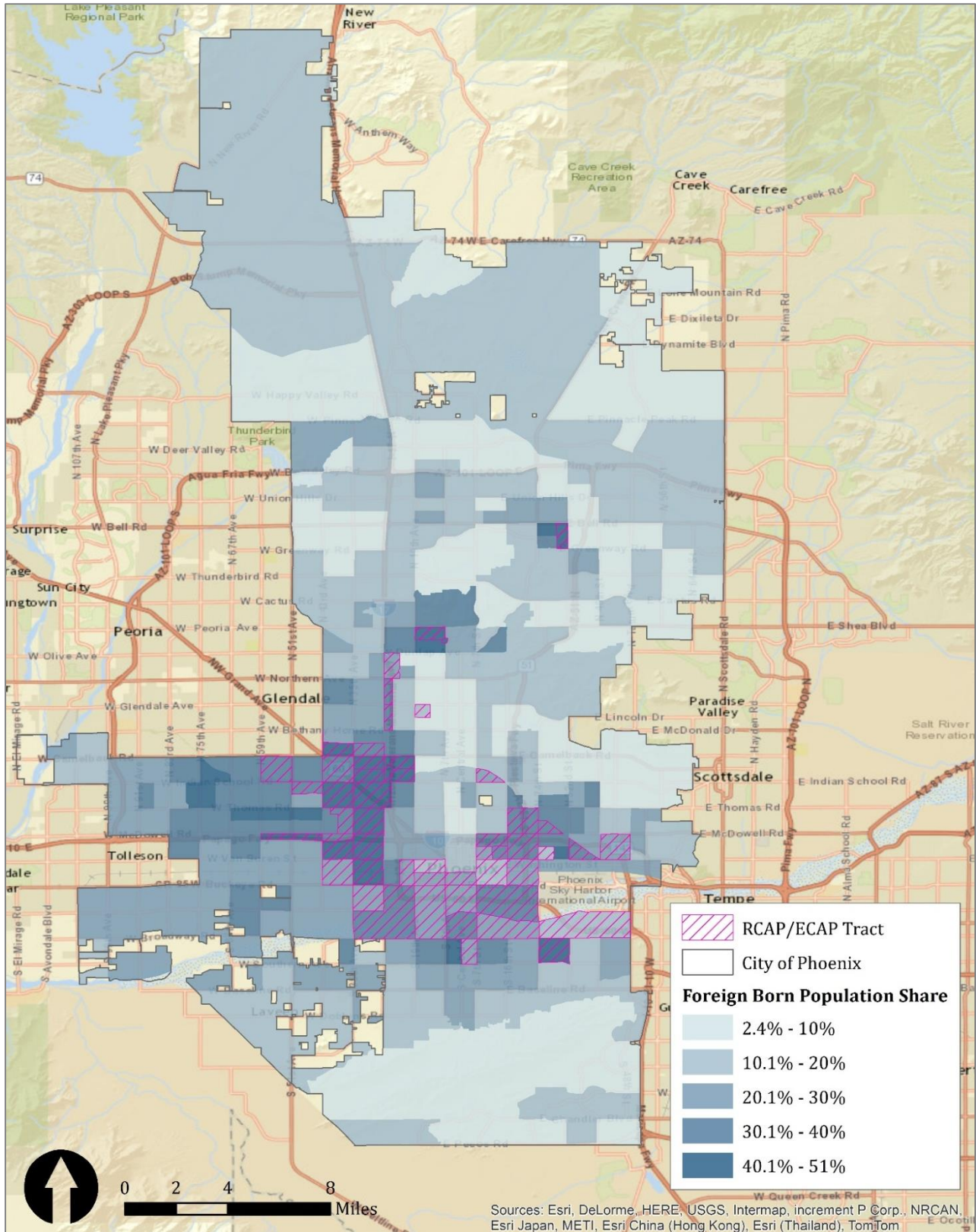
Sources: U.S. Census 2000 SF3 Table PCT019 and 2008-2012 5-Year American Community Survey Table B05006

A closer examination of nativity data reveals that the majority of foreign born residents living in Phoenix were from Mexico (68.1%). No other country constituted more than 5% of the non-native population. Persons born in south eastern Asia made up 4.6% of the city's population (including 1.8% from Vietnam and 1.8% from the Philippines) and south central Asians made up (including 3.1% from India). Stakeholder interviews indicate that an estimated 60,000 refugees live in the City of Phoenix. For recently-relocated foreign born persons, language difficulties, lack of credit histories, lack of short-term rental options, and insufficient transportation are all potential barriers to obtaining housing.

The map on the following page identifies Phoenix's foreign born population by census tract. The greatest concentration includes several contiguous tracts in southwest Alhambra and east Maryvale, where more than 40% of residents were born outside of the U.S. Overall, the

southwest part of the city, including Maryvale and Estrella, have the heaviest concentrations. Of the 27 tracts with a foreign born population above 40%, 16 are also RCAP/ECAP tracts.

Foreign Born Share of the Population by Census Tract in the City of Phoenix, 2008-2012



Source: 2008-2012 5-Year American Community Survey Table B0500

Familial Status & Householder Gender

As of the 2010 Census, there were 514,806 households in Phoenix, of which nearly two-thirds (64.2%) were families.⁶ More than half of families (58.3%) and over one-third of total households (37.4%) included children. Nearly one-quarter of family households (23.2%) and one-half of non-family households (47.8%) had female householders, together totaling 164,628 (or 32.0% of total householders). Nationally, two-thirds of households were family households (66.4%) in 2010, 31.3% had children, and 34.9% had female householders. In comparison, Phoenix has a higher share of households with children but a slightly lower share of female householders.

An analysis of changes in household types in Phoenix between 2000 and 2010 indicates a drop in the number of married couple households (by 617 households or 0.3%); married couples with children fell by 3.4%. Numbers of other household types (single householders with and without children, and nonfamily households), meanwhile, grew by rates ranging from 15.1% to 35.8%. These trends indicate growing diversity in terms of householders and family type in Phoenix that is reflective of national trends.

Familial Status and Sex of Householder in the City of Phoenix					
Household Type	2000		2010		2000-2010 % Change
	Count	Share	Count	Share	
Family Households	307,243	66.0%	330,762	64.2%	7.7%
Married couple householders	218,516	46.9%	217,899	42.3%	-0.3%
With related children under 18	119,552	25.7%	115,471	22.4%	-3.4%
No related children under 18	98,964	21.2%	102,428	19.9%	3.5%
Male householder, no wife	28,778	6.2%	36,234	7.0%	25.9%
With related children under 18	18,253	3.9%	23,116	4.5%	26.6%
No related children under 18	10,525	2.3%	13,118	2.5%	24.6%
Female householder, no husband	59,949	12.9%	76,629	14.9%	27.8%
With related children under 18	43,477	9.3%	54,260	10.5%	24.8%
No related children under 18	16,472	3.5%	22,369	4.3%	35.8%
Nonfamily Households	158,591	34.0%	184,044	35.8%	16.0%
Male householders	83,411	17.9%	96,045	18.7%	15.1%
Female householders	75,180	16.1%	87,999	17.1%	17.1%
Total Households	465,834	100.0%	514,806	100.0%	10.5%
Total female householders	135,129	29.0%	164,628	32.0%	21.8%
Total households with children	181,282	38.9%	192,847	37.5%	6.4%

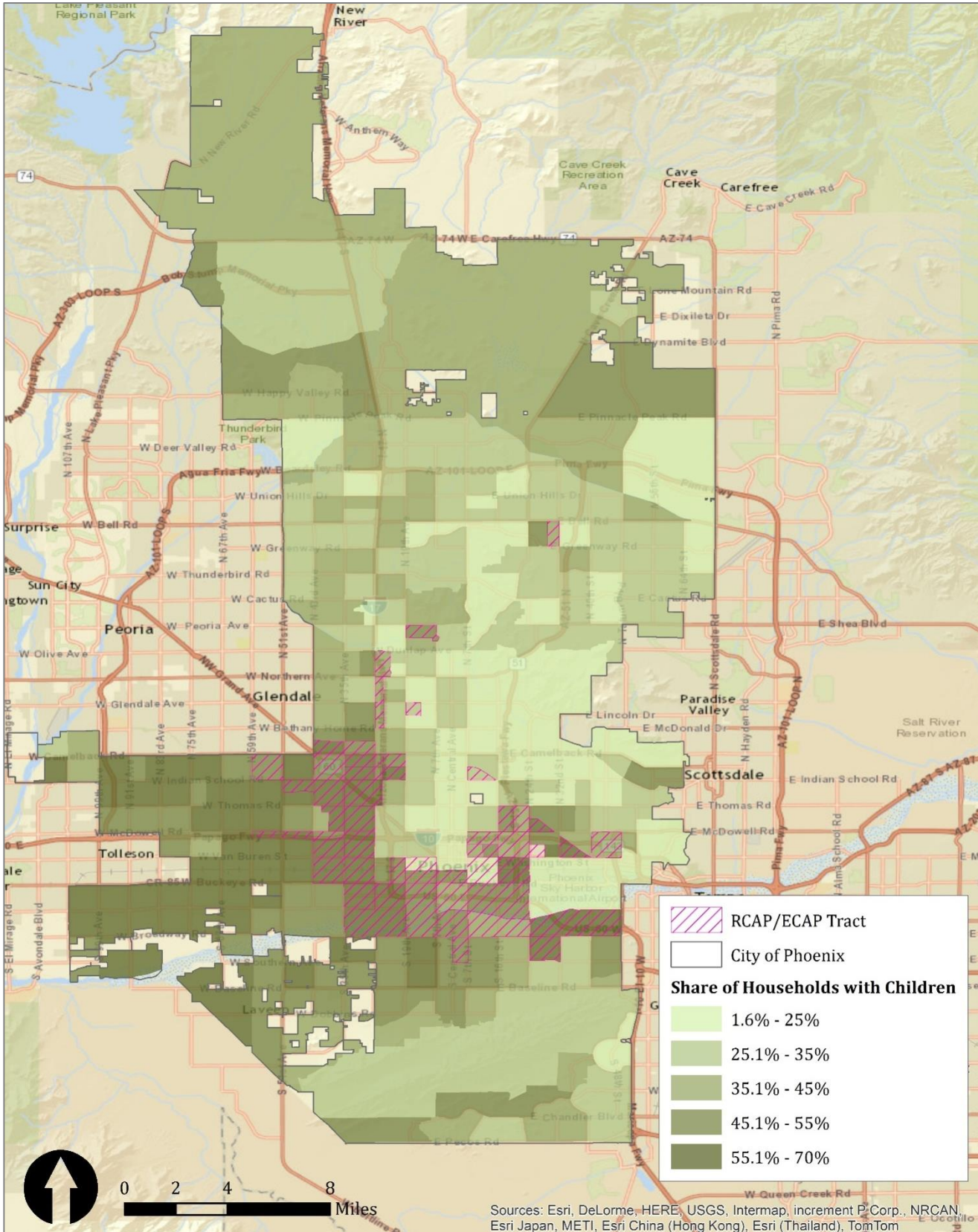
⁶ The Census defines a family household as a household with two or more people (one of whom is the householder) related by birth, marriage, or adoption residing together. A family household also includes any unrelated people who may be residing with the family.

The map on the following page identifies concentrations of households with children. Households with children make up greater shares of tracts in southwest and north Phoenix, including the villages of Maryvale, Estrella, Laveen, Rio Vista, North Gateway, and Desert View, than they do in central Phoenix. Tracts in the villages of Paradise Valley, Camelback East, and Encanto have lower shares of households with children.

Households with children make up more than 55% of households in 62 census tracts. Of those, 22 are RCAP/ECAP tracts, located predominately to the east and west of the central city, outside of the loop formed by I-10 and I-17.

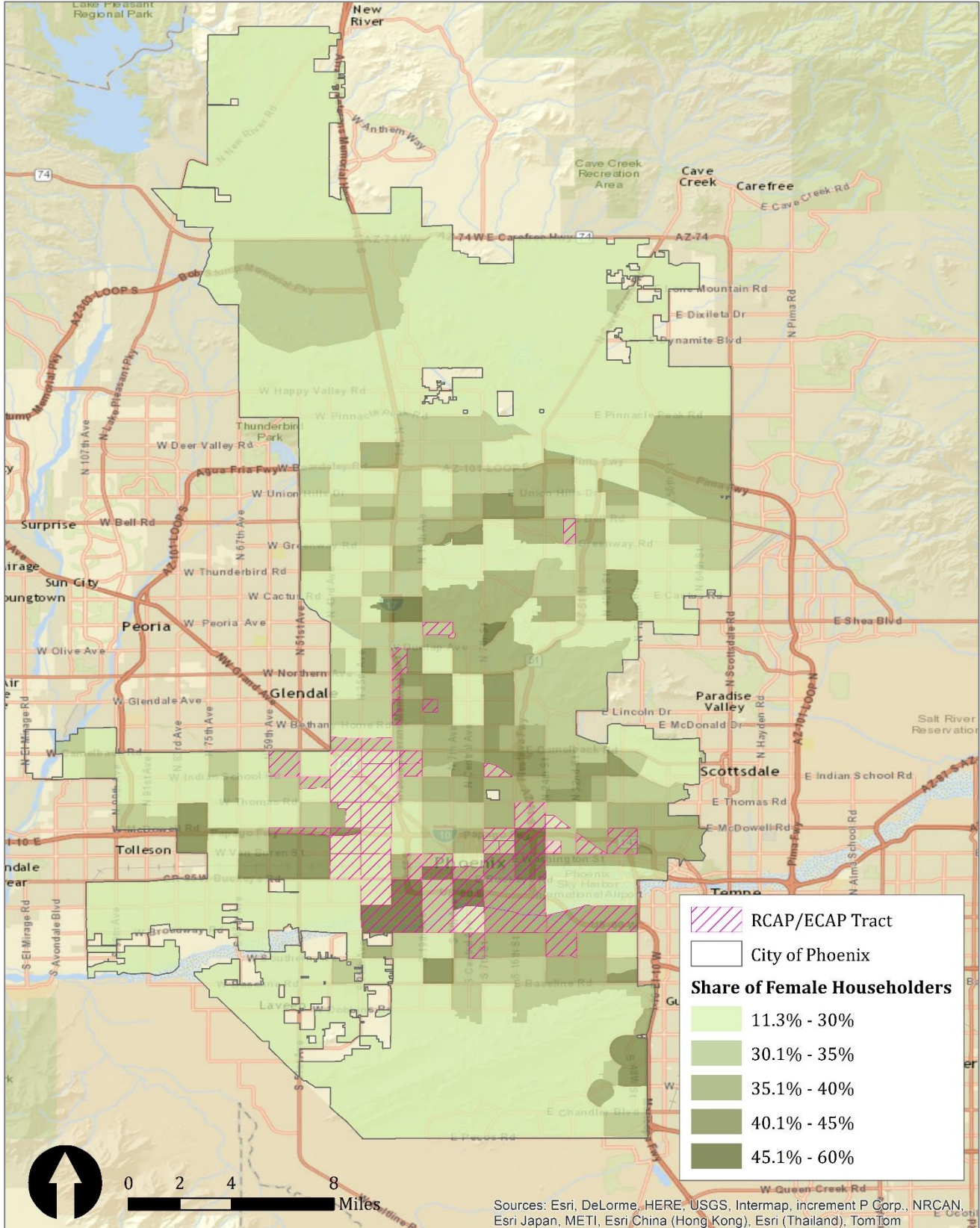
Female householders as a share of total householders by census tract are shown on the following map. Few tracts show sizeable concentrations of female households; only seven tracts have female householder shares above 45%. Five of these are RCAP/ECAP tracts, all located in or immediately adjacent to the central city village.

Share of Households with Children by Census Tract in the City of Phoenix, 2010



Source: U.S. Census 2010 SF1 Table P39

Share of Female Householders by Census Tract in the City of Phoenix, 2010



Source: U.S. Census 2010 SF1 Tables P29 and P39

Disability

As of the most recent American Community Survey data (2008-2012), the City of Phoenix had a disabled population of 134,773 (or 9.3% of total population). This rate was below that of both the state (11.5%) and nation (12.0%). Of persons with a disability, two-thirds were under the age of 65 and the remaining one-third were 65 or over.

Housing needs for residents with a disability vary depending on several factors including disability type. Ambulatory difficulties affect the largest portion – over half (52.3%) – of Phoenix residents with a disability. Cognitive difficulties and independent living difficulties each affect more than one-third of residents (38.9% and 35.0%, respectively). Note that the total number of difficulties is 1.9 times Phoenix’s total disabled population, indicating that many people face more than one difficulty.

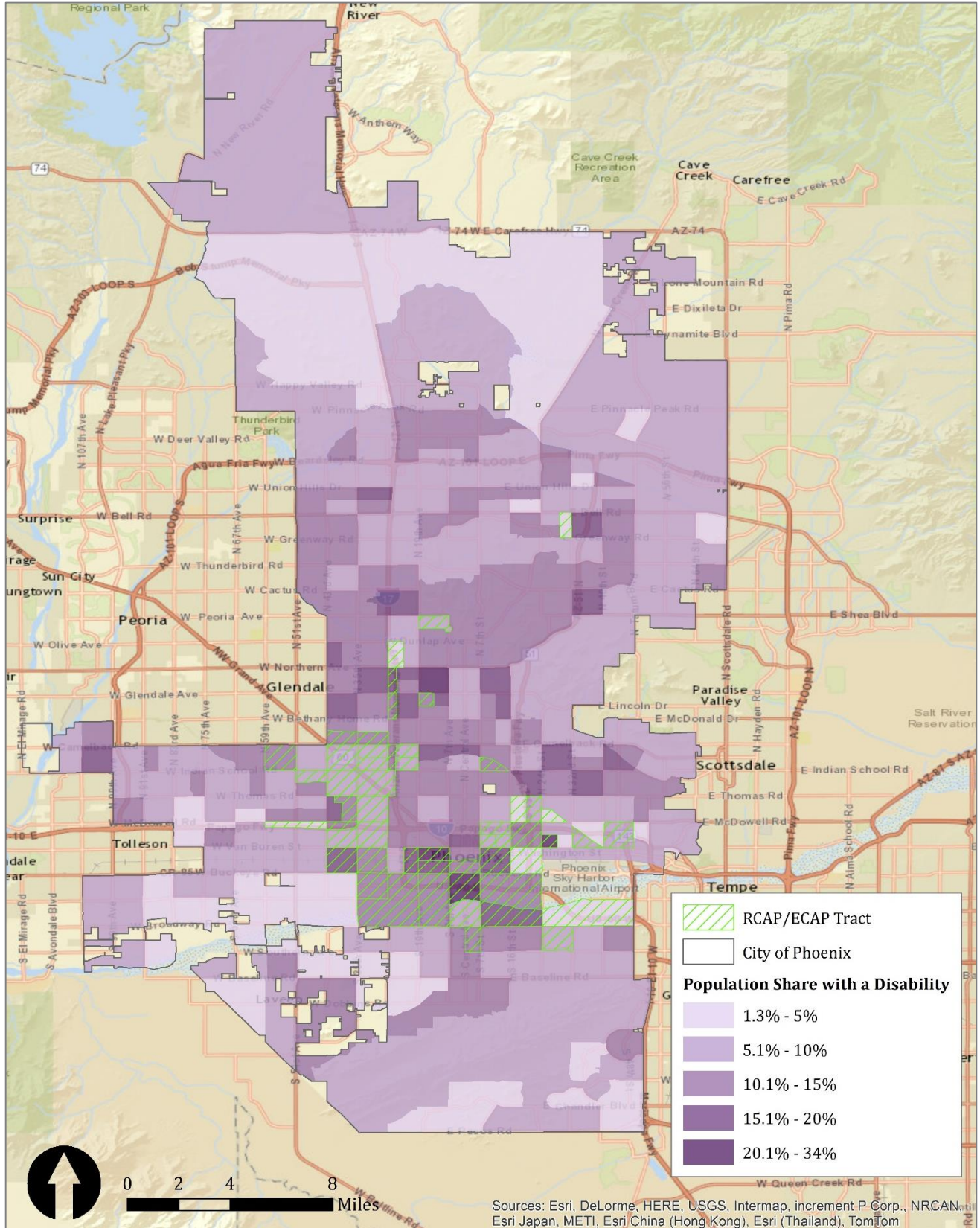
Disability Status of the Population in the City of Phoenix, 2008-2012		
Disability Status	Count	Share of Total
By Age		
Total population	1,450,379	100.0%
With a disability	134,773	9.3%
Population under age 65	1,329,604	100.0%
With a disability	90,113	6.8%
Population age 65 and over	120,775	100.0%
With a disability	44,660	37.0%
By Type of Disability		
Total disabled population	134,773	100.0%
Hearing difficulty	34,535	25.6%
Vision difficulty	26,715	19.8%
Cognitive difficulty	52,492	38.9%
Ambulatory difficulty	70,493	52.3%
Self-care difficulty	27,306	20.3%
Independent living difficulty	47,194	35.0%

Source: 2008-2012 American Community Survey Tables B18101 to B18107

The map on the next page shows the geographic distribution of the disabled population in Phoenix. Tracts with a high share of disabled residents are not concentrated in one area of the city, although three of the tracts with the highest disability rates (above 20%) are within the Central City and each of this is also an RCAP/ECAP. The city’s ability to meet the housing needs of its disabled residents is impacted by an array of factors – such as zoning regulations for group

homes, the ease with which modifications may be made to existing homes, and the availability of fair housing services – which are each examined in other sections of this report.

Share of Population with a Disability by Census Tract in the City of Phoenix, 2008-2012



Source: 2008-2012 American Community Survey Table B18101

Religious Affiliation

Religion is not one of the questions surveyed by the U.S. Census Bureau making dependable, comprehensive data on religious affiliation difficult to find. The data used in this report appear in the 2010 U.S. Religion Census: Religious Congregations & Membership Study, a county-by-county enumeration of religious bodies in the U.S. published by the Association of Statisticians of American Religious Bodies (ASARB). The smallest geography for which data is available in this study is the county level, and thus no figures are available for Phoenix or its census tracts; however, data for Maricopa County is provided below.

Population by Religious Affiliation in Maricopa County, 2010		
Religious Affiliation	Count	Share
Catholic	520,651	13.8%
Evangelical Protestant	534,453	14.2%
Mainline Protestant	104,145	2.8%
Black Protestant	6,278	0.2%
Orthodox	13,379	0.4%
Other		
Buddhism	12,842	0.3%
Hindu	29,226	0.8%
Judaism	13,852	0.4%
Latter-day Saints	243,588	6.5%
Muslim	6,817	0.2%
Other	6,249	0.2%
Unclaimed	2,325,637	61.6%
Total Population	3,775,049	100.0%

Source: Association of Statisticians of American Religious Bodies, *2010 U.S. Religion Census: Religious Congregations & Membership Study*

In Maricopa County, the largest share of the population – 61.6% – did not adhere to a religion as of 2010.⁷ Of those claiming a religious affiliation, Evangelical Protestants made up the largest share at 14.2% of the population, followed by Catholics at 13.8%. The only other religion adhered to by more than 5% of Maricopa County’s population was Latter-day Saints at 6.5%.

⁷Congregational adherents include all full members, their children, and others who regularly attend services. “Unclaimed,” are not adherents of any of the 236 groups included in the Religious Congregations & Membership Study, 2010.

Segregation Analysis

Segregation, or the degree to which two or more racial or ethnic groups live geographically separate from one another, can directly affect the quality of life in cities and neighborhoods. A study by the Federal Reserve Bank of Cleveland compared the economic growth of more than 100 areas in the U.S. between 1994 and 2004 and concluded that racial diversity and inclusion was “positively associated with a host of economic growth measures, including employment, output, productivity, and per capita income.”⁸ In general, diverse communities have been found to benefit from greater innovation arising out of the varied perspectives within the community. Additionally, multilingual and multicultural regions are best positioned for success in the global marketplace.

Despite the economic and other advantages of diversity, patterns of racial and ethnic segregation remain prevalent in many regions and cities. Segregation is typically perceived of negatively, but it is important to note that it is not always due to overt housing discrimination. In fact, there could be at least three reasons why patterns of segregation exist:

- personal preferences cause individuals to want to live in neighborhoods with others of a particular race and ethnicity;
- income differences across race and ethnic groups limit the selection of neighborhoods where persons of a particular race and ethnicity can live; and
- illegal discrimination in the housing market limits the selection of neighborhoods where persons of a particular race and ethnicity live.

Regardless of the causes of segregation, its effects can be detrimental. “Numerous studies have focused on the possible effects of residential neighborhoods on social and economic outcomes. Persistent economic and racial residential segregation is implicated in enduring racial and ethnic inequality.”⁹ For example, research demonstrates that African American homeowners earn less equity in their non-rental homes because their incomes are lower and they reside in areas that are more segregated. “Individuals take account of the race-ethnic composition of neighborhoods when deciding if and where to move. These patterns may result from a number of underlying social processes. While race-ethnic prejudice may govern residential choices to some degree, the ethnic composition of a neighborhood is also correlated with other factors that determine neighborhood attractiveness. For example, neighborhoods vary in levels of crime, quality housing, and poverty.”¹⁰

⁸ PolicyLink. 2011. “America’s Tomorrow: Equity is the Superior Growth Model.” http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT_FRAMING_WEB_FINAL_20120127.PDF

⁹ Bruch, E. 2005. “Residential Mobility, Income, Inequality, and Race/Ethnic Segregation in Los Angeles.” Princeton, NJ: Princeton, University, pp. 1.

¹⁰ Bruch, 2005.

The task in this Segregation Analysis is to determine the degree to which residents of the City of Phoenix are segregated by race and ethnicity, based on population counts from the 2000 and 2010 U.S. Censuses.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan¹¹ defined a “dissimilarity index” which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton¹² drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

This analysis will use the methodology set forth by Duncan and Duncan for the measurement of evenness of the population distribution by race (dissimilarity index) as well as measures of exposure of one race to another (exposure and isolation indices), based on the work of Massey and Denton. Workers in the field generally agree that these measures adequately capture the degree of segregation. These measures have the advantage of frequent use in segregation analyses and are based on commonsense notions of the geographic separation of population groups. An additional analysis for the entropy index will provide a measure of multi-group diversity not accounted for by the other indices which necessarily are limited to two racial or ethnic groups at a time.

Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, the City of Phoenix). Evenness is not measured in an absolute sense, but is scaled relative to some other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). HUD identifies a DI value between 0.41 and 0.54 as a moderate level of segregation and 0.55 or above as a high level of segregation.

¹¹ Duncan, Otis D., and Beverly Duncan. 1955. “A Methodological Analysis of Segregation Indices.” *American Sociological Review*, Vol. 20.

¹² Massey, Douglas, S. and Denton, N. A., 1988. “The Dimensions of Residential Segregation.” *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

The citywide proportion of the minority population can be small and still not be segregated if evenly spread among tracts. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to achieve a distribution matching that of the majority (or vice versa).

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region:¹³

$$D = \left(\frac{1}{2}\right) \sum_{i=1}^n \left| \frac{Min_i}{Min_T} - \frac{Maj_i}{Maj_T} \right|$$

where:

D = Dissimilarity Index;

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

Maj_i = Majority group population of census tract i;

Maj_T = Majority group regional population; and

n = Total number of census tracts in the region.

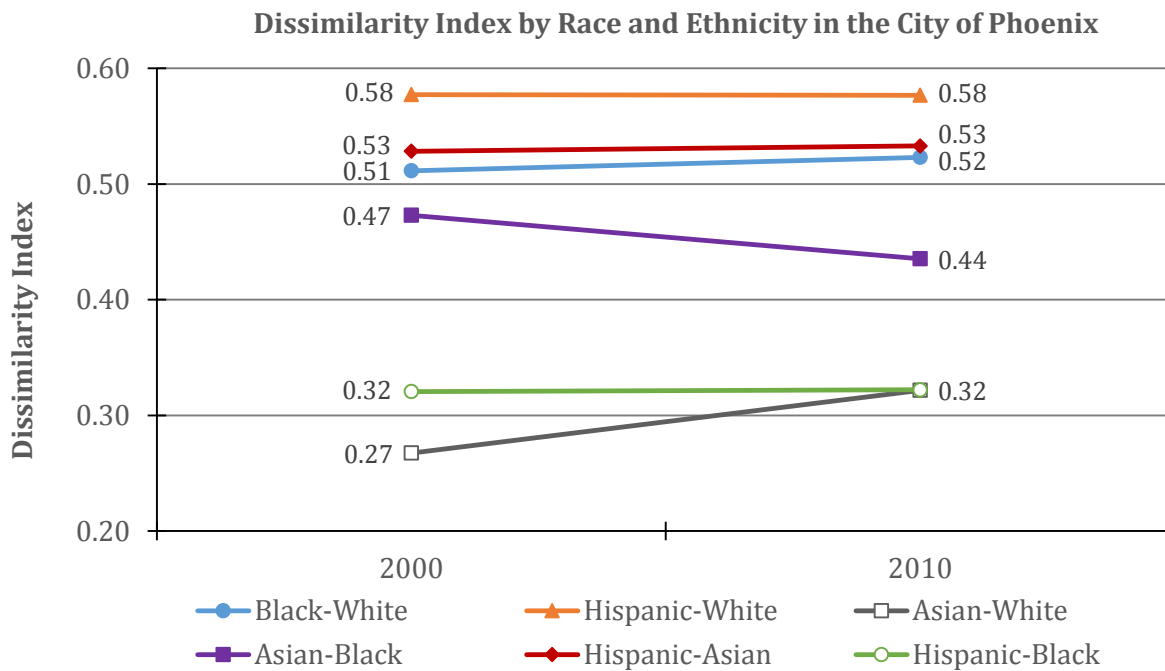
The table below presents the results of these calculations between non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics in Phoenix.¹⁴ The graph that follows presents the same data in a visual format so that trends can be more readily identified.

¹³ Calculation after [Desegregation Court Cases and School Demographics Data](http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm), Brown University, Providence, Rhode Island. Source: <http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm>. Accessed February 27, 2013.

¹⁴ The DI methodology requires that each group be distinct from each other. Each racial or ethnic group cannot overlap. This study focuses primarily on four groups: Hispanics, non-Hispanic Whites, non-Hispanic Blacks, and non-Hispanic Asians (to be called "Whites," "Blacks," and "Asians" for simplicity).

Dissimilarity Index for the City of Phoenix			
Group Exposure	2000	2010	Change
Black-White	0.51	0.52	0.01
Hispanic-White	0.58	0.58	0.00
Asian-White	0.27	0.32	0.05
Asian-Black	0.47	0.44	-0.04
Hispanic-Asian	0.53	0.53	0.00
Hispanic-Black	0.32	0.32	0.00

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Overall, the DI calculations show a high and persistent level of segregation between Hispanic and White residents in Phoenix, with a dissimilarity index of 0.58 in both 2000 and 2010. This can be interpreted as meaning that 58% of Hispanic residents *or* 58% of White residents would have to move census tracts in order for the two groups to be distributed identically geographically. Two other pairs of population groups – Hispanics and Asians and Blacks and Whites – have dissimilarity indices at the high end of HUD’s moderate segregation range: 0.53 and 0.52, respectively, as of 2010. Neither saw substantial change from the previous decade. Asians and Blacks are also moderately segregated within Phoenix, with a DI of 0.44 as of 2010, down slightly from 0.47 in 2000.

Population groups that are most similarly distributed throughout the city (and thus least segregated from one another) are Hispanics and Blacks and Asians and Whites, both with DIs at 0.32 in 2010. Stakeholder input reflected these patterns, as interviewees noted that African Americans and Latinos tended to live in similar areas on the south and west parts of the city.

Exposure Index

Two basic, and related, measures of racial and ethnic interaction are exposure (this section) and isolation (next section). These two indices, respectively, reflect the possibility that a minority person shares a census tract with a majority person (Exposure Index, EI, this section) or with another minority person (Isolation Index, II, next section).

“Exposure measures the degree of potential contact between minority and majority group members.”¹⁵ Exposure is a measure of the extent two groups share common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as the probability that a minority resident will come in contact with a majority resident, and ranges in value from 0.0 to 1.0, where higher values represent lower segregation.

As with the Dissimilarity Index, each calculation of EI involves two mutually exclusive racial or ethnic groups. The EI measures the exposure of minority group members to members of the majority group as the minority-weighted average (the first term in the equation below) of the majority proportion (the second term) of the population in each census tract, which can be written as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Maj_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members interact with majority group members

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

Maj_i = Majority group population of census tract i;

Tot_i = Total population of census tract i; and

n = Total number of census tracts in the region.

The EI is not “symmetrical” so the probability of a typical Black person meeting a White person in a tract is not the same as the probability of a typical White person meeting a Black person in

¹⁵ Massey and Denton, 1988.

that tract. An illustrative example of this asymmetry is to imagine a census tract with many White residents and a single Black resident. The Black person would see all White people, but the White residents would see only one Black person. Each would see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low segregation). If a minority is a small proportion of a region's population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.¹⁶

The table below shows that in 2010 the highest exposure index values were for Asians' exposure to Whites (0.55) and Blacks' exposure to Hispanics (0.47). The dynamic at work in both cases is similar – a group that makes up a small share of the city's population (3.0% for Asians and 6.0% for Blacks) is highly likely to interact with the larger group with whom their geographic distribution is most similar (Whites and Hispanics, respectively), as indicated by the relatively low dissimilarity indices of 0.32 for both of these pairings. For Asian-White interaction, the EI value declined from 2000 to 2010, reflecting that segregation between these two groups increased; Black-Hispanic interaction increased slightly.

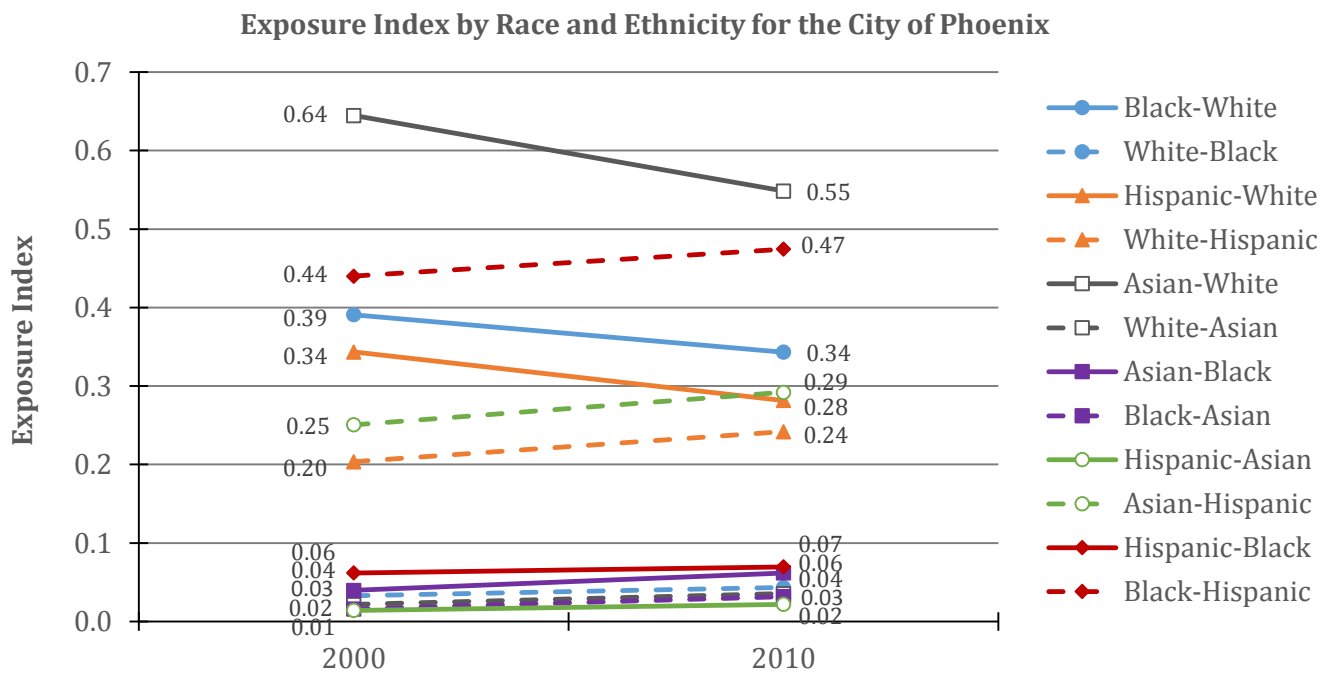
Moderate levels of exposure exist for Blacks to Whites (0.34), Asians to Hispanics (0.29), Hispanics to Whites (0.28), and Whites to Hispanics (0.24). Exposure of the two largest population groups (Whites and Hispanics) to the two smallest (Asians and Blacks) is low, with EI values ranging from 0.02 to 0.07. Likewise, interaction amongst Blacks and Asians is also low, not surprising given that they make up low shares of the overall population and are moderately segregated.

The "Exposure Index by Race and Ethnicity" graph shows three downward sloping lines indicating a decline in exposure of each minority group (Hispanics, Blacks, and Asians) to Whites. In the remaining nine pairings, exposure levels increased, although most of these were slight moves (all less than 0.05). These increases reflect growing diversity in Phoenix, as minorities make up larger shares of the population and social interaction amongst racial and ethnic groups increases.

¹⁶ John Iceland, Weinberg D.H., and Steinmetz, E. 2002. "Racial and Ethnic Residential Segregation in the United States: 1980-2000." U.S. Census Bureau. Paper presented at the annual meetings of the Population Association of America, Atlanta, Georgia.

Exposure Index in the City of Phoenix			
Interacting Groups	2000	2010	Change
Black-White	0.39	0.34	-0.05
White-Black	0.03	0.04	0.01
Hispanic-White	0.34	0.28	-0.06
White-Hispanic	0.20	0.24	0.04
Asian-White	0.64	0.55	-0.09
White-Asian	0.02	0.04	0.02
Asian-Black	0.04	0.06	0.02
Black-Asian	0.02	0.03	0.01
Hispanic-Asian	0.01	0.02	0.01
Asian-Hispanic	0.25	0.29	0.04
Hispanic-Black	0.06	0.07	0.01
Black-Hispanic	0.44	0.47	0.03

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Isolation Index

The Isolation Index (II) measures “the extent to which minority members are exposed only to one another” (Massey and Denton, p. 288). Not a measure of segregation in a strict sense, the II is a measure of the probability that a member of one group will meet or interact with a member of the same group. The II can be viewed more as a measure of sociological isolation.

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time

so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

Similar to the EI, this index describes the average neighborhood for racial and ethnic groups. It differs in that it measures social interaction with persons of the same group instead of other groups. The II is the minority weighted average (the first term of the equation) of each tract's minority population (the second term) and can be defined as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Min_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members share an area with each other;

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

Tot_i = Total population of census tract i; and

n = Total number of census tracts in the region.

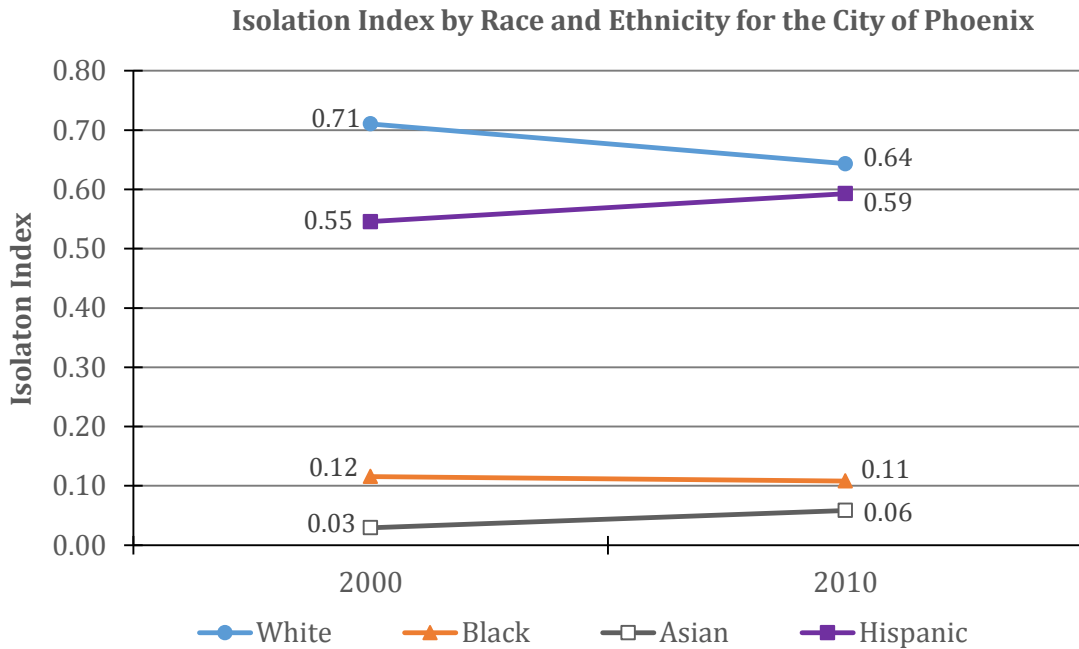
The II is a region-level measure for each race or ethnicity summed up from tracts within the region. The II can be interpreted as a probability that has a lower bound of 0.0 (low segregation corresponding to a small dispersed group) to 1.0 (high segregation implying that group members are entirely isolated from other groups).

The Isolation Index values for Phoenix show Whites to be the most isolated, in effect segregated, from other racial and ethnic groups. In 2010, the average White resident lived in a tract that was 64% White, down from an average of 71% in 2000. Isolation was also high for Latinos – the average Latino resident lived in a tract that was 59% Latino, up from 55% in 2000. Black and Asian residents had much lower isolation index levels of 0.11 and 0.06, respectively, reflecting their low population shares and likelihood of interacting Hispanics and Whites.¹⁷

¹⁷ The Exposure and Isolation Index methodologies implicitly assumes that the tract populations are evenly distributed within a census tract so that the frequency of social interactions is based on the relative population counts by tract for each race or ethnicity. Within actual neighborhoods racial and ethnic groups are not homogenous (e.g., families or small area enclaves) so that the chances of one group meeting another of the same group may be different than an even distribution might imply.

Isolation Index in the City of Phoenix			
Group	2000	2010	Change
White	0.71	0.64	-0.07
Black	0.12	0.11	-0.01
Asian	0.03	0.06	0.03
Hispanic	0.55	0.59	0.05

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a geographical area.¹⁸ Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other, but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

¹⁸ Iceland, John. 2004. "The Multigroup Entropy Index (Also Known as Theil's H or the Information Theory Index)." University of Maryland.

The Entropy Score (h) for a census tract is given by:

$$h_i = - \sum_{j=1}^k p_{ij} \ln(p_{ij})$$

where:

k = Number of groups;

p_{ij} = Proportion of population of j^{th} group in census tract i ($= n_{ij}/n_i$);

n_{ij} = Number of population of j^{th} group in tract I; and

n_i = Total population in tract i.

The higher the calculated value for h, the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm (ln) of the number of groups used in the calculations. The maximum score occurs when all groups have equal representation in the geographic area. In this case $k = 4$ (non-Hispanic Whites, non-Hispanic Blacks, other non-Hispanic populations, and Hispanics) so the maximum value for h is $\ln(4) = 1.39$. A tract with $h = 1.39$ would have equal proportions of all groups (high diversity) and a tract with $h = 0.0$ would contain only a single group (low diversity).

The Diversity Index map below shows the results of the tract-level calculations of the Entropy Score as a measure of diversity in Phoenix in 2010.

Visually, it can be seen that high diversity census tracts (those with highest h values) are located in the villages of Laveen, Alhambra, North Mountain and South Mountain. Only one of the 54 RCAP/ECAP census tracts had an h value above 1.25; an additional 13 had h values from 1.00 to 1.24.

Least diverse census tracts (lowest h scores) are located in the villages of Paradise Valley, Desert View, and Camelback East, as well as around the Central City. Nine RCAP/ECAP census tracts have h values below 0.50; an additional 13 have values from 0.51 to 0.75. These low diversity RCAP/ECAP tracts are primarily located in and around the Central City.

As the map depicts, the racially and ethnically concentrated areas of poverty vary in terms of level of diversity. In some tracts, there are a mix of races and ethnicities that, when combined, exceed the 50% minority threshold. In other areas, a single minority group makes up the majority of the tract and overall diversity is low.

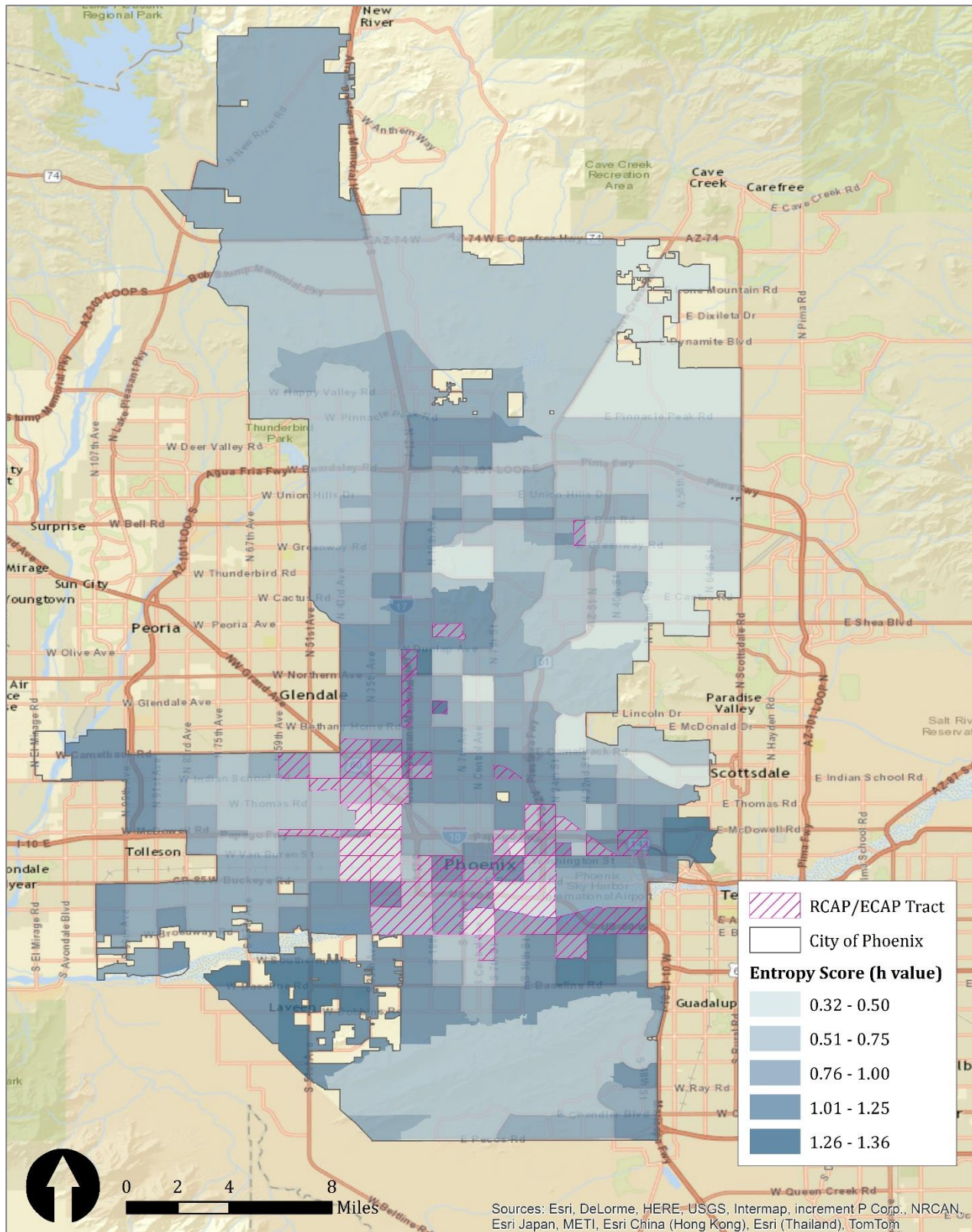
The Entropy Score is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However, Entropy Scores, measures of tract-level diversity,

can be used to calculate the Entropy Index¹⁹ (EI) which measures the distribution of multi-group diversity across tracts and an entire region.

The EI measures unevenness in the distribution of multiple racial and ethnic groups in a region by calculating the difference in entropy between census tracts and the larger region as a whole. The Entropy Index (H) for a region is the weighted average variation of each tract's entropy score differenced with the region-wide entropy as a fraction of the region's total entropy (Iceland 2004):

¹⁹ Iceland, John. 2002. "Beyond Black and White: Metropolitan Residential Segregation in Multi-Ethnic America," U.S. Census Bureau, Housing and Household Economic Statistics Division, paper presented at the American Sociological Association meetings, Chicago, Illinois.

Diversity Index by Census Tract in the City of Phoenix, 2010



Source: U.S. Census 2010 SF1 Table P5

where:

$$H = \frac{\hat{H} - \bar{H}}{\hat{H}}$$

\hat{H} = Entropy for the region's tracts as a whole;

\bar{H} = Average of the individual census tracts' values of h weighted by the population; and

H = Entropy Index for the region.

The EI ranges between $H = 0.0$ when all tracts have the same composition as the entire region (minimum segregation) to a maximum of $H = 1.0$ when all tracts contain one group only (maximum segregation).²⁰ Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

The table below gives the result of an entropy calculation for Phoenix as a whole. The EI for the City was 0.21 in 2010, indicating that, on average, racial and ethnic composition at the census tract level tends to somewhat match that of the City overall. Over the 2000-2010 decade the EI remained relatively constant, declining by only 0.01. This minimal change indicates that even as the City's minority population shares grew, diversity at the census tract level continued to relatively closely mirror that of Phoenix as a whole.

Entropy Index for the City of Phoenix		
2000	2010	Change
0.22	0.21	-0.01

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Stakeholder Input

Most stakeholders reported segregation being a result of income. Most stakeholders reported a lack of awareness of housing discrimination that would result in racial segregation of communities, although one resident reported seeing a "Whites Only" rental sign. Some stakeholders reported that immigrant and migrant renters may not report discrimination due to fear they will be asked about their legal status. Some stakeholders described neighborhoods that were racially mixed and diverse. However, they were a few stakeholder reports regarding the possibility of higher rents being charged to minority applicants, and the recognition of predatory lending practices and low education of tenants regarding their rights. Stakeholders reported that larger families were likely to experience discrimination. Racialized segregation was reported as due more to the likelihood that residents from ethnic and racial groups were

²⁰ White, Michael J. 1986. "Predicted Ethnic Diversity Measures for 318 U.S. Metropolitan Areas by Census Region, 1980." *Population Index*, Vol. 52.

more likely to have lower wages or be low income. Racial and ethnic composition was described by several stakeholders as varying from one street to the next street. This shifting racial composition was attributed to developers building low-income properties on one block and moderate priced properties on the next block.

Central Phoenix was reported to have areas of racial segregation that were attributed to income. Reports by stakeholders indicated that job losses in minority communities were high and resulted in a loss of real estate investment and property equity especially for elderly minority residents. West Phoenix was described as having large concentrations of the Hispanic population. South Phoenix was also identified as having high concentrations of minority residents, primarily Hispanic and African-American, due to low income and lowered access to education that help residents attained better jobs or higher wages. Transportation was identified as a factor with light-rail service not extending into many lower income communities, cutting of access to jobs and education. Some stakeholders reported resident hesitancy to have housing for low-income families in their communities. Stakeholders reported vacant lots in low-income communities.

Housing Profile

The housing profile presents a snapshot of current housing conditions in Phoenix and includes components such as the characteristics of housing stock, housing conditions, housing market sales, foreclosure data, owner/renter affordability, and housing problems. This housing assessment is an essential piece of understanding the historical aspect of the housing market in Phoenix.

Overview of Housing Market

According to the 2011 report by HUD and the U.S. Department of Treasury entitled “Spotlight on the Housing Market in: Phoenix-Mesa, Glendale, Arizona”, the Phoenix-Mesa- Glendale Metropolitan Statistical Area (MSA) experienced some of the most extreme difficulties nationally in its housing market due to the overall downturn in housing. In 2007, when the effects of the housing crisis and economic recession became apparent in the region, population growth slowed from 3.9% annually to 0.2%. This decline represents a stark contrast to the 1990s and early part of 2000, during which Phoenix’s population grew by more than 50%. Since the recession of 2007-2009, payrolls have remained below pre-recession levels and the unemployment rate has remained stagnant.

Each of the factors has led to a soft home sales market in Phoenix. Additionally, the City of Phoenix has had some of the highest mortgage delinquency and foreclosure rates nationally. As of 2011, Maricopa County had the fourth largest number of mortgages that were 90 days or more delinquent or are in the process of foreclosure nationally. Within the Phoenix area (56%) of mortgages currently have negative equity, which is more than two times the national average of 23%. In the MSA, the sale of distressed homes, foreclosures, and short sales, represent 56% of home sales in the region as compared to a national rate of 35%. The high proportion of sales involving distressed properties has continually depressed Phoenix home prices.²¹The chart below utilized data from Realty Trac and the U.S. Census Bureau to depict foreclosure rates in Phoenix, compared to national rates:

Foreclosure Completion Rates				
	First Quarter 2011		Since April 2009	
	Foreclosure Completions	Foreclosure Rate	Foreclosure Completions	Foreclosure Rate
Phoenix MSA	15,067	0.9%	104,545	6.0%
National	215,046	0.2%	1,931,681	1.5%

Source: United States Census Bureau

²¹ Spotlight on the Housing Market in: Phoenix-Mesa-Glendale, Arizona. The Obama Administration’s Efforts to Stabilize The Housing Market and Help American Homeowners, May 2011

Trends in vacancy rates for both homeowners and renters increased during this period, rising from 1.7% in 2005 to 3.6% in 2012 for homeowner’s and from 9.4% to 10.5% for renters in 2012, according to the American Community Survey. Notably, vacancy rates for renters peaked at 12% in 2009 and 2010, indicating that the housing market is recovering in some aspects from the Great Recession of 2007-2008, although the rental market remains soft as vacancy rates in the area hover above the national average. The table below depicts the vacancy rate for the region.

Vacancy Rates for Renters			
2009	2010	2011	2012
9.4%	12.0%	8.9%	10.5%

Source: U.S. Census Bureau and 2008-2012 American Community Survey

Because of the significantly negative impact on the Phoenix housing market including higher foreclosure and vacancy rates, several efforts have been implemented within the market. Between April 2009 and March 2011, 106,500 residents received mortgage assistance through programs like the Home Affordable Modification Program, the Federal Housing Administration’s loss mitigation and early delinquency prevention program, and proprietary modifications through the Hope Now Alliance Program. The City of Phoenix has participated in both the Neighborhood Stabilization Program (NSP) and Hardest Hit Fund (HHF). The City of Phoenix administers \$60,000,000 in funds through HUD’s NSP2 and Chicanos Por La Causa is expected to invest \$30,583,000 in the Phoenix metro area towards housing counseling initiatives.

Characteristics of Housing Stock

The type of units present in a housing market help examine housing problems such as overcrowding (discussed in another section of this report), but also helps gauge a city’s preparation for current and emerging trends in housing needs. National demographic trends include an aging population, increased immigrant and racial and ethnic populations, and increasing numbers of millennial workers. These changing aspects are expected to increase demand for multi-family housing units, rental units, and units with accessibility for disable residents.²²In addition, the City of Phoenix has a large population of both racial and ethnic minorities, primarily Hispanic, that comprise over 45% of the City of Phoenix’s population and a large percentage of immigrants (20.6%) and large percentage of millennial workers.

²²<http://www.brookings.edu/research/reports/2009/03/metro-demographic-trends>

The City of Phoenix’s housing stock was comprised of 594,000 housing units in 2013, an addition of only 13,695 units from 2005, indicating a limited amount of construction in the region. The number of 1-unit attached and detached units remained at approximately the same percentage. The number of housing with 5-9 units increased the most between 2005 and 2013 rising by 0.6%, indicating some trending in the local market towards increasing multi-unit properties. However, the percentage for types of housing units varied only slightly, never reaching a 1% change, which indicates that overall construction of varying units has remained the same over the past eight years. The chart below show trends in housing units between 2005 and 2013.

Trends in Housing Units				
Type of Unit	2005		2013	
	#	%	#	%
Total housing units	581,000	100%	594,695	100%
1-unit, detached	349,810	60.2%	359,787	60.5%
1-unit, attached	26,437	4.5%	24,788	4.2%
2 units	9,962	1.7%	8,454	1.4%
3 or 4 units	25,609	4.4%	27,977	4.7%
5 to 9 units	38,337	6.6%	43,092	7.2%
10 to 19 units	51,661	8.9%	50,852	8.6%
20 or more units	59,804	10.3%	59,156	9.9%
Mobile home	19,530	3.4%	20,189	3.4%
Boat, RV, van, etc.	406	0.1%	400	0.1%

Source: U.S. Census Bureau, American Community Survey

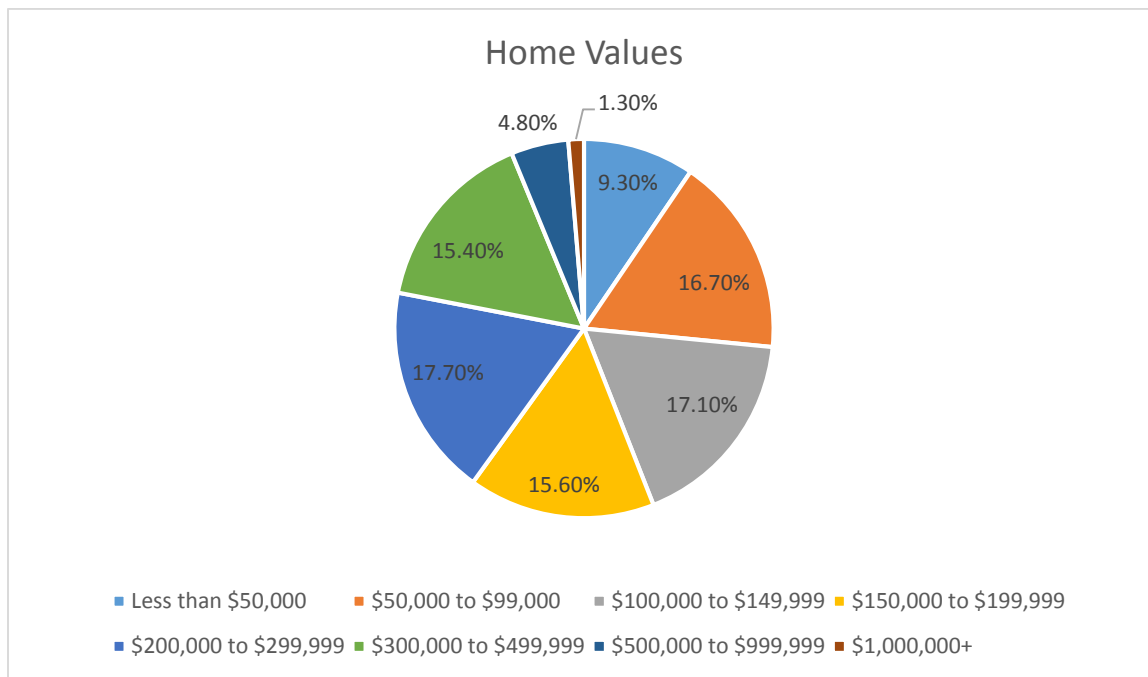
Home Values

According to the 2013 American Community Survey, the median value for a home in Phoenix was \$162,300. Nationally, median housing values were \$275,000 and average home values were \$321,000 in 2013.²³ The median home value for a home in the City of Phoenix is significantly below the national median price for this time period, with less than 17.7% of home values following with this range. These differences demonstrate the degree to which the Phoenix housing market was negatively impacted by the recession and continues to rebound back to previous and national levels. The charts below depict owner reported number and percentages of home values, obtained from the American Community Survey, in the City of Phoenix:

²³<https://www.census.gov/construction/nrs/pdf/uspricemon.pdf>

Home Values		
Home Values	Number of Units	Percentage of Units
Less than \$50,000	25,322	9.3%
\$50,000 to \$99,999	45,260	16.7%
\$100,000 to \$149,999	51,709	19.1%
\$150,000 to \$199,999	42,297	15.6%
\$200,000 to \$299,999	48,107	17.7%
\$300,000 to \$499,999	41,843	15.4%
\$500,000 to \$999,999	12,976	4.8%
\$1,000,000 or more	3,576	1.3%
Median (dollars)	162,300	---
Total Owner-Occupied Units	271,090	100%

Source: U.S. Census Bureau, 2013 American Community Survey



Source 2008-2012 American Community Survey

Home Prices

The ACS data on home values relies on self-reporting from owners and may have some inaccuracies based on owner assessment. Therefore, pricing information was collected from other data sources for this report. According to the CoreLogic, between June 2006 and June

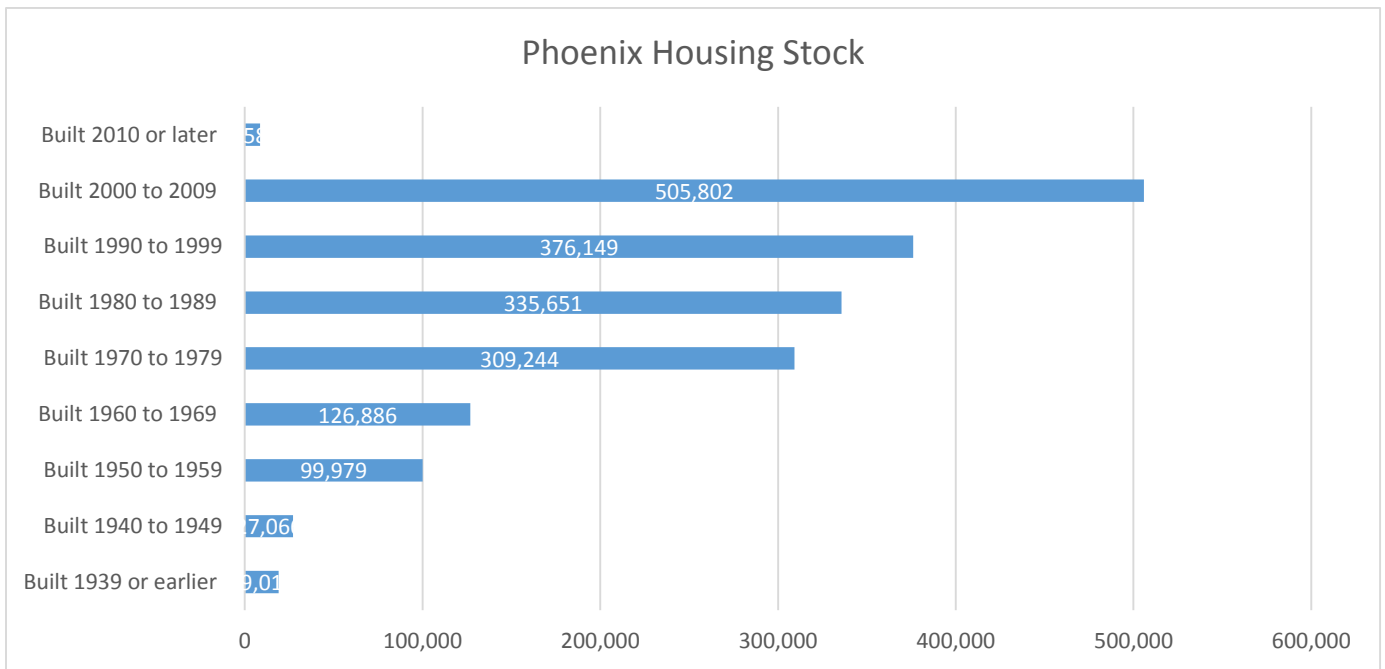
2009, during the peak of the recession and decline of the housing market, home prices declined by 49% in Phoenix as compared to 31% nationally. According to the real estate website for Trulia the median sales price for homes in Phoenix between June of 2014 and September of 2014 was \$175,000 based on the sale of 4,325 homes. Compared to the same time period in 2013, the median home sales price increased slightly by 2.9%, or \$5,000. However, the number of home sales decreased by 12.5%. There are currently 6,380 homes on the market as resale or new homes in Phoenix. There is also still a large number (5,950) of homes in pre-foreclosure, auction, or bank-owned stages of the foreclosure process. The average listing price for homes for sale in the City of Phoenix was \$313,286 for the week ending September 10, 2014 which represents an increase of 2.1%, or \$6,584, compared to the prior week. Thus, the market is rebounding in terms of the price and value of homes, but is still soft in terms of overall sales. Popular neighborhoods in Phoenix include Camelback East and Paradise Valley, in which average listing prices exceed \$500,000.

Housing Conditions

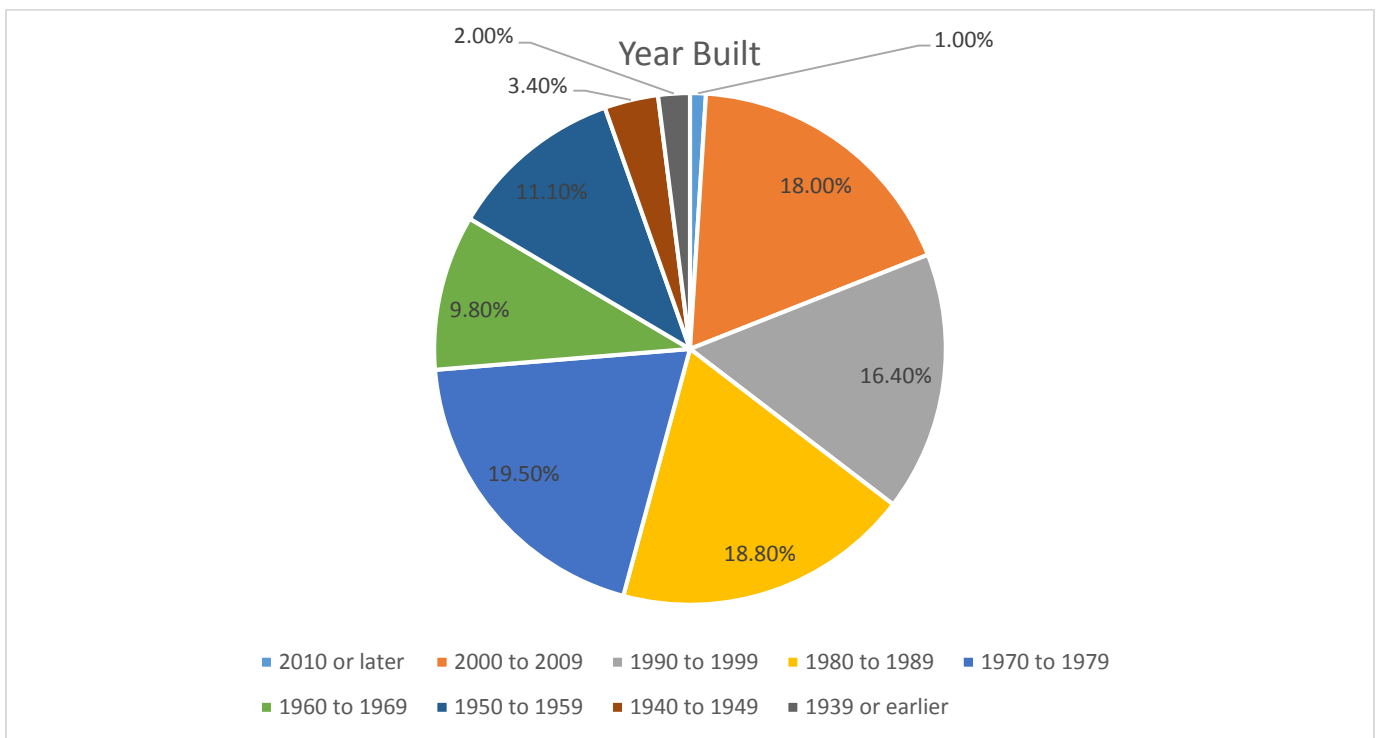
The age of an area's housing stock typically has a substantial impact on the overall housing conditions in a community. The time period in which housing was built can be indicative of when repairs, rehabilitation, and revitalization projects for building will be required. Post World War II housing stock typically has a life cycle of 20-30 years before repairs are needed. As housing ages, maintenance costs rise, which can present significant housing affordability issues for low-income and moderate-income homeowners.

Additionally, the age of housing stock also indicates the likelihood that the housing is accessible to people with disabilities, and, by extension, that housing choice is truly available. The age of the housing stock in Phoenix is comprised of a large portion of housing stock built between 1970 and 2009. A small portion of housing stock (1.0%) is built after 2010 indicating limited new construction in the City of Phoenix. Spending on home improvement and rehabilitation by homeowners decreased significantly (19%) in the City of Phoenix from 2000-2011 according to the Joint Center for Housing Studies at Harvard University²⁴, indicating that older housing stock may have increased need of repair. The charts below depict the number and percentage of housing stock in relation to the year constructed:

²⁴ Joint Center for Housing Studies of Harvard University, January 31, 2013: Home Improvement Spending on Distressed Properties: 2011 Estimates



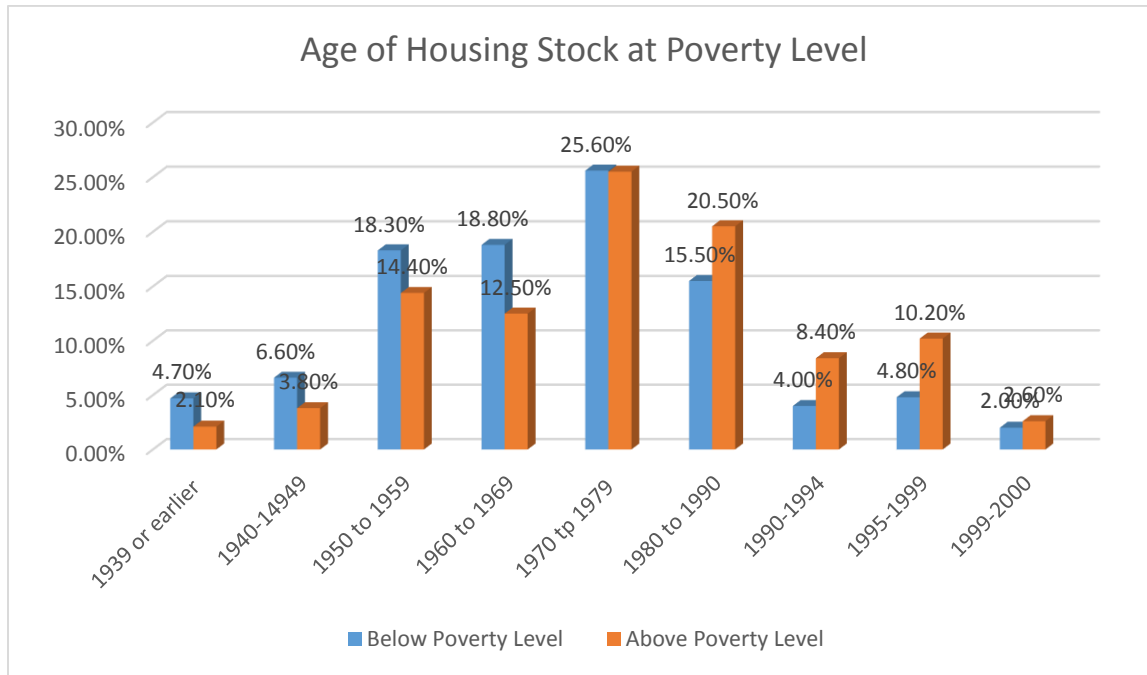
Source U.S. Census Bureau, 2013 American Community Survey



Source: U.S. Census Bureau

The data indicates that City of Phoenix residents living below the poverty level are more likely to occupy older housing stock. Phoenix residents living below the poverty line are twice as likely to live in housing stock built between 1940-1949 and 1939 or earlier. They are also more likely to occupy housing stock built between 1950 and 1969. Comparatively, Phoenix residents living

above the poverty level are more likely to live in housing stock built between 1980 and 1999.²⁵ The chart below depicts housing stock occupancy based on poverty level:



Source: www.city-data.com/poverty/poverty-Phoenix-Arizona.html

Household Cost Burdens

Affordability is an important aspect to fair housing choice and to individuals being able to obtain secure, safe, and decent housing. It is also a significant factor for residents attempting to select housing that meets their family needs. HUD considers housing affordable if it costs less than 30 percent of a family's income.²⁶ Households that spend over that threshold are considered by HUD to be "cost burdened" and may have difficulty affording the other basic household necessities such as food, clothing, and transportation. Yet, according to HUD, 12 million renters and homeowners in the United States spend more than 50 percent of their income on housing. Cost burden occurs when a household has gross housing costs that range from 30 to 49.9% of gross household income.

Severe cost burden occurs when gross housing costs represent 50% or more of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters,

²⁵ www.city-data.com/city/Phoenix-Arizona.html

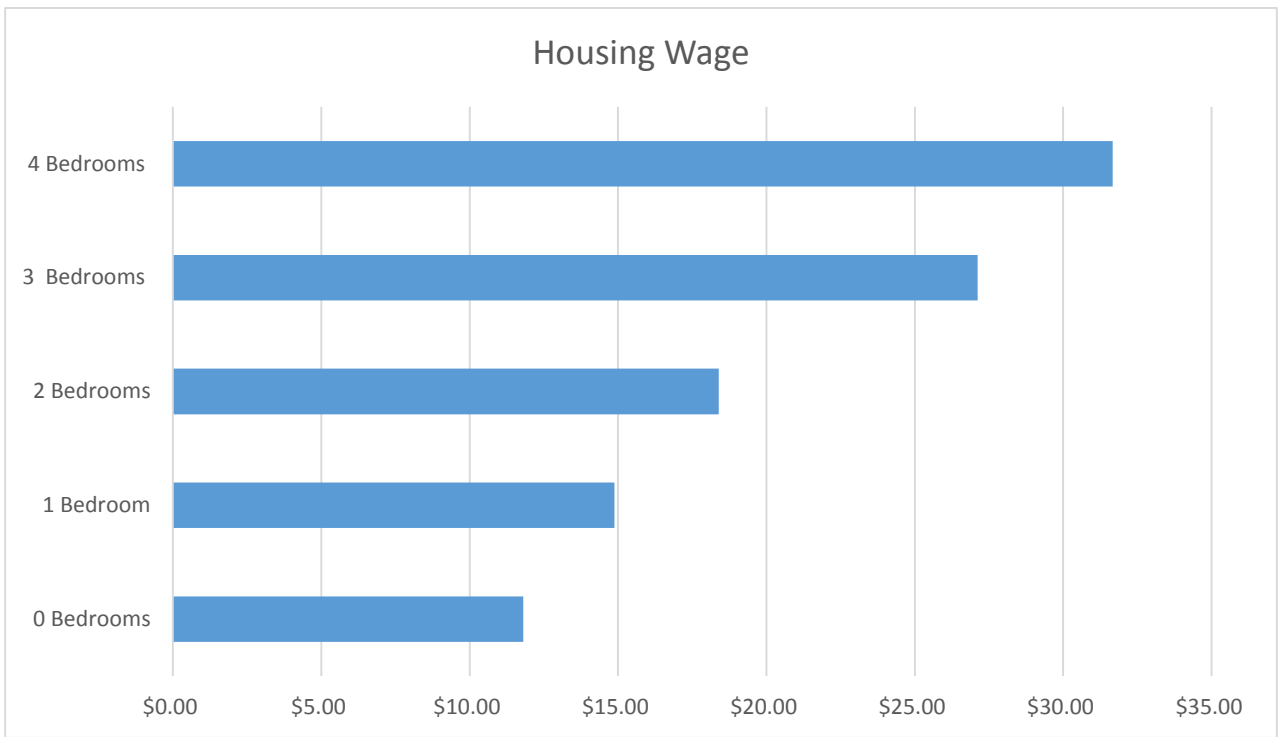
²⁶ U.S. Department of Housing and Urban Development, <http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>

this figure represents monthly rent plus utility charges, but does not include the costs of home maintenance. Given the age variation of housing stock in the region, the home maintenance and repair costs associated with older construction can add significant additional housing cost burden.

Housing affordability and cost burden is important in the City of Phoenix, due the fact that poverty is continually rising within the City. While poverty rates have remained stable for Maricopa County as a whole, poverty rates in the City of Phoenix have increased by 36.2% since 1970, and as of 2007 the City's poverty rate was 18%. Residents living below the poverty level in 2009 (26.7%) represents an increase of over 8.5% in just two years. ²⁷In 2010, the rate rose just slightly to 26.8%, according to the 2010 Census. In addition, in the City of Phoenix, 68.9% of residents living below the poverty level are renters. Poverty rates amongst female-headed households was 42.8% in 2009 which is consistent with national trends. However, notably, the poverty rate for married families was 43%. The consistently increasing and persistently high rate of poverty in the City of Phoenix makes housing affordability and cost burden a key issue. Residents in poverty are more likely to be negatively impacted by high cost burdens and less likely to be able to afford basic necessities when impacted by high cost burdens.

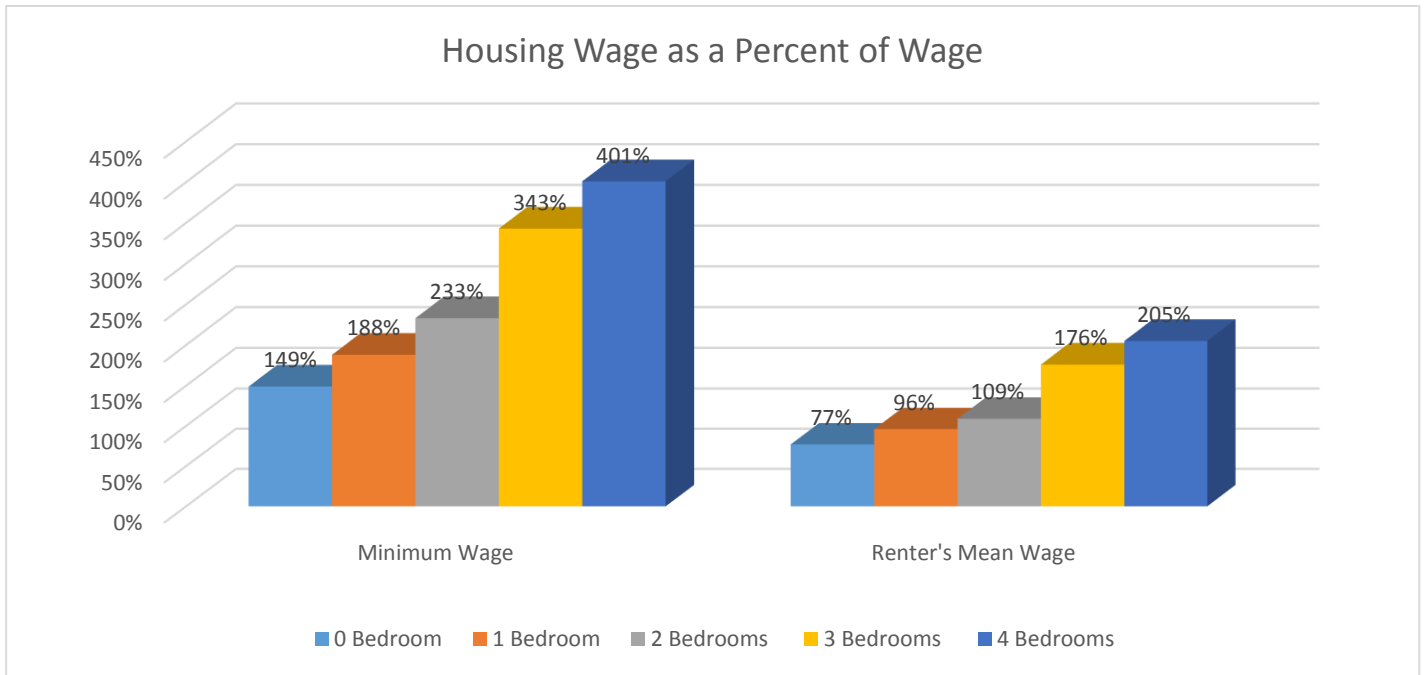
The National Low Income Housing Coalition's "*Out of Reach*" 2014 Annual Report is designed to examine housing affordability by utilizing HUD'S Fair Market Rate (FMR) and calculating the necessary wages to afford a property based on HUD'S recommendation that housing costs not exhaust more than 30% of monthly income. Data is available for the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area. The hourly wage needed for a resident to afford a 2 bedroom apartment in the Phoenix area is \$18.40. However, the estimated mean hourly wage for a renter in 2014 was only \$15.43. An income discrepancy of \$2.97 per hour, or \$118.00 per week (assuming a typical 40 hour work week). A monthly affordable rent based on the HUD mandates for the region would be \$802 monthly; but the fair market rate for a two bedroom apartment is \$957, a difference of \$155 per month. For the region, a resident earning the mean wage and working fulltime, would need 1.2 jobs in order to afford a two-bedroom apartment. According to the Out of Reach Survey, it is estimated that 52% of wage earners cannot afford the fair market rate on a 2 bedroom apartment in the Phoenix region.

²⁷<http://www.city-data.com/poverty/poverty-Phoenix-Arizona.html>



Source: National Low Income Housing Coalition's "Out of Reach" 2014 Annual Report

The chart above depicts the hourly wage that a resident would need to earn in order to afford 0-4 bedrooms in the area. Minimum wage in the state of Arizona is \$7.90 per hour. According to the United States Bureau of Labor Statistics, 1.47 million workers in the state of Arizona earn hourly wages and 68,000 of those workers earn minimum wage. Affordable rent for a minimum wage earner is \$411. Social Security Insurance benefits for Arizona are \$721 per month. Affordable rent for an SSI recipient is \$216 per month. The table below depicts the percentage of housing wage as a percent of minimum wage and renter's wage for 0-4 bedrooms. The percentage is very high for minimum wage earners, exceeding well over 100%, even for 0 bedrooms, and rising as high as 401%. While the percentage of wage decreases for mean renter wages, it remains at a high enough percentage to pose difficulties affording other basic necessities, ranging from a low of 77% for homes with no bedrooms to a high of 205% for 4 bedrooms.



Source: National Low Income Housing Coalition's "Out of Reach" 2014 Annual Report

In many cases, residents in Phoenix would need to exceed the typical 40 hour work week or work more than one full-time job in order to afford fair market rate rent for 0-4 bedroom apartments. In the case of minimum wage earners, an excess of 2 to 140 hours over the typical 40 hour work week would be required to afford upto4 bedrooms, and an excess of 1.5 to 4.0 fulltime jobs would be required. Residents earning the renter's mean wage fair somewhat better, and do not require overages in hours or full time jobs for 0 and 1 bedrooms.

	Minimum Wage	Renter's Median Wage
Hours Per Week	---	---
0 Bedroom	60	31
1 Bedrooms	75	39
2 Bedrooms	93	48
3 Bedrooms	137	70
4 Bedrooms	160	82
Full-time- Jobs	---	---
0 Bedroom	1.5	0.8
1 Bedroom	1.9	1
2 Bedrooms	2.3	1.2
3 Bedrooms	3.4	1.8
4 Bedrooms	4	2.6

Source: National Low Income Housing Coalition's "Out of Reach" 2014 Annual Report

Phoenix has a significant percentage of homeowners and renters spending more than 30 percent of their annual household income on housing-related costs. According to the 2010- 2012 ACS, 29.2% of homeowners with a mortgage spend more than 30 percent of their income on monthly housing costs. Conversely, only 10.3% of homeowners without a mortgage expended more than 30 percent of their income on monthly housing costs, which is to be anticipated due to the elimination of mortgage principal and interest costs. However, a high percentage of renters (42.2%) spend more than 30% of their income on housing costs. Only 1.1% of renters pay \$200-\$299 dollars per month on rent, which fits within the affordability rate (\$216/monthly) for residents receiving SSI benefits. Only 4.7% of renters spend \$300-\$499 per month on rent, while the affordability rate for rent is \$411 dollars a month for minimum wage earners.

These numbers indicate a low availability of housing for elderly, disabled, and minimum wage earners. Current studies indicate that the typical minimum wage earner is more likely to be an adult, a female, disabled, and to have financial responsibilities to children and/or a household. While minimum wage earners are statistically more likely to be younger (under 25 years of age), studies place the numbers of minimum wage earners who are 25 years or more of age and with households that include children at between 50% and 56%. Finally, affordable rent for the mean wage of a renter is \$802 in the City of Phoenix. Based on the snapshot below, only 30.2% of renters pay less than \$749 per month in rent, a number closer to the \$802 affordability rate. However, a fairly high percentage (42.4%) of renters pay \$1,000 per month or more towards rent, an amount that exceeds the affordability rate by at least \$198 per month. Owners and renters with a severe cost burden are at risk of homelessness. Cost-burdened households that experience a financial setback often must choose between rent and food or rent and health care for their families or face eviction or foreclosure.

Phoenix AZ Affordability Snapshot		
Value	Estimate	Percent
Median (dollars)	\$162,300	-
MORTGAGE STATUS		
Owner-occupied units	271,090	100%
Housing units with a mortgage	197,363	72.8%
Housing units without a mortgage	73,727	27.2%
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME		
Housing units with a mortgage	194,768	100%
Less than 20.0 percent	84,390	43.3%
20.0 to 24.9 percent	29,873	15.3%
25.0 to 29.9 percent	19,961	10.2%
30.0 to 34.9 percent	16,040	8.2%
35.0 percent or more	44,504	22.8%
Housing unit without a mortgage	71,659	100%
Less than 10.0 percent	33,276	45.0%
10.0 to 14.9 percent	13,100	18.3%
15.0 to 19.9 percent	7,379	10.3%
20.0 to 24.9 percent	6,220	8.7%
25.0 to 29.9 percent	3,368	4.7%
30.0 to 34.9 percent	2,688	3.8%
35.0 percent or more	6,628	9.2%
GROSS RENT		
Occupied units paying rent	239,222	100%
Less than \$200	2,106	0.9%
\$200 to \$299	3,099	1.3%
\$300 to \$499	14,445	6.0%
\$500 to \$749	65,782	27.5%
\$750 to \$999	69,222	28.9%
\$1,000 to \$1,499	65,428	27.4%
\$1,500 or more	19,140	8.0%
Median (dollars)	868	---
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME		
Occupied units paying rent	229,774	100%
Less than 15.0 percent	26,627	11.6%
15.0 to 19.9 percent	29,814	13.0%
20.0 to 24.9 percent	34,119	14.8%
25.0 to 29.9 percent	26,019	11.3%
30.0 to 34.9 percent	20,051	8.7%
35.0 percent or more	93,144	40.5%

Source: U.S. Census Bureau, 2013 American Community Survey

Stakeholder Input on Housing Affordability

Many stakeholders identified a limited amount of affordable housing units, especially one bedroom units, that were affordable for a single wage earner and multifamily housing units. Stakeholders reported that single residents without children have limited affordable housing options, such as one-bedroom units. Several stakeholders were expressed concerned regarding the lack of multi-family units which will be needed due to the increasing aging and elderly population in the City. Additionally, the City is seeing an increase in multi-generational families which require multi-family or larger family housing units. There were several reports of residents spending more than the recommended HUD amount of 30% or less of monthly income on housing costs. Some stakeholders reported residents paying in excess of 50% of their monthly income towards housing expenses and having extremely limited monies left for other necessities, such as, transportation, food, clothing, etc. Central Phoenix was identified by several stakeholders as lacking affordable housing options, especially when local wages and economy were taken into consideration. Stakeholders described areas of South Central Phoenix as having higher poverty levels that make housing less affordable due to lower income and wages. Downtown Phoenix was identified as being in need of more affordable housing for families.

Stakeholders identified additional barriers to affordable housing including mental illness, past homelessness, criminal records, predatory lending in minority communities, limited English Proficiency, credit history requirements, limited ADA compliant properties for large families, and housing units for disabled and elderly residents. Native American communities were reported to face significant barriers due to restrictions based on past substance abuse or criminal histories. Stakeholders reported a need for supportive housing for those with mental illness, disabilities, the elderly, and those with a past of homelessness. Additionally, stakeholders reported long waiting lists for housing vouchers due to there not being an exit strategy from the Section 8 program. An eighteen month limit on TANF benefits and a lack of child care subsidies were also reported as barriers.

In addition to needs and barriers, stakeholders did identify several affordable housing initiatives throughout the City that they felt could serve as positive examples. Frequently cited examples, included LIHTC properties, NSP projects, grants to the organization Chicanos Por La Causa, and first time home buyer programs and education. Specific projects that were given as examples included: Maryland Gardens, Madison Gardens, Tanner Properties, and Westward Ho.

Housing Problems

The physical condition of housing units can exacerbate housing affordability problems for low income residents. An examination of housing problems can reveal data related to overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. A householder with one or more of these problems is considered to have all of which can be considered as a housing problem. According to the Census Bureau, a housing unit is classified as lacking complete plumbing

facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. The term of overcrowding occurs when a housing unit has more than one person per room but less than 1.5 with severe overcrowding occurring with 1.5 persons per room or more.

Overcrowding and Severe Overcrowding		
SELECTED CHARACTERISTICS	Estimate Number of Persons	Percent
Occupied housing units	517,216	100%
Lacking complete plumbing facilities	1,336	0.3%
Lacking complete kitchen facilities	2,557	0.5%
No telephone service available	13,453	2.6%
OCCUPANTS PER ROOM		
Occupied housing units	517,276	100%
1.00 or less	483,143	93.4%
1.01 to 1.50	25,145	4.9%
1.51 or more	8,988	1.7%

Source: U.S. Census Bureau, 2013 American Community Survey

A survey conducted in 2004 by Arizona State University a significant number of properties in Phoenix are “at-risk” of being classified as substandard. In this study, “at-risk” is defined as falling below \$43/Full Cash Value (FCV)/square feet(sq) (full cash values is used to determine property taxes) for single-family homes, and \$40 for townhomes and condominiums. Approximately 31,879 single-family units were at risk of being substandard, with an average price ranging from \$13-\$38 FCV/per square foot and most units built 1955 to 1960. The number of at-risk townhomes/condominiums was 10,952 units with units built around 1974 and an average FCV value per square foot ranging from \$12 to \$20. Regarding multiple family properties, approximately 1,448 were at risk of being substandard.

Stakeholder Input: Housing Problems

The main housing needs identified in the City was making units accessible for elderly and disabled residents via repairs to older units. It was reported that multi-family units were most likely to make repairs for accessibility, but that it was more difficult to get accessibility features added to single family rental units with private owners. The housing stock available for affordable housing was described as older housing stock in need of façade repairs and rehabilitation. Some who were interviewed described the housing stock for very-low income and low-income residents to be substandard. Many interviewees identified absentee landlords as the primary reason for substandard properties with land lords either being out of state or owning multiple low-income properties.

Subsidized Housing

The rising rate of poverty within the City of Phoenix and the housing market difficulties that arose during the 2007-2009 Great Recession, make subsidized and public housing an area of the City's housing appropriate for analysis. The subsidized Housing Choice Voucher rental assistance program enables a jurisdiction to provide affordable housing options for very low-income households. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Rental units are required to meet HUD minimum housing standards, as determined by the public housing agency [PHA]. In many cases the housing subsidy is paid directly to the landlord by the PHA on behalf of the participating family. The family will then pay the difference between the actual rent charged by the landlord and the amount subsidized by the program each month. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home. Since the demand for housing assistance often exceeds the limited resources available local housing authorities, long waiting list periods are common. In the City of Phoenix waiting lists range on average from 21 to 29 months.

As of 2013, there were 6,299 families residing in the City of Phoenix's public housing units and 2,688 families enrolled in the housing assistance program funded through Housing Choice Voucher Program from HUD. According to HUD's 2012 Picture of Subsidized Households, the City of Phoenix has a total of 7,979 low income persons were served through its public housing units or Housing Choice Voucher programs. The graphic depiction below shows demographics related to the City's affordable housing:

Phoenix Affordable Housing Inventory		
	Public Housing	Housing Choice Vouchers
Total Units	2,688	6,299
% Occupied	92%	90%
% Disabled	14%	19%
% Minority	79%	72%
% Black	31%	39%
% Hispanic	56%	31%
% in poverty (Census Tract)	47%	24%
Months Since Move-In	66	96
Average Months on Waiting List	21	29

Source: HUD Picture of Subsidized Households for 2012,
<http://www.huduser.org/portal/datasets/picture/yearlydata.html>



Other subsidized housing options within the City of Phoenix, include low income housing tax credit multifamily developments. According to HUD’s Low Income Housing Tax Credit [LIHTC] database, the City of Phoenix has 6,829 low income units located throughout the City. Below is a listing of LIHTC properties.

Phoenix, AZ Low Income Tax Projects

ID Number:	Project Name:	Project Address:	Project City:	Project State:	Project ZIP Code:	Total Number of Units:	Total Low-Income Units:
AZA0000125	PARADISE PALMS I	304 W SOUTHERN AVE	PHOENIX	AZ	85041	104	99
AZA0000150	SAN GIOVANNI APARTMENTS	6901 W MCDOWELL RD	PHOENIX	AZ	85035	300	216
AZA0000170	STERLING POINT APARTMENTS PHASE II	3802 E BASELINE RD	PHOENIX	AZ	85042	76	75
AZA1988070	TIERRA DEL SOL	40 E SUNLAND AVE	PHOENIX	AZ	85040	116	46
AZA1989065	VENTANA PALMS APARTMENTS	7021 W MCDOWELL RD	PHOENIX	AZ	85035	160	32
AZA1990020	PARADISE VILLAGE APARTMENTS	2525 E AIRE LIBRE AVE	PHOENIX	AZ	85032	62	62

AZA1993010	CANYON LAKE APARTMENTS		PHOENIX	AZ	85040	32	32
AZA1994050	PAPAGO PALMS WEST	1835 N 51ST ST	PHOENIX	AZ	85008	25	24
AZA1995051	PALM OASIS	802 N 30TH ST	PHOENIX	AZ	85008	157	153
AZA1996015	CORAL GARDENS	3230 E ROOSEVELT ST	PHOENIX	AZ	85008	118	109
AZA1996085	MONROE STREET ABBEY APARTMENTS	334 W MONROE ST	PHOENIX	AZ	85003	94	94
AZA2000045	OASIS WEST APARTMENTS	5235 N 43RD AVE	PHOENIX	AZ	85019	100	100
AZA2000055	PARADISE PALMS SENIOR HOUSING	400 W SOUTHERN AVE	PHOENIX	AZ	85041	104	103
AZA2001025	LAS GARDENIAS	6901 W MCDOWELL RD	PHOENIX	AZ	85035	300	210
AZA2001040	PARADISE PALMS II	250 W SOUTHERN AVE	PHOENIX	AZ	85041	110	102
AZA2001065	STERLING POINT, PHASE II	3802 E BASELINE RD	PHOENIX	AZ	85042	300	299
AZA2001070	LA PALMILLA APARTMENTS	3838 W CAMELBACK RD	PHOENIX	AZ	85019	267	267
AZA2002005	CASA NUEVA APARTMENTS	125 N 18TH ST	PHOENIX	AZ	85034	64	26
AZA2002030	FILLMORE PLACE APARTMENTS	2902 E FILLMORE ST	PHOENIX	AZ	85008	85	77
AZA2002050	CAPITOL MEWS APARTMENTS	1350 W VAN BUREN ST	PHOENIX	AZ	85007	182	72
AZA2002065	ROESER SENIOR VILLAGE	454 E ROESER RD	PHOENIX	AZ	85040	80	80
AZA2002085	SUNRISE VISTA	4415 S 28TH ST	PHOENIX	AZ	85040	196	190
AZA2002105	VINEYARD ESTATES	915 W ALTA VISTA RD	PHOENIX	AZ	85041	144	84
AZA2003015	CAMPAIGE PLACE	209 W JACKSON ST	PHOENIX	AZ	85003	300	300
AZA2003090	TANNER MANOR APARTMENTS	2150 E BROADWAY RD	PHOENIX	AZ	85040	110	70
AZA2004030	LIBERTY COVE APARTMENTS	801 N 59TH AVE	PHOENIX	AZ	85043	264	106
AZA2004065	ROOSEVELT COMMONS	801 N 6TH AVE	PHOENIX	AZ	85003	48	48

AZA2004105	WESTWARD HO APARTMENTS	618 N CENTRAL AVE	PHOENIX	AZ	85004	290	289
AZA2005015	BELLA VISTA	3331 W TAYLOR ST	PHOENIX	AZ	85009	200	200
AZA2005045	GLENBROOK TERRACE APARTMENTS	2020 W GLENDALE AVE	PHOENIX	AZ	85021	264	261
AZA2005060	MATTHEW HENSON I	840 W TONTO ST	PHOENIX	AZ	85007	196	148
AZA2005070	PINECREST APARTMENTS	2601 W CLAREMONT ST	PHOENIX	AZ	85017	264	262
AZA2005105	VILLAGE SQUARE APARTMENTS	14014 N 32ND ST	PHOENIX	AZ	85032	116	101
AZA2005110	WHISPERING PALMS HOUSING	1650 E GEORGIA AVE	PHOENIX	AZ	85016	21	21
AZA2006005	MATTHEW HENSON SENIOR APARTMENTS	1045 S 8TH AVE	PHOENIX	AZ	85007	129	129
AZA2006020	MARYLAND SENIOR HOUSING	126 W MARYLAND AVE	PHOENIX	AZ	85013	36	31
AZA2006050	SAHARA LUNA APARTMENTS	1220 N 36TH ST	PHOENIX	AZ	85008	52	52
AZA2006055	ESCALA CENTRAL CITY APARTMENTS	3606 E VAN BUREN ST	PHOENIX	AZ	85008	178	170
AZA2006075	GREENWAY COVE AKA CRYSTAL POINTE APARTMENTS	15826 N 32ND ST	PHOENIX	AZ	85032	191	172
AZA2006094	MEMORIAL TOWERS	1401 S 7TH AVE	PHOENIX	AZ	85007	153	152
AZA2007025	MEADOWBROOK HOUSING	4545 N 15TH ST	PHOENIX	AZ	85014	69	69
AZA2007040	GUADALUPE HUERTA SENIOR APARTMENTS, LIHTC	7235 S 7TH ST	PHOENIX	AZ	85042	42	41
AZA2007070	LOS TRES APARTMENTS - LA TERRAZA	5333 E THOMAS RD	PHOENIX	AZ	85018	160	156
AZA2007075	LOS TRES APARTMENTS - MELROSE VILLAS	5627 N 16TH ST	PHOENIX	AZ	85016	83	83
AZA2007080	LOS TRES APARTMENTS - MISSOURI CROSSING	5330 N 17TH AVE	PHOENIX	AZ	85015	108	106
AZA2007085	MATTHEW HENSON III	840 W TONTO ST	PHOENIX	AZ	85007	136	102

AZA2007095	RANCHO CIELO SENIOR APARTMENTS	3940 W MCDOWELL RD	PHOENIX	AZ	85009	41	41
AZA2007125	URBAN LEAGUE MANOR	4343 W THOMAS RD	PHOENIX	AZ	85031	152	137
AZA2008040	MATTHEW HENSON IV	840 W TONTO ST	PHOENIX	AZ	85007	86	38
AZA2008050	POINTE DEL SOL APARTMENTS	730 W VOGEL AVE	PHOENIX	AZ	85021	150	150
AZA2009020	AMBER POINTE APARTMENTS	4625 S 7TH AVE	PHOENIX	AZ	85041	56	53
AZA2009045	CATHERINE ARMS APARTMENTS LIHTC	315 W FILLMORE ST	PHOENIX	AZ	85003	28	16
AZA2009060	INDIGO POINTE	475 N 43RD AVE	PHOENIX	AZ	85009	72	52
AZA2009070	MCCARTY ON MONROE	1130 E MONROE ST	PHOENIX	AZ	85034	69	69
AZA2009080	RANCHO MONTANAS SENIOR APARTMENTS	4033 S 7TH ST	PHOENIX	AZ	85040	69	66
AZA2010005	CORAL POINTE AKA TOPAZ POINTE APARTMENTS	2140 E BROADWAY RD	PHOENIX	AZ	85040	68	53
AZA2010010	GHOST RANCH LODGE APARTMENTS		PHOENIX	AZ	85075	60	60
AZA2010070	UMOM FAMILY HOUSING	3330 E VAN BUREN ST	PHOENIX	AZ	85008	80	72
AZA2012010	AEROTERRA SENIOR VILLAGE	675 N 16TH ST	PHOENIX	AZ	85006	60	60
AZA2012020	ENCANTO POINTE	4141 N 9TH ST	PHOENIX	AZ	85014	54	54
AZA2012030	GRANDFAMILIES PLACE OF PHOENIX	1640 E ROESER RD	PHOENIX	AZ	85040	56	55
AZA2012040	LOFTS AT MCKINLEY	809 N 5TH AVE	PHOENIX	AZ	85003	60	60
AZA2012045	MADISON POINT	4204 N 9TH ST	PHOENIX	AZ	85014	60	60
AZA2012075	UMOM FAMILY HOUSING II	3320 E VAN BUREN ST	PHOENIX	AZ	85008	60	60

Source: HUD Low-Income Housing Tax Credit Database. <http://lihtc.huduser.org/>

Persons with Disabilities & Elderly



According to the 2010 Census, 8.4% of the City of Phoenix's residents, or approximately 121,400 residents, are age 65 or older. The Department of Human Services' Administration on Aging projects that Arizona's population over 65 years of age will increase continually to 24.7% in 2020, 26.9% in 2025, and 28.1% in 2030. In 2000, this population represented 17.1% of residents, and if projections are reached, the state will see a 10% plus increase in senior residents. Aging residents are more likely to have needs related to accommodations for disabilities. According to the 2010-2012 American Community Survey, the Phoenix metropolitan region has over 220,000 residents with ambulatory disabilities (walking, standing, climbing), over 156,000 residents with cognitive difficulties, over 122,000 residents with hearing difficulty, 66,000 residents with vision difficulties, over 82,000 residents with self-care difficulties, and over 146,000 residents with independent living difficulty.

As a protected class, people with disabilities have a right to fair housing choice, yet the housing needs of this population can diverge significantly from the needs of other groups. People with mobility impairments are likely to need housing with features that improve accessibility and facilitate maneuverability within the unit, (i.e. first floor units, elevators, ramps, floor level bathrooms tubs. etc.) People with visual and hearing deficiencies may need accommodation for service animals, alternative types of fire and smoke alarms, alternative phone services, communications in braille, etc. People with cognitive disabilities may require the assistance of live-in aids or group home settings. Group homes are discussed elsewhere in this report in sections related to zoning and land use, however the availability of accessible units is generally discussed here.

Based on HUD's Inventory of Units for the Elderly and Disabled, the City of Phoenix has several multi-family housing units that serve the elderly population and persons with disabilities. This

inventory database is designed to assist prospective applicants with locating units in HUD insured and HUD subsidized multifamily properties that serve the elderly and/or persons with disabilities. These units tend to offer rental assistance and housing credit programs funded through federally funded programs. Below is a listing of units for elderly and disabled residents for the City of Phoenix.

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Phone
Broadway House	2201-A-E Broadway, Rd. Phoenix, AZ 85040-2663	Family	80	80	0	0	0	1-BR, 2-BR,	602-276-5430
Camelot Casitas	1907 East Virginia Phoenix, AZ 85006-14576	Disabled	8	8	0	8	8	0-BR 1-BR	602-952-9525
Casa Blanca Apartments	2520 W. McClellan Blvd. Phoenix, AZ 85017-1323	Family	80	16	0	0	0	1-BR 2-BR 3-BR	602-242-4782
Casa de Primavera	1617 N. 45 th Street Ave. Phoenix, AZ 85035-4219	Elderly and Disabled	162	161	143	18	18	1-BR	602-269-6245
Casa Madrid Apartments	4417 North 12 th Street Phoenix, AZ 85014-4511	Family	70	70	0	0	0	1-BR 2-BR 3-BR	602-279-6543
Christian Care Manor I	11830 N.18 th Ave. Phoenix, AZ 85029-3519	Elderly	96	95	85	10	10	0-BR	602-943-1800
Christian Care Manor II	11802 > 19 th Ave. Phoenix, AZ 85029-3549	Elderly	46	46	43	3	3	0-BR 1-BR	602-861-3970
Casa de Paz Fillmore	3335 West Fillmore Phoenix, AZ 85009-4287	Family	32	32	0	0	0	3-BR	602-278-4332
Case de Paz II	1718 E. Roeser Rd. Phoenix, AZ 85040-3364	Family	27	27	0	0	0	1-BR 2-BR	602-243-6405

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Phone
Case de Shanti	5236-2, S. 5 th Street Phoenix, AZ 85040-8772	Disabled	25	24	---	24	2	1-BR 2-BR	602-276-7554
Colonia del Sol Apartments	5405 S. 19 th Ave. Phoenix, AZ 85041-0000	Family	144	---	0	0	56	1-BR 2-BR 3-BR	602-305-9696
Fellowship Towers	222 E. Indianola Ave. Phoenix, AZ 85012-4000	Family	52	51	0	0	0	1-BR 2-BR 3-BR	602-266-9438
Fillmore Gardens	802 N. 22 nd Pl Phoenix, AZ 85006-3868	Elderly	120	120	112	8	14	1-BR	602-256-3144
Franmar Manor	3825 W. McDowell Rd. Phoenix, AZ 85009-2208	Family	78	78	0	0	39	1-BR 2-BR 3-BR	602-272-5382
Grant Park Apartments	311- A W. Grant Street Phoenix, AZ 85003-2462	Family	52	51	0	1	0	1-BR 2-BR 3-BR	602-252-4167
Hacienda Del Rio	4121- S W. McDowell Road Phoenix, AZ 85009-2062	Elderly and Disabled	121	101	121	0	0	1-BR 2-BR	602-272-7348
Hill N' Dell Homes	502 N. 51 st Street Phoenix, AZ 85008-6640	Family	140	134	0	0	--	0-BR 1-BR 2-BR 3-BR 4-BR 5-BR 6-BR	602-275-6782
Hong Ning House of Phoenix	3920 N. 24 th Ave. Phoenix, AZ 85015-5374	Elderly	58	56	52	4	4	0-BR 1-BR	602-234-3534

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Phone
Kivel Manor	3040 N. 36 th Street Phoenix, AZ 85018-6999	Elderly and Disabled	120	118	85	33	33	0-BR 1-BR	602-956-0150
Kivel Manor East	3020 N. 36 th ST Phoenix, AZ 85018-6998	Elderly and Disabled	73	72	54	18	18	0-BR 1-BR	602-956-0150
Kivel Manor West	3040 N. 36 th ST Phoenix, AZ 85018-6999	Elderly	65	64	65	0	0	0-BR 1-BR 2-BR	602-956-0150
Lemon Grove Apartments	7220 N. 27 th St. Phoenix, AZ 85051-7569	Elderly and Disabled	84	83	83	0	5	1-BR	602-995-1961
McDowell East Apartments	2433 McDowell Road Phoenix, AZ 85008-3533	Family	76	75	0	0	0	1-BR 2-BR 3-BR	602-275-2323
Morningside Villa	17802 N. 19 th St. Phoenix, AZ 85023-2363	Family	50	50	0	0	3	2-BR 3-BR	602-863-0238
Myrtle Manor	2602 West Myrtle Avenue Phoenix, AZ 85051-9601	Family	44	44	0	4	4	2-BR 3-BR	602-864-0812
Matthew Henson Apartments	840 W. Tonto St. Phoenix, AZ 85007-3701	Family	198	0	0	0	9	1-BR 2-BR 3-BR 4-BR	602-252-1522
Monroe Street Abbey Apartments	334 W. Monroe Street Phoenix, AZ 85041-1238	Family	94	0	0	0	0	0-BR 1-BR 2-BR	602-252-9097
Paradise Shadows Apartments	16035 N. 27 th St. Phoenix, AZ 85023-3549	Family	67	67	0	0	0	2- BR 3-BR	602-867-0988
Paradise Valley Retirement Center	11640-A N. 27 th St. Phoenix, AZ 85028-1841	Elderly	126	125	125	0	0	1-BR	602-867-1420
Phoenix Memorial Towers	1405 S. 7 th St. Phoenix, AZ 85007-3939	Elderly and Disabled	153	152	152	8	12	1-BR 2-BR	602-253-0367
Phoenix Silver Crest Residence	613 N. 4 th Avenue Phoenix AZ 85003-1575	Elderly and Disabled	126	125	0	0	6	0-BR 1-BR 2-BR	602-251-2000

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Phone
Peoria Place	1525 N. 39 th Ave. Phoenix, AZ 85009-0000	Disabled	14	14	0	14	14	1-BR 2-BR	602-276-7554
Roosevelt East Apartments	2939 East Roosevelt Phoenix, AZ 85008-5041	Family	80	79	0	0	0	1-BR 2-BR 3-BR	602-275-0407
Roosevelt Plaza	945 N. 40 th Street Phoenix, AZ 85008-6454	Family	100	99	0	0	10	3-BR 4-BR	602-275-5393
St. Mary's Manor	6515 N. 39 th Ave. Phoenix, AZ 85019-1300	Elderly	41	41	41	---	6	0-BR 1-BR	602-973-3139
Stone Creek Village	13420 N. 21 st . PL Phoenix, AZ 85022-5166	Disabled	40	39	0	39	40	1-BR 2-BR	602-788-0993
Sunland Terrace	435 East Sunland Avenue Phoenix, AZ 85040-9301	Elderly and Disabled	0	0	72	8	0	---	602-243-0033
Sunnyslope Manor	205 East Ruth St. Phoenix, AZ 85020-3152	Elderly	116	116	116	0	13	1-BR	602-262-4047
Sweetwater Gardens	2035 East Sweetwater Avenue Phoenix, AZ 85022-5874	Disabled	24	24	0	24	24	1-BR	602-867-4549
Tanner Gardens	4420 S. 18 th Pl. Phoenix, AZ 85040-2467	Elderly and Disabled	127	127	114	6	6	0-BR 1-BR	602-268-8866
Toby House IV	211 W. Butler Phoenix, AZ 85021-4522	Disabled	8	8	0	8	---	1-BR	602-234-3338
Toby House VIII	7835 N. 29 th Ave. Phoenix, AZ 85051-000	Disabled	21	21	0	21	21	1-BR 2-BR	602-234-3338

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Phone
The Met @ 3 rd &Filmore	200 E. Filmore St. Phoenix, AZ 85004-2103	Family	140	---	0	9	44	0-BR 1-BR 2-BR	602-258-6387
Urban League Manor	4343 West Thomas Road Phoenix, AZ 85031-0000	Elderly and Disabled	152	151	136	15	15	1-BR 2-BR	602-233-1611
Valley of the School 1	2356 West Macaroni Avenue Phoenix, AZ 85023-4127	Disabled	---	---	---	---	25	1-BR	602-371-0806
Valley of the School 3	3002 West Desert Cove Phoenix, AZ 85029-4237	Disabled	---	---	---	--	20	1-BR	602-789-8499
Valley of the School 4	15201North Hana Maui Phoenix, AZ 85022-3660	Disabled	---	---	---	---	17	1-BR	602-997-0013
Villa de Confianza	2060 North 35 th Ave. Phoenix, AZ 85009-2324	Disabled	10	10	---	10	0	2-BR	602-233-0115
Vista de la Montana Apartments	8028 S. Jesse Owens Parkway Phoenix, AZ 85040-000	Elderly	58	55	58	0	5	1-BR	602-232-4844
Westward Ho Housing for the Elderly and Handicapped	618 N. Central Ave. Phoenix, AZ 85004-2196	Elderly and Disabled	290	289	0	0	10	0-BR 1-BR 2-BR 3-BR	602-258-6221
Whispering Pines	2601 N. 36 th Street Phoenix, AZ 85008-1308	Family	325	--	0	0	--	0-BR 1-BR 2-BR 3-BR	602-275-7611

Source: HUD's MFH Inventory Survey of Units for the Elderly and Disabled,
<http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm>

Stakeholder Input on Housing Accessibility

The City's population is aging, increasing the number of elderly residents and the need for accessible properties. Stakeholders identified the need to increase the number of accessible units and to plan for increased units of affordable housing for elderly residents and those with physical disabilities as housing needs. Providing supportive services, such as, supportive living, social services, and transportation to medical and community appointments were also reported as needs in affordable housing communities for elderly and disabled residents. It was reported that some properties deny rentals to disabled residents with service animals. A need for

increased training of landlords regarding the rights of disabled tenants was suggested by stakeholders. It was also indicated that currently programming is limited to allow the elderly to “age in place” and remain in their home. The state of Arizona has regulations which prohibit the clustering of group homes which allows residents in needs of a group home experience to have a more mainstream experienced and reduces segregation of this population. Many stakeholders reported that housing was not affordable for senior and elderly residents receiving social security or SSI benefits, and that many elderly and disabled families double up.

Affordable Housing

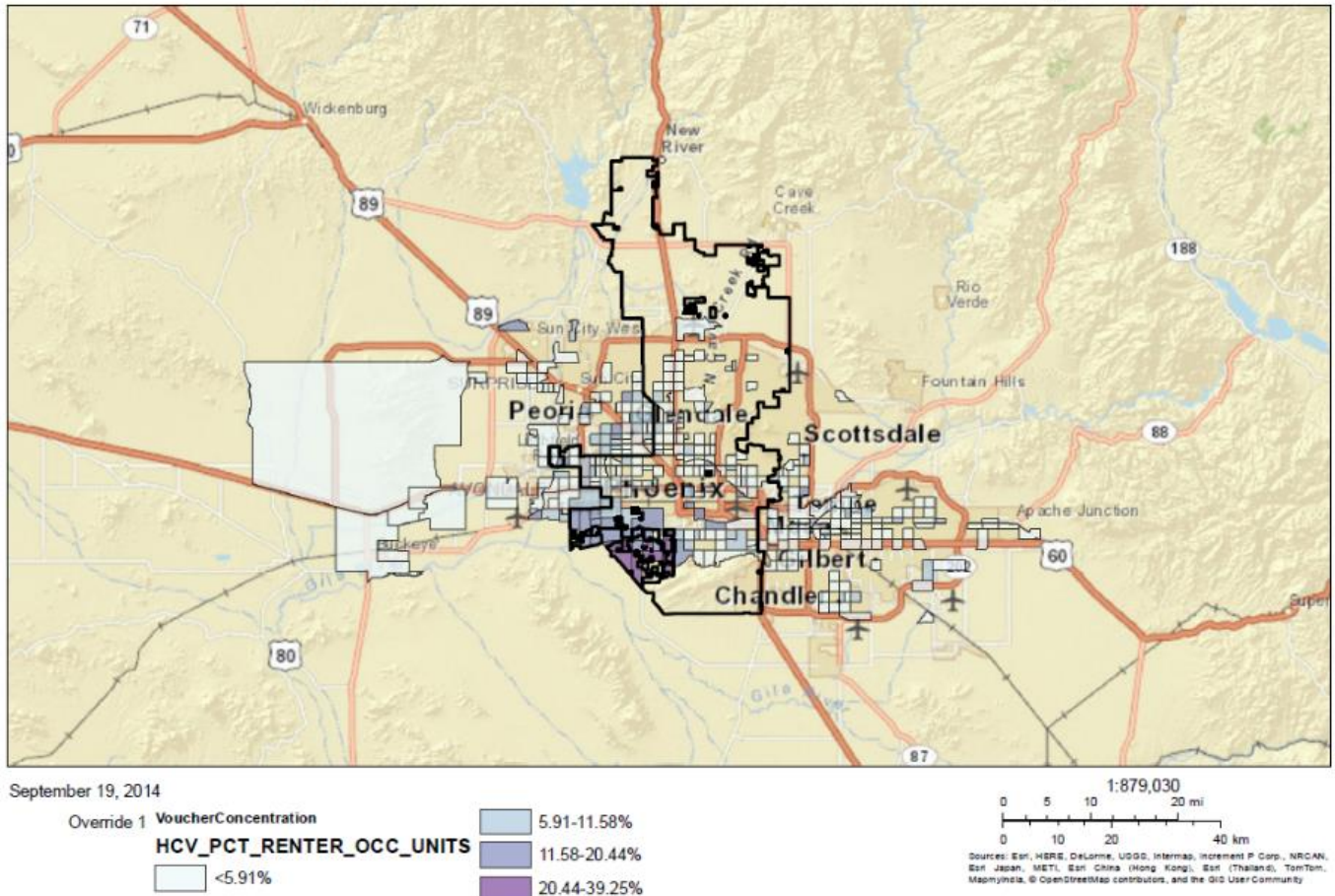


There are several properties within the City of Phoenix that offer affordable housing units. Per the 2010 Census, 26.8% of residents in Phoenix live below the federal poverty level. As discussed previously, poverty rates in Phoenix are rising and persistent, and a large majority of residents exceed the 30% threshold on household expenses and cannot afford the Fair Market Rent for a 2-bedroom based on their earnings. In the City of Phoenix, male residents in poverty (19.1%) exceeds the rate for the state of Arizona (16.0%), and the rate for poor males who are disabled (26.5%) also exceeds the state rate (16.0%). The rate of disabled females in poverty (21.5%) exceeds the state rate (19.1%), and the rate of poor disabled females (25.3%) also exceeds the state rate (19.1%). SSI benefits only allow for an affordability rate of \$216, and disabled residents are likely to receive SSI benefits. Due to the low affordability rate for SSI recipients and the rising poverty rates, affordable housing for the elderly and disabled residents is a pertinent housing issue. Below is a listing of some of the affordable housing properties within the City.

Property	Occupancy
Casa de Paz IV- Sunland Apartments	Elderly
West End Lightrail Apartments	Family
Memorial Towers	Elderly
Yale Court City of Phoenix Public Housing Apartments	Family
Coffelt Lamoreaux Park Maricopa County Public Housing Apartments	Family
Oasis West Apartments	Family
Pine Crest Apartments	Family
Desert Sol	Family
Grant Park Apartments	Disabled
Franmar Manor	Family
Filmore Gardens	Elderly
Filmore Courtyard	Family
Fellowship Towers	Elderly
Christian Manor I	Elderly
Christian Manor II	Elderly
Christian Manor III	Elderly
Casa Mia	Family
Casa Madrid Apartments	Family
Casa de Shanti	Disabled
Casa de Primavera	Elderly
Casa de Paz II	Family
Casa de Paz Fillmore	Family
Casa Blanca Apartments	Family
Camelot Casitas	Disabled
Broadway Terrace	Elderly
Broadway House	Disabled

Source: <http://www.lowincomehousing.us/AZ/phoenix.html>

CPD Maps - Consolidated Plan and Continuum of Care Planning Tool



Source: HUD CPD Mapping Tool, <http://egis.hud.gov/cpdmaps/>

Additionally, there are several HUD approved counseling agencies in the City of Phoenix that assists residents with financial management, budget counseling, mortgage delinquency and default resolution counseling, non-delinquency post purchase counseling, pre-purchase counseling, and pre-purchase homeowner education. These agencies include, but are not limited to: Take Charge America, Neighborhood assistance Corporation of America (NACA), Money Management International, Community Housing Resources of Arizona, Affordable Housing Centers of America, and Neighborhood Housing Services of Phoenix.

Several agencies target services to Phoenix's racial and ethnic minority populations, including the City's large Hispanic population. Many of these organizations provide services in English and Spanish. These agencies include, but are not limited to Chicanos Por La Causa, Desert Esperanza, and Arizona Latino Commission. Chicanos Por La Causa also provides education workshops and counseling on predatory lending. Rainbow Housing Assistance Corporation provides affordable housing and programming aimed at residents of diverse ethnic and social backgrounds, which include onsite social services programs. Helping Hands Housing Services also provides supportive services in addition to affordable housing. The City of Phoenix's Neighborhood

Services Department offers counseling services in several languages, such as, Cambodian, Chinese, French, and Korean, in addition to Spanish.

Survey Analysis: Housing Needs

Respondents were asked to identify reasons for dissatisfaction with their current living situations. Respondents identified safety, public transit, and attractiveness as key reasons.

Answer Choices	Responses
Too far from work	16.87% 28
Too expensive	18.07% 30
Too small	16.87% 28
Too crowded	10.24% 17
Unattractive area to live	24.70% 41
Poor public transportation opportunities	22.29% 37
Housing in poor condition	17.47% 29
Unsafe area	33.73% 56
Poor Public Schools in area	21.69% 36
Not convenient to facilities such as medical services and retail areas	15.06% 25
Total Respondents: 166	

Respondents were asked to rank barriers to fair housing within the City of Phoenix. The ranked barriers are presented below in highest to lowest order:

1. Lack of knowledge among residents regarding fair housing rights (64.95%).
2. Income levels of female and minority headed households (61.15%).
3. Lack of knowledge among landlords and property owners of fair housing rights (55.05%).
4. Concentration of low income housing in certain areas (53.38%).
5. Limited capacity of a local organization devoted to fair housing investigation and testing (49.19%).
6. Lack of knowledge among real estate agents regarding fair housing (46.67%).
7. Lack of knowledge among bankers/lenders regarding fair housing rights (45.39%).
8. Concentration of group homes in certain areas. (43.25%).
9. Restrictive covenants by homeowner associations or neighborhood organizations (41.75%).
10. Lack of adequate zoning for manufactured housing (35.56%).
11. Limitations on density of housing (32.40%).

Respondents were asked if sufficient housing existed within the City for several sub-populations including:

1. Elderly residents (30.13% of respondents reported “yes”, 18.19% reported “no”, and 51.68% of respondents reported “I don’t know”).
2. Residents with disabilities (17.83% of respondents reported “yes”, 16.18% reported “no”, and 65.80% of respondents reported “I don’t know”).
3. Residents with low-to-moderate income (31.52% of respondents reported “yes”, 25.06% reported “no”, and 43.41% of respondents reported “I don’t know”).
4. Residents with Section 8 vouchers (26.04% of respondents reported “yes”, 15.98% reported “no”, and 58.07% of respondents reported “I don’t know”).

Public Investment, Infrastructure and Education

Public investment in transportation and infrastructure has an impact on both housing availability and affordability. Within the four county study area, the availability and affordability of housing are linked to public resources that are expended for essential services. This section addresses transportation services, the availability of safe and accessible water, and the availability of sanitary sewer systems that collect, treat, and discharge wastewater.

Transportation

The City of Phoenix is served by the Valley Metro public transit system. Since 2012, the area has been served by a regional transportation system following the merging of the Regional Public Transportation Authority (RPTA) and the Valley Metro Rail. Valley Metro provides several public transit services including: Local, LINK, Express and RAPID bus service, light rail, neighborhood circulators, rural routes, Dial-A-Ride, and vanpool services. Assistance for providing services are also provided to local businesses, such as, car pool, vanpool, and bike to help meet Maricopa County trip reduction goals through the provision of alternative modes of transportation. Public transportation is supported through a portion of the state of Arizona's lottery revenues, and local sales taxes from Maricopa County and various cities across Maricopa County including: Phoenix, Scottsdale, Mesa, Tempe, Glendale, and Peoria. Residents of Phoenix passed a four-tenths of a cent sales tax in 2000 that has been used to fund improvements to local bus service, Bus Rapid Transit, light rail, and Neighborhood Mini Bus Service.²⁸

Public Transportation



Fares for local buses, light rail, and Link bus service are the same. A one-way trip is \$2.00, an all-day pass is \$4.00, a pass for seven days is \$20.00, a pass for 16 days is \$33.00, and a pass for 31

²⁸<http://www.valleymetro.org/overview>. Accessed November 6, 2014.

days is \$64.00. Reduced fares are offered for children under the age of six, senior citizens, and the disabled with proof of eligibility. Reduced fares are: \$1.00 for a one-way trip, \$2.00 for an all-day pass, \$10.00 for a seven day pass, \$16.50 for a 16 day pass, and \$32.00. A different fare structure is used for Express and Rapid bus transit which includes \$3.25 for one-way, \$6.50 for an all-day pass, and \$104.00 for a 31 day pass.²⁹

The City of Phoenix has several recent and upcoming improvement projects. Improvement projects involving light rail and high-capacity transit are planned in the following areas: Capital I-10 West, and Northwest Extensions Phases I & II. The Capital I-10 West projected is intended to provide public transit services to the growing West Valley region, easing interstate congestion, connect centers of employment and provide residents with increased access to jobs, schools, and community resources. Construction on the project is scheduled to begin in 2019 and will include enhancements to neighborhood stations and park-and ride facilities in an 11 mile light rail extension from downtown Phoenix's State Capital area to 79th Avenue and the 1-10 freeway. The Northwest Extension Phase I is anticipated to open in 2016 and is also a light rail expansion deigned to help community resident's access employment centers and jobs located along the I-17 freeway. A 3.2 mile light rail expansion is planned to extend the current stop to Dunlap Avenue and will include three stations and a park-and-ride facility. It is estimated that the project will add 5,000 additional riders, support 10,000 family housing units, and aid 20,000 employees in getting to work. Phase II of the expansion will include 2 mile light rail expansion from 19th and Dunlap Avenue west towards the 1-17 freeways. The expansion is expected to be completed by 2026. The project includes a feasibility study regarding expansion to the Metro Center Mall.³⁰

Additional feasibility and planning studies for Phoenix are focused on a 12 mile Northeast corridor enhancement of services along SR 51 north to the Paradise Valley Mall region to ease congestion and connect residents to centers of employment and entertainment, a study focused on enhancing transit and connectivity for South Central Phoenix residents, a study on how to advance transit throughout the Southeast region of Maricopa County (including Phoenix, and a study on enhancing mobility in West Phoenix. The City of Phoenix also has two recent transit projects, the renovation of Central Station completed in 2011 and completion of a bus transit and maintenance center in West Phoenix.³¹

The Valley Metro has a strategy and plan to increase Transit Oriented Development (TOD) in the region. The overall goal of the TOD strategy is to encourage mixed land use, the development and creation of an environment that is friendly to both pedestrians and transit users, and promote a transit systems that increase access to housing choice and employment. The TOD strategy involves a partnership between The Maricopa Association of Governments, Valley

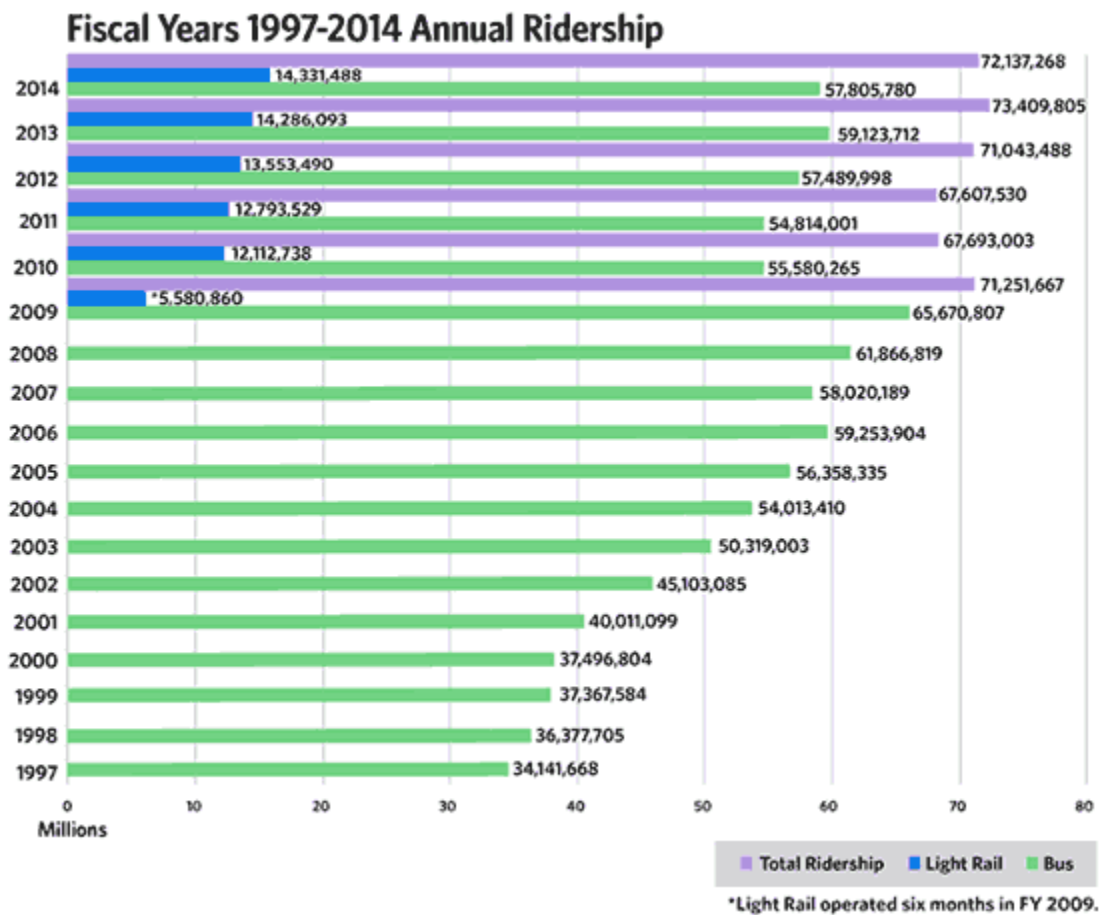
²⁹http://www.valleymetro.org/paying_your_fare. Accessed: November 6, 2014.

³⁰http://www.valleymetro.org/projects_and_planning/current_projects. Accessed November 10, 2014.

³¹http://www.valleymetro.org/projects_and_planning/current_projects. Accessed November 12, 2014.

Metro, and local jurisdictions/communities. In the plan Valley Metro will take the lead in accessing TOD potential in corridor development, research and monitor trends for regional TOD, and develop plans and policies to guide agency’s activities and roles. Local jurisdictions will, such as the City of Phoenix, will take the lead in incorporating TOD principles into land use plans and regulations, encourage the use of TOD principles into community goals, and develop policies and plans to guide agency activities and roles.³²

Annual bus ridership has more than doubled since 1997 from an annual ridership of 34.1 million rides in 1997 to over 72.1 million rides in 2014. Use of light rail expansion since the year of inception in 2009 has also doubled with more than 14.1 million rides in 2014. Overall, the use of public transit as steadily increased in the City. The graphic depiction below shows annual ridership for the years 1997 through 2014.³³

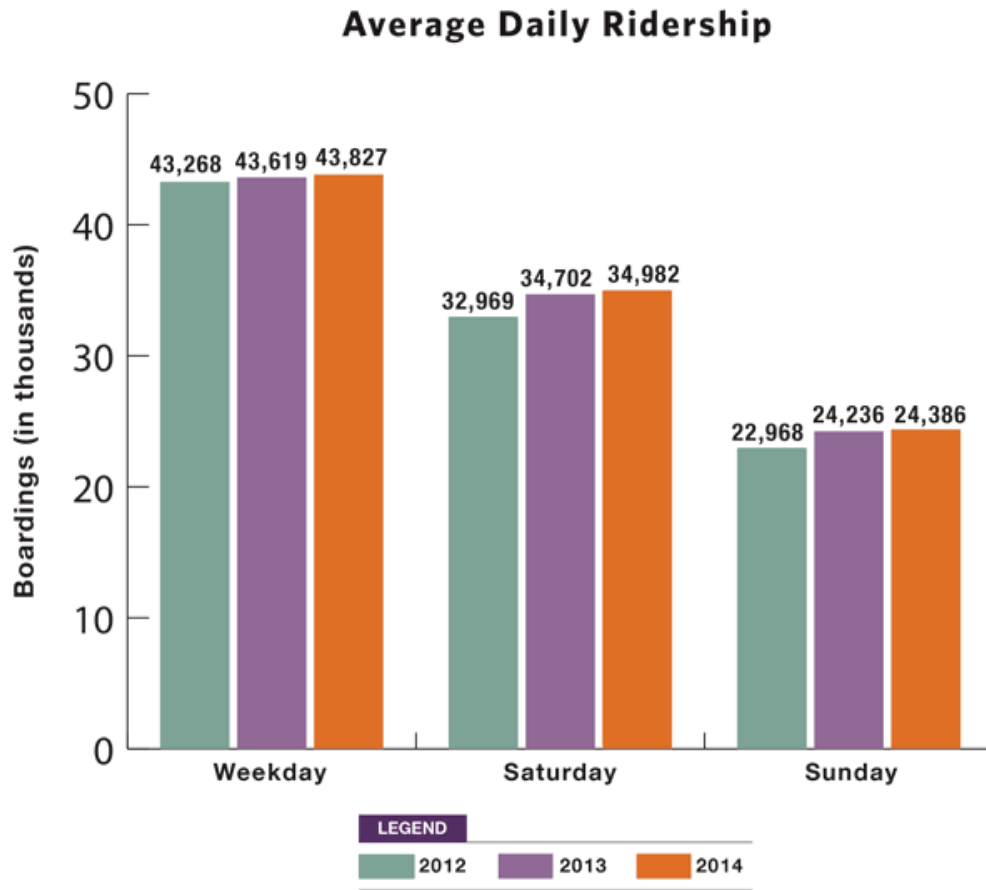


Source: Valley Metro 2014 Annual Ridership Report. http://www.valleymetro.org/publications_reports/ridership_reports

³²http://www.valleymetro.org/projects_and_planning/transit_oriented_development. Accessed November 13, 2014.

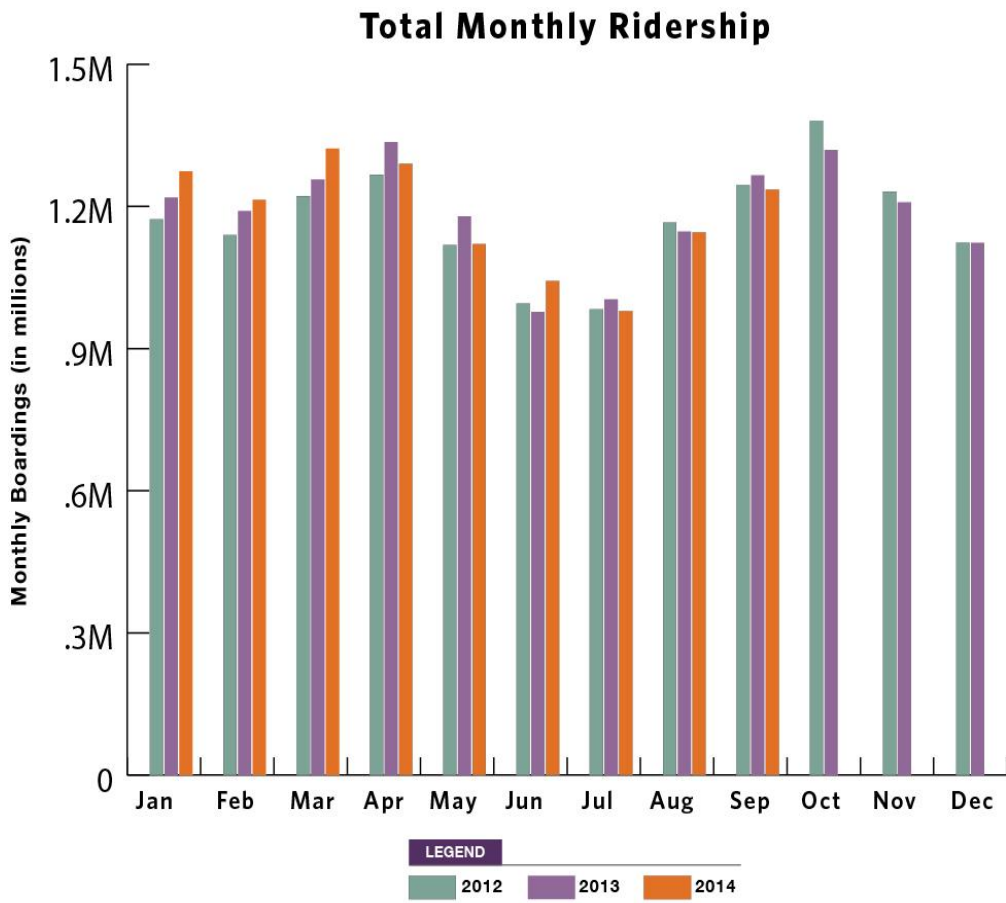
³³ Valley Metro Ridership Reports. http://www.valleymetro.org/publications_reports/ridership_reports. Accessed December 1, 2014.

Daily ridership has slowly ticked upward since 2012, while weekend daily ridership has increased at a higher rate, as demonstrated by the graph below:



Source: Valley Metro 2012-2014 Daily Ridership Report. http://www.valleymetro.org/publications_reports/ridership_reports

Monthly ridership in 2014 peaked in March with steady declines in the following months until a gradual rise beginning in September of 2014. Similar peaks, declines, and increases can be seen in 2012 and 2013 with ridership peaking in March and April, declining during the summer months, and gradually increasing again through the Fall and Winter. The graph below shows monthly ridership for 2012, 2013, and 2014.



Source: Valley Metro Monthly Ridership Report, September 2014.
http://www.valleymetro.org/publications_reports/ridership_reports

Water and Sewer

Since 1999, the state of Arizona has had below average rainfall most years. The year 2014, was the driest in the Phoenix region with only 0.06 inches of rainfall since June 2014. The state uses water from the Colorado River for some of its water needs; however the river has less than average runoff since 2000, with the exception of three years. The Phoenix metro area utilizes Roosevelt Lake to meet approximately half of the City’s water needs. However, the lake is only at 39% of capacity currently. Additionally, the six regional reservoirs are also at low capacity. Each of these issues means that the availability of water in the region is decreasing and

projections are that local farmers will have to rely more heavily on groundwater which also has decreased availability. Despite the leveling off of water usage during the recession and banked water, the area is anticipated to experience water shortages if water consumption is not reduced.³⁴ The Central Arizona project which manages the area water system projects that Phoenix could see cutbacks in water distribution as early as 2019 unless consumption is reduced.³⁵

In 2010, the City of Phoenix published “The Water Demand and Supply Assessment 1985-2025, Phoenix Active Management Area (Assessment)”. This study examined historical water supply and demand characteristics from 1985-2006 with projection through 2026. Municipal demands for water increased by almost 50% between 1985 and 2006. Water demand also increased for the industrial sector by 80% while agricultural demand decreased by 42% due the urbanization of prior farm lands. The report found that with the exception of a few years the Phoenix area experienced water over drafts annually in the studied time period. However, since 2000, the overdraft of groundwater has steadily decreased. An increased reliance on renewable supplies has decreased demand for ground water.³⁶ The City has invested in increasing storage in reservoirs for the Salt and Verde Rivers.³⁷

The Water Services Department provides water and wastewater services for the City of Phoenix. The City promotes water conservation techniques to ensure adequate water supply. The Water Services Department conducts routine commercial inspections of pretreatment and sewer facilities. The department also conducts inspections based on complaints. The department operates a pretreatment program designed to reduce the introduction of pollutants into the waste water treatment process, increase the recycling and reclaiming of municipal and industrial waste water, enforce EPA waste water standards, and reduce the risk of pollutants from waste water discharge.³⁸³⁹

The City has two sewer systems: storm drains and sanitary sewers. The Storm water Management Section works collaboratively with the Streets Transportation Department, Office of Environmental Programs, Public Works, and the Planning and Development Department. The Street Transportation Department maintains storm drains and washes, cleans the streets and catch basins and creates maps of the City's storm drain system. The Planning and Development Department monitors construction sites for storm water compliance. The Public Works

³⁴ “Five Reasons to Panic about Arizona’s water and Five Reason’s not too: Is Arizona Really Running Out of Water”. <http://www.azcentral.com/story/news/local/arizona/2014/08/11/arizona-water-supply-drought/13883605/> Accessed: December 7, 2014.

³⁵<http://www.cap-az.com/> Accessed: December 6, 2014

³⁶ Arizona Department of Water Resources. Phoenix Active Management Area. Water Demand and Supply Assessment: 1985-2025. http://www.azwater.gov/AzDWR/WaterManagement/Assessments/documents/PhxAMA_AssessmentSummarySheet.pdf Accessed: December 2, 2014.

³⁷<https://www.phoenix.gov/waterservices/resourcesconservation>. Accessed: December 3, 2014.

³⁸<https://www.phoenix.gov/waterservices/envservices/comminsp>. Accessed: December 3, 2014.

³⁹<https://www.phoenix.gov/waterservices/envservices/indpretreatmentprog>. Accessed: December 3, 2014.

department implements the Household Hazardous Waste Collection Program. The Office of Environmental Programs coordinates city employee training and evaluates City facilities for compliance with storm water requirements.⁴⁰ Despite the challenges brought on by the drought, water and sewer services appear to be provided equitably to Phoenix's residents.

Stakeholder Input on Transportation & Infrastructure

Several stakeholders and residents identified transportation as a crucial area of need. Residents and stakeholders reported that buses were frequently late and had a limited number of stops. Stakeholders reported limited public transit in low-income communities and several communities were described as isolated from grocery stores, educational institutions, and employment. Low availability of public transit near businesses and employment centers was identified as a barrier to attracting new business and workers. Several stakeholders reported roadways, sidewalks, and streets in needs of repair.

Many residents reported an uneven distribution of resources, especially schools. Schools in North Phoenix were described as "high quality" schools with high test scores and high rates of college attendance. Schools in Central Phoenix were described as "struggling". Residents reported that amenities and transportation in North Phoenix was of a higher quality than amenities in other neighborhoods. Residents also reported that the amenities of North Phoenix were not easily accessible by public transit. While parks and community facilities were reported as evenly distributed, differences in quality were reported, with North Phoenix having the highest quality facilities and resources.

Education

Research indicates that the presence of high quality and high performing educational systems and facilities is a key criteria utilized by residents as they choose where to live. This section reports on the performance of public schools serving the residents of the City of Phoenix. The relationships between educational attainment, educational resources, and housing choice will also be explored.

Overview of School District

The City of Phoenix is served by 411 public schools that provide education services for 234,623 students. Students are served by 33⁴¹ independent school districts due to prior annexations of regions which had previously operating school districts. Enrollment of students from racial and ethnic minority groups (73%), primarily Hispanic, exceeds enrollment for minority students in

⁴⁰<https://www.phoenix.gov/waterservices/envservices/stormwater-program>. Accessed: December 3, 2014.

⁴¹ <http://jphxprd.phoenix.gov/PhoenixSchools>

the state of Arizona (58%). And, the overall student to teacher ratio of 22:1 also exceeds the state ratio of 18:1.

The chart below depicts basic demographic information for the varying types of schools in the City of Phoenix:

City of Phoenix School Demographics				
Type of School	Number of Schools	Number of Students	Minority Student Enrollment	Student/Teacher Ratio
Pre-K	110	65,235	72%	17:1
Elementary	254	143,387	75%	22:1
Middle School	75	43,841	63%	27:1
High School	138	74,077	65%	30:1
Charter	135	38,153	65%	---
Private	101	19,260	45%	13:1
State of Arizona	---	----	58%	18:1

Source: publicschoolreview.com

The following charts lists the school districts which serve the City of Phoenix and brief demographic information including overall and minority enrollment and student to teacher ratio.

City of Phoenix School Districts					
School District	Type of School	Number of Schools	Student Enrollment	Minority Enrollment	Student-Teacher Ratio
Alhambria Elementary School District	Pre-K Elementary Middle	15	13,831	92%	22:01
Arizona State School for the Deaf and Blind School District	Pre-K Elementary Middle High School	10	1,093	67%	---
Balsz Elementary School District	Pre-K Elementary Middle	5	2,751	92%	22:01
Cartwright Elementary School District	Pre-K Elementary Middle	21	18,359	98%	16:01
Cave Creek Unified School District	Pre-K Elementary Middle High School	7	5,744	13%	19:01
Creighton Elementary School District	Pre-K Elementary Middle	10	6,598	94%	18:01
Deer Valley Unified School District	Pre-K Elementary Middle High School	38	34,369	24%	19:01
Fowler Elementary School District	Pre-K Elementary Middle	7	4,588	93%	19:01
Glendale Union High School District	High School	10	14,949	66%	21:01
Isaac Elementary School District	Pre-K Elementary Middle	11	7,085	99%	19:01

Source: publicschoolreviews.com

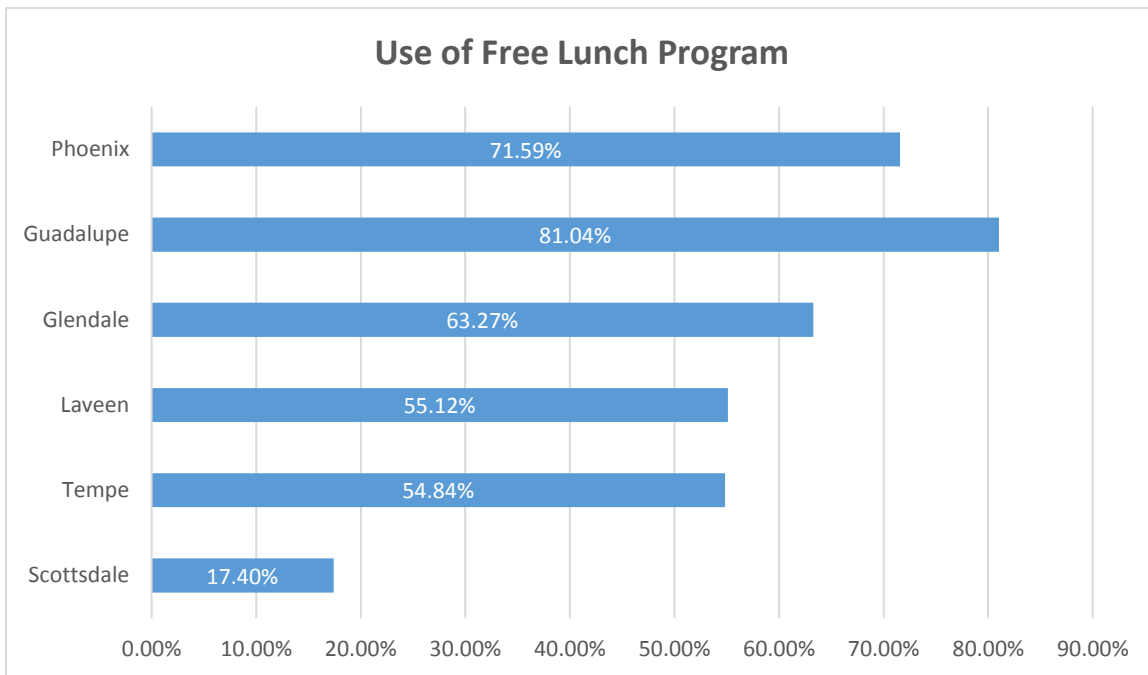
City of Phoenix School Districts					
School District	Type of School	Number of Schools	Student Enrollment	Minority Enrollment	Student-Teacher Ratio
Kyrene Elementary School District	Pre-K Elementary Middle	26	17,828	46%	15:01
Laveen Elementary School District	Pre-K Elementary Middle	6	5,478	87%	23:01
Littleton Elementary School District	Pre-K Elementary	6	5,074	88%	18:01
Madison Elementary School District	Pre-K Elementary Middle	8	5,892	49%	18:01
Maricopa County Regional School District	Elementary Middle High School	4	439	85%	15:01
Murphy Elementary School District	Pre-K Elementary	4	2,043	97%	24:01:00
Osborn Elementary School District	Pre-K Elementary Middle	5	3,043	87%	19:01
Paradise Valley Unified School District	Pre-K Elementary Middle High School	48	32,598	38%	18:01
Pendergast Elementary School District	Pre- K Elementary	14	9,796	82%	21:01
Phoenix Elementary School District	Pre- K Elementary	14	7,454	95%	17:01
Phoenix Unified High School District	High School				
Riverside Elementary School District	Pre-K Elementary	2	798	95%	21:01
Roosevelt Elementary School District	Pre-K Elementary Middle	20	10.43	97%	22:01

City of Phoenix School Districts					
School District	Type of School	Number of Schools	Student Enrollment	Minority Enrollment	Student-Teacher Ratio
Scottsdale Unified School District	Pre-K Elementary Middle High School	32	25,707	31%	15:01
Tolleson Elementary School District	Pre-K Elementary	4	2,722	94%	15:01
Tolleson Union High School District	High School	6	9,753	86%	23:01
Union Elementary School District	Pre-K Elementary	3	1,730	92%	23:01
Washington Elementary School District	Pre-K Elementary Middle	32	22,332	66%	18:01
Wilson Elementary School District	Elementary Middle	2	1,252	98%	18:01

Source: publicschoolreviews.com

Overall, students in the Phoenix public school system experience high rates of poverty or being from poor or low-income families. According to the Association for Supervision and Curriculum development, children from lower income families and children experiencing poverty have higher rates of absenteeism and tardiness and lowered rates of concentration, attention span, comprehension, memory, and academic performance. Children attending schools in areas with high levels of poverty and classmates who are poorer, are more likely to perform poorly in school even if they are not experiencing poverty themselves.

The free and reduced school lunch program is often used to identify children from low-income and high-poverty areas. Use of the free and reduced lunch program can also indicate factors such as a lack of food at home that can inhibit concentration and academic performance. Below is a graphic depiction of the use of the free and reduced lunch program for the City of Phoenix in comparison to nearby cities in the Metropolitan Statistical Area:



Source: <http://elementaryschools.org/directory/az/cities/phoenix/>

As discussed in other sections of this study, poverty rates in the City of Phoenix have risen consistently over the past four decades, reaching 26.8 percent. The City of Phoenix has one of the second highest rates of students using the free or reduced lunch program for the MSA, with 71.59% of children using the lunch program. Data from the 2013 American Community Survey also indicates high rates of poverty in the school age population in the City of Phoenix. According to the survey, of the 40,417 children enrolled in preschool and kindergarten, 12,671 or 31% are in families that have had income below the poverty level within the last 12 months. For residents in grades preschool through grade twelve, 104,338 live in families that are below the poverty level compared to 255,156 children in the same age group whose families are above or at the poverty level. Thus, a relatively high percentage (40.89%) of children experienced poverty in the past twelve months. The number of children experiencing poverty (40.89%) exceeds the overall City of Phoenix poverty rate (26.8%), meaning that school age children disproportionately experience poverty.

Educational Attainment Levels

The chart below depicts educational attainment in the City of Phoenix:

City of Phoenix Educational Attainment					
	Age 18-24	Age 25-34	Age 35-44	Age 45-64	Age 65+
Less than High School	22.9%	18.2%	21.1%	17.1%	17.8%
High School Completion or Equivalent	32.9%	81.8%	78.9%	82.9%	82.2%
Bachelor's degree of higher	7.0%	26.0%	28.5%	27.7%	25.5%

Source: 2013 American Community Survey

The City of Phoenix has high completion rates for higher education among high school graduates with rates ranging from 25.5 to 28.5 percent based on age, falling just below national averages which, according to the US Census Bureau, rose to just above 30 percent in 2013. However, rates for high school completion are low for all age groups as compared to national averages that are approximately 90 percent. Both the state and the City of Phoenix have high school drop-out rates that exceed national averages, which will be discussed later in this section.

Poverty rates were higher for residents with lower educational attainment, while median income grew higher as educational attainment increased. Poverty rates for residents who did not complete high school (38.3%) are high, which is of importance due to the City of Phoenix's high rate of high school drop-outs and lowered rates for high school completion, which will be discussed later in this section. These residents are more likely to experience poverty and lower incomes. Below is a graphic depiction of poverty rates and median income in relation to educational attainment:

City of Phoenix Poverty Rates		
Educational Attainment	Poverty Rate	Median Income
Less than High School	38.3%	\$20,096
High School Completion or Equivalency	22.1%	\$25,880
Some college or Associate's Degree	13.7%	\$32,336
Bachelor's degree of higher	5.7%	\$40,101
Graduate or professional degree	---	\$61,669

Source: Census American Factfinder, 2013 American Community Survey

School Performance

The state of Arizona uses an A-F grading system to hold schools accountable for student achievement. Student scores on standardized tests, like the AIMS, progress on the AIMS tests from one academic year to the next academic year, high school graduation, and school drop-out rates are also taken into account. Maricopa County has just over 20 schools that received a letter grade below C. Within the system a grade of D indicates that the school is performing below standards and a grade of F indicates a school that has received a grade of D for three consecutive years. Below is a listing of schools serving the City of Phoenix that have a grade of below C.

City of Phoenix Underperforming Schools

- August H. Shaw Junior School
- Lowell Elementary School
- Quartzsile Elementary School
- Riverside Traditional School
- C. J. Jorgensen School
- Caesar E. Chavez Community School
- Ignacio Conzalez School
- Maxine O' Bush Elementary School
- Perry L. Wilson School
- Southwest Elementary School
- W.H. Lassin Elementary School
- Round Valley High School
- Rice Elementary School
- San Carlos Secondary School
- Santa Cruz Union Valley High School
- South Phoenix Arts and Preparatory Academy
- St. David Elementary School
- Pos Firio H. Gonzales Elementary School
- Tolleson Union High School
- Dietz Elementary School
- Victory High School Campus

Source: Arizona Department of Education

An analysis of the 21 schools with a grade below C reveals several common characteristics including: student to teacher ratios that exceed state averages, high enrollment of students from racial and ethnic minority groups (primarily Hispanic), constant and unchanging rates of diversity, and high student enrollment growth rates for either the district or the specific school within the past five years.

High School Graduation Rates

According to the U.S. Department of Education, the state of Arizona has one of the lowest high school graduation rates (74.6%) nationally. Students of racial and ethnic minority groups have had lowered graduation rates over the past seven years. The chart below shows graduation rates for ethnic and racial minorities from 2007-2012.

State of Arizona Graduation Rates by Race & Ethnicity							
Race/Ethnic Group	2006	2007	2008	2009	2010	2011	2012
Asian	86.8%	85.5%	87.4%	88.1%	86.9%	87.6%	86.7%
Black	68.6%	72.3%	72.7%	72.6%	73.9%	74.3%	71.4%
Hispanic	58.7%	64.7%	68.6%	68.6%	68.0%	72.1%	70.3%
Native American	51.1%	55.0%	59.8%	62.9%	60.0%	61.70%	64.9%
White	78.9%	81.3%	82.5%	83.2%	82.9%	84.9%	84.1%

Source: Arizona Department of Education

With the exception of Asian students, graduation rates for students belonging to racial and ethnic minority groups were lower than those of whites throughout the seven year period. Hispanic students make up the majority of minority student enrollment across the state, county, and the City of Phoenix. Graduation rates for Hispanics have improved over 10 percent in the past seven years, but remain nearly 15 percent lower than the rates for White students and almost 20 percent below the national average. According to the Arizona Department of Education, barriers to high school completion amongst Hispanic students include: low levels of English proficiency, socio-economic barriers, and high rates of transient students.

The City of Phoenix is located in Maricopa County. Maricopa County's graduate rate (78.8%) is also below the national average. Graduation rates for students from several racial and ethnic minority groups are lower in Maricopa including: Hispanic students (71.1%), African-American students (72.5%) and Native-Americans (65.1%) students. Students from economically disadvantaged backgrounds also had lower graduation rates (73.1%) across the county which

is important because of the City of Phoenix’s high poverty rate. Students with disabilities also have lowered graduation rates (68.5%). However, the lowest graduation rates are found amongst students with limited English proficiency (21.7%) which is important due to Phoenix’s high number of Hispanic students.

The City of Phoenix has a low graduation rate when compared to national averages. The chart below depicts the school performance rate and graduation rates for the City of Phoenix’s Unified School District in comparison to neighboring districts:

Phoenix Unified School District Population and Performance

School District	Student Population	AIMS Score	State Rank	Graduation Rate	Dropout Rate
Phoenix Unified District (K-12)	33,338	C	244	80.1%	4.9%
Mesa Unified District (K-12)	67,679	B	195	87.0%	3.0%
Scottsdale Unified District (K-12)	25,762	A	83	95.9%	1%
Tempe School District (K-12)	25,840	A(High)/ B(Elem.)	253	90.7%	2%

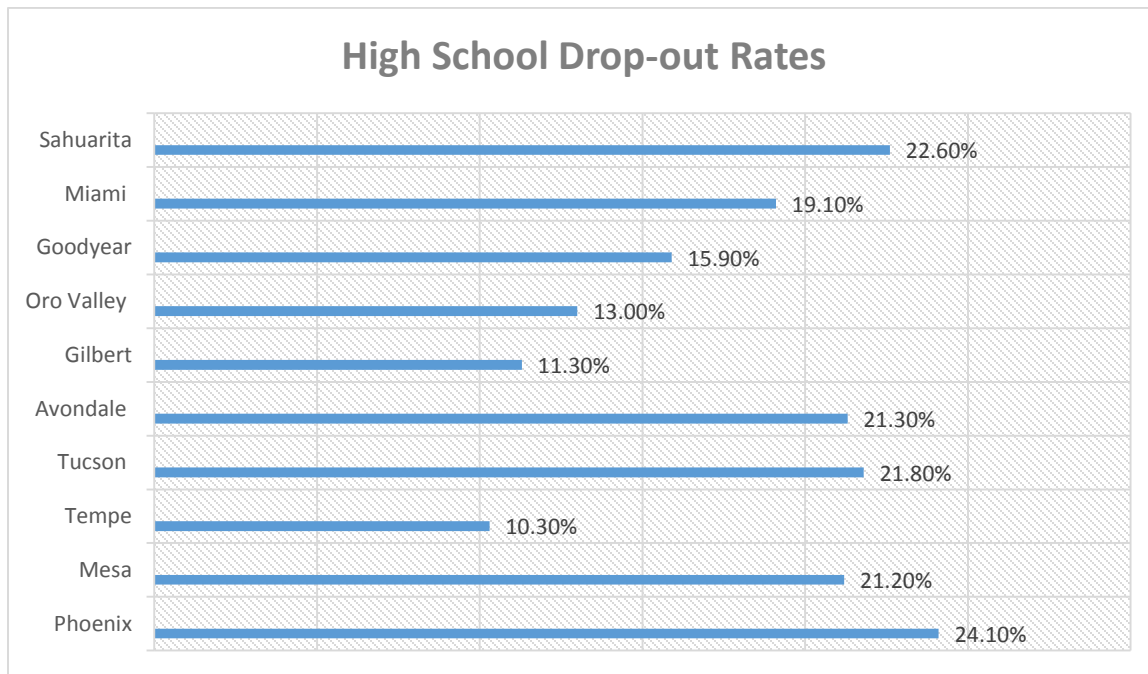
Source: 2008-2012 American Community Survey 5- Year Estimates, U.S. Census Bureau.www.census.gov
National Center for Education Research. U.S. Dept. of Education <http://nces.ed.gov/ccd/districtsearch/>
Arizona Department of Education. October 2013 Enrollment & Dropout Rates. <http://www.azed.gov/>

The Phoenix Unified School District has the lowest AIMS score (C) among other area school districts. The district also has the lowest graduation rate and highest drop-out rate in comparison to neighboring districts. According to a report by the Arizona Department of Education, the graduate rate for all City of Phoenix’s students, not just those within the Unified District, (75.9%) is lower than state (80.0%) and national average.

High School Drop Out Rates

The state of Arizona has a high rate of drop outs compared to national trends. The Arizona Department of Education estimates that of the students currently in grade ninth grade, 22% will not graduate from high school. For the current academic year, approximately 18,000 students will drop out across the state. A report by the Arizona Mayors Education Roundtable estimates that the high school drop-out rate costs the state approximately \$7.6 billion a year, with \$4.9 billion in lost income, \$861 in health care costs, \$1.7 billion in expenses related to crime , and

\$26 million in welfare and public assistance paid to residents. The chart below depicts the graduation rate in the City of Phoenix as compared to other cities in the state.



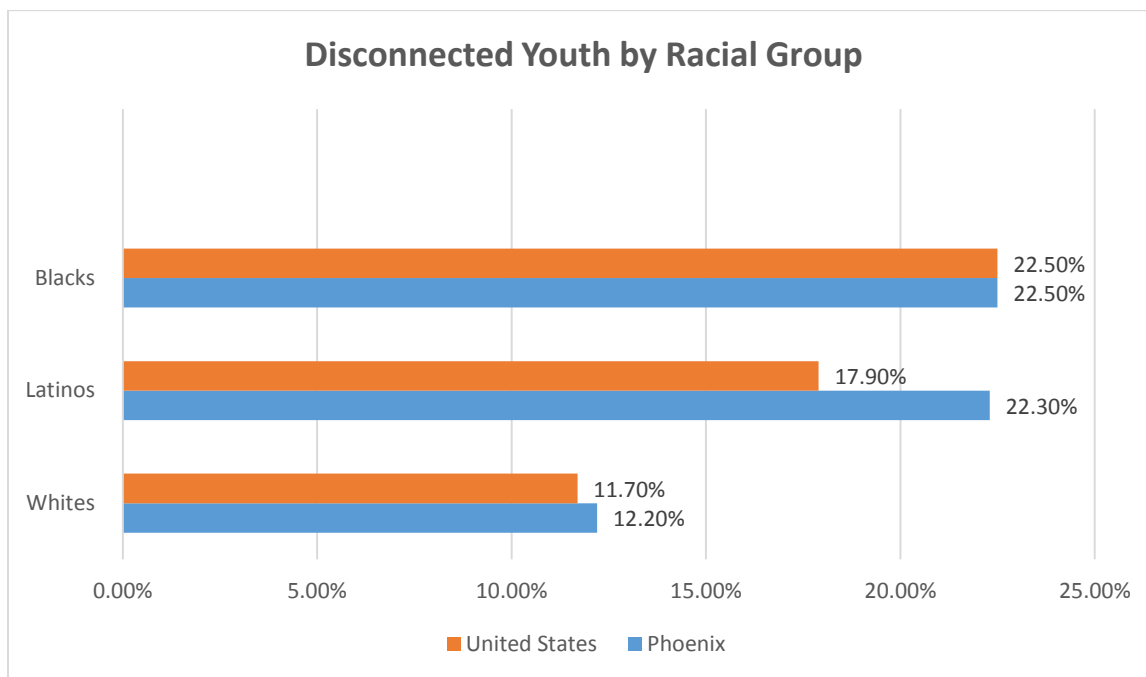
Source: Arizona Mayors Educational Roundtable Report

The City of Phoenix has experienced a persistently high drop-out rate. The current drop-out rate (24.10%) is the highest of all the cities measured. In the 2011-2012 academic cohort, 3,070 of Phoenix’s 12,703 high school students dropped-out. A 2013 report entitled “Measure of America”⁴² listed the City of Phoenix as having the highest number of disconnected youth of the 25 largest metropolitan areas. Disconnected youth are described as residents between the ages of 16-24 who are neither in school or working. A significant percentage of disconnected youth (18.0%) will be arrested and in the state of Arizona, 35% of public welfare recipients dropped out of high school. The report released by the Arizona Mayors Education Roundtable, estimates that disconnected youth cost the state \$123.7 million in losses per year and \$40.3 billion in lifetime losses across youth and adulthood in lost earning and additional health care and public assistance costs.

The City of Phoenix also has large populations of disconnected Latino and African-American youth, with the percentage of disconnected Latino youth exceeding national rates and the percentage of disconnected African-American youth matching national numbers, despite the low proportion of African-Americans within the City. In the City of Phoenix, approximately 1 in 5 Latino youth and 1 in 4 African-American youth are disconnected. Of the 25 largest

⁴² Burd-Sharps, S. & Lewis, K. 2013. Measure of America of the Social Science Research Council, www.measureofamerica.org

metropolitan areas, the City of Phoenix has the second highest rate of disconnected Latino youth. The percentage of disconnected White youth for the City also exceeds national trends. Youth residing in South Phoenix experience an especially high rate of disconnection (31.8%). The chart below depicts the rate of disconnected youth in the City of Phoenix by racial group as compared to national numbers:



Source: 2011 American Community Survey & Halve the Gap by 2030: Youth Disconnection in American's Cities

The economic impact of high school drop-out rates and lowered graduation rates has been especially high for the City of Phoenix. Losses may occur as social losses, like losses due to poorer health which can result in decreased work productivity, earnings, and lower disposable income in the local economy. Or, losses can be fiscal losses resulting from increased government spending due to poorer health of residents, lack of health care insurance, higher criminal activity, and greater need for public welfare assistance. In the City one high school drop-out costs the City \$ 463,500 in social losses and \$153,000 in actual fiscal losses. The high number of student drop-outs currently costs the City over \$471 million per high school class. These fiscal losses decrease funding for current and future community and economic development. The chart on the following page illustrates the cost to the City of Phoenix of both high school drop-outs and disconnected youth:

City of Phoenix Costs Associated with Disconnected and Non-Graduating Youth

Per High School Drop-Out	
Social Loss	\$463,500
State/Local Fiscal Loss	\$63,000
Federal Fiscal Loss	\$90,500
Total Fiscal Loss	\$153,300
Per High School Class (\$=Millions)	
Social Loss	\$1,422.47
State/Local Fiscal Loss	\$193.35
Federal Fiscal Loss	\$277.74
Total Fiscal Loss	\$471.09
Per Disconnected Youth	
Annual Social Loss During Youth	\$40,200
Social Loss ages (16-24)	\$181,500
Lifetime total Social Loss	\$765,900
Annual Fiscal Loss During Youth	\$14,800
Fiscal Loss ages (16-24)	\$66,900
Lifetime Total Fiscal Loss	\$294,700
Per Disconnected Youth Cohort Ages 16-24 (\$=Millions)	
Annual Social Loss During Youth	\$1,810.69
Social Loss ages (16-24)	\$8,175.12
Lifetime total Social Loss	\$34,497.67
Annual Fiscal Loss During Youth	\$666.62
Fiscal Loss ages (16-24)	\$3,013.31
Lifetime Total Fiscal Loss	\$13,272.88

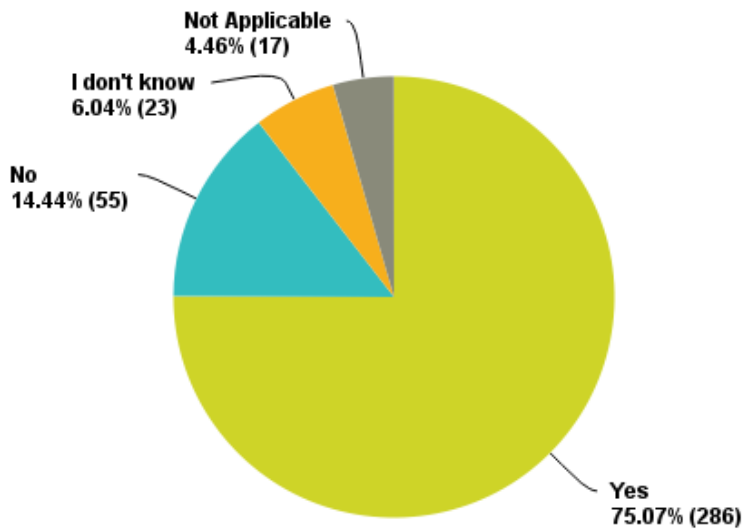
Source: Arizona Department of Education

Survey Analysis: Transportation & Infrastructure Needs

A large majority of residents, 75% reported that public transit was available in their neighborhood. A majority of respondents (58.4%) also reported that public transit provided access to major employment centers, with 16.7% reporting that public transit did not provide access. Respondents were asked if public transit was provided during their work hours, 37.8% of respondents reported yes, 15.5% reported no, 20.7% reported “don’t know”, and 31.8% reported that the question was not applicable to them.

Q21 Is access to Public Transportation available in your neighborhood?

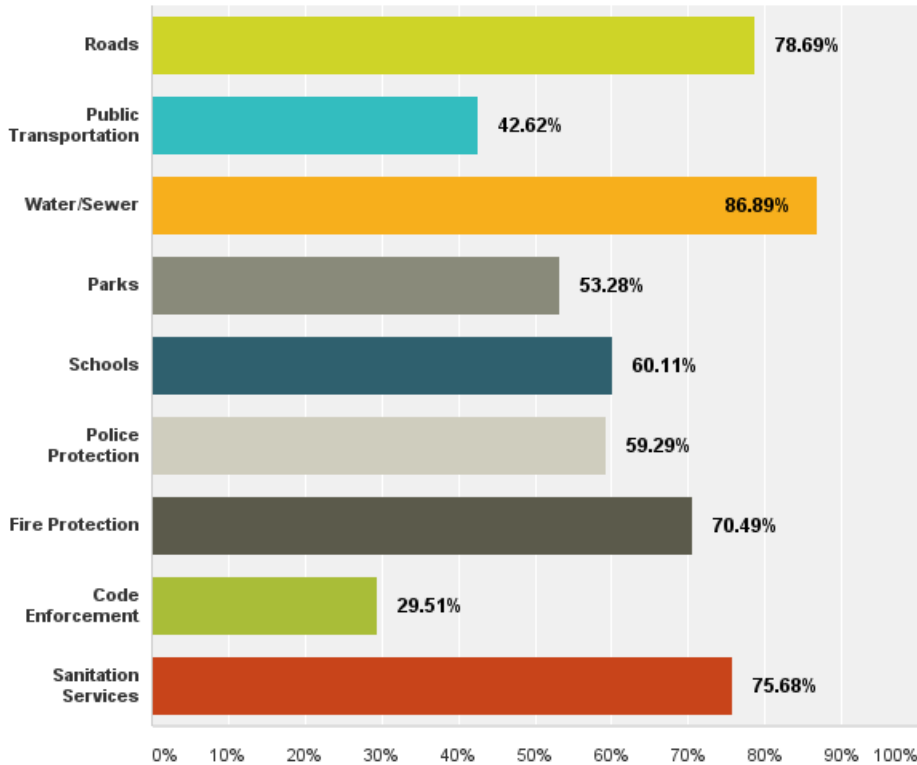
Answered: 381 Skipped: 16



Respondents were asked to identify public resources that were distributed evenly throughout the region. Respondents identified the top three evenly distributed resources as: water and sewer (86.8%), roads (78.6%), and sanitation services (75.6%). Public transit (42.62%) and code enforcement (29.5%) were ranked as being the least evenly distributed resources.

Q22 Regarding services provided in Phoenix, which of the following do you feel are EQUALLY provided through all areas of the City? (SELECT ALL THAT APPLY)

Answered: 366 Skipped: 31



Respondents were asked which public resources they felt were not evenly distributed across the City. The respondent's responses and corresponding percentages are listed below from least evenly distributed to the most evenly distributed:

1. Code Enforcement (56.86%)
2. Public Transportation (46.15%)
3. Parks (45.82%)
4. Police Protection (43.81%)
5. Schools (38.13%)
6. Roads (21.74%)
7. Fire Protection (19.73%)
8. Sanitation Services (11.04%)
9. Water and Sewer (4.35%)

Access to Areas of Opportunity

Communities conduct an access to areas of opportunity analysis to develop an informed understanding of the gaps or needs that exist within a community and their impact upon the community's citizens. Community needs may affect larger percentages of the population or smaller subsets such as, youth, seniors, parents, businesses, community organizations, and faith-based organizations. Community needs that affect a large percentage of the community are more likely to have community support for addressing those needs.

While it is important to identify needs in the community, it is equally as important to identify the assets which place a greater emphasis on existing strengths in the community that can be used to address community needs. Access to area of opportunities are aspects of the community that can be leveraged to develop solutions to meet community needs. These assets may include people, organizations, facilities, policies, regulations, services, partnerships, businesses, and the community's collective experience.

Communities may use an access analysis as a foundation for community improvement, to determine funding priorities for external resources, or to empower the community members to take an active role in community improvement. Community members are likely to feel encouraged about planning efforts when those plans are inclusive and are predicated on the desires of the community.

To measure economic and educational conditions at a neighborhood level, HUD's Office of Policy Development and Research developed a methodology to "quantify the degree to which a neighborhood offers features commonly associated with opportunity."⁴³ For each block group in the U.S., HUD provides a score on several "opportunity dimensions," including poverty, school proficiency, labor market engagement, and jobs access, calculated based on the following:

- Poverty index – family poverty rates and share of households receiving public assistance;
- School proficiency index – school-level data regarding elementary school student performance on state exams;
- Labor market engagement index – employment levels, labor force participation and educational attainment; and
- Job access index – distance to job locations and labor supply levels.

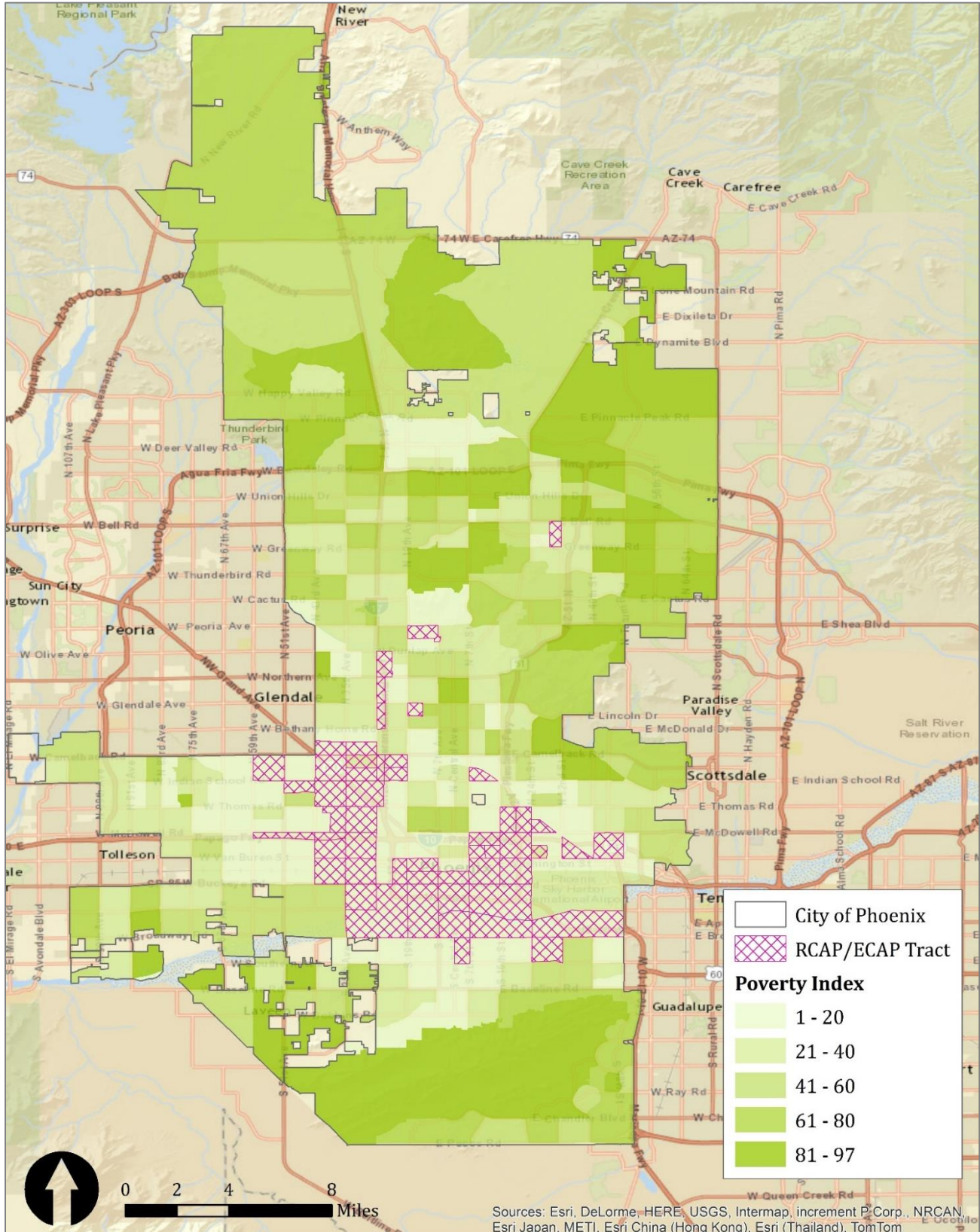
For each block group, a value is calculated for each of index and results are then standardized on a 0 to 100 scale based on relative ranking within the metro area (or non-metro balance of the state). For each opportunity dimension, a higher index score indicates more favorable neighborhood characteristics.

⁴³ HUD Office of Policy Development and Research, "FHEA Data Documentation," Draft. 2013. p. 4.

Geography of Opportunity

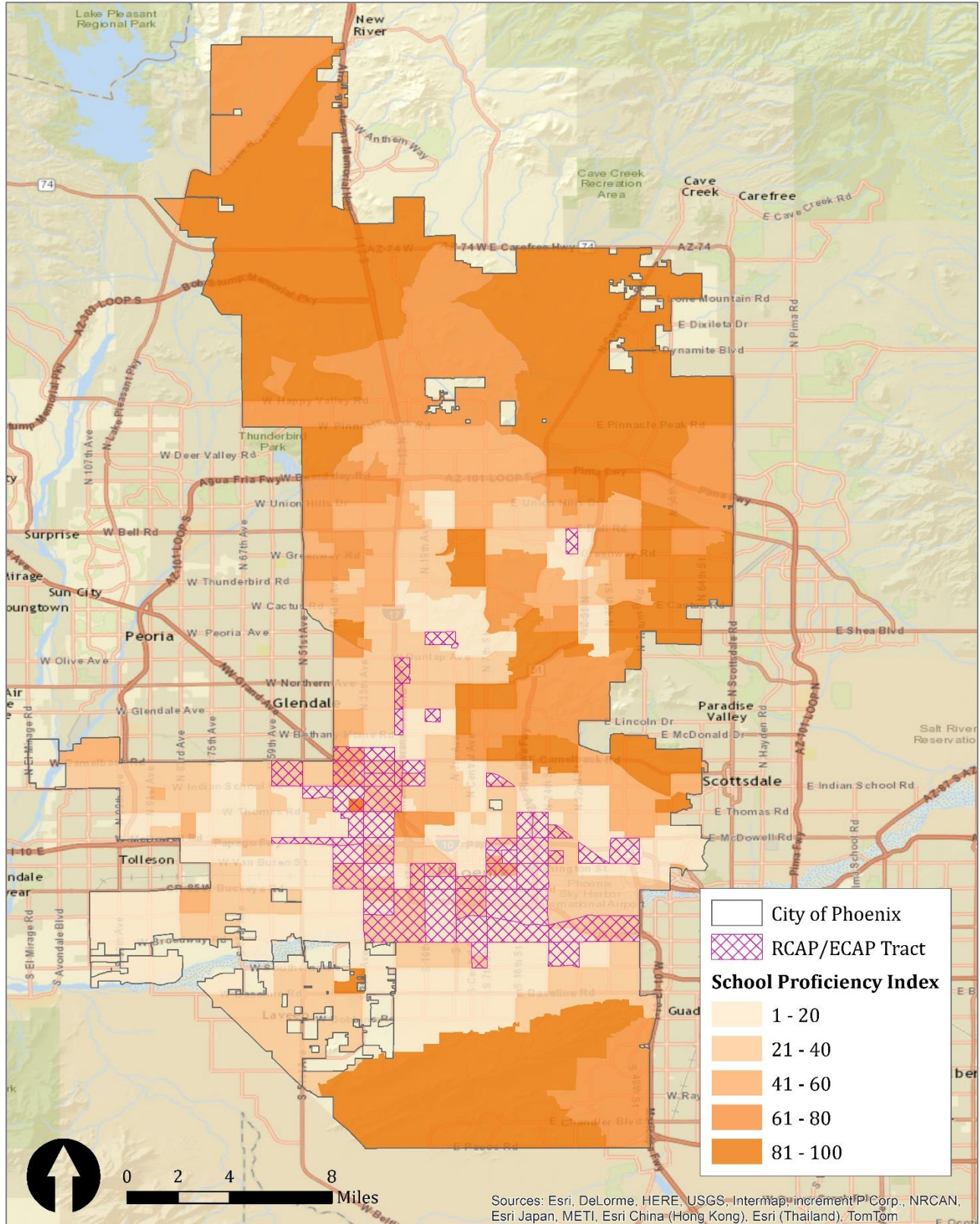
The maps that follow show the HUD-provided opportunity scores for block groups in the City of Phoenix for poverty, school proficiency, labor market engagement, and jobs access. In each map, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

Poverty Index Values for the City of Phoenix



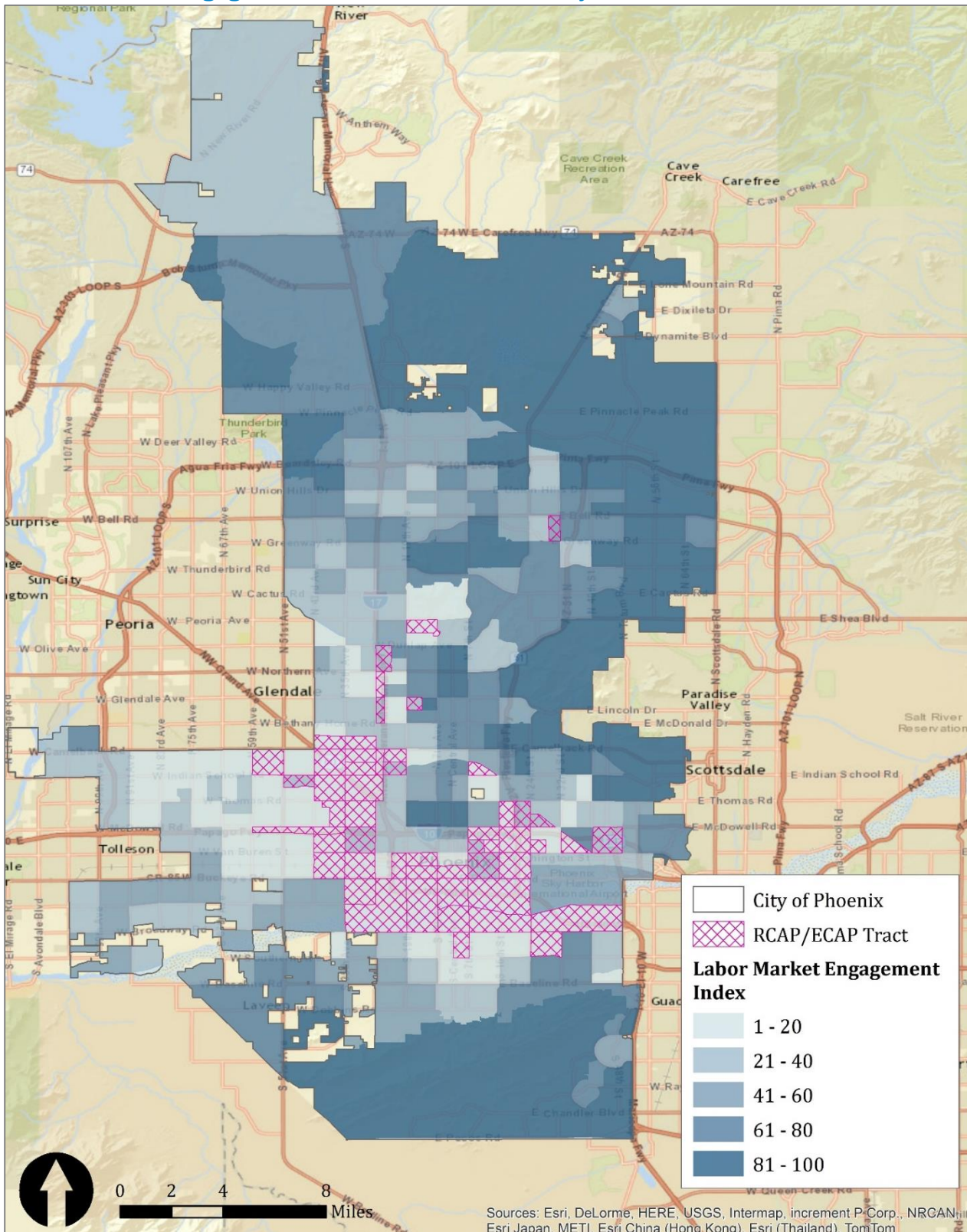
Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Elementary School Proficiency Index Values for the City of Phoenix



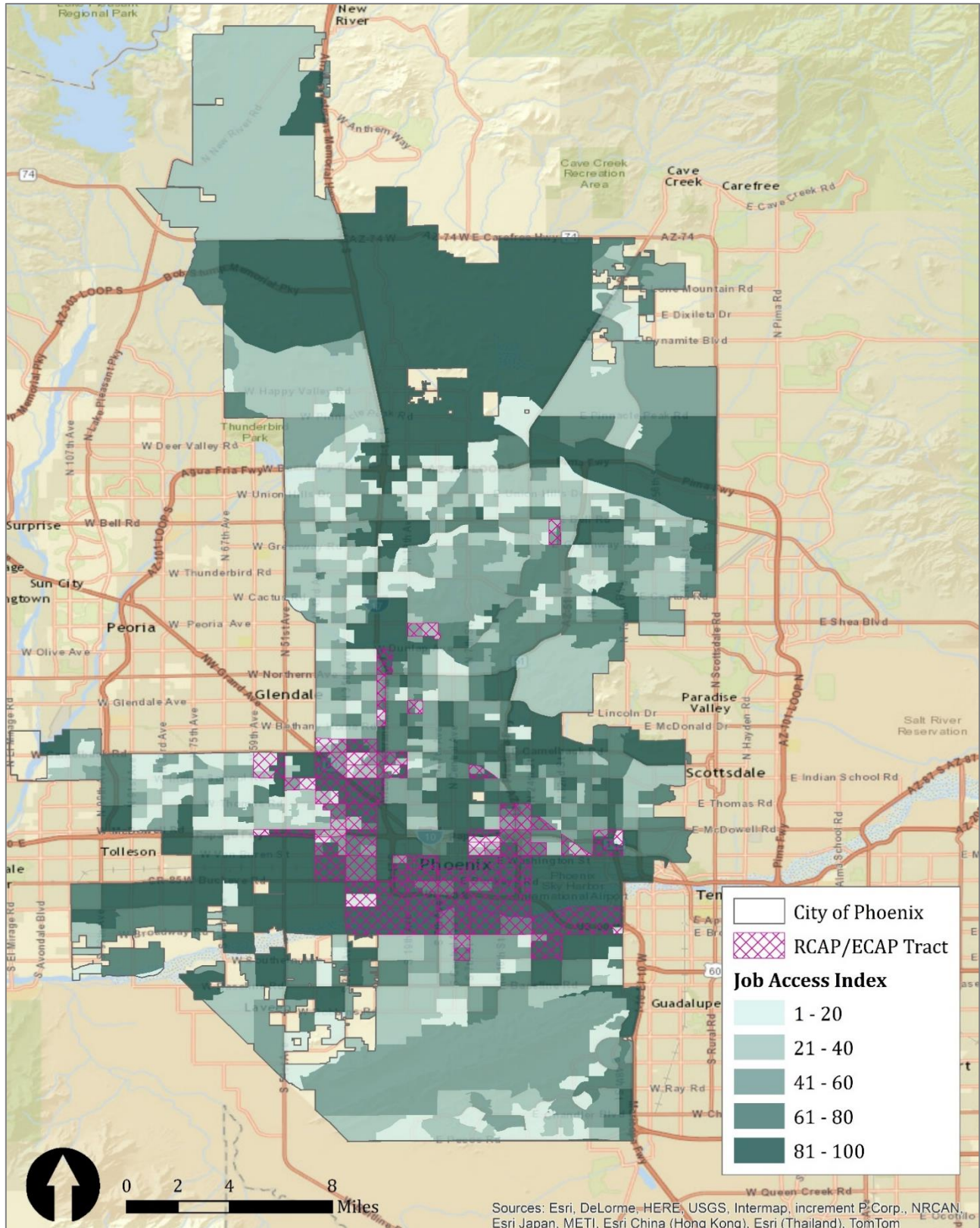
Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Labor Market Engagement Index Values for the City of Phoenix



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Job Access Index Values for the City of Phoenix



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.htm>

Land Use & Zoning

Comprehensive land use planning is a critical process by which communities address a myriad of public policy issues such as housing, transportation, health, recreation, environmental protection, commercial and retail services, and land values, and address how the interconnection and complexity of these issues can ultimately impact the entire municipality. For example, the decision to develop a parcel of land for a shopping mall will not only influence the value and use of surrounding property, but will also impact future traffic and environmental decisions as well (i.e. intensive commercial use will increase traffic flow and large impervious parking lots will increase storm water runoff). For this reason, “[t]he land-use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”⁴⁴ Likewise, decisions regarding land use and zoning have a direct and profound impact on affordable housing and fair housing choice.

The following sections will explore (I) how Arizona state law impacts local land use and zoning authority and decision-making and (II) how Phoenix’s zoning and land use codes impact housing affordability and fair housing choice.

Overview of Arizona State Zoning and Land Use Laws

From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes, subdivision codes, and housing and building codes, in conjunction with comprehensive plans. Courts have long recognized the power of local governments to control land use, and the State of Arizona authorizes cities, towns, and counties to regulate land use and zoning within their respective jurisdictions through various state zoning enabling statutes. (See A.R.S. 9-461 et seq., Municipal Planning; A.R.S. 9-462 et seq., Municipal Zoning; A.R.S. 9-463 et seq., Municipal Subdivision Regulations; A.R.S. 11-801 – 818, County Planning and Zoning).

One goal of zoning is to balance individual property rights with the power of government to promote and protect the health, safety, and general welfare of the overall community. Zoning laws regulate how a parcel of land in a community may be used and the density of development. Local governments may divide their jurisdiction into zoning districts by adopting a zoning map; define categories of permitted and special approval uses for those districts; and establish design or performance standards for those uses. Zoning may regulate the height, shape, and placement of structures and lot sizes or shapes. Jurisdictions can also expressly prohibit certain types of uses within zoning districts. In this way, local ordinances may define the type and density of housing resources available to residents, developers and other organizations within certain areas, and as a result influence the affordability of housing.

⁴⁴ John M. Levy. *Contemporary Urban Planning, Eighth Edition*. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

Although local municipalities have authority to rezone private property, in 2006 Arizona voters passed Proposition 207, the Private Property Rights Protection Act, which requires the state or any local municipality to pay a landowner compensation when a land use regulation (such as a zoning ordinance) imposed without the consent of the landowner, results in a decrease in the landowner's property value. Critics argue that the Act may have a chilling effect on local zoning authorities' willingness to make changes to existing land use regulations—for instance, to mandate inclusionary zoning provisions to protect affordable housing, to impose an overlay zone, or to impose an historic landmark or historic district designation, even if the result would be for the benefit of the greater public good.

In the City of Phoenix, the responsibility for administering a local zoning ordinance is divided between the Planning Commission, the City Council, the Zoning Administrator, and the Board of Adjustment (“BOA”). Permitted uses are those allowed as a matter of right in a zoning district and may be authorized by the Zoning Administrator with a simple permit. For a use not expressly permitted by right, a property owner may seek special approval through a special use permit, variance, or zoning amendment following a public notice and hearing process. The Planning Commission hears and decides applications for rezoning and special exception permits. Appeals from a Planning Commission decision are decided by the City Council. The Zoning Administrator is the official appointed to hear applications for and grant use permits and to authorize upon application and hearing variance requests from the terms of the zoning ordinance. The Board of Adjustment is the official body designated to hear and decide appeals from a decision of the Zoning Administrator.

Intersection of Local Zoning with Federal and State Fair Housing Laws

While local governments have the power to enact zoning and land use regulations, that power is limited by state and federal fair housing laws (e.g., Arizona Fair Housing Act, the federal Fair Housing Act (FHA), Americans With Disabilities Act (ADA), constitutional due process and equal protection). Fair housing laws do not preempt local zoning laws, but do apply to municipalities and local government units and prohibit them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons. And even where a specific zoning decision does not violate a fair housing law, HUD entitlement communities must certify annually that they will set and implement standards and policies that protect and advance fair housing choice for all.

The Arizona Fair Housing Act (1990) is substantially similar to the federal FHA. The Act identifies unlawful housing practices and protects against discrimination based on race, color, religion, sex, familial status, national origin, or disability. The Act creates a statutory procedure for aggrieved persons to file an administrative complaint with the state Attorney General. The Act also grants jurisdiction to the superior courts to enforce local fair housing ordinances.

On a local level, the City of Phoenix has adopted a Fair Housing ordinance, and prohibits discrimination in housing (and employment and public accommodation) on the basis of race, color, religion, sex, national origin, age, genetic information, or marital status. In 2013, the City Council passed an ordinance adding protections based on the new categories of “sexual orientation,” “gender identity or expression,” and “disability,” which went into effect on March 28, 2013. (See City Code § 18-11.)

Housing affordability and fair housing choice issues identified by the Zoning Analysis Matrix.

Although comprehensive plans and zoning and land use codes play an important role in regulating the health and safety of the structural environment, overly restrictive codes can negatively impact housing affordability and fair housing choice within a jurisdiction. Examples of zoning provisions that most commonly result in barriers to fair housing choice include the following:

- Restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, or that require large lot sizes or low-density that deter affordable housing development by limiting its economic feasibility;
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit;
- Placing administrative and siting constraints on group homes for persons with disabilities;
- Restrictions making it difficult for residents with disabilities to locate housing in certain neighborhoods or to modify their housing;
- Restrictions on occupancy of alternative sources of affordable housing such as accessory dwellings, mobile homes, and mixed-use structures.

Phoenix’s treatment of these types of issues are explored and evaluated in the tables and narrative below. The City of Phoenix regulates land development activities within its jurisdiction through the Zoning Ordinance, the Building Code, and the Subdivision Regulations. The Zoning Ordinance was adopted under the authority granted by the State to local municipalities to regulate land use. (A.R.S. § 9-462.01.) Zoning and design standard decisions should be informed by and consistent with the City’s General Plan as it is amended and updated.

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the Phoenix Zoning Ordinance, as amended through July 2, 2014, was reviewed and evaluated against a list of 15 common fair housing issues. The ordinance was assigned a risk score of either 1, 2, or 3 for each issue and was then given an aggregate score calculated by averaging the individual scores, with the possible scores defined as follows:

1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice;

2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread;

3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice.

The following chart lists the 15 issues reviewed and Phoenix’s score for each issue. A complete report, including citations to relevant statutes, code sections and explanatory comments, is included as an appendix to this document.

Table __: Zoning Code Risk Scores	
ISSUE	RISK SCORE
1. Does the jurisdiction’s definition of “family” have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?	2
2. Does the definition of family discriminate against unrelated individuals with disabilities (or members of any other protected class) who reside together in a congregate or group living arrangement?	1
3a. Does the zoning code treat housing for individuals with disabilities differently from other single family residential and multifamily residential uses by requiring a special or conditional use permit in certain residential districts? Is housing for individuals with disabilities allowed in the same manner as other housing in residential districts? 3b. Is such housing mischaracterized as a “boarding or rooming house” or “hotel”?	1
4. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services?	2
5. Do the jurisdiction’s policies, regulations, and/or zoning ordinances allow persons with disabilities to make reasonable modifications or provide reasonable accommodation to specific zoning or regulatory requirements?	2
6a. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? 6b. Is the hearing only for applicants with disabilities rather than for all applicants?	2
7. Does the ordinance impose spacing or dispersion requirements on certain protected housing types?	2
8. Does the jurisdiction restrict any inherently residential uses protected by fair housing laws (such as residential substance abuse treatment facilities) only to non-residential zones?	1

9. Does the jurisdiction’s zoning and land use rules constitute exclusionary zoning that precludes development of affordable or low-income housing by imposing unreasonable residential design regulations (such as high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights)?	1
10a. Does the zoning ordinance fail to provide residential districts where multi-family housing is permitted as of right?	1
10b. Do multi-family districts restrict development only to low-density housing types?	
11. Are unreasonable restrictions placed on the construction, rental, or occupancy of alternative types of affordable or low-income housing (for example, accessory dwellings or mobile/manufactured homes)?	1
12. Is the process by which a use permit (CUP, SUP, SLUP) is obtained unreasonably lengthy, complex, or costly, effectively discouraging applicants?	1
12b. Is there a clear procedure by which denials may be appealed?	
13. Does the zoning ordinance include an inclusionary zoning provision?	1
14. Does the zoning ordinance or municipal code include a discussion of fair housing?	1
15a. Do the jurisdiction’s codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act?	
15b. Are the jurisdiction’s accessibility standards (as contained in the zoning ordinance or building code) congruent with the requirements of the Fair Housing Act?	1
15c. Is there any provision for monitoring compliance?	
Aggregate Risk Score	1.33

Phoenix’s total risk score (calculated by taking the average of the 15 individual issue scores) is **1.33**, indicating that overall there is low risk of Phoenix’s Zoning Ordinance contributing to discriminatory housing treatment or impeding fair housing choice. In most cases, the Zoning Ordinance is reasonably permissive and allows for flexibility as to the most common fair housing issues. Remarkably, Phoenix did not receive a “3” (high risk) score on any of the 15 issues evaluated. However, the City received a “2” (medium risk) score on certain issues where the Zoning Ordinance still has the potential to negatively impact fair housing, and where improvements to the rules and policies could be made to more fully protect the fair housing rights of its residents.

Our research has shown that restricting housing choice for certain historically/socio-economically disadvantaged groups and protected classes can happen in any number of ways and should be viewed on a continuum. The following narrative is not designed to assert whether the City's zoning and land use regulations create a per se violation of the FHA or HUD regulations, but to highlight areas where zoning and land use ordinances may otherwise jeopardize the spirit and intent of fair housing protections and HUD's AFFH standards for its entitlement communities.

Strengths

In general the zoning ordinances lot and building requirements would not unreasonably impact the feasibility of developing affordable housing somewhere within the residential districts (Issues # 9 and #10). While the single family residential sub-districts are limited to low to moderate densities by large minimum lot size requirements, higher densities for detached and attached dwellings (apartments) are permitted in the multifamily sub-districts. Minimum lot sizes and densities in the single family districts range from one unit per acre (43,560 sq. ft. lot size) in RE-43 sub-district to 5.5 u/a (or 6.5 u/a with Planned Residential Development PRD approval) in the R1-6 sub-district. In the multifamily districts, up to detached dwellings up to 12 u/a (with approved density bonus) may be developed. In multifamily residential districts multifamily housing is permitted as of right. The highest densities permitted are in the R-5 zone, with allowed densities up to approximately 45 u/a or 52 u/a with an approved bonus. The Mid-Rise and High-Rise overlay districts may permit even greater height and density allowances. While the zoning code's development standards may impact the feasibility of developing affordable housing within all single family districts, the code provides for lot sizes and densities that could accommodate affordable housing somewhere within the residential districts.

The zoning ordinance incentivizes the development of low or moderate income housing by offering a density bonus for such housing (Issue #13). The density bonus (one additional conventional unit for every two low/moderate income units up to an overall 10% increase beyond the original allowance) can be applied to the maximum density for any zoning district and may be in addition to other bonuses earned. The units must be approved by HUD and the Phoenix Housing and Urban Redevelopment Department, and the location must be consistent with the Phoenix Housing Assistance Allocation Plan. To ensure long-term affordability of these units, legal mechanisms such as deed covenants, the preemptive right to purchase, the right to cure a foreclosure, the right to purchase a home entering foreclosure, and requirements of notice of default or delinquency; resale formulas; and monitoring and stewardship partnerships with the local housing authority and nonprofit housing advocacy organizations should be included.

The zoning ordinance received mixed results for its treatment of housing for persons with disabilities. It scored a "1" on Issues #2 and #3, but a "2" on Issues #1 and #4. The zoning ordinance divides and defines housing for persons with disabilities living together as a single housekeeping

unit into various use types including a “group home for the handicapped,” an “assisted living home” (1-10 residents), and a “personal care home” (2 or more residents). Assisted living and personal care homes are regulated differently by the state. A “group home for the handicapped” (“GHH”) of 6-10 residents is expressly permitted in the single family residential districts (with conditions), but must be registered with and administratively approved by the Zoning Administrator. Though not clearly stated in the zoning ordinance, it is assumed that a GHH of 5 or fewer residents would fall under the definition of family and not be required to be registered with and administratively approved by the Zoning Administrator, even where supportive services and caretakers are required. GHHs also are expressly permitted in the multifamily districts.

While the foregoing is a picture of the City’s strengths in terms of how its code protects fair housing choice, the following recommendations illustrate concrete actions the City could make in terms of zoning and land use regulations to uphold the commitment to furthering fair housing. The issues highlighted below show where zoning ordinances and policies could go further to protect fair housing choice for protected and disadvantaged classes, and still fulfill the zoning objective of protecting the public’s health, safety, and general welfare.

Recommendations

Often one of the most scrutinized provisions of a municipality’s zoning code is its definition of “family.” Ideally, the definition does not unreasonably restrict the number of unrelated individuals permitted to live together as a single housekeeping unit where the definition does not similarly limit the number of related persons who may reside together in a single dwelling. Phoenix’s definition of family (Issue #1) limits the number of unrelated persons who may reside together to a group of not more than five living together as a single housekeeping unit. The limitation of five unrelated persons may pass a reasonableness test under fair housing laws as it is not facially discriminatory because it does not restrict persons with disabilities or other protected classes from residing together *because of* their disability or protected status. However, a more permissive definition would not limit the number of unrelated persons who may reside together as a single housekeeping unit more than it does the number of related persons who may reside together. A potential source of challenge could be under a state due process or familial status claim, where a household that is not entirely biologically or legally related still acts as a “functionally equivalent” family.

As applied to persons with developmental disabilities residing together, the City’s definition of “family” conflicts with the Arizona Developmental Disabilities Act, A.R.S. § 36-582, which provides that up to six unrelated residents with developmental disabilities plus two caregivers must be considered a family for the purposes of any law or zoning ordinance which relates to the residential use of property.

Congress amended the federal Fair Housing Act ("FHA") in 1988 to add protections for persons with disabilities (and families with children). Congress explicitly intended for the FHA to apply to zoning ordinances and other laws that would restrict the placement of group homes for persons with disabilities. *H.R. Rep. No. 100-711, at 24* (1988), reprinted in *1988 U.S.C.C.A.N. 2173, 2185* (stating that the amendments "would also apply to state or local land use and health and safety laws, regulations, practices or decisions which discriminate against individuals with handicaps").

As to Issue #4, the FHA prohibits discriminatory land use and zoning actions that adversely affect the availability of housing for persons with disabilities. Assisted living homes and personal care homes, in which residents live together as a single housekeeping unit but require onsite supportive services and care, are limited in where they can locate. Personal care homes, subject to a use permit and conditions, may be sited in the R-5 and R-4A multifamily districts (and in the C-1 and C-2 commercial districts) only. Assisted living homes are only expressly permitted (with spacing conditions) in the Downtown character areas. It is not clear that there is a legitimate governmental purpose for treating these types of small family-type residences differently than GHHs.

For the sake of clarity and uniform treatment, and the protection of persons with all types of disabilities not just developmental, it is recommended that the City's zoning ordinance expressly provide that family-style housing for persons with all types of disabilities (i.e. housing commonly referred to as adult homes, group homes, convalescent homes, personal care homes, assisted living homes, etc.) meets the definition of family and will be allowed as a permitted use in all residential zoning districts.

There also is potential risk of fair housing discrimination under Issue #7. Under Phoenix's zoning ordinance, GHHs and assisted living homes must be spaced at least 1,320 feet from another such home. And under the state Developmental Disabilities Act, residential facilities for persons with developmental disabilities must be separated by at least a 1,200 feet radius. Research did not indicate that a similar spacing requirement has been adjudicated in Arizona or by the 9th Circuit that would provide precedent for the constitutionality of A.R.S. § 36-582(H) or Phoenix's zoning ordinance. However, the Department of Justice and HUD take the position, and federal courts that have addressed the issue mostly agree, that spacing and density restrictions for housing for persons with disabilities are generally inconsistent with the FHA and discriminatory. *See, e.g., Horizon House Developmental Serv., Inc. v. Township of Upper Southampton*, 804 F. Supp. 683, 693 (E.D.Pa. 1992) (invalidating 1,000 feet separation requirement), *aff'd* without opinion, 995 F.2d 217 (3rd Cir. 1993). If challenged, the jurisdiction would have to make a showing that the ordinance was passed to protect a compelling governmental interest (e.g. over-concentration of GHH's could adversely affect individuals with disabilities and would be inconsistent with the goal of integrating persons with disabilities into the wider community) and that the spacing requirement is the least restrictive means of protecting that interest.

Phoenix's spacing requirements limit the overall aggregate capacity of housing for persons with disabilities even if the need in the community or region is greater than what the spacing limitations

would allow. Accordingly, Phoenix is given a score of 2 for Issue #7, and it is emphasized that there is a strong potential for litigation on this issue. The restrictions create a time-consuming and expensive hurdle to overcome for housing providers and residents in need of supportive housing. Additionally, many persons within the protected class may not have the sophistication, resources, or adequate legal representation to challenge such discriminatory limits. Rather than enforcing spacing restrictions, if the City believes a particular neighborhood has its "fair share" of housing for persons with disabilities, it could offer incentives to providers to locate future homes in other neighborhoods.

Another area for improvement would be for Phoenix to adopt a reasonable accommodation ordinance for making requests for reasonable accommodation/modification in land use, zoning and building regulations, policies, practices and procedures (Issues #5 & #6). The FHA requires accommodation in rules, policies, and procedures if such accommodation (1) is reasonable and (2) necessary (3) to afford persons with a disability the equal opportunity to use and enjoy a dwelling. *42 U.S.C. § 3604(f)(3)(B)*. The requirements for reasonable accommodation under the Americans with Disabilities Act (ADA) are the same as those under the FHA. *42 U.S.C. 12131(2)*. Federal and state fair housing laws require that municipalities provide individuals with disabilities or developers of housing for people with disabilities flexibility in the application of land use and zoning and building regulations, practices and procedures or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. However, the FHA does not set forth a specific process that must be used to request, review, and decide a reasonable accommodation. Currently, the City's code does not provide a clear and objective process by which persons with disabilities may request a reasonable accommodation to zoning, land use, and other regulatory requirements.

Often local municipalities handle the mandate to provide a reasonable accommodation through their variance or special use permit procedures. However, the purpose of a variance is not congruent with the purpose of requesting a reasonable accommodation. To obtain a variance or special permit from the BZA, an applicant must show special circumstances or conditions applying to the land and not self-imposed or owing to the applicant. In contrast, a reasonable accommodation is to allow individuals with disabilities to have equal access to use and enjoy housing. The jurisdiction does not comply with its duty to provide reasonable accommodation if it applies a standard based on the physical characteristics of the property rather than considering the need for modification based on the disabilities of the residents of the housing. Whereas simple administrative procedures may be adequate for the granting of exceptions, the variance and special use permit procedures subject the applicant to the public hearing process where there is the potential that community opposition based on stereotypical assumptions about people with disabilities and unfounded speculations about the impact on neighborhoods or threats to safety may impact the outcome. Adopting a reasonable accommodation ordinance is one specific way to address barriers in land use and zoning procedures and would help Phoenix more fully comply with the intent and purpose of fair housing laws.

Model ordinances are available that have been approved by HUD or the DOJ as part of fair housing settlement or conciliation agreements. These include a standardized process and give the director of planning or zoning administrator, or her designee, the authority to grant or deny reasonable accommodation requests without the applicant having to submit to the variance or special use permit or other public hearing process.

Home Mortgage Disclosure Act (HMDA) Analysis

Homeownership is vital to a community's economic well-being. To live up to the requirements of fair housing law, all persons must have the ability to live where they want and can afford. Prospective homebuyers need access to mortgage credit, and programs that offer homeownership should be available without discrimination. The task in this Home Mortgage Disclosure Act (HMDA) analysis is to determine the degree to which the housing needs of City of Phoenix residents are being met by home loan lenders.

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The national 2013 HMDA data consists of information for 17.0 million home loan applications reported by 7,190 home lenders, including banks, savings associations, credit unions, and mortgage companies.⁴⁵ HMDA data, which is provided by the Federal Financial Institutions Examination Council (FFIEC), includes the type, purpose, and characteristics of each home mortgage application that lenders receive during the calendar year. It also includes additional data related to those applications including loan pricing information, action taken, property location (by census tract), and additional information about loan applicants including sex, race, ethnicity, and income.

The source for this analysis is tract-level HMDA data for City of Phoenix census tracts for the year 2013, which includes a total of 20,204 home purchase loan application records.⁴⁶ Within each HMDA record some of the data variables are 100% reported: "Loan Type," "Loan Amount," "Action Taken," for example, but other data fields are less complete. For Phoenix, 6.6% of the records lack complete information about applicant/co-applicant sex and income, and 11.6% lack complete data regarding race, ethnicity, and income. According to the HMDA data, records that lack information about sex, race, or ethnicity represent applications taken entirely by mail, Internet, or phone in which the applicant declined to provide this information.

Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. Ideally, any missing data for a specific data variable would affect a

⁴⁵ Federal Financial Institutions Examination Council, "Home Mortgage Disclosure Act: Background and Purpose," <http://www.ffiec.gov/hmda/history.htm>

⁴⁶ Includes mortgage applications for the purchase of one-to-four family dwellings in which the property will be occupied as the owner's principal dwelling and in which the mortgage will be secured by a first lien. Includes applications for conventional, FHA-insured, VA-guaranteed, and FSA/RHS-guaranteed mortgages.

small proportion of the total number of loan records and therefore would have only a minimal effect on the analytical results.

There is no requirement for reporting reasons for a loan denial, and this information was not provided for 22.9% of loan denials in City of Phoenix census tracts. Further, the HMDA data does not include a borrower's total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio or loan product choices. Research has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data.⁴⁷ Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use HMDA data in conjunction with information from loan files to assess an institution's compliance with the fair lending laws.

Loan Approvals and Denials by Applicant Sex

The 2013 HMDA data for City of Phoenix census tracts includes complete information about applicant sex and household income for 18,872 of the total 20,204 loan application records (93.4%). Over one-quarter of applications (27.7%) were by female applicants, and the remainder were roughly split between male applicants (38.3% of the total) and male or female co-applicants (33.9%). The table on the following page presents a snapshot of loan approval rates and denial rates for low, moderate, and upper income applicants by sex.⁴⁸

Regardless of sex, loan approval rates were lowest and denial rates highest for low income applicants. Within that category, male and female applicants had approval rates of 76.8% and 76.3%, respectively, compared to 70.4% for male or female co-applicants. Male or female co-applicants had a relatively small number of applications in this category (169 completed applications), reflecting their greater likelihood of being dual income households and thus having incomes above 50% of the area's median.

In the moderate income bracket, male or female co-applicants again had the highest denial rate (16.2% of loans) compared to 12.0% for female and 13.1% for male applicants. At the high income level, approval and denial rates varied little by applicant sex: male applicants faced highest denial rates (11.5%), followed by female applicants (10.7%). Male or female

⁴⁷ R. B. Avery, Bhutta N., Brevoort K.P., and Canne, G.B. 2012. "The Mortgage Market in 2011: Highlights from the Data Reported Under the Home Mortgage Disclosure Act." Board of Governors of the Federal Reserve System. Federal Reserve Bulletin, Vol. 98, No. 6.

⁴⁸ The low income category includes applicants with a household income below 50% of area median family income (MFI). The moderate income range includes applicants with household incomes from 50% to 120% MFI, and the upper income category consists of applicants with household incomes above 120% MFI. In 2013, the City of Phoenix MFI was \$62,200, with a 50% MFI threshold of \$31,100 and a 120% MFI threshold of \$74,640.

co-applicants were least likely to be denied loans, in less than ten percent of completed applications.

Overall, male or female co-applicants were denied loans in 12.4% of cases, compared to 14.0% for female applicants and 14.3% for male applicants. While these figures suggest a slight difference in access to loans based on applicant sex, it is not possible to tell from this data whether this discrepancy is due to financial reasons, social discrimination, or a combination of the two.

Loan Approval and Denial Rates by Sex City of Phoenix Census Tracts, 2013				
Applicant Income	Female Applicant(s)*	Male Applicant(s)*	Male/Female Co-Applicants	All Applicants
Low Income				
Total Applications	1,057	1,243	201	2,501
Completed Applications	882	1,027	169	2,078
Approval Rate	76.3%	76.8%	70.4%	76.1%
Denial Rate	23.7%	23.2%	29.6%	23.9%
Moderate Income				
Total Applications	2,901	3,523	1,945	8,369
Completed Applications	2,444	2,974	1,697	7,115
Approval Rate	88.0%	86.9%	83.8%	86.5%
Denial Rate	12.0%	13.1%	16.2%	13.5%
High Income				
Total Applications	1,277	2,471	4,254	8,002
Completed Applications	1,069	2,079	3,695	6,843
Approval Rate	89.3%	88.5%	90.1%	89.5%
Denial Rate	10.7%	11.5%	9.9%	10.5%
Total				
Total Applications	5,235	7,237	6,400	18,872
Completed Applications	4,395	6,080	5,561	16,036
Approval Rate	86.0%	85.7%	87.6%	86.4%
Denial Rate	14.0%	14.3%	12.4%	13.6%

*Includes applications with a single male or female applicant and applications with male/ male or female or female co-applicants.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Under the provisions of the HMDA, reporting institutions may choose to report the reasons they deny loans, although there is no requirement to do so. Of the 2,177 loan denials

examined here, reasons are provided in 76.9% of total cases; reporting rates by applicant sex range from 73.3% for female applicants to 79.1% for male or female co-applicants.

The table that follows breaks down the reasons for loan denials by sex. For each applicant group, the four most common denial reasons were the same: debt-to-income ratio, credit history, collateral, and incomplete credit applications. Debt-to-income ratio made up one-fifth of denials to female applicants, 18.1% of denials to males, and 16.8% to male or female co-applicants. Insufficient collateral was an issue for about 15-17% of all applicants, and incomplete credit applications played a role in 10-12% of denials, regardless of sex. Credit history as a denial reason varied the most amongst the three groups: it triggered 9.2% of denials for female applicants, 13.0% for male applicants, and 16.8% for male or female co-applicants. These four factors each relate to the applicant’s long-term ability to repay the loan, rather than short-term availability of cash (for downpayment and closing costs) or incomplete/unverifiable information.

Reasons for Loan Denial by Applicant Sex City of Phoenix Census Tracts, 2013						
Reasons for Denial	Female Applicant(s)*		Male Applicant(s)*		Male/Female Co-Applicants	
	Count	Share	Count	Share	Count	Share
Total Denials	618	100.0%	869	100.0%	690	100.0%
Reason provided	453	73.3%	674	77.6%	546	79.1%
Collateral	104	16.8%	131	15.1%	109	15.8%
Credit application incomplete	66	10.7%	103	11.9%	80	11.6%
Credit history	57	9.2%	113	13.0%	116	16.8%
Debt-to-income ratio	123	19.9%	157	18.1%	116	16.8%
Employment history	16	2.6%	28	3.2%	25	3.6%
Insufficient cash	15	2.4%	36	4.1%	27	3.9%
Mortgage insurance denied	2	0.3%	1	0.1%	1	0.1%
Unverifiable information	22	3.6%	40	4.6%	24	3.5%
Other	48	7.8%	65	7.5%	48	7.0%
Reason not provided	165	26.7%	195	22.4%	144	20.9%

*Includes applications with a single male or female applicant and applications with male/male or female/ female co-applicants.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Of the other, less common reasons for loan denials, disparities by gender are small, with no gap of more than 1.5 percentage points. In general, denial reasons follow similar patterns regardless of applicant sex, with debt-to-income ratios, credit history, collateral, and incomplete credit applications being the most common barriers to loan approval.

Loan Approvals & Denials by Applicant Race & Ethnicity

The below table disaggregates loan approval rates by race and ethnicity for different levels of income. Complete race, ethnicity, and income data was available for 17,864 loan records, or 88.4% of the 20,205 total records for City of Phoenix census tracts. About two-thirds (68.7%) of loan applicants were non-Hispanic White and one-quarter (23.0%) were Hispanic. Asian applicants made up 4.6% of applicants, followed by African Americans at 2.8% and persons of other races at 0.8%. By comparison, the City of Phoenix's population was 45.1% White, 41.3% Hispanic, and 6.6% Black in 2013, according to ACS estimates.

Loan Approval and Denial Rates by Applicant Race and Ethnicity City of Phoenix Census Tracts, 2013						
Applicant Income	Non-Hispanic				Hispanic	All Applicants
	White	Black	Asian	Other*		
Low Income						
Total Applications	821	57	105	9	1,392	2,384
Completed Applications	680	52	91	8	1,154	1,985
Approval Rate	76.3%	75.0%	74.7%	75.0%	77.0%	76.6%
Denial Rate	23.7%	25.0%	25.3%	25.0%	23.0%	23.4%
Moderate Income						
Total Applications	5,126	301	244	72	2,168	7,911
Completed Applications	4,429	247	214	64	1,805	6,759
Approval Rate	88.6%	81.8%	84.6%	85.9%	84.3%	87.0%
Denial Rate	11.4%	18.2%	15.4%	14.1%	15.7%	13.0%
High Income						
Total Applications	6,332	146	469	65	556	7,568
Completed Applications	5,441	123	403	51	480	6,498
Approval Rate	90.1%	89.4%	89.6%	90.2%	86.5%	89.8%
Denial Rate	9.9%	10.6%	10.4%	9.8%	13.5%	10.2%
Total						
Total Applications	12,279	504	818	146	4,116	17,863
Completed Applications	10,550	422	708	123	3,439	15,242
Approval Rate	88.5%	83.2%	86.2%	87.0%	82.1%	86.8%
Denial Rate	11.5%	16.8%	13.8%	13.0%	17.9%	13.2%

*Includes American Indians and Alaska Natives, Native Hawaiians, and other Pacific Islanders.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

For low income applicants, loan approval rates were similar regardless of applicant race or ethnicity, ranging from 74.7% for Asians to 77.0% for Hispanics. More variability can be seen in the moderate income range. For moderate income Whites who completed loan applications, 11.4% were denied. In comparison, 18.2% of Blacks, 15.4% of Asians, 14.1% of other races, and 15.7% of Hispanics with moderate incomes had their applications denied. Thus, minority denial rates ranged from 1.2 to 1.6 times those of Whites.

At high incomes, approval and denial rates are less related to applicant race or ethnicity. Less than one-tenth of Whites were denied loans (9.9%), compared to 10-11% for racial minority applicants and 13.5% for Hispanic applicants.

Given that the largest share of minority loan applications were by moderate income applicants, and approval rates varied most at this income level, Whites had a higher overall loan approval rate than minorities when looking at all applications, irrespective of income. Eleven percent (11.5%) of all applications completed by Whites were denied; in comparison, 16.8% of all applications by Blacks were denied, as were 17.9% of all applications by Hispanics.

The table on the following page identifies reasons for loan denials for White, Black, Asian, and Hispanic applicants. Data is not presented for persons of other races due to the low number of observations for this group. For each minority group, the distribution of loan denial reasons is compared to that of White applicants (as a reference group). Findings are summarized below:

- Denial reasons were less likely to be provided for minority applicants than for Whites. Reasons for loan denial were not reported in 19.4% of denials to Whites, compared to 26.8% to Blacks, 23.5% to Asians, and 29.2% to Hispanics.
- Debt-to-income ratio was the most common loan denial reason for Whites (18.0%), Asians (17.3%), and Hispanics (19.1%). For Black applicants, credit history was the most common loan denial reason (16.9%), followed by debt-to-income ratio (15.5%) and incomplete credit applications (15.5%). Credit history and incomplete credit applications were also common denial reasons for other racial/ethnic groups.
- In comparison to Whites, Black applicants were more likely to be denied loans due to unverifiable information (1.34 times), insufficient cash (1.28 times), incomplete credit applications (1.22 times), and credit history (1.17 times). Debt-to-income ratios and collateral were less likely to be reason for denial.
- Hispanic loan applicants faced denials due to denial of mortgage insurance and “other” reasons more often than Whites, by factors of 5.91 (due to the very low number of denials due to mortgage insurance) and 1.20, respectively. Credit history, employment history,

incomplete credit applications, and insufficient collateral were less likely to be reasons for denials for Hispanics than Whites.

- For Asian loan applicants, insufficient cash, employment history, and “other” reasons were more likely to be barriers to loan approval than for White applicants by factors ranging from 1.20 to 1.54. Collateral, credit history, and unverifiable information were less likely to be issues.

Reasons for Loan Denial by Applicant Race and Ethnicity City of Phoenix Census Tracts, 2013							
Reasons for Denial	Non-Hispanic					Hispanic	
	White	Black		Asian		Share	Ratio to Whites
	Share	Share	Ratio to Whites	Share	Ratio to Whites		
Total denied loan applications	1,209	71		75		614	
Denial reason provided	80.6%	73.2%	0.91	76.5%	0.95	70.8%	0.88
Collateral	17.5%	8.5%	0.48	11.2%	0.64	14.0%	0.80
Credit application incomplete	12.7%	15.5%	1.22	13.3%	1.04	8.8%	0.69
Credit history	14.4%	16.9%	1.17	12.2%	0.85	10.6%	0.74
Debt-to-income ratio	18.0%	15.5%	0.86	17.3%	0.96	19.1%	1.06
Employment history	3.4%	0.0%	---	4.1%	1.20	2.8%	0.82
Insufficient cash	3.3%	4.2%	1.28	5.1%	1.54	3.3%	0.98
Mortgage insurance denied	0.1%	0.0%	---	0.0%	---	0.5%	5.91
Unverifiable information	4.2%	5.6%	1.34	3.1%	0.73	3.6%	0.85
Other	6.9%	7.0%	1.01	10.2%	1.47	8.3%	1.20
Reason not provided	19.4%	26.8%	1.38	23.5%	1.21	29.2%	1.51

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Loan Actions by Census Tract Minority Percentage

Census tracts often approximate neighborhoods and can provide a convenient measure of the small area effects of loan discrimination. The following table (HMDA Loan actions by

Census Tract Minority Percentage) provides the counts and rates of loan actions⁴⁹ for City of Phoenix census tracts by level of minority population.

The categories shaded in green show loans that were approved by a HMDA-reporting loan institution. Many loans were approved and resulted in a mortgage (Loan Originated), although in some cases an application was approved but the applicant decided not to finalize the loan; these are categorized as “Approved But Not Accepted.”

Nearly half of loan applications (47.7%) were for homes in census tracts with minority population shares from 10% to 30% of the tract total. About one-quarter were in tracts with higher minority population shares, from 60% to 90% of the tract total. Overall, loan origination rates tended to decline as the share of minority population increased, although not in every case. For tracts that were less than 40% minority, loan origination rates were from 71% to 73%. This rate fell to around 67-69% for tracts with 40-80% minority population, and down to 63-64% for tracts that were over 80% minority. Denial rates tended to increase as minority population shares rose, although the change was not as pronounced as the change in loan origination rates. Lowest loan denial rates were in tracts that were 10-30% minority (denial rates of about 10%) compared to a highs of 16-18% for tracts that were over 80% minority.

⁴⁹ Loan approvals include “Loan Originated” and “Approved but Not Accepted.” “Application Denials by the Financial Institution” was the single category used to calculate Denial Rates. Other loan action categories included “Application Withdrawn by Client” and “File Closed for Incompleteness.”

**HMDA Loan Actions by Census Tract Minority Percentage
City of Phoenix Census Tracts, 2013**

Tract Minority Percentage	Loan Originated	Approved, Not Accepted	Denied by Financial Institution	Withdrawn by Applicant	Closed Incomplete	Total
Loan Action (Counts)						
0.0%-9.9%	611	33	112	86	13	855
10%-19.9%	3,264	141	439	556	110	4,510
20%-29.9%	3,737	143	507	604	134	5,125
30%-39.9%	1,349	41	206	227	38	1,861
40%-49.9%	574	22	107	110	34	847
50%-59.9%	932	36	159	193	37	1,357
60%-69.9%	727	26	155	151	29	1,088
70%-79.9%	1,093	36	229	212	46	1,616
80%-89.9%	1,472	43	416	337	61	2,329
90%-99.9%	393	21	101	84	17	616
Total	14,152	542	2,431	2,560	519	20,204
Loan Action (Rates)						
0.0%-9.9%	71.5%	3.9%	13.1%	10.1%	1.5%	100.0%
10%-19.9%	72.4%	3.1%	9.7%	12.3%	2.4%	100.0%
20%-29.9%	72.9%	2.8%	9.9%	11.8%	2.6%	100.0%
30%-39.9%	72.5%	2.2%	11.1%	12.2%	2.0%	100.0%
40%-49.9%	67.8%	2.6%	12.6%	13.0%	4.0%	100.0%
50%-59.9%	68.7%	2.7%	11.7%	14.2%	2.7%	100.0%
60%-69.9%	66.8%	2.4%	14.2%	13.9%	2.7%	100.0%
70%-79.9%	67.6%	2.2%	14.2%	13.1%	2.8%	100.0%
80%-89.9%	63.2%	1.8%	17.9%	14.5%	2.6%	100.0%
90%-99.9%	63.8%	3.4%	16.4%	13.6%	2.8%	100.0%
Total	70.0%	2.7%	12.0%	12.7%	2.6%	100.0%

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Fair Housing Organizations & Activities

In general, fair housing services include the investigation and resolution of housing discrimination complaints, discrimination auditing and testing, and education and outreach, including the dissemination of fair housing information such as written material, workshops, and seminars. Landlord/tenant counseling is another fair housing service that involves informing landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection legislations as well as mediating disputes between tenants and landlords.

HUD oversees, administers, and enforces the federal Fair Housing Act. HUD's Region IX office in San Francisco, California oversees housing, community development, and fair housing enforcement in American Samoa, Arizona, California, Guam, Hawaii, and Nevada. The Office of Fair Housing and Equal Opportunity (FHEO) within HUD's San Francisco office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in Phoenix. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP), as described below.

Fair Housing Assistance Program

In the U.S., many agencies receive funding directly from HUD as FHAP recipients, which requires an ordinance or law that empowers a state or local governmental agency to enforce the state or local fair housing law. If HUD determines that the local entity can operate on a "substantially equivalent" level to federal agency enforcement activities, HUD contracts with that agency to process fair housing complaints and reimburses the jurisdiction on a per case basis. FHAP grants are awarded to public, not private, entities and are given on a noncompetitive, annual basis to substantially equivalent state and local fair housing enforcement agencies.

To create a substantially equivalent agency, a state or local jurisdiction must first enact a fair housing law that is substantially equivalent to federal law. In addition, the local jurisdiction must have both the administrative capacity and fiscal ability to carry out the law. With these elements in place, the jurisdiction may apply to HUD in Washington, D.C., for substantially equivalent status. The jurisdiction's law would then be examined, and the federal government would make a determination as to whether it is substantially equivalent to federal fair housing law.

When substantially equivalent status has been granted, complaints of housing discrimination are dually filed with the state or local agency and HUD, with the state or local agency investigating most complaints. When federally subsidized housing is involved, however, HUD will typically investigate the complaint. Regardless, the state or local agency is reimbursed for complaint intake and investigation and is awarded funds for fair housing training and education.

The Civil Rights and Conflict Resolution Section of the Arizona Attorney General's Office and the City of Phoenix's Equal Opportunity Department are substantially equivalent agencies that partners with HUD to promote and enforce fair housing law under the auspices of the FHAP.

Fair Housing Initiative Program

A FHIP participant may be a government agency, a private nonprofit, or a for-profit organization. FHIPs are funded through a competitive grant program that provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with fair housing law. Eligible activities include education and outreach to the public and the housing industry on fair housing rights and responsibilities as well as enforcement activities in response to fair housing complaints, such as testing and litigation.

The following FHIP initiatives, as defined on HUD's website, provide funds and competitive grants to eligible organizations (www.hud.gov):

The Fair Housing Organizations Initiative (FHOI) provides funding that builds the capacity and effectiveness of non-profit fair housing organizations by providing funds to handle fair housing enforcement and education initiatives more effectively. FHOI also strengthens the fair housing movement nationally by encouraging the creation and growth of organizations that focus on the rights and needs of underserved groups, particularly persons with disabilities.

Eligible Grantees: Applicants must be qualified fair housing enforcement organizations with at least two years of experience in complaint intake, complaint investigation, testing for fair housing violations, and meritorious claims in the three years prior to the filing of their application.

Eligible Activities: Grants may be used flexibly to support the basic operation and activities of new and existing non-profit fair housing organizations.

The Private Enforcement Initiative (PEI) offers a range of assistance to the nationwide network of fair housing groups. This initiative funds non-profit fair housing organizations to carry out testing and enforcement activities to prevent or eliminate discriminatory housing practices.

Eligible Grantees: Fair housing enforcement organizations that meet certain requirements related to the length and quality of previous fair housing enforcement experience may apply for FHIP-PEI funding.

Eligible Activities: Funds such activities as conducting complaint-based and targeted testing and other investigations of housing discrimination, linking fair-housing organizations in regional enforcement activities, and establishing effective means of meeting legal expenses in support of fair housing litigation.

The Education and Outreach Initiative (EOI) offers a comprehensive range of support for fair housing activities, providing funding to State and local government agencies and nonprofit organizations for initiatives that explain to the general public and housing providers what equal opportunity in housing means and what housing providers need to do to comply with the Fair Housing Act.

[Eligible Grantees:] State or local governments, qualified fair housing enforcement organizations (those with at least 2 years of experience), other fair housing organizations, and other public or private nonprofit organizations representing groups of persons protected by the Fair Housing Act may apply for FHIP-EOI funding.

[Eligible Activities:] Funds a broad range of educational activities that can be national, regional, local, or community-based in scope. Activities may include developing education materials, analyzing local impediments to housing choice, providing housing counseling and classes, convening meetings that bring together the housing industry with fair housing groups, developing technical materials on accessibility, and mounting public information campaigns. National projects that demonstrate cooperation with the real estate industry or focus on resolving the community tensions that arise as people expand their housing choices may be eligible to receive preference points.

The Administrative Enforcement Initiative (AEI) helps State and local governments who administer laws that include rights and remedies similar to those in the Fair Housing Act implement specialized projects that broaden an agency's range of enforcement and compliance activities. No funds are available currently for this program.

In 2014, the Arizona Fair Housing Center and the Southwest Fair Housing Council was awarded as a FHIP grant recipients.

The Arizona Fair Housing Center (AFHC) was awarded \$320,430.00 to provide fair housing enforcement activities throughout Arizona. Planned activities under this grant included fair

housing tests; and intake and processing of complaints, with referrals to HUD, a local Fair Housing Assistance Program (FHAP) agency, or a private attorney. The Center also provides counseling, mediation, and referral services; and will recruit, train, and retrain new and/or existing testers.

The purpose of this AFHC project was to carry out a fair housing program to ensure equal housing opportunity to all residents living in Arizona. The Center used grant funds toward education and outreach activities designed to inform the public of its rights and responsibilities under the Fair Housing Act (FHA) and to increase the awareness of potential housing discrimination victims. The educational efforts were to specifically address the low-to moderate-income and underserved populations, including non-English speaking individuals, minorities, immigrants, and persons with disabilities. The project will also direct media efforts, community educational campaigns, and enforcement efforts toward these underserved populations.

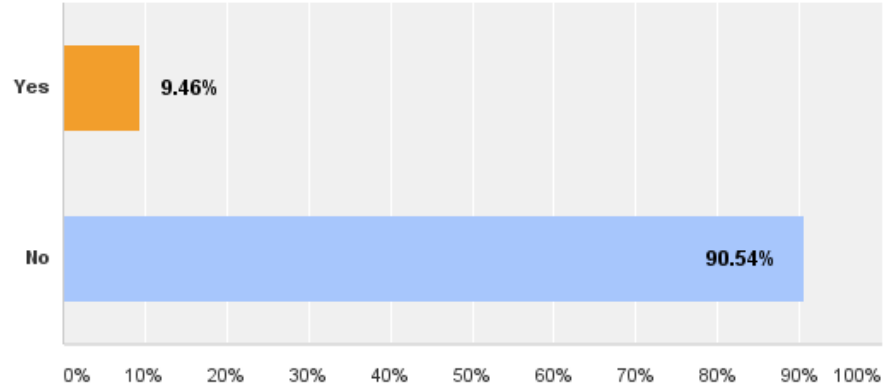
The Southwest Fair Housing Council was awarded \$123,555.00 to use to provide services in the Metropolitan Phoenix area. Grant activities included conducting fair housing/fair lending trainings for consumers, staff of non-profit agencies and the housing industry; submitting referrals to HUD or a Fair Housing Assistance Program agency for assistance in remedying allegations of housing/lending discrimination; facilitating or participating in six community events targeting individuals at risk for fair housing/fair lending discrimination; facilitating six media activities including broadcast, print, social, internet and/or other types of media, and other education and outreach activities.

Survey Analysis: Housing Discrimination and Fair Housing Rights

Nearly 1 in 10, 9.40%, of survey respondents reported experiencing housing discrimination. Over half of respondents (56.2%) reporting being discriminated against by a land lord or property manager, (25%) reported discrimination by a City or County official, (15.7%) reported discrimination by a mortgage lender, and (12.5%) reported discrimination by a real estate agent. However, only 11.4% of those experiencing discrimination filed a report. Over half of respondents reported not filing a report because they were not sure what good filing a report would do, 17.3% reported not filing because they did not know that the discrimination was a legal violation, 13.6% were not sure to file a report, and 8.07% had a fear of retaliation. A large percentage, 43.1%, of overall respondents reported not sure where to file a fair housing complaint. The number of respondents reporting that they did not know their fair housing rights was 17.8%.

Q24 Since living in the City of Phoenix, have you experienced housing discrimination?

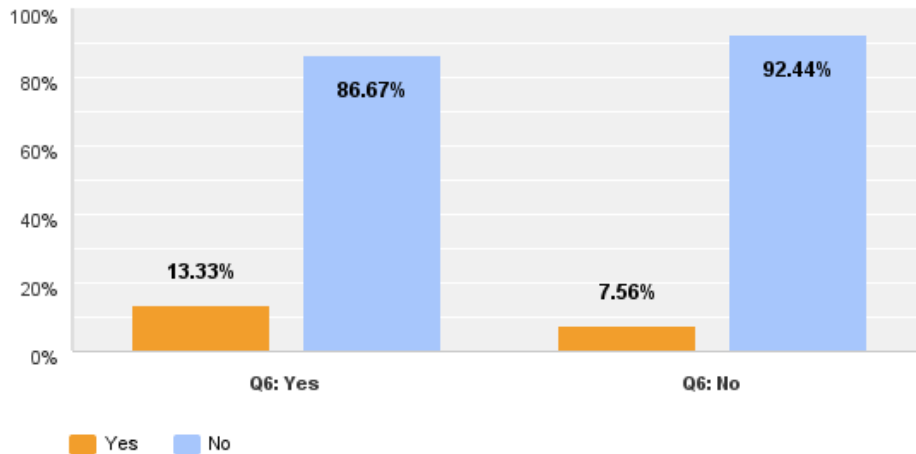
Answered: 370 Skipped: 27



Respondents identifying as a racial or ethnic minority were more likely to report experiencing housing discrimination (13.3%) than non-minority respondents (7.58%).

Q24 Since living in the City of Phoenix, have you experienced housing discrimination?

Answered: 366 Skipped: 22

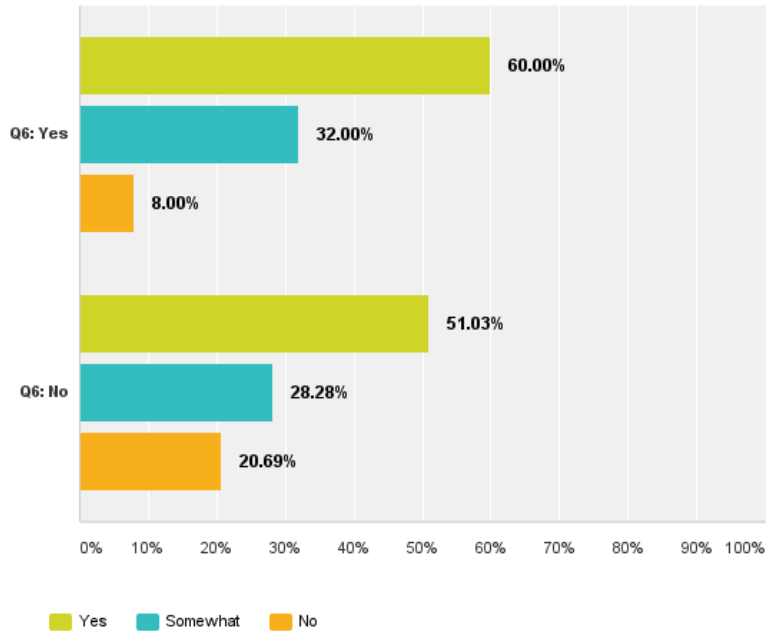


Racial and ethnic minorities were just under twice as likely to report experiencing housing discrimination. Minorities were slightly less likely (10%) to report housing discrimination than non-minorities (13.6%). However, minorities (indicated by “yes” in the graphic

depictions below, with “no” indicating non-minorities) reported higher rates of knowing their fair housing rights and were to file a housing discrimination complaint.

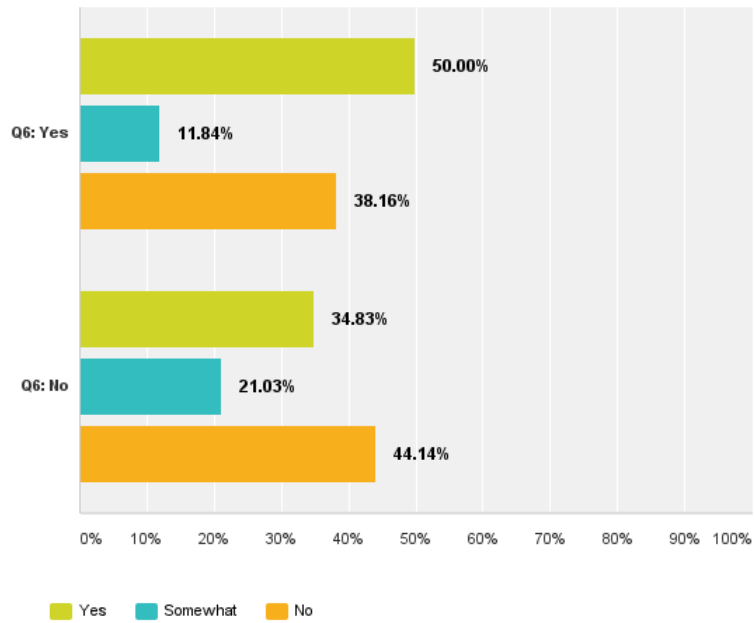
Q28 Do you understand your Fair Housing Rights?

Answered: 365 Skipped: 23



Q29 Do you know where to file a housing discrimination complaint?

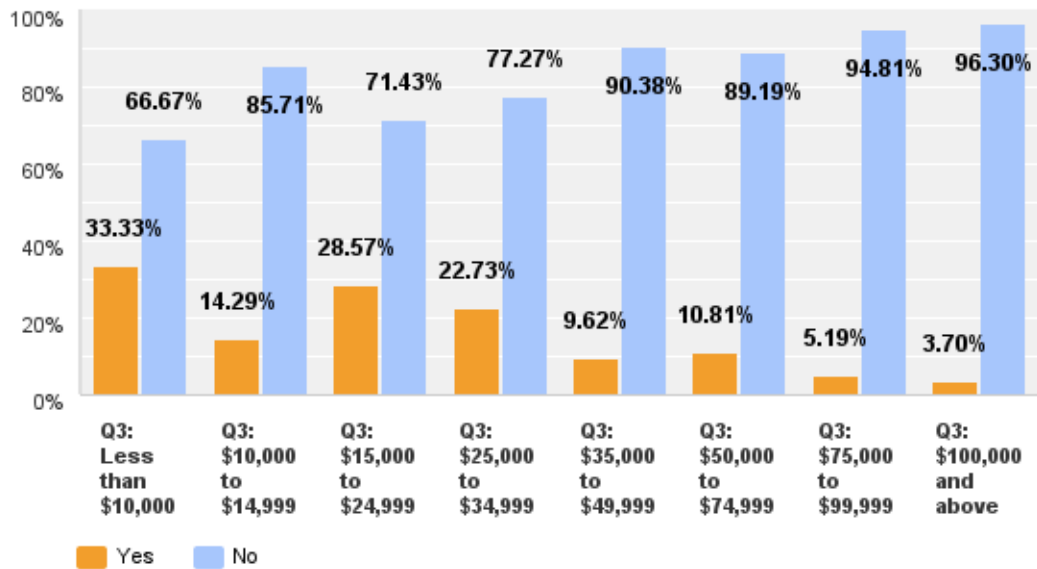
Answered: 366 Skipped: 22



Annual income also impacted experiences of discrimination. Respondents (33.3%) in the lowest income bracket were ten times more likely to report discrimination than respondents in the highest income brackets; 33.3% for residents earning under \$10,000 compared to 3.70% for respondents earning \$100,000 or more annually. However, it is also worth noting that residents with higher annual incomes still experienced relatively high rates of discrimination, i.e. over 10% of respondents earning between \$50,000 and \$74,999 annually reporting experiences of housing discrimination.

Q24 Since living in the City of Phoenix, have you experienced housing discrimination?

Answered: 364 Skipped: 25



Respondents who reported that someone in their household had a disability were twice as likely to report experiencing housing discrimination.

Hate Crimes

Hate crimes – violent acts against people, property, or organizations motivated by a bias related to a victim’s race, ethnicity, religion, gender, sexual orientation, national origin, or physical or mental disability – are a fair housing concern. The Federal Fair Housing Act makes it illegal for residents to be intimidated or harassed into removing themselves from certain areas. Additionally, the rate at which hate crimes occur can also deter potential residents from residing in certain neighborhoods from fear of harm or harassment. The Hate Crimes Statistics Act of 1990 introduced the collection of data on instances and types hate crimes being committed, and by whom. The data is captured by the Federal Bureau of Investigation’s (FBI) Uniform Crime Reporting Program. For this analysis, hate crime statistics for the most recently available six-year period (2006-2012) were reviewed for trends that would indicate pervasive discriminatory attitudes in the City of Phoenix.

Hate crimes are considered serious offences. Persons who break the law have committed a hate crime and can face time in prison, large fines or both, especially for violent acts, serious threats of harm, or injuries to victims. In addition, this same behavior may violate similar state and local laws, leading to more punishment for those who are responsible. Some examples of illegal behavior include threats made in person, writing or by telephone; vandalism of the home or property; rock throwing; suspicious fires, cross-burning or bombing; or unsuccessful attempts at any of these.

The FBI’s Uniform Crime Reports indicated that for the second consecutive year, hate crimes in Phoenix have decreased slightly. As the following table depicts, between 2006 and 2012, a total of 723 hate crimes were reported in the City of Phoenix. This jurisdiction has the largest number of hate crimes in Arizona on all years evaluated. Although hate crimes have declined in Phoenix since 2011, a total of 121 hate crimes were reported in 2012 by law enforcement from across the region, of which 67 percent appeared motivated by the victim’s race or ethnicity, 32 percent by sexual orientation and 8 percent by religion. Thus, within the City of Phoenix hate crime offenses attributed to, race, ethnicity, or national origin have consistently been the largest bias motivation category of hate crimes. These numbers indicate a high level of reported hate crimes in Phoenix in comparison to the rest of Arizona, and average in comparison with metropolitan areas in other states of similar size.

Phoenix, AZ Reported Hate Crimes 2006-2012

Year	Total	Race	Religion	Sexual Orientation	Ethnicity	Disability
2012	121	59	8	32	22	0
2011	123	50	16	28	28	1
2010	135	50	19	37	27	2
2009	115	36	29	24	26	0
2008	89	35	21	10	23	0
2007	80	38	9	20	13	0
2006	60	17	13	14	15	1

Sources: FBI Uniform Crime Stats: <http://www.fbi.gov/stats-services/crimestats> and <http://www.usa.com/phoenix-az-crime-and-crime-rate.htm>

Housing Discrimination Complaints & Lawsuits

Complaints Filed with the U.S. Department of Housing and Urban Development

HUD's Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can choose to file a fair housing complaint through their respective Regional Office of FHEO. Typically, when a complaint is filed with the agency, a case is opened and an investigation of the allegations of housing discrimination is initiated. If the complaint cannot be successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a "Determination", as well as a "Charge of Discrimination", and a hearing is scheduled before a HUD administrative law judge. Either party (complainant or respondent) may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court.

The number and types of reported incidents of discrimination speak not only to the level of intolerance in a community but also to the level awareness of what constitutes a violation of law, and the level of comfort those victimized have to seek redress for those violations. This section reviews the administrative structure of fair housing enforcement in the City of Phoenix and the protected classes. It describes the discrimination complaints filed over the past eight years and their outcomes.

Individuals with more knowledge are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

Each year National Fair Housing Alliance [NFHA] collects data from both private, non-profit fair housing organizations and government entities to present an annual snapshot of fair housing enforcement in the United States.⁵⁰ The 2014 Trends Report include a new regional analysis of housing discrimination complaints. The report found that racial discrimination was most often reported in the most racially and ethnically segregated metropolitan statistical areas (MSAs) in the United States. Half of all complaints in 2013 were reported in just two of HUD's 10 regions: Regions 4, which includes the Southern and Southeastern states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Puerto Rico and the U.S. Virgin Islands; and Region 5, which includes the Midwestern states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. The report also found that the number of reporting private non-profit organizations and amount of federal funding for local fair housing enforcement in each region influences the total number of complaints in each region.



The data collected in this report are but a snapshot of the actual level of discrimination that occurs in the country. Most housing discrimination goes unreported in all transaction areas, but possibly most often in real-estate transactions, including home sales, mortgage lending, and homeowners insurance, in which discrimination is often very subtle and difficult to detect.

According to the report, private fair housing organizations, state and local governments, civil and human rights agencies, HUD, and DOJ collectively reported handling 27,352 complaints of housing discrimination in 2013. Overall, complaints of housing discrimination were relatively steady, dipping only slightly below 2012, but remaining above 2011 levels.

TOTAL FAIR HOUSING COMPLAINTS FILED					
	NFHA Member Complaints	FHAP Claims & Complaints	HUD Claims & Complaints	DOJ Case Filings	Total
2003	17,022	5,352	2,745	29	25,148
2004	18,094	6,370	2,817	38	27,319
2005	16,789	7,034	2,227	42	26,092
2006	17,347	7,498	2,830	31	27,706
2007	16,834	7,705	2,449	35	27,023
2008	20,173	8,429	2,123	33	30,758
2009	19,924	8,153	2,091	45	30,213
2010	18,665	8,214	1,943	29	28,851
2011	17,701	7,551	1,799	41	27,092
2012	19,680	6,986	1,817	36	28,519
2013	18,932	6,496	1,881	43	27,352

NFHA member data are for calendar year 2013. HUD, FHAP and DOJ data are for fiscal year 2013. HUD and FHAP data represent actual complaint filings, many of which may include allegations of discrimination based on multiple protected classes. DOJ data represent case filings of HUD election and enforcement cases, and pattern or practice cases. HUD, FHAP and NFHA data represent fair housing complaints received and/or investigated.

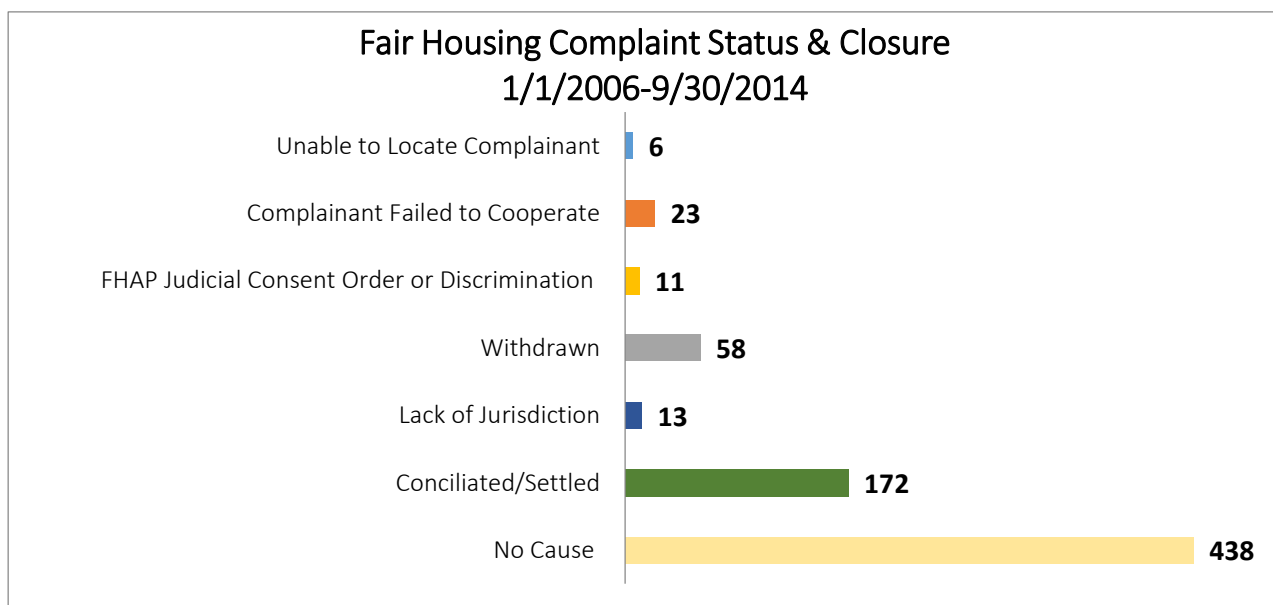
⁵⁰National Fair Housing Alliance 2014 Fair Housing Trends Report
http://www.nationalfairhousing.org/Portals/33/2014-08-13_Fair_Housing_Trends_Report_2014.PDF

Disability complaints have remained the greatest percentage of all complaints for the past several years. NFHA suggest that this may be contributed to the apartment owner’s direct refusal to make reasonable accommodations or modifications for people with disabilities. Architects and developers continue to design and construct obviously inaccessible apartment buildings and condominium complexes that do not meet the Fair Housing Act’s standards, despite HUD’s 10 year “Fair Housing Accessibility FIRST” education campaign educating architects and builders about their fair housing responsibilities although, HUD has devoted an office solely to disability issues.

Complaints Filed With HUD

Region IX of the Office of Fair Housing and Equal Opportunity [FHEO] receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout American Samoa, Arizona, California, Guam, Hawaii, and Nevada. The mission of the FHEO is to protect individuals from employment, housing and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases of and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing, public accommodations and hate violence. The following table identifies the number of complaints filed by location of which the complaint occurred, the status of the complaint, and the bases for the complaint.

From January 1, 2006 and September 30, 2014 there were 909 housing complaints filed with HUD FHEO for the City of Phoenix. Of these complaints, 172 were determined to have cause and were settled through conciliation or judicial consent order. A total of \$152,050 in settlement compensation was paid regarding the “with cause” claims. A total of 438 complaints were withdrawn for no cause.



This review of complaints shows that the overwhelming majority of complaints investigated by the San Francisco FHEO Office for the City of Phoenix were based on disability status and color or race, respectively at 36% and 26% of the total types of Protected Class complaint filings with national origin and retaliation as the next largest complaints at 14.1 percent and 9 percent. A lack of filed complaints does not indicate that a problem does not exist. It should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

City of Phoenix, AZ Complaints Filed by Basis January 1, 2006 - September 30,2014											
Disability	Color / Race	Fam . Stat.	Mar. Stat.	Sex	Nat. Origin	Age	Citizen-ship	Religion	Retaliation	Harassment	TOTAL COMPLAINTS FILED
334	244	48	0	56	129	0	0	14	84	0	909

As noted in the following table, a review of fair housing complaints filed by issue corresponds with the national trend, in which 213 or 23.4% of the 909 complaints noted resulted from failure to make reasonable accommodations for disabled persons residing in the City of Phoenix. Other issues, such as discrimination in terms, conditions, privileges of services or facilities and related to rental housing also had significant number of cases filed at 318 and 108 of the total cases filed in Phoenix. The complaints as presented from the FHEO are found in full in the Appendix of this document.

City of Phoenix, AZ Complaints Filed by Basis January 1, 2006 - September 30,2014	
ISSUES	FILED CASES
Discriminatory Refusal to Sell	9
Discriminatory Refusal to Rent	145
Discriminatory Refusal to Rent and Negotiate for Rental	45
Discriminatory Advertising, Statements, and Notices	22
False Denial or Representation of Availability - Rental	6
Discriminatory Financing (Includes Real Estate Transactions)	8
Discrimination in the Making of Loans	3
Discrimination in the Terms, Conditions, Privileges, or Services and Facilities	318
Discrimination in Terms/Conditions/Privileges Relating to Sale	6
Discrimination in Terms/Conditions/Privileges Relating to Rental	108
Otherwise deny or make housing unavailable	3
Discriminatory Acts under Section 818 (Coercion, etc.)	70
Failure to Permit Reasonable Modification	13
Failure to Make Reasonable Accommodation	213
TOTAL NUMBER OF COMPLAINTS	969
TOTAL CASES	909

City of Phoenix Equal Opportunity Department

The City of Phoenix's Equal Opportunity Department (EOD) strives to improve Phoenix quality of life by promoting equal opportunity, embracing diversity and eliminating discrimination. The Compliance and Enforcement Division enforces city of Phoenix ordinances that prohibit discrimination in employment, housing and public accommodations. The division:

- Investigates complaints related to employment, housing and public accommodations
- Serves as an advocate in fair housing as well as fair employment education and outreach
- Monitors the development and implementation of the city's equal employment opportunity program
- Administers the city's Americans with Disabilities Act (ADA) compliance program as an employer and as a service provider

Between January 1, 2010 and June 30, 2014 there were 211 complaints of housing discrimination alleged to have occurred within the City of Phoenix. Of these complaints, 130 were determined not to have reasonable cause for discrimination, 3 cases had cause findings, 53 cases were negotiated through settlement or conciliation, 9 were administratively closed, 14 were withdrawn and 2 cases were pending.

Arizona Civil Rights Division: Arizona Attorney General Office

Complaints received by the City of Phoenix are forwarded to the Arizona Civil Rights Division of the Office of the Arizona Attorney General. The Arizona Civil Rights Division conducts fair housing investigations to determine if there is a grievance. In addition, the Office also is responsible for enforcing Arizona’s Fair Housing Act as well as educating the local communities regarding the importance of fair housing requirements. The Civil Rights Division enforces the Act through informal conciliation efforts and through filing lawsuits.

As shown in the following table, the Arizona Attorney General’s Office received 186 fair housing complaints between 2009 and 2014. Of these complaints, 112 were determined not to have reasonable cause for discrimination, 30 cases were withdrawn after resolution, 24 complaints were withdrawn without resolution, failure to cooperate or failure to locate complainant or lack of jurisdiction. The City of Phoenix had 2 complaints that were resolved through litigation.

The largest percentage of fair housing complaints filed with the Arizona Attorney General’s Office was disability complaints at 45.6% [99] of the total 217 complaints. Other notable complaints were race and retaliation/harassment at 27.6% and 10.1%, respectively.

City of Phoenix Fair Housing Cases by Result

Year	No Cause	Withdrawal after Resolution	Successful Conciliation or Settlement	Withdrawal without Resolution	Failure to Cooperate	Failure to Locate	Lack of Jurisdiction	Litigation following Cause Finding	Total
FY2009	14	5	3	1	1	0	0	0	24
FY2010	10	1	3	0	4	0	0	1	19
FY2011	15	6	1	0	3	0	1	0	26
FY2012	30	4	3	1	2	1	1	0	42
FY2013	22	7	6	1	2	0	0	1	39
FY2014	21	7	2	3	2	0	1	0	36
Totals	112	30	18	6	14	1	3	2	186

City of Phoenix Fair Housing Cases by Basis of Claim

Year	Disability	Race	Religion	National Origin	Familial Status	Sex	Color	Retaliation or Harassment	Total
FY2009	15	7	0	1	2	2	0	2	29
FY2010	9	5	1	5	1	0	0	4	25
FY2011	14	11	0	3	1	1	0	1	31
FY2012	19	19	0	2	0	1	1	4	46
FY2013	18	9	1	3	1	7	0	7	46
FY2014	24	9	0	2	1	0	0	4	40
Totals	99	60	2	16	6	11	1	22	217

Analysis of Housing Discrimination Lawsuits: Phoenix, AZ

This section will provide a summary of the nature, extent, and disposition of significant housing discrimination lawsuits and administrative complaints filed and/or adjudicated between January 2009 and October 2014 which may impact future fair housing choice within Phoenix and Maricopa County, Arizona. After a thorough search, no significant cases were found specifically involving Phoenix litigants or the Phoenix local government. However, significant housing discrimination cases involving parties and jurisdictions outside the Phoenix study area—specifically fair housing cases reviewed by the United States Court of Appeals for the Ninth Circuit and cases brought in Maricopa County by the Arizona Attorney General—for this time period are discussed because the issues presented may impact future legislation and litigation or fair housing choice within Phoenix.

Arizona has adopted a parallel version of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 *et seq.* (the “Fair Housing Act”), known as the Arizona Fair Housing Act (A.R.S. § 41-1491 *et seq.*). Both the FHA and Arizona Fair Housing Act (“AFHA”) prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on sex, race, color, disability (physical and mental), religion, national origin, or familial status (families with children). In addition, the Arizona Developmental Disabilities Act separately prohibits discrimination in housing for persons with developmental disabilities (A.R.S. § 36-551.01 *et seq.*). The AFHA establishes a statutory procedure to resolve housing discrimination complaints at the local level, and provides an alternative procedure for the administrative complaint process than the federal act provides.

At the local level, the City of Phoenix has adopted a fair housing ordinance that, in addition to the federal and state protected classes, also prohibits discrimination in housing (and employment and public accommodation) on the basis of age, genetic information, marital status, sexual orientation, and gender identity or expression (*See City Code § 18-11*).

An individual who believes he or she has been the victim of an illegal housing practice under the FHA may file a complaint with the Department of Housing and Urban Development (“HUD”) or file a lawsuit in federal or state court. The Department of Justice (“DOJ”) may bring suit on behalf of individuals based on referrals from HUD. The AFHA also allows aggrieved persons alleging a violation of fair housing rights to seek redress in state court or by filing an administrative complaint with the Civil Rights Division of the Arizona Department of Law.

The Arizona Civil Rights Division (“ACRD”) enforces the Arizona Civil Rights Act (“ACRA”), A.R.S. § 41-1401, *et seq.*, which prohibits discrimination in employment, housing, public accommodations, and voting by investigating, mediating and litigating civil rights complaints statewide. ACRD also provides conflict resolution services and mediation training programs throughout the state. It also provides education and outreach in the community to try to reduce discriminatory conduct. ACRD is comprised of the Compliance Section, which screens and investigates complaints, and the

Litigation Section, which litigates civil rights violations and provides legal advice and support to the Compliance Section.

After an aggrieved party files a charge of discrimination with the State, the ACRD will investigate and determine whether or not there is reasonable cause to believe an unlawful discriminatory practice or act has occurred. If the Division makes a reasonable cause determination, it may attempt conciliation between the parties, and if no resolution can be reached, the State may bring an action on behalf of the aggrieved party in state superior court. (Six cases brought by the State Attorney General are included below.) Notwithstanding the Division's determination of whether or not an unlawful practice or act has occurred, aggrieved persons retain the right to bring their own civil action within the statute of limitations under either the federal FHA or the AFHA.

Though the FHA and AFHA are not identical, they are congruent, and accordingly Arizona courts have historically been guided by both state and federal law in deciding claims of housing discrimination. Cases brought in state superior court generally proceed more quickly and are less costly in terms of litigation expenses than cases adjudicated in federal district court, which provides a strong incentive for complainants to seek relief under state fair housing laws. While the complainants in each case could have filed in federal district court for alleged violations of the FHA, the AFHA is substantially similar in terms of its protections.

Housing discrimination claims have been brought against local governments and zoning authorities and against private housing providers. The cases reviewed below reflect the interests of a wide variety of aggrieved plaintiffs including individuals and families impacted by discrimination, local civil rights advocacy groups on behalf of protected classes, and the State Attorney General and the U.S. Department of Justice to protect the public interest. The cases brought by the Attorney General are highlighted because they demonstrate the State's interest in protecting fair housing choice and redressing housing discrimination even on a small, localized scale where the case raises an issue of general public importance under A.R.S. § 41-1491.35(A)(2) of the AFHA.

Disparate Impact Claims and the FHA

All of the federal circuits, including the Ninth Circuit which has jurisdiction to hear appeals from Arizona district courts, have held or implied that the FHA affords plaintiffs the ability to prove fair housing violations on the theory of disparate impact. *See Pfaff v. U.S. Department of Housing and Urban Development*, 88 F.3d 739 (9th Cir. 1996) (applying a burden-shifting analysis); *Keith v. Volpe*, 858 F.2d 467 (9th Cir. 1988), *cert. denied*, 493 U.S. 813, 110 S. Ct. 61, 107 L.Ed.2d 28 (1989).

Moreover, on February 15, 2013, HUD issued a Final Rule establishing that disparate impact claims are cognizable under the FHA (the "Disparate Impact Rule"). *See* 78 Fed. Reg. 11460 (Feb. 15, 2013) (codified at 24 C.F.R. § 100.500 (2013)). The Disparate Impact Rule formalizes HUD's recognition that liability under the FHA may arise from a facially neutral practice that has discriminatory effects on certain protected groups of people, regardless of whether discriminatory intent can be shown.

The Disparate Impact Rule also establishes a three-step burden-shifting approach to deciding disparate impact claims. Despite the federal circuit courts' recognition of disparate impact claims under the FHA and HUD's codification of the theory through its rule-making authority, the Disparate Impact Rule has received a lot of pushback and criticism, especially from the lending and insurance industries. Housing advocates and legal scholars fear that if the disparate impact theory were struck down by the Supreme Court, it would essentially gut the purpose and effectiveness of the FHA.

Now the U.S. Supreme Court is poised to finally determine whether disparate impact claims are cognizable under the Fair Housing Act or whether the aggrieved protected class must meet a higher standard by proving intentional discrimination. On October 2, 2014, the Supreme Court granted the petition for certiorari by the Texas Department of Housing and Community Affairs in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.*, 747 F.3d 275 (5th Cir. 2014), *cert. granted*, 189 L. Ed. 2d 896 (2014), after the Texas DHCA was sued over the allocation of tax credits for low-income building projects.

The case, which will be considered in the first half of 2015, gives the Supreme Court its third opportunity since 2012 to rule on the issue. The prior two cases, *Mt. Holly Gardens Citizens in Action, Inc. v. Township of Mount Holly*, 658 F.3d 375 (3d Cir. 2011), *cert. granted*, 133 S. Ct. 2824, 186 L. Ed. 2d 883 (2013) and *Magner v. Gallagher*, 619 F.3d 823 (8th Cir. 2010), *cert. granted*, 132 S. Ct. 1306 (2012) were both settled after the completion of briefing but before the Court could hear oral argument and answer the question presented.

Under Arizona and Ninth Circuit precedent, a plaintiff can establish a violation under the FHA by proving discrimination in the form of: (1) disparate treatment or intentional discrimination; (2) disparate impact of a law, practice or policy on a covered group; or (3) by demonstrating that the defendant failed to make reasonable accommodations in rules, policies, or practices so as to afford people with disabilities an equal opportunity to live in a dwelling. *See Budnick v. Town of Carefree*, 518 F.3d 1109, 1114 (9th Cir. 2008). The cases discussed below in Section III generally proceed under one or more of these theories of housing discrimination.

Analysis of Case Law

The cases presented in this section fall under five main fair housing categories: (1) a complaint brought against a roommate matching service for allegedly facilitating discriminatory housing preferences; (2) a complaint brought against local government for alleged post-acquisition discriminatory practices; (3) a complaint brought against a local municipality for alleged familial status discriminatory zoning or land use practices; (4) complaints brought against local governments and housing providers for housing discrimination against persons with disabilities; and (5) complaints brought against local governments and housing providers for housing discrimination based on religion.

Again, these cases may not specifically involve Phoenix litigants or the Phoenix local government, but because they were adjudicated by Arizona state courts and the federal Ninth Circuit, the issues presented provide precedent for future legislation and litigation or fair housing choice policy within Phoenix.

Issue 1: Does the FHA extend to the selection of shared living or roommate situations?

- ***Fair Housing Council of San Fernando Valley v. Roommate.com, LLC*, 666 F.3d 1216 (9th Cir. 2012) (appeal from C.D. Cal, Civil Action No. 2:03-cv-09386-PA-RZ).**

Multiple fair housing councils sued Roommates.com, an Internet website provider that helps match roommates in thousands of cities, including Phoenix, alleging that the Defendant's roommate-matching business violated the Fair Housing Act (FHA), 42 U.S.C.S. § 3601 *et seq.*, (and state fair housing laws). Users of the site are asked to create a profile that lists their preferences for roommate characteristics, including sex, sexual orientation, and familial status, and it then matches them to other seekers meeting the criteria. Users also can search available listings based on roommate characteristics, including sex, sexual orientation and familial status. Plaintiffs alleged that the website's questions requiring disclosure of sex, sexual orientation and familial status, and its sorting, steering and matching of users based on those characteristics violate fair housing laws.

The district court for the Central District of California granted summary judgment for the Plaintiffs holding that the website operator violated the FHA (and state law) by prompting discriminatory preferences from users, matching users based on that discriminatory information, and publishing these preferences. The lower court enjoined Defendant from those activities. Defendant appealed to the Ninth Circuit Court of Appeals.

The Ninth Circuit considered whether anti-discrimination provisions of the FHA extend to the selection of roommates: If the FHA extends to shared living situations, then what Roommates.com does amounts to a violation.

The FHA prohibits discrimination on the basis of "race, color, religion, sex, familial status, or national origin" in the "sale or rental of a dwelling." 42 U.S.C. § 3604(b) (emphasis added). The FHA also makes it illegal to "make, print, or publish ... any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination" based on those protected characteristics. *Id.* § 3604(c) (emphasis added). In the Court's view, the reach of the statute turns on the meaning of "dwelling."

The Court reasoned that while it is possible to read dwelling to mean sub-parts of a home or an apartment (such as a bedroom plus common areas), doing so leads to constitutional concerns. First, the Court found there is no indication that Congress intended to interfere with personal relationships *inside* the home, and the Supreme Court has consistently protected the freedom to enter into and carry on certain intimate or private relationships. The roommate relationship easily qualifies as the type of intimate association protected by the constitutional scheme. Citing multiple

hypothetical examples, the Court noted that holding that the FHA applies inside a home or apartment would allow the government to restrict our ability to choose roommates compatible with our lifestyles. This would be a serious invasion of privacy, autonomy and security.

The Court concluded that reading “dwelling” to mean an independent housing unit is a fair interpretation of the text and consistent with congressional intent, and the Court adopted the narrower construction of “dwelling” that excludes roommate selection from the reach of the FHA. Accordingly, it is not unlawful to discriminate in selecting a roommate, and Roommate's facilitation of discriminatory roommate searches does not violate the FHA. The lower court's ruling was vacated.

Issue 2: Are post-acquisition intentional discrimination claims, specifically failure of the local government to provide equal and adequate public services, cognizable under the FHA?

- ***Comm. Concerning Cmty. Improvement v. City of Modesto*, 583 F.3d 690 (9th Cir. 2009) (appeal from the E.D. Cal. Civil Action No. CV-04-06121-LJO-DLB).**

Plaintiffs, the residents of four predominantly Latino neighborhoods and two community groups, brought suit against Defendants, a city and county, alleging intentional discrimination based on lack of adequate public services. The urban neighborhoods were located in unincorporated areas or “islands” but were alleged to fall within the City's “sphere of influence.” The communities had not been included in a tax sharing agreement between the County in which they were located and the City while communities with majority-white populations were included in the agreement. Neighborhoods included to the agreement were more likely to be annexed by the City at some point in the future. Plaintiffs contended that Defendants failed to provide the Latino unincorporated neighborhoods basic services and facilities in connection with housing such as sidewalks, street lights, storm drains, sewer lines, gutters, and road maintenance, adequate law enforcement protection and emergency services based in substantial part on the race, ethnicity, ancestry, color, or national origin of the residents, which constituted a violation of the FHA, 42 U.S.C. 3604(b).

The district court dismissed the FHA claim, holding that the statute is limited to “discrimination in the provision of services in connection with the acquisition of a dwelling,” rather than discrimination in the provision of services to existing homeowners and renters. The Ninth Circuit took up the question of post-acquisition discrimination claims under the FHA, recognizing that there is a split among the federal circuit courts. *See, e.g., Halprin v. Prairie Single Family Homes of Dearborn Park Ass'n*, 388 F.3d 327 (7th Cir. 2004) (holding that post-sale harassment of homeowners did not violate the FHA's prohibition on discrimination in the sale of a dwelling), reversed in part by *Bloch v. Frischholz*, 587 F.3d 771 (7th Cir. 2009) (ruling that under specific and limited circumstances the FHA can reach post-occupancy discrimination); *Cox v. City of Dallas*, 430 F.3d 734, 745 (5th Cir. 2005) (following *Halprin* in concluding that the FHA does not protect post-acquisition occupancy of housing).

The Ninth Circuit ruled that the district court erred in holding that § 3604(b) of the FHA did not apply to post-acquisition discrimination claims. That section of the statute prohibits discrimination “in the terms, conditions, or privileges of sale or rental of a dwelling, or in provision of services or facilities in connection therewith.” 42 U.S.C. § 3604(b). The Court reasoned that inclusion of the word “privileges” implicates continuing rights and encompasses claims regarding services or facilities perceived to be wanting after the owner or tenant has acquired possession of the dwelling. The Court noted that the regulations promulgated by HUD to implement the FHA also support permitting post-acquisition claims. For example, sections prohibiting “[f]ailing or delaying maintenance or repairs of sale or rental dwellings” and “[l]imiting the use of privileges, services or facilities associated with a dwelling” imply claims about problems arising after the tenant or owner has acquired the property. 24 C.F.R. § 100.65. Additionally, limiting the FHA to claims brought at the point of acquisition would limit the act from reaching a whole host of situations that, while perhaps not amounting to constructive eviction, would constitute discrimination in the enjoyment of a dwelling or in the provision of services associated with that dwelling.

The City argued that the neighborhoods from the tax sharing agreement could not maintain an intentional discrimination claim because the excluded communities had significant white populations, and those white residents would also suffer as a result of the alleged discrimination. The Ninth Circuit rejected that argument, concluding that the relevant question was whether the excluded neighborhoods were treated differently because of their *overall* racial composition, not whether the City’s discriminatory actions would affect *only* racial minorities. The City’s willingness to discriminate against both minorities *and* white citizens living in majority-minority communities did not cleanse it of any discriminatory intent that it may have harbored. A different conclusion would only encourage defendants to over discriminate.

While the FHA may apply to post-acquisition or post-occupancy discriminatory conduct, in this case, the Court did not reinstate all of Plaintiffs’ FHA claims. In analyzing Plaintiffs’ equal protection claims, the Court had concluded that Plaintiffs did not put forth enough evidence of disparate impact with regard to the provision of sewer services or infrastructure, and their factual averments supporting the alleged violations of the FHA are largely the same as the allegations supporting the equal protection claims. It therefore limited reinstatement of Plaintiffs’ FHA claims to those regarding the timely provision of law-enforcement personnel.

Issue 3: Whether the senior exemption to familial status protection under the FHA and HOPA applies when the intent to provide senior housing is that of a local government and not of the private housing provider?

- ***Putnam Family Partnership v. City of Yucaipa*, 673 F.3d 920 (9th Cir. 2012) (appeal from C.D. Cal. Civil Action No. 5:09-cv-02203-VAP-OP).**

In September 2009, the City adopted an Ordinance which created a Senior Mobile Home Park Overlay District (the “Overlay District”). The Ordinance prohibits any of the existing twenty-two mobile home parks in the City currently operating as senior housing, defined as a park in which either eighty percent of the spaces are occupied by or intended for occupancy by at least one person who is age fifty-five or older or one hundred percent of the spaces are occupied by or intended for occupancy by people who are age sixty-two or older, from converting to all-age housing. The City sought to preserve affordable housing and independent living options for its significant senior population.

Citing § 3604 & 3617 of the FHA, Plaintiffs, mobile home park owners currently operating senior-housing parks in the City, filed suit alleging that the Ordinance violated the FHA by forcing them to discriminate on the basis of familial status and by interfering with their ability to aid or encourage families with children in the enjoyment of fair housing rights. The Plaintiffs argued that whether to provide senior housing belongs exclusively to the housing provider, and, therefore, the “intent” required to satisfy the senior exemption in the fair housing laws must be that of Plaintiffs and not the City. They also argued that the Ordinance was preempted by the FHA because it required them to take action that the FHA prohibited.

The district court granted the City’s motion to dismiss, finding that the Ordinance fell within the senior housing exemptions carved out in the FHAA and Housing for Older Persons Act (“HOPA”), and that the statutes’ required “intent” to provide senior housing need not be that of the private property owner but could also include the City under its zoning scheme. Plaintiffs timely appealed to the Ninth Circuit federal court.

The Ninth Circuit first reviewed the FHAA and HOPA. The FHAA provides two exemptions to the prohibition against familial-status discrimination: the prohibition cannot affect local, state, or federal restrictions on maximum occupancy and cannot apply to “housing for older persons.” 42 U.S.C. § 3607(b)(1). HOPA replaced the FHAA’s definition of “housing for older persons” with a provision defining “housing for older persons” as housing (C) intended and operated for occupancy by persons 55 years of age or older, and -- (i) at least 80 percent of the occupied units are occupied by at least one person who is 55 years of age or older; (ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subparagraph; and (iii) the housing facility or community complies with rules issued by the Secretary of HUD for verification of occupancy. The Court found that HOPA removed the FHAA requirement that the intent to provide senior housing (demonstrated in published policies and procedures) must be that of the “owner or manager.” Rather the duty to publish and adhere to such policies and procedures lies with the “housing facility or community.”

If the requirements for the senior exemption are met, any limits that the Ordinance places on Plaintiffs' ability to sell units in its mobile home park are lawful under the FHAA and Plaintiffs cannot satisfy a claim for violation of the FHAA. The FHAA, as amended by HOPA, is silent on the issue of whether municipally zoned senior housing can qualify for the senior exemption, and the Court noted that the question of whether the federal senior exemption can apply when the intent to provide senior housing is that of a city is one of first impression in the courts of appeals. The more precise issue addressed by the Court was whether the City's Overlay District can qualify as a "housing facility or community." The Ninth Circuit deferred to HUD regulations allowing for such housing as a reasonable interpretation of the statute.

HUD's regulations interpreting the amended senior exemption lists "a municipally zoned area" as an example of a "housing facility or community" that can qualify for the senior exemption. *See 24 C.F.R. § 100.304(b)*. Further, HUD guidelines explain that a housing facility or community satisfies the senior exemption's intent requirement if, inter alia, "[z]oning requirements include the 55-or-older requirement" and "[z]oning maps containing the 'senior housing' designation are available to the public." *64 Fed. Reg. at 16332 ex. 2*. Thus, the Court found that the City's Overlay District of senior housing is clearly allowed and its actions reflect the City's "intent" to provide senior housing.

(The Court also noted that it would be a different question and analysis if the Ordinance required parks that did not already maintain an 80% senior population or describe themselves as senior parks to do so, but stated, "[W]e leave that question for another day.")

The Court concluded that because the FHAA permits the senior housing which the Ordinance requires, compliance with the Ordinance does not violate the FHAA. Likewise, the FHAA does not either expressly or impliedly preempt the Ordinance because the FHAA allows for zoning laws like the Ordinance. Therefore, the Ninth Circuit affirmed the district court's judgment and dismissal of the action against the City.

Issue 4: The extent of the protection afforded by fair housing laws for persons with disabilities, for example zoning ordinances that limit group homes for persons with disabilities; housing providers' failure to grant a reasonable accommodation or modification; and failure of the designers and operators of covered multifamily housing to meet accessibility standards.

- ***Pacific Shores Properties, LLC v. City of Newport Beach*, 730 F.3d 1142 (9th Cir. 2013) (appeal from C.D. Cal. Civil Action No. 8:08-cv-00457-JVS-RNB).**

Prior to 2008, group homes for recovering alcoholics and drug users who live communally and mutually support each other's recovery were generally permitted to locate in residential zones in the City. However, under pressure from some residents opposed to such homes to restrict or eliminate them, the City passed an Ordinance which had the practical effect of prohibiting new group homes from opening in most residential zones, requiring new group homes to submit to a

burdensome permit process, and requiring existing group homes also to undergo the same permit process within 90 days in order to continue their operations. On its face, the Ordinance did not just single out group homes for persons in recovery, but also restricted other types of group living arrangements. The Ordinance amended the definition of “single housekeeping unit” to require that (1) a single housekeeping unit have a single, written lease and (2) the residents themselves must decide who will be a member of the household. As a result of these amendments, group homes no longer qualified as “single housekeeping units” because the residents do not sign written leases and are chosen by staff (instead of by each other) to ensure the maintenance of a sober environment. Several existing group home providers sued the City after being required to apply for a use permit in order to continue operating in residential areas, alleging that the Ordinance discriminated against them as facilities that provide housing opportunities for persons with disabilities recovering from addiction.

The district court granted summary judgment to the City "with respect to [all of the] Plaintiffs' disparate treatment and selective enforcement claims brought under the FHA, ADA, FEHA, and the Equal Protection Clause," because the Plaintiffs failed to show that they were “treated differently than similarly situated non-disabled individuals in the enforcement of [the] Ordinance.” On appeal to the Ninth Circuit, the panel held that the district court erred in disregarding the evidence that the City's sole objective in enacting and enforcing its ordinance was to discriminate against persons deemed to be disabled under state and federal housing discrimination laws. The district court incorrectly held that in order to prevail Plaintiffs must demonstrate the existence of a similarly situated entity which was treated better than the Plaintiffs. However, anti-discrimination case precedent establishes that proving the existence of a similarly situated entity is only *one* way to survive summary judgment on a disparate treatment claim. An aggrieved party also may "simply produce direct or circumstantial evidence demonstrating that a discriminatory reason more likely than not motivated" the defendant and that the defendant's actions adversely affected the plaintiff in some way. Applying the multi-factor inquiry articulated by the Supreme Court in *Arlington Heights v. Metropolitan Housing Corp.*, 429 U.S. 252, 266, 97 S. Ct. 555, 50 L. Ed. 2d 450 (1977), to determine whether the Plaintiffs had created a triable issue of fact that the City enacted the Ordinance with a discriminatory intent of limiting group homes and, therefore limiting the housing options available to persons with disabilities recovering from addiction, the Ninth Circuit found ample evidence that Plaintiffs had satisfied their burden.

The Plaintiffs' evidence showed that the Ordinance was enacted for the purpose of eliminating or reducing the number of group homes throughout the City. Statistics, *provided by the City*, proved that the Ordinance had the effect of reducing group home beds by 40% in the City. The Plaintiffs also provided evidence that group homes were specifically targeted for enforcement. For example, the City created a task force to locate group homes, undertake surveillance of them, and enforce the zoning code strictly against them. Every existing group home was required to submit a detailed application for a special use permit and/or reasonable accommodation in order to continue operating and to attend public hearings at which those applications were subjected to public

comment. After the Ordinance was enacted, every nonconforming group home in the City that did not apply for a use permit or reasonable accommodation was served with an abatement notice within three days of the 90-day use permit application deadline, whereas no abatement notices were sent to any other entities engaged in a nonconforming use until the Plaintiffs pointed out those entities during the litigation. Furthermore, every public meeting leading up to the City Council's ultimate enactment of the Ordinance was marked by angry comments from citizens who referred to the residents of the group homes in derogatory terms. The record suggests that City Council members were responsive to the public's views. Although the Ordinance adversely affects some other facilities that are not group homes, the record included evidence that the Ordinance had been enforced against few, if any, other types of facilities. Finally, the Court noted that the City engaged in three notable procedural irregularities leading up to the enactment of the Ordinance – creating an ad hoc committee to work off record in private to draft the new ordinance, conducting a survey of residents primarily opposed to group homes to justify new regulations, and creating a task force to work with residents to locate and strictly enforce the ordinance against group homes but not other types of group living facilities.

The Court also found that Plaintiffs had submitted sufficient evidence that the Ordinance had adverse effects upon them and reversed the district court's dismissal of most of the Plaintiffs' damages claims. The Court held that subjecting an entity protected by anti-discrimination laws to a permit or registration requirement, when the requirement is imposed for a discriminatory purpose is sufficient to establish injury in a disparate treatment claim. First, the un-rebutted evidence shows that the group homes expended substantial time, effort, and resources applying for special use permits and reasonable accommodations, none of which would have been necessary had the Ordinance not been enacted. Second, Plaintiffs produced evidence that the Ordinance led to the closure of approximately one third of the City's group homes and barred new group homes from being established in all but multi-family residential zones. This resulted in a reduced diversity of housing options for the disabled individuals served by group homes.

For the foregoing reasons, the Court reversed the district court's dismissal of the Plaintiffs' disparate treatment claims, and remanded the case to the district court. At present no further action has been taken.

- ***State of Arizona v. City of Avondale*, Civil Action No. CV2011-004392 (Superior Ct. of Maricopa Cnty) (filed Feb. 28, 2011, consent decree entered Jan. 9, 2012).**

The Civil Rights Division brought this action in Maricopa County Superior Court against the City in February 2011 on behalf of the operator of state-licensed group homes for persons with intellectual disabilities for alleged violations of the Arizona Fair Housing Act (AFHA). The Complaint challenged the City's application of its zoning ordinances and practices that made housing opportunities unavailable to individuals with disabilities living in group homes and other community based

homes by requiring individuals with disabilities (through their home providers) to register, apply, and meet burdensome conditions, such as installation of cost prohibitive fire suppression systems that were not similarly required in other single family residence uses. The State alleged that additional health and safety requirements were imposed without any individual assessment of their need. The City denied that its acts or ordinances violate the law, and argued that the requirements were imposed to protect people with disabilities, particularly those who were not ambulatory. However, to avoid the cost and uncertainty of litigation, and without admitting liability, the City agreed to settle the claims by Consent Decree.

By entering the Consent Decree on January 9, 2012, the Court agreed that its terms would further the objectives of the AFHA.

Under the Consent Decree, the City was required to approve the Complainant to operate its group homes in any single family residence district, rescind notices requiring that the Complainant comply with additional requirements not imposed on other single family residences, and rescind fines imposed on the Complainant regarding prior unapproved use of its existing group homes. The City also was required to pay the group home provider \$49,999 as compensatory damages.

The agreement also required the City to amend certain applicable provisions of its Zoning Ordinance so that persons with disabilities living in group living arrangements will not be required to petition, apply, and go through an administrative or public hearing process to obtain approval to live in any residential zoning district that is not also required of all families. On December 5, 2011, the City amended its Zoning Ordinance to: (1) revise its definitions of *family, dwelling or dwelling unit, and group home*; (2) replace the definition of *handicapped* with a definition for *disability*; (3) strike the definitions of *group recovery home* and *residential care home* to be included in the definition for *group home*; (4) change the purpose and use matrices to reflect that group homes are permitted without conditions; and (5) delete sections of the zoning ordinance imposing conditions on group homes for persons with disabilities that did not apply to all families. Group homes no longer must comply with higher safety requirements or meet minimum separation requirements.

Finally, the Consent Decree requires the City to provide training to the Planning Commission, Board of Adjustment, and Planning and Zoning Department regarding the general requirements of the FHA, AFHA, and ADA and specific application to zoning and other land use regulations affecting group living arrangements for persons with disabilities. The training must also cover the changes to the Zoning Ordinance and requirements of the Consent Decree relevant to the duties of the individuals being trained.

- ***State of Arizona v. Amorita Holdings, LLC, Civil Action No. CV2012-005912 (Superior Ct. of Maricopa Cnty) (filed March 16, 2012).***

The State filed this action to seek redress for Complainants, a woman and her daughter, for the alleged wrongful termination of Complainants' lease and the subsequent requirement that the Complainants vacate the Scottsdale Belle Rive apartment complex as a result of the daughter's disability (bi-polar disorder which substantially limits one or more major life activities including the ability to work). The complaint alleged that at the time of entering the rental agreement, the daughter disclosed to the property manager that she had a disability and her rent would be paid from disability benefits. While the mother was at work one day, the daughter called a behavior health crisis line after she experienced thoughts of suicide. The crisis line called the Scottsdale Police Department for assistance, who responded to the apartment complex and transported the daughter without incident to a behavioral health hospital. During the eight days that the daughter was hospitalized, the Defendant terminated the Complainants' lease and gave notice that they must vacate the apartment under the premise that the daughter had breached the lease agreement by, among other things, "[e]ndangering the health, safety, and welfare of other residents."

On June 3, 2011, the Complainants timely filed an administrative complaint with the Division of Civil Rights pursuant to the Arizona Fair Housing Act, alleging that the Defendant discriminatorily evicted them from the apartment due to the daughter's disability. Finding reasonable cause and exhausting the administrative remedies available, the State filed a civil action in the Maricopa County Superior Court.

Like the federal Fair Housing Amendments Act, under the AFHA disability discrimination includes "a refusal to make reasonable accommodations in rules, policies, practices or services if the accommodations may be necessary to afford the person equal opportunity to use and enjoy a dwelling." A.R.S. § 41-1491.19. The Complaint alleged that Defendant evicted the Complainants without evaluating whether the daughter's tenancy actually posed a safety risk, and did not consider any reasonable accommodations to eliminate any actual, unacceptable risk to safety because of her disability.

The State is seeking compensatory and punitive damages, as well as injunctive relief requiring Defendant to undergo AFHA training, institute policies and practices that provide equal housing opportunities for persons with disabilities to obtain reasonable accommodations, and undertake practices that require Defendant to undertake the appropriate assessment of safety risk before threatening eviction of persons with disabilities for purportedly posing risk to health and safety of other tenants.

Defendant denies that it violated the AFHA, and has argued that the daughter violated the lease and the Arizona Landlord-Tenant Act, which allows landlords to immediately terminate a tenancy when the landlord believes that the tenant poses a threat to the health, safety or property of the landlord or other tenants. The State counters, however, that evidence will show that Defendant did not immediately terminate the leases of non-disabled tenants who either sought emergency assistance after they had attempted suicide or whose suspected criminal activities prompted a call for service to the SPD from another tenant.

The case is scheduled for trial in March 2015.

- ***State of Arizona v. Old Concho Assistance Community Center, Inc., Civil Action No. CV2009-009839 (Superior Ct. of Maricopa Cnty) (filed March 26, 2009, consent decree entered June 22, 2009).***

The State filed a civil action against Defendant Old Concho Community Assistance Center, Inc. (“OCCAC”), an Arizona nonprofit corporation, alleging that OCCAC engaged in disability discrimination against a former tenant of OCCAC’s four-unit special needs housing development for persons with multiple chemical sensitivity located in Snowflake, Navajo County. Specifically, the State alleged OCCAC violated A.R.S. § 41-1491.19 of the AFHA by refusing to permit the Complainant, who has multiple disabilities, to make a disability-related reasonable modification of her unit at her expense in the form of raising the height of the sinks and counter tops of her unit. The State also alleged that OCCAC violated A.R.S. § 41-1491.19 of the AFHA by failing to adequately engage in an interactive process regarding Complainant’s requested modification.

The Complainant’s multiple physical disabilities made it difficult for her to stand or sit in one position for more than a few minutes, or to bend forward, squat, kneel. Although she did not use a wheelchair, the sinks and countertops in her unit were designed to be accessible to someone in a wheelchair and were two inches lower than the standard height for persons not in a wheelchair. Despite providing a letter from her physician outlining the reasons her disabilities made the modifications necessary, Defendant, through its attorney, refused to allow the requested modification because it stated the sinks and counters would have to be returned to the original design once she moved. Rather than permitting the modification, the Defendant’s attorney told her that she should consider that the unit may not be an appropriate residence for her.

The Complainant filed a housing discrimination complaint with the State Civil Rights Division. The Division conducted an investigation and made a reasonable cause finding of a violation of the AFHA due to failure to grant a reasonable modification and failure to engage in the interactive process adequately with respect to Complainant’s request. The parties were unable to settle the dispute through conciliation, leading the State to file a legal action.

The Defendant did not admit liability, but chose to settle the matter by Consent Decree to avoid the cost and uncertainty of litigation. Under the settlement, the Defendant agreed to pay Complainant \$4,000. It also was required to make substantial revisions to its policies and procedures, including to adopt an approved written policy and procedure for granting requests from persons with disabilities for reasonable accommodations or modifications; train a designated person to receive and respond to all requests for reasonable accommodations or modifications; and adopt an interactive process to determine a reasonable accommodation or modification for the requesting person’s disability if the requested accommodation or modification is not reasonable.

- ***George v. JGM Group, LLC, Civil Action No. 2:09-cv-01589-SMM (D. Ariz.) (filed July 31, 2009; settlement and dismissal June 1, 2011).***

The Plaintiff sued Arizona companies JGM Group, LLC, Trojan Air Services, Inc., and K-D Architects, LLC, for himself and on behalf of his minor son, who is disabled due to muscular dystrophy and requires the use of a wheelchair for mobility, for alleged violations of the accessibility requirements of the FHA and the AFHA. Defendants designed, constructed, own and operate an apartment complex, Village Sereno, in Glendale, Maricopa County. The complex consists of “covered multifamily dwellings” among more than 16 multistory apartment buildings, a leasing office, model apartments, and various common areas. The development was designed and constructed for first occupancy after March 13, 1991, the effective date of the accessibility and adaptive features required under the FHA and AFHA.

Plaintiff’s amended complaint, filed September 3, 2010, alleged that he toured the development as a prospective tenant in 2009 and encountered numerous barriers to accessibility for persons with physical and mobility disabilities. Relying on the regulations that implement the Fair Housing Amendments Act, 24 CFR § 100.205, and HUD’s Fair Housing Act Design Manual, the Plaintiff alleged multiple violations, including: lack of clear floor space for wheelchair approach to bathroom sinks in ground floor units; lack of clear floor space for wheelchair approach to kitchen sinks and cook tops in ground floor units; and thresholds of primary entry doors of ground floor units higher than maximum heights to permit wheelchair access. In a report dated March 5, 2010, Plaintiff’s expert identified 20 separate types of alleged FHA violations present at the property.

Plaintiff alleged that he and his son, and others similarly situated, had experienced actual damages including loss of the right to an opportunity to enjoy an accessible dwelling by Defendants’ discriminatory barriers to accessibility. Plaintiff sought monetary and injunctive relief including an order directing Defendants to remove existing barriers to access and to make the property accessible to and usable by individuals with disabilities as required by the FHA and AFHA.

Defendants JGM Group, LLC and Trojan Air Services, Inc. filed a third-party complaint against Project Engineering Consultants, Ltd. (“PEC”), alleging that PEC provided services related to the construction of the property, including drafting a plan for paving, grading, and drainage. The Defendants denied any liability but alleged that if they were to be found liable under the FHA and/or AFHA, then such damages were caused by actions or omissions of PEC and Defendants would be entitled to contribution for all or part of those damages from PEC. Specifically, Defendants claimed that PEC breached its duty of care if it is found that the thresholds of ground floor units violate the FHA and/or AFHA. PEC denied liability.

To avoid further cost and the uncertainty of litigation, the parties entered a settlement agreement and filed a stipulation of dismissal with prejudice, which was entered by the Court on June 1, 2011.

Issue 5: The extent of the protection afforded by the FHA against religious discrimination, for example a private housing provider who reserves its programs for persons of a specific religion; and local governments' failure to provide municipal services based on religious affiliation.

- ***Intermountain Fair Hous. Council v. Boise Rescue Mission Ministries*, 657 F.3d 988 (9th Cir. 2011) (on appeal from the D. Idaho Civil Action No. 1:08-cv-00205-EJL-CWD).**

Defendant, a non-profit Christian organization, operated a residential drug treatment program and two homeless shelters. Defendant did not charge a fee for its programs, but required all participants in its residential drug treatment program to be, or to desire to be, Christian. Residents were required to engage in a “wide range” of Christian activities including worship services, Bible study, public and private prayer, religious singing, and public Bible reading. Plaintiff Cowles participated in the drug treatment program. Before being admitted into the residential treatment program, staff told Plaintiff Cowles about the program’s rules and “intense, faith-based curriculum.” They also provided her with a copy of the program description. She was admitted into the program, and thereafter required to participate in religious activities. Plaintiff Cowles alleged that she was mistreated and retaliated against for not converting to Christianity. After being expelled from the program, Cowles filed a complaint with HUD alleging Defendant had discriminated against her because of religion. HUD determined that the FHA’s religious exemption permitted Defendant to reserve its program for Christians, so Cowles could not base a viable FHA claim on those activities.

Plaintiff Chinn stayed occasionally in Defendant’s homeless shelters. While Defendant accepts people of all faiths into its homeless shelters, Plaintiff Chinn alleged that Defendant showed preference to those that participated in its religious activities, for example letting those that had attended religious services eat first and hearing the staff making derogatory comments about other religions. Chinn also filed a complaint with HUD, similarly alleging religious discrimination in violation of the FHA. However, HUD found no reasonable cause to believe religious housing discrimination had occurred.

Plaintiffs, including a local fair housing council, then filed suit in the federal district court, alleging that Defendant engages in religious discrimination in providing shelter and residential recovery services, in violation of the FHA. The district court granted summary judgment to Defendant. Plaintiffs timely appealed.

On appeal, the Ninth Circuit considered the extent of the protection afforded by the FHA, against religious discrimination, specifically the antidiscrimination provisions found in § 3607(a) and § 3607(b).

Defendant argued § 3607(a) and § 3607(b) did not apply because Congress intended for those provisions to apply only in the context of selling and renting dwellings and Defendant provides its services at no charge. Second, Defendant argued that its homeless shelters do not fit the statute's definition of "dwelling" because its shelters are neither occupied as, nor designed or intended to be occupied as, residences because Defendant does not permit its guests either to stay there for a significant period of time or to treat the shelters as their homes. Defendant relied on authority from the Third and Eleventh Circuits, who held that, at a minimum, a "residence" is a place designed for occupants to treat as their home for a significant period of time. (HUD takes the position that § 3604(a) and (b) do apply to some situations in which a dwelling is neither sold nor rented, and if Defendant's guests stay long enough and treat Defendant's shelters enough like a home, then the shelters qualify as residences even under the reasoning of the other circuits.)

However, the Ninth Circuit expressed no opinion on the merits of Defendant's arguments about the proper scope of § 3604(a) and (b) and the proper definition of "residence" in § 3602(b), because the FHA's religious exemption permits the practices challenged by Plaintiffs in this case.

Although § 3604(a) and (b) of the FHA prohibit religious discrimination generally, § 3607(a) provides an exemption for religious organizations that want to limit access to their charitable services to people who practice the same religion and permits a religious organization to "limit[] the . . . occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, . . . unless membership in such religion is restricted on account of race, color, or national origin."

The Ninth Circuit found that Defendant's religious practices at issue easily satisfied these threshold requirements because no one disputed that Defendant is a bona fide Christian organization that does not restrict its membership on account of race, color, or national origin and no one disputed that Defendant operates its homeless shelters and drug treatment program for "other than a commercial purpose." In Cowles case, limiting occupancy to persons of the same religion, and in Chinn's case, giving preference to people of Defendant's religion, do not violate the FHA because such practices fall within the exemption provided in § 3607(a).

Accordingly, the Ninth Circuit affirmed the district court's ruling in favor of Defendant.

- ***State of Arizona v. NHP Villa, LLP*, Civil Action No. CV2007-008694 (Superior Court of Maricopa Cnty) (filed May 17, 2007, order of dismissal following settlement entered July 11, 2011).**

The State filed suit against Texas-based Hall Financial Group and related entities, which operated Villatree Apartments in Tempe, Maricopa County, for alleged violations of the AFHA against a family based on Complainants' race, national origin, and religion. In addition, Defendants and/or their agents retaliated against the family after Complainants engaged in protected activity opposing

Defendants' discriminatory acts. The Complainants are Arab, of Egyptian national origin, and Muslim. In 2006, the Complainants became tenants at Villatree Apartments.

The Complaint alleged that Defendants discriminated against the family because of race, national origin or religion by, among other things, (a) entering their apartment without authorization; (b) subjecting them to an unwarranted inspection of their apartment; (c) pressuring one of the family members to sign a money order that Defendants' had reason to know did not belong to her and using that signature as a pretext to have the family evicted from the Villatree Apartments; (d) prohibiting Complainants from speaking to other tenants; and (e) requiring all communications with Defendants' staff to be in writing only, in violation of A.R.S. § 41-1491.14(B). The Defendants' agent also made derogatory and threatening comments to the family in violation of A.R.S. § 41-1491.15, including a statement that: "This is our way. If you don't like it you can go back to where you came from," and that she would make their lives miserable in this state. The lawsuit also alleged that when the family complained about what they perceived to be discriminatory treatment at Villatree, the property manager retaliated by initiating eviction proceedings against them. Discovery revealed that the property manager reported the family to the FBI the day after they moved into Villatree, alleging that she suspected them of being involved in terrorism.

The Complaint sought compensatory and punitive damages for the Complainants and a civil penalty to vindicate the public interest for the alleged intentional discrimination.

Following discovery and dispositive motions, the Defendants agreed to a settlement. The aggrieved family received \$197,500 in compensation and the State Civil Rights Division received \$30,000 to enforce civil rights laws in Arizona. At the time, it was the largest settlement of a fair housing lawsuit in the Division's history.

- ***Cooke v. Town of Colorado City, Civil Action No. 3:10-cv-08105-JAT (D. Ariz.) (filed June 24, 2010; case terminated Sept. 4, 2014).***

The Cooke family moved to Colorado City, Arizona in 2008, which together with the adjacent city of Hildale, Utah, is called the "Short Creek" community. The two cities are located on the border of Arizona and Utah and are populated primarily by members of the Fundamentalist Church of Jesus Christ of Latter-day Saints ("FLDS"), followers of the self-proclaimed prophet Warren Jeffs. Following an automobile accident that left Ronald Cooke with severe physical and mental impairments, and desiring to live near friends and family in Colorado City, Mr. Cooke applied to the United Effort Plan Trust (UEP), which owns a significant portion of land in Short Creek, for suitable, affordable housing for himself, his wife, Jinjer, and their three children. Mr. Cooke is a former member of the FLDS. The UEP determined that Cooke was a trust participant due to the past contributions of his time and construction work that Cooke had made to improve UEP property. On or about February 11, 2008, Cooke entered into an occupancy agreement for the subject property with the UEP, the owner of the subject property.

When the family moved in, the city refused to hook up electricity, sewage and water services for their home. This was a significant problem for Ronald Cooke, whose disability requires the use of an electric breathing machine. The local governments eventually turned on the sewage and the electricity, but the family lived without running water for more than five years. The Cookes filed a civil action against the Cities and several related utility companies on June 24, 2010, alleging Defendants are controlled by the FLDS and discriminated against the Cookes by not providing them with water and other utility services; by intimidating, threatening, and interfering with the family's right to enjoy their home because of the families' religion; and by not accommodating the Mr. Cooke's disability.

The Attorney General for Arizona, Terry Goddard, sought to intervene as a plaintiff, to not only redress the injury sustained by the Cookes but also other persons like them who are not members of the FLDS, and reside on or have applied to reside on land owned by the UEP in Colorado City and seek to receive utility services from Defendants. The District Court of Arizona permitted the State of Arizona to join as a Plaintiff-Intervenor if the State agreed to dismiss its state action against the Defendants (Civil Action No. CV2010-020375, Maricopa County Superior Court). The Cookes and the State filed a joint second amended complaint against the Defendants on December 12, 2011, alleging unlawful discrimination claims under the Civil Rights Act (42 U.S.C. §§ 1981, 1982, 1983), the Federal Fair Housing Act (42 U.S.C. § 3601, et seq.), and the Arizona Fair Housing Act (A.R.S. §§ 41-1491.19, 1491.14(B), 41-1491.14(A), 41-1491.18, and 41-1491.35).

The amended complaint alleges that Defendants, in order to support the religious doctrines and aims of the FLDS, have denied non-members of FLDS utility services; have treated the governmental agencies that they control as arms of the FLDS religion; and have utilized the powers and resources of these municipal entities to attempt to exclude non-members of the FLDS, such as the Cookes, from the communities of Colorado City and Hildale.

As specific examples of discriminatory treatment, the amended Complaint alleges that Defendants told Cooke that he needed to have a building permit and inspections before Defendants would provide him with utilities for the subject property, while not requiring FLDS members to have a building permit and an inspection before receiving utilities services; Defendants told Cooke that he needed to have a new building permit to obtain utilities from Defendants for the subject property because the original building permit on the subject property had expired 180 days after construction ceased, while not requiring FLDS members to have a new building permit to obtain utilities service at their homes based on the 180-day building permit expiration rule; Defendants do not require FLDS members, due to the 180-day building permit expiration rule, to submit new construction plans, utility and construction submittals, and pay building permit and hookup fees before they can have Defendants' utilities service at their homes; Defendants do not treat building permits of FLDS members who live in unfinished homes as expired due to the 180-day building permit expiration rule; Defendants do not require FLDS members to pay new sewer impact fees

when a building permit has already been issued for their properties; and Defendants took no action on the Cookes' May and December 2008 applications to receive utilities for the subject property, but had not similarly failed to act on utility applications from FLDS members. As a result of Defendants' discriminatory failure and refusal to provide water and other utilities services to the Cookes at the subject property, Defendants made housing at the subject property unavailable to the Cookes in violation of A.R.S. § 41-1491.14(A), and the Cookes suffered physical pain, emotional distress, inconvenience, embarrassment, humiliation, denial of civil rights and monetary damages in an amount to be determined at trial.

The Complaint further alleged that Defendants retaliated against, interfered with, and intimidated Cooke for requesting a reasonable accommodation for his disability and for filing a fair housing complaint, which conduct is protected under the AFHA. The State found reasonable cause to believe that the Cookes and other non-FLDS persons who reside on or who have applied to reside on land owned by the UEP in Colorado City and seek to have water connections and other utilities provided by Defendants for housing on UEP property without regard to religion have been denied rights under A.R.S. §§ 41-1491.14 and 41-1491.18 of the AFHA by Defendants, and that denial of rights by municipal defendants raises an issue of general public importance.

The case went to trial, and on March 20, 2014, the jury returned a verdict in favor of the Cookes and the State. First, the jury found by a preponderance of the evidence that Defendants violated the FHA and the AFHA by discriminating against the Cookes in the provision of services or facilities because of religion. The jury found the damages to Ron Cooke to be \$650,000 and the damages to Jinjer Cooke to be \$650,000. Second, the jury found by a preponderance of the evidence that Defendants violated the FHA and the AFHA by coercing, intimidating, threatening, interfering with, or retaliating against the Cookes in the enjoyment of their dwelling because of religion. The jury found the damages to Ron Cooke to be \$1,950,000 and the damages to Jinjer Cooke to be \$1,950,000. Third, the jury found by a preponderance of the evidence that Defendants violated the Arizona Fair Housing Act by engaging in a pattern or practice of resistance to the full enjoyment of rights granted by the Act.

On June 13, 2014, the Cookes filed notice with the court that they had settled their individual claims with Defendants through a confidential Settlement Agreement.

The Court entered judgment in the case on September 4, 2014, agreeing with and adopting the jury's findings as its own. The Court's order determined the appropriate relief to grant to the State for its success on its claims at trial. Considering the finding that Defendants have engaged in a pattern or practice of resistance to rights protected under the Arizona Fair Housing Act, the goal of deterring Defendants from continuing this pattern or practice, and the serious injury caused by Defendants (as evidenced by the jury's finding that the Cookes sustained \$5.2 million in injuries), the Court ordered the maximum civil penalty of \$50,000 against each Defendant to vindicate the public interest.

As to equitable relief, the Court considered the State's request for a permanent injunction that mandates, in part, the disbandment of the Colorado City Marshal's Office and the Hildale City Police Department, the replacement of these law enforcement agencies with county sheriffs, the appointment of a monitor to observe and report on Defendants' activities, training for Defendants' employees concerning discrimination, and the securing of new water sources. However, the Court found that the State's proposed relief, if granted, would burden both Defendants and the State with a layer of bureaucracy extending into potential perpetuity. Instead, the Court ruled to permanently enjoin Defendants from discriminating on the basis of religion in performing their official duties and from retaliating against the Cookes or any witnesses. The Court also granted the State its reasonable attorneys' fees and taxable costs because the State prevailed on all claims and an award of fees and costs is necessary to deter such conduct in the future both by Defendants and by others who would engage in discrimination.

The Court retains jurisdiction in this case for ten years to enforce the injunctive relief.

The U.S. Department of Justice filed a related lawsuit in U.S. District Court of Arizona against these same defendants in June 2012.

- ***United States v. Town of Colorado City, Civil Action No. 3:12-cv-08123-HRH (D. Ariz.) (filed June 21, 2012).***

On June 21, 2012, the United States Department of Justice filed a civil complaint in the District Court of Arizona against the adjoining towns of Colorado City, Arizona and the City of Hildale, Utah (the "Cities") and the Cities' water and power utilities. The Cities are located on the border of Arizona and Utah and are populated primarily by members of the Fundamentalist Church of Jesus Christ of Latter-day Saints (FLDS), followers of the self-proclaimed prophet Warren Jeffs. The complaint alleges that the Cities, their joint police department, and local utility providers under the Cities' control have allowed the FLDS Church to improperly influence the provision of policing services, utility services, and access to housing and public facilities, and that this improper influence has led to discriminatory treatment against non-FLDS residents. The U.S. alleges a pattern or practice of police misconduct and discrimination based on religion in violation of the Fair Housing Act (42 U.S.C. §§ 3601 *et seq.*), the Violent Crime Control and Law Enforcement Act (42 U.S.C. § 14141), and Title III of the Civil Rights Act of 1964 (42 U.S.C. § 2000b). This is the first lawsuit by the DOJ to include claims under both the FHA and the Violent Crime Control and Law Enforcement Act.

Specifically, the complaint alleges that the Colorado City Marshal's Office (CCMO), the Cities' joint police department, routinely uses its enforcement authority to enforce the edicts and will of the FLDS; fails to protect non-FLDS individuals from victimization by FLDS individuals; refuses to cooperate with other law enforcement agencies' investigations of FLDS individuals; selectively enforces laws against non-FLDS; and uses its authority to facilitate unlawful evictions of non-FLDS, among other unlawful conduct. As in the *Cooke* lawsuit, the complaint also alleges that Defendants have denied or unreasonably delayed providing water and electric service to non-FLDS residents,

and that the municipalities refuse to issue building permits and prevent individuals from constructing or occupying existing housing because of the individuals' religious affiliation.

The DOJ brought this action because the local governments were allegedly targeting individuals based on their religious affiliation and, according to the Assistant Attorney General for the Civil Rights Division, governments "may not favor one religious group over another and may not discriminate against individuals because of their religious affiliation." The Complaint seeks a court order prohibiting future discrimination by the defendants, monetary damages for those harmed by the defendants' actions, and a civil penalty.

The government's Complaint survived motions to dismiss by various defendants, and as of October 29, 2014, the case was still in the discovery phase with depositions of witnesses being scheduled.

Impediments & Recommendations

In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.⁵¹ Throughout this assessment various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the quality of jobs available) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute impediments. Even some affordable housing-related issues (e.g. low credit scores leading to denial of apartment rental applications) fall short of classification as impediments to fair housing choice.

For this analysis, qualitative data received in the form of input from interviews and community meetings was combined with quantitative data from the U.S. Census and from the many other sources consulted. In some cases, the quantitative data collected from a single source was clear and compelling enough on its own to indicate the existence of an impediment. In other cases, and particularly with the use of qualitative data, the cumulative effect of a comment or criticism repeated many times over in many different settings was sufficient to indicate a barrier. Sometimes a weak or inconclusive correlation of quantitative data from one source could be supported by public comments and input or data from another source to constitute an impediment.

In this section, the impediments identified are summarized with supporting examples noted. Each impediment listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, the related barrier. It should be noted that these barriers are largely systemic and will require effort from both private sector and public sector actors to correct.

Impediment# 1: Lack of Awareness of Fair Housing Laws

As expressed in the Phoenix Fair Housing Survey, a substantive number of persons, 17.8% of survey respondents reported that they did not know their fair housing rights. Additionally, 9.4% of survey respondents also reported they had experienced housing discrimination. Of those respondents, 56.2% reported being discriminated against by a land lord or property manager, (25%) reported discrimination by a City official, (15.7%) reported discrimination by a mortgage lender, and (12.5%) reported discrimination by a real estate agent.

However, only 11.4% of those experiencing discrimination filed a report. Of the respondents who reported that they did not file a fair housing claim, 17.3% noted they were not sure what good filing a report would do because they did not know that the discrimination was a legal violation; 43.1% were not sure of where to file a complaint, and 8% of respondents noted they did not file a complaint because of fear of retaliation. The common perception is that individuals with more knowledge are

⁵¹ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

Recommendations:

The City should consider annually reserving a portion of its CDBG public service funds to be awarded as a competitive Fair Housing Grant to an organization that will carry out a focused fair housing education program in the area. As a component of the Fair Housing Grant, the successful applicant should collaborate with the assigned HUD Office of Fair Housing and Equal Opportunity and/or with other local fair housing advocacy organizations to develop an appropriate fair housing training curriculum and education program.

The City should also continue to work with local nonprofits and fair housing agencies to implement a fair housing education program designed to increase understanding of fair housing and the dynamics of the local housing market among home seekers (buyers and renters) and housing industry stakeholders. Additionally, fair housing training should be made mandatory for City staff, subrecipients, and any other entities the City may contract with under its CDBG program.

Impediment# 2: Age and Condition of Housing Stock

According to the analysis included in this AI the age of City's housing stock is an impediment to fair housing in the Phoenix. Approximately 45.8% of Phoenix's housing stock was built before 1979 and 16.5% was built before 1950. The age of the housing stock creates impediments to fair housing for several reasons. It means the housing is generally in greater need of repair and expensive to operate, repair, and to maintain in good condition for both homeowners and rental property owners. The data in this Analysis indicates that City of Phoenix residents living below the poverty level are more likely to occupy older housing stock. Phoenix residents living below the poverty line are twice as likely to live in housing stock built between 1940-1949 and 1939 or earlier.

The cost of maintaining older housing represents a barrier to homeownership for low and moderate-income buyers. The age of the housing stock is also an impediment to fair housing for those with physical disabilities in that older housing is likely to contain physical barriers such as steep stairs, narrow passages and doorways, and small room sizes. The cost of making older housing accessible for those with disabilities limits the supply and availability of appropriate and affordable housing for many, especially those with limited income.

Recommendations:

The City of Phoenix must actively work to address the need for decent and affordable housing by prioritizing federal grant funding to address and remove barriers to accessibility in the city's rental

and owner housing stock to the extent that resources allow. Promote a greater degree of compliance with laws governing accessibility features of newly constructed and substantially rehabilitated buildings. Expand the number of accessible, affordable units available in the City. Additionally, the City should develop training workshops for design professionals and city staff on the topic of accessibility features and provide support to install or improve accessibility features in older housing.

Impediment# 3: Unequal Distribution of Resources

A notable number of respondents (16.71%) reported that public transit did not provide access to major employment centers. Respondents were asked if public transit was provided during their work hours and 15.53% reported no. Several stakeholders reported uneven distribution of parks and recreational facilities with low-income neighborhood having less amenities are facilities with high criminal activity causing safety to be an issue. Residents reported that schools in lower-income neighborhoods performed poorly and research into educational attainment showed high school dropout rates. Residents also indicated that lack of public transit from low-income neighborhoods into neighborhoods with higher performing schools makes it difficult for students from low-income neighborhoods to attend better schools.

Recommendations:

The City of Phoenix should work to expand public transit in low-income neighborhoods by increasing routes and hours especially targeting the creation of routes into major business centers and areas with high performing schools and centering transit hours around typical work hours. The City should also examine expanding public safety education and resources around parks and recreational facilities. The City should collaborate with local non-profits to provide services, such as after school and recreational programming.

Impediment #4: Disparities in Mortgage Lending

An analysis of 2013 Home Mortgage Disclosure Act (HMDA) data for City of Phoenix census tracts shows that minority applicants for home purchase loans were denied mortgages more frequently than non-Hispanic Whites. Black applicants who completed loan applications were denied mortgages 1.5 times as frequently as Whites, and Hispanic applicants were denied 1.6 times as often. While these disparities may arise from legitimate factors such as differences in debt-to-income ratio, credit history, collateral, or credit applications, they still have the effect of limiting housing choice for racial and ethnic minorities in the City of Phoenix.

In addition to facing higher denial rates, minorities in Phoenix were also less likely to apply for home purchase loans than Whites. In 2013, the majority of loan applicants in Phoenix were White (69.2%), about one-fifth (22.6%) were Hispanic, and 2.8% were Black. In comparison, Phoenix's population was 45.1% White, 41.3% Hispanic, and 6.6% Black in 2013, according to ACS estimates. Like loan application outcomes, the rates at which members of each racial/ethnic group apply for

mortgages are likely affected by income, credit history, collateral, and other financial factors. However, varying levels of access to banks, information about loan products, and knowledge about the home buying process may also affect application rates, and form an impediment to housing choice for minority residents in Phoenix.

Recommendations

Patterns of lending disparity revealed in the HMDA data should be studied further to determine whether discrimination is taking place. While HMDA records include loan outcomes, reasons for denials are not required to be reported, nor does the data capture instances of discrimination that may lead an applicant to withdraw or not complete their application. These data limitations require an alternate means of further study. Specifically, fair housing testing of mortgage lenders, either through the City's Equal Opportunity Department or through a local fair housing organization, should be conducted to further evaluate potential impediments to fair housing.

Impediment #5: Location of Affordable Housing

HUD's picture of subsidized households shows that, relative to Phoenix's overall population, members of several protected classes are overrepresented as residents of public housing and housing choice voucher holders. Black residents, disabled persons, female householders, and households with children all make up larger shares of the subsidized housing population than they do of the city's population as a whole. It follows that the availability and location of affordable housing units, including units that accept vouchers, are more likely to affect the housing choices of these protected classes. Further, the degree to which affordable housing is located in areas with access to community resources such as quality schools, transit options, and job opportunities is also more likely to impact these groups.

Looking at the location of subsidized housing (including housing choice voucher holders, public housing, and Low Income Housing Tax Credit units) shows that the largest shares of these units are in and around the Central City and southern Phoenix, with limited affordable housing in northern Phoenix. However, HUD-defined opportunity indices indicate that the Central City and areas to its south and west have some of the lowest opportunity levels in city in terms of poverty, elementary school proficiency, and labor market engagement. Stakeholder input supports this finding, with several interviewees suggesting that school quality varies considerably by neighborhood, along with access to other community resources such as quality grocery stores. Being that protected classes make up a disproportionate share of subsidized housing residents, they are more likely to reside in the low opportunity areas where this housing is located.

Recommendation

Addressing access to community resources relative to the location of affordable housing can take a two-pronged approach. As noted in impediment #3, the City of Phoenix should focus on improving the distribution of resources to adequately cover all areas of the city. Additionally, the City should

develop a strategy for the development of new affordable housing, including identifying target areas where the number of subsidized housing units could be increased. The City should communicate this strategy to developers and nonprofit partners, and give funding priority to projects that fall in line with it.

To expand areas where housing choice vouchers can be used, the City should encourage landlords to accept vouchers by providing information about the program and, potentially, incentives for participating. The City should also make housing choice voucher holders aware of the availability of units in other areas of the city, and potentially partner with local nonprofit organizations to provide additional information or assistance to households who wish to move.

Conclusion

Through this Analysis of Impediments to Fair Housing Choice, several barriers have been identified that restrict the housing choice available to residents of the City of Phoenix. These barriers may prevent residents from realizing their right to fair and equitable treatment under the law. It is imperative that residents know their rights and that those providing housing or related services know their responsibilities. The City will work diligently toward achieving fair housing choice for its residents using the recommendations provided here to address the identified impediments. However, it should be noted that these impediments are largely systemic and will require effort from both private sector and public sector actors to correct. The City has an important role to play but cannot on its own bring about the change necessary to remove these impediments to fair housing choice.

The recommendations proposed in this document address impediments relative to the need for fair housing education, the age of housing stock, unequal distribution of resources, disparities in lending practices, and location of affordable housing. Implementation of the recommendations can assist the City in achieving the reality of an open and inclusive region that truly embraces fair housing choice for all its residents.