

CITY OF TUCSON AND  
PIMA COUNTY CONSORTIUM

2015

Analysis of Impediments to  
Fair Housing Choice



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# Introduction

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## Purpose

As a requirement to receive Community Development Block Grant (CDBG) funding, the United States Department of Housing and Urban Development (HUD), Fair Housing and Equal Opportunity Division (FHEO), requires entitlement jurisdictions to Affirmatively Further Fair Housing (AFFH) in order to carry out the full intent of federal fair housing legislation. Part of this requirement involves developing an Analysis of Impediments to Fair Housing Choice (AI) to guide the jurisdiction's Consolidated Plan and policies. The City of Tucson and Pima County are a CDBG Entitlement Jurisdiction and has authorized SWFHC to complete the AI. The City of Tucson and Pima County are completing their AI as a single document to address fair housing concerns in a regional and cohesive way. The current AI requirements dictate that grantees:

- Complete or update their AI pursuant to HUD's Fair Housing Planning Guidebook every three to five years in coordination with the Consolidated Planning Process.
- Use the results of the AI study to develop a 'Fair Housing Plan' with measurable "actions to be taken to overcome the effects of any impediments" and take those appropriate actions.
- Maintain records, including the AI study, of actions taken to implement the Fair Housing Plan.

The City of Tucson and Pima County are a part of a consortium that receives entitlement funds and collaborates to conduct their AI process. This AI will analyze the current state of fair housing using a variety of sources, identify new and ongoing impediments to fair housing within Pima County and the City of Tucson's jurisdictions, evaluate the efficacy of the 2009 Plan of Action and develop a new Plan of Action to address the current impediments.

HUD is currently in the process of developing new AI requirements to improve the "structure and process whereby HUD would provide these program participants with guidance, data, and an assessment template from which they would complete an assessment of fair housing (the AFH)."<sup>1</sup> Because these requirements have not been finalized as of the start of this AI study, this report will not follow these guidelines. Instead, it will follow the AI guidelines in the Fair Housing Planning Guide from HUD.<sup>2</sup> It can be assumed all future AI work for Pima County and the City of Tucson will be required to follow the new guidelines.

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1 [http://www.huduser.org/portal/affht\\_pt.html](http://www.huduser.org/portal/affht_pt.html)

2 <http://www.hud.gov/offices/fheo/images/fhpg.pdf>

## Definition of Impediments to Fair Housing Choice

Through its policies, enforcement tools, and grantees, HUD is “committed to eliminating racial and ethnic segregation, illegal physical and other barriers to persons with disabilities and other discriminatory practices in housing.”<sup>3</sup> The Federal Fair Housing Act (FHA) protections extend beyond overt acts of housing discrimination, requiring jurisdictions that receive CDBG funds to AFFH through their neighborhood standards, planning, and enforcement of fair housing laws.

The AI process is a key step in AFFH for entitlement jurisdictions. The data analysis and research that makes up the AI is used to identify impediments to fair housing choice within the jurisdiction. HUD defines impediments to fair housing choice as follows:

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

## Pima County/City of Tucson Fair Housing Goals

The consortium’s goals in developing this AI and implementing its Plan of Action are consistent with HUD objectives in requiring CDBG jurisdictions to affirmatively further fair housing and include the following:

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

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3 <http://www.hud.gov/offices/fheo/images/fhpg.pdf>

- Increase cooperation between public and private agencies in promoting public awareness of fair housing issues.
- Educate the public on fair housing issues.
- Effectively enforce fair housing laws.
- Increase community awareness and promote equal housing opportunity and fair housing choices in the community.

## Methodology

The Tucson/Pima County Consortium contracted the Southwest Fair Housing Council (SWFHC) to draft this AI. Pima County and the City of Tucson reserve the right to make final edits.

SWFHC is a non-profit, private fair housing organization dedicated to eliminating housing discrimination and promoting fair housing choice for all people. SWFHC has been contracted to write AIs for several jurisdictions and maintains staff with expertise in such reports.

SWFHC collected information and data for this AI using the following sources:

1. Reports and studies conducted and provided on a local, state, and national level.
2. Interviews with several individuals knowledgeable about housing issues in the area. The interviews consisted of structured and open-ended questions.
3. A survey of approximately 54 Pima County residents.
4. Newspaper articles and periodicals.
5. Data from public and private agencies including HUD, the State Attorney General's Office, Civil Rights Division (AG), Tucson and Pima County..
6. Discussions in the context of training sessions for housing providers by SWFHC staff.
7. Results of SWFHC enforcement investigations and complaints.
8. Census and American Community Survey Data

# Fair Housing Legal Status

## History of Fair Housing Legislation

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

## Fair Housing Legislation and Policies

### Arizona Fair Housing Law

The Arizona Fair Housing ACT (AFHA) of 1991 (ARS § 41.1491) provides the same substantive protections as the FHA; however, it provides different procedures for the administrative complaint filing process. The ACT also amended the Arizona Landlord and Tenant Act to bring it into compliance with the State Fair Housing Statute. Because the AFHA is essentially the same as the FHA, the State's law has been federally designated as "substantially equivalent." As a result, under the Federal Fair Housing Assistance Program (FHAP), HUD contracts with the Arizona Attorney General's Civil Rights Division to investigate and rule on fair housing cases on its behalf. Because of this, virtually all complaints that are submitted by HUD and

originate within Pima County and Tucson, are processed by the AG's office.

### Tucson Fair Housing Law and Enforcement

The Tucson City Code has a fair housing ordinance with a few significant differences from the federal Fair Housing Act (FHA). The code includes all federally protected classes as well as age, marital status, sexual orientation, and ancestry. Fair housing complaints regarding protected classes not included in the FHA must be bona fide and must be filed directly with the city. Individuals cannot use private attorneys. A person found responsible for a first time offense is fined a minimum of \$300, but not more than \$2,500; a fine of at least \$600 but not more than \$2,500 is assessed for a second violation; and a third infraction receives a fine of at least \$900 and again, not more than \$2,500.

Because of the advantages of federal and state fair housing laws, except for the four classes protected by the city and not FHA, the vast majority of complainants choose to file their complaints through HUD, the Arizona Attorney General's Office or Southwest Fair Housing Council (SWFHC). Pima County does not have a fair housing ordinance and defers to the state fair housing statute. All allegations of illegal housing discrimination are referred to SWFHC or the Attorney General's Office. Enforcement of Tucson's Fair Housing Ordinance is important because it serves as another tool to combat housing discrimination, it further dissuades housing providers from discriminating, and it protects four classes of people that are not protected under federal or state fair housing laws.

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

Though the above stated official guidelines are in place to receive and process fair housing complaints through the city under Chapter 17, it is very difficult for the average resident to find this information and navigate the complaint process. Very few people would know to look for and find the Tucson City Code and then locate the section regarding housing discrimination. Furthermore, the code refers to the "Equal Opportunity Office (EOO)." However, the EOO is now the "Equal Opportunity Programs Division of Human Resources Department (EOPD)." The EOPD website does include information about housing discrimination complaints under Chapter 17. It also includes a downloadable complaint form that requires a notarized signature. To the City's credit, it has added four protected classes not covered by the federal Fair Housing Act. However, finding information about the added protections under City Code and understanding and following the process to file a complaint is challenging. There is very little, if any, publicity about the city's added protected classes or complaint process. Downloading and printing out the complaint form, notarizing a signature, and finally returning the completed and notarized form presents several barriers, especially for the city's most vulnerable residents. This likely contributes to the fact that city has processed virtually no fair housing complaints under its code.

To assess how the average person with a fair housing complaint in the city of Tucson would navigate the process, SWFHC conducted a series of tests. First, SWFHC made 18 phone calls to organizations and agencies within the city of Tucson and Pima County. The details of these calls can be found on page 46; however out of all calls, no tester was referred to the city of Tucson or the EOPD to process a fair housing complaint.

Additionally, SWFHC conducted two tests of the city attorney's office because SWFHC was itself under the impression that the city attorney processed housing discrimination complaints under the City Code. It was only later that SWFHC was directed to the EOPD and discussed the complaint process with staff from that office. In the first test, the tester went to the city attorney's office and stated she wanted to speak with someone about a housing issue. The staff person told the tester she had the wrong office and that the city attorney does not deal with public housing. When the tester stated she was not in public housing, the staff person told her she could file a complaint with the AG's office, but that she did not have any details on the types of complaints filed there. When the tester asked what the city attorney's office does, the staff person stated that they only dealt with city departments and not the public. In the second test, the tester called the office and stated he was in a same sex marriage and that an apartment said they would not rent to him. The tester was referred to the Arizona Attorney General's office. The tests demonstrated that the city attorney staff that the testers interacted with did not know to direct housing discrimination cases to the EOPD.

## Proposed Rulemaking on Affirmatively Furthering Fair Housing

Jurisdictions that receive CDBG funds such as Pima County and Tucson are currently required to complete an Analysis of Impediments to Fair Housing Choice (AI) and affirmatively further the purposes of the FHA. In July 2013, concerns over the implementation of AI recommendations and the true use of CDBG funds to further the FHA led HUD to

propose an improved structure and process for meeting this obligation. HUD intends to provide program participants with “guidance, data, and an assessment template from which they would complete an assessment of fair housing (the AFH).”<sup>4</sup> The AFH would replace the current AI. Since HUD’s proposed rulemaking is still under review, it does not apply to this current document, but will presumably apply to all future fair housing assessments by Pima County and the City of Tucson.

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

Though the City of Tucson currently protects individuals on the basis of their sexual orientation and gender identity, those protections are not available in the rest of Pima County. Currently FHA does not cover sexual orientation or gender identity, however, in recent years HUD has issued several statements affirming that LGBTQ individuals still have protections under FHA. For example, if a transgendered individual is denied rental housing “because of the prospective tenant’s non-conformity with gender stereotypes, it may constitute illegal discrimination on the basis of sex under the Fair Housing Act.”<sup>5</sup> Additionally, as of January 2011, HUD initiated a rulemaking “in an effort to ensure that HUD’s rental housing and homeownership programs remain open to all eligible persons regardless of sexual orientation, gender identity, or marital status.”<sup>6</sup> This rule protects individuals who are participating in HUD funded rental housing programs and in acquiring any HUD insured (FHA) loans.

In October 2014, a federal judge determined that a ban on same-sex marriage was unconstitutional, effectively allowing same sex couples to legally marry. Arizona is the 31st state in the country to do so.<sup>7</sup> This legal change will most likely continue raising LGBTQ fair housing concerns, as now married couples seek rental housing, home loans, insurance, and engage in other housing transactions.

4 [http://www.huduser.org/portal/affht\\_pt.html](http://www.huduser.org/portal/affht_pt.html)

5 [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/LGBT\\_Housing\\_Discrimination](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/LGBT_Housing_Discrimination)

6 <http://portal.hud.gov/hudportal/documents/huddoc?id=12lgbtfinalrule.pdf>

7 <http://www.azcentral.com/story/news/arizona/politics/2014/10/17/arizona-gay-marriage-ruling/17431229/>

## Accessible Housing Regulations

Pima County has a progressive Inclusive Design Ordinance for new construction which will be extremely beneficial in ensuring accessible housing for persons with disabilities into the future. The ordinance provides a platform of minimum accessibility features in all new homes, recognizing that adding these features to a home as it is being constructed is far less costly than retrofitting an existing home. The required features add no more than \$100 to the cost of a new home built in Pima County.

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

Requiring that this be done during the construction phase also has the benefit that it prevents potential future fair housing complaints and disability discrimination potential that arise from requesting a modification as a reasonable accommodation for a disability. These issues are some of the most common fair housing complaints and are often the most difficult to resolve. Construction implementation also insures that those who are unaware of their right to ask for an accommodation can still benefit from accessible design.

## Colonias

Colonias are defined by HUD as rural communities located within 150 miles of the U.S./Mexico border that lack sewer, water or decent housing or a combination of all three. Pima County has fifteen USDA designated colonias. Colonias started to develop in the 1950s and are generally unincorporated and lack many basic necessities and infrastructure, such as water, sewer, and electric. The average income of people living in colonias is 5,000 dollars per year. Eighty-five percent of colonias residents are U.S. citizens and ninety-seven percent are Hispanic.

Several programs are available to assist individuals living in colonias administered through Pima County, the city

of South Tucson, Habitat for Humanity, the International Sonoran Desert Alliance, and the town of Marana. HUD is currently proposing a change to its 2016 CDBG budgetary guidelines, allowing jurisdictions to designate up to 15 percent of their CDBG funds towards community development and affordable housing.<sup>8</sup>

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8 [http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-015](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-015)

# Jurisdictional Background Data

## Preface

In the tables that follow in this section (Jurisdictional Background Data), the information is drawn from the 2013 American Community Survey (ACS) unless noted otherwise. The ACS is an ongoing survey that is conducted annually by the United States Census Bureau. The data is regularly used by government agencies to plan investment and services in communities. This is the most up to date and accurate information that is available to SWFHC staff. General population data has been organized largely by entitlement jurisdiction. The major areas reviewed are the City of Tucson and Pima County outside of Tucson since the City is its

own entitlement jurisdiction and must be looked at separately. Since the ACS does not have the ability to pull data for Pima County without Tucson included, all data for Pima County outside of Tucson was calculated by taking Pima County's statistics and subtracting the population of Tucson from their totals. When referring to Pima County in this section this is generally meant to refer to the County without the City of Tucson included. By examining the information in this way we can determine if trends are consistent throughout the region or if there is greater disparity between communities within the county.

# Geography

Pima County, Arizona covers 9,189 square miles in southern Arizona and is home to 996,554 people. It is bordered by Santa Cruz, Cochise, Graham, Pinal, Maricopa, and Yuma Counties. To the south it also borders the state of Sonora, Mexico. Nearly 85% of land in the county is federal, state, or Native American owned.<sup>9</sup> The San Xavier, Pasqua Yaqui, and Tohono O'odham Indian reservation make up 42.1 percent of land in the county. The majority of the population is centered in the eastern cities of Tucson (520,116), South Tucson (5,696), and the towns of Oro Valley (41,627), Marana (38,290), and Sahuarita (26,879). Tucson and South Tucson are the oldest jurisdictions in the County, with the city of Tucson being incorporated in 1877. At that time, its total land area was two square miles, but it has since grown to be over 227 square miles and is the center of a metropolitan area spanning over 400 square miles.

Pima County's border with Mexico is one of the most influential geographic considerations which has a significant impact on fair housing. Pima County was part of Mexico until the United States acquired it through the Gadsden Purchase in 1854. Many Hispanic residents of Pima County trace their roots back several generations, and sometimes as far back as when Mexico was still a part of the Spanish Empire. Pride in Mexican history and cultures is strong in Pima County and has been a source of reaction, resentment, and bias by some residents because it is seen as "un-American." In some cases this rationale has reinforced existing prejudices and led directly to acts of illegal housing discrimination.

Additionally, the U.S. Mexican Border inspires explosive political debates, often resulting in negative representations of the Hispanic community, which influences fair housing and people's views of the Hispanic community as a whole. Another factor greatly affected by Pima County's proximity to the Border is that it is long and difficult to secure. This contributes to high volumes of illegal entrants crossing through the Tucson Sector

of the Border. Illegal immigration, drugs, and crime are all major issues in Pima County and housing is interwoven with these issues in many ways. Though there are legitimate concerns by Pima County residents regarding the health and safety of their families, there are times when these concerns cross into irrational racial and ethnic generalizations and stereotypes and have led to illegal housing discrimination.



# Population

The population of Pima County lies just under one million people at an estimated 996,554 residents as of July 1st, 2013. The City of Tucson contains an estimated 526,116 residents which comprises approximately 52% of the population of the county and has a huge impact on the demographic makeup of the region.

Tucson is currently the second largest city in the State of Arizona and 33rd largest city in the United States.

The trend in residential development since 1970 shows more growth in suburban Pima County than within the city limits of Tucson. In 1970, 75 percent of the residents in Pima County lived in the city limits of Tucson. By 1995, it had decreased to 58 percent. As stated previously, Tucson currently comprises 52 percent of the population of Pima County.



Photo by Bill Morrow

## Selected Household Characteristics

When comparing Tucson and the surrounding areas in Pima County the statistics show areas that are similar in population size, number of housing units, and total number of households while being very different in their makeup. Pima County is older, more educated, and more affluent when compared to Tucson. Pima County has a higher rate of family households and married-couple families. Some of these disparities might be closely tied to one another as incomes generally tend to rise as people age and advance in their careers.

	Pima County outside Tucson	Tucson
Population (2013 ACS 5-Year Estimate)	463,613	523,278
Median Age	42.6*	33
Number of Companies	33,758	42,095
Percent high school graduate or higher	90.70%	84.10%
Bachelor's Degree or Higher	14.66%	10.63%
Total housing units	211,723	231,237
Median Household Income	\$56,000*	\$37,032
Foreign Born Population	10.19%	15.04%
Individuals below poverty level	12.43%	25.20%
With any disability	12.98%	13.89%
No disability	87.02%	86.11%
Total households	180,688	203,353
Family households	69.18%	55.58%
Married-couple family	55.43%	34.60%
Nonfamily households	30.82%	44.42%
Occupied housing units	85.34%	87.94%
Vacant housing units	14.66%	12.06%
No vehicles available	4.27%	12.20%
1 vehicle available	34.39%	42.90%
2 vehicles available	41.56%	32.00%
3 or more vehicles	19.78%	12.90%

\*Approximate figures calculated from census summary data

Table 1 - Selected Household Characteristics

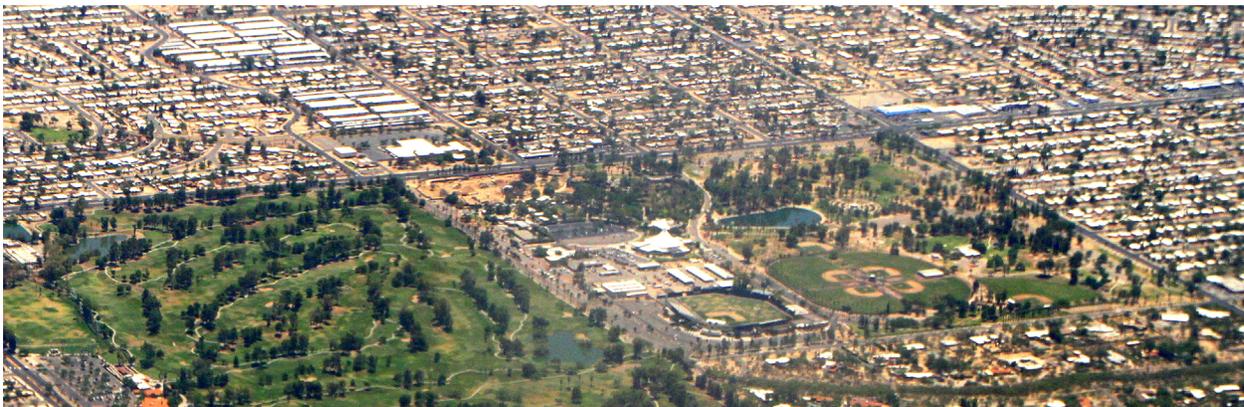


Photo by Bill Morrow

## Age Distribution

The City of Tucson trends much younger than the rest of Pima County as well as the country as a whole. Some of this can be attributed to the student population attending the University of Arizona located within the City. The University has a student population of over 40,621 which calculates to be 7.76% of the City's population.<sup>10</sup>

Projections forecast that the median age of the population of Tucson will continue to remain significantly below the national average while the proportion of the population of persons over 65 years in Pima County continues to increase.

Currently 20 percent of the population of Pima County outside of Tucson is over the age of 65. Within Tucson age is considered a protected class so there could be potential for discrimination based upon these demographic changes.<sup>11</sup>

The growing disparity between these populations increases the challenges to fair housing in Pima County. As the population in the County continues to age the frequency of disability rates increase which has the potential to put additional demand on accessible housing stock.

10 [http://factbook.arizona.edu/2013-14/at\\_a\\_glance](http://factbook.arizona.edu/2013-14/at_a_glance)

11 [http://www.tucsonaz.gov/files/oeop/Notice\\_of\\_NonDiscrim\\_Chap17\\_Revised\\_2013.pdf](http://www.tucsonaz.gov/files/oeop/Notice_of_NonDiscrim_Chap17_Revised_2013.pdf)

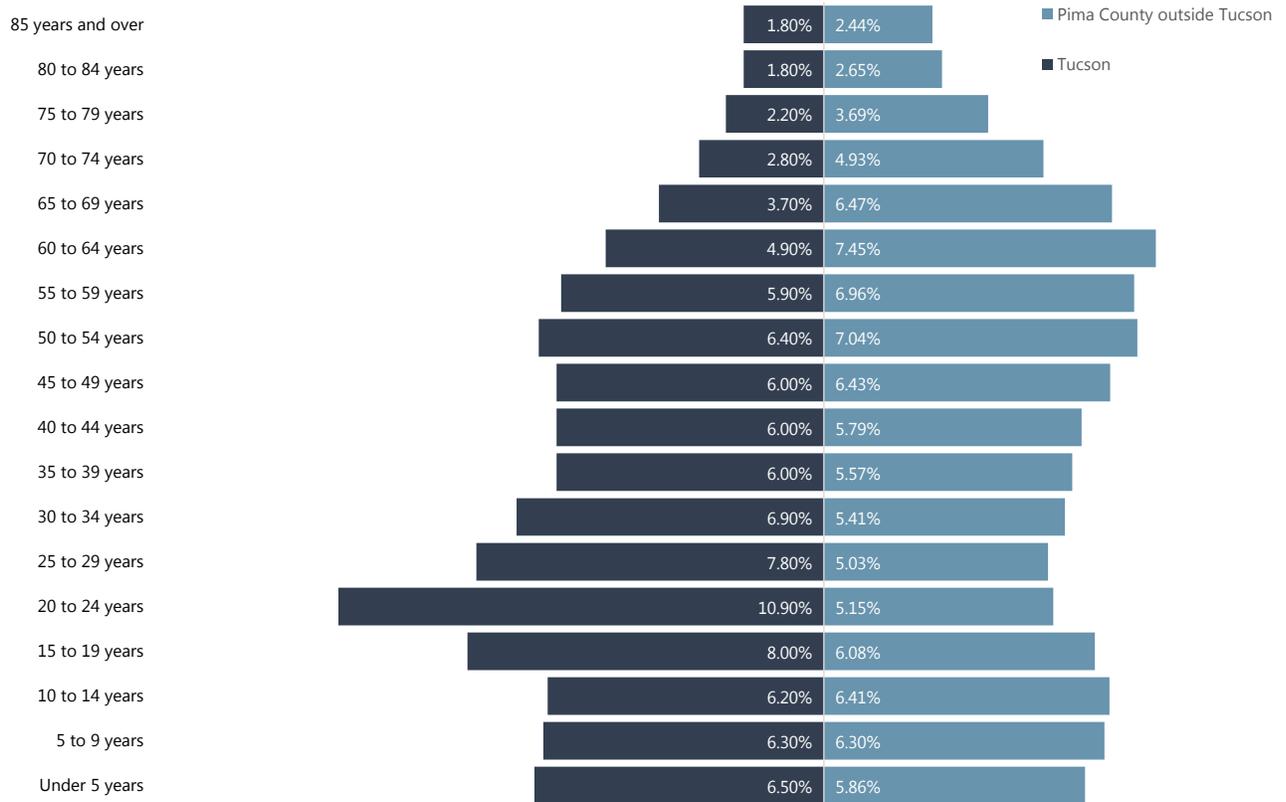


Figure 1 - Tucson and Pima County Age Tree

# Demographic Characteristics

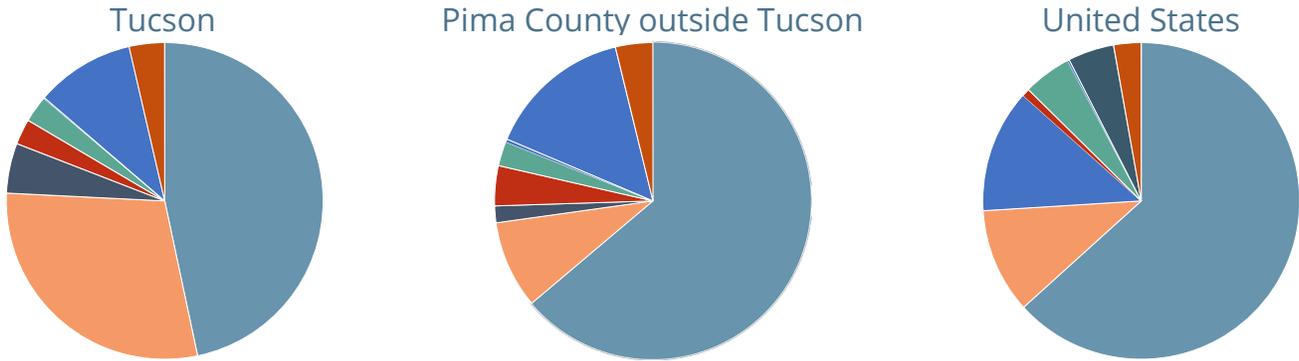


Figure 2 - Racial demographics of Tucson, Pima County and United States

## Racial Composition

Key

- White Alone
- Hispanic (White)
- Black or African American
- American Indian and Alaskan Native
- Asian
- Some Other Race
- Two or more races

The racial characteristics of Tucson and Pima County are expectedly similar with Tucson having a higher African American population while Pima County having a higher American Indian population. While racial characteristics are comparable there is a significantly higher rate of minorities in Tucson due to the high Hispanic population. The non-minority population in Tucson is 46.65% compared to 63.76% in Pima County. In both Tucson and Pima County, the Hispanic and American Indian populations are higher relative to the national average. Conversely, the African American and Asian American populations are lower than the national average.

Race	Tucson	Pima County outside Tucson	US
White Alone	46.65%	63.76%	63.30%
Hispanic (White)	29.10%	8.96%	10.70%
Black or African American	5.10%	1.69%	12.60%
American Indian and Alaska Native	2.60%	4.09%	0.80%
Asian	2.70%	2.49%	4.90%
Some Other Race	10.10%	14.78%	4.70%
Two or More Races	3.60%	3.81%	2.80%
Native Hawaiian and Other Pacific Islander	0.10%	0.31%	0.20%

Table 2 - Racial composition of Tucson, Pima County, and United States

## Hispanic Population

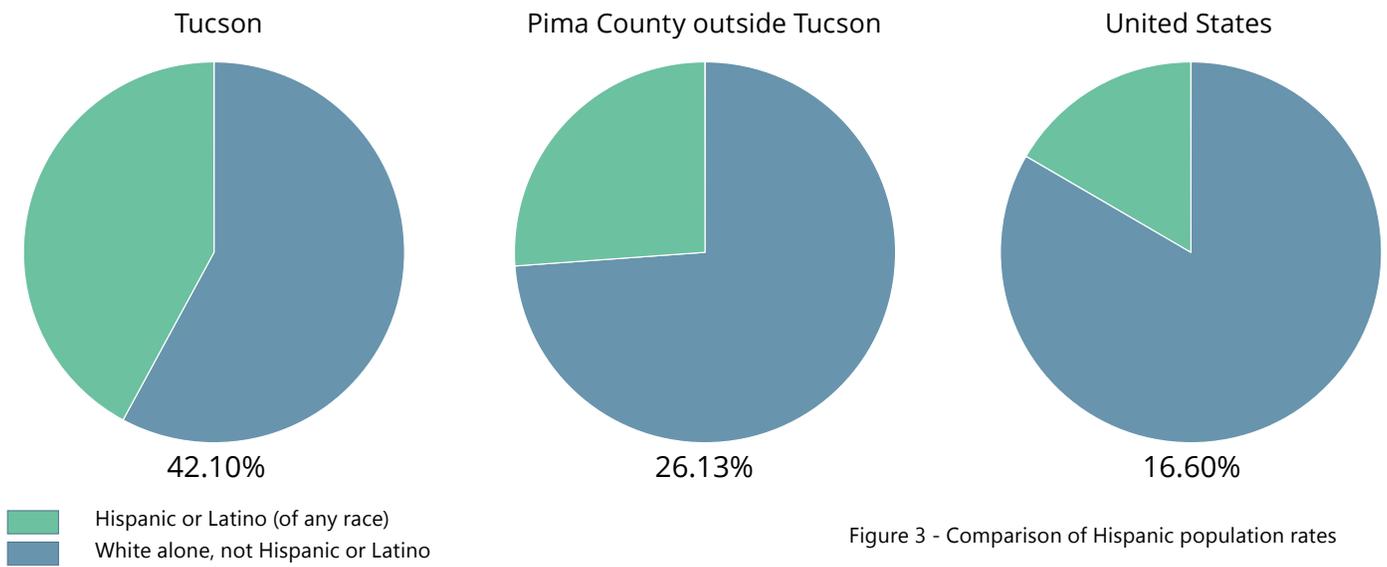


Figure 3 - Comparison of Hispanic population rates

The percentage of Hispanic residents is significantly higher in Tucson than the remainder of the county. While the entire Southwest Region of the United States has a well established Hispanic population with a long and rich history in the area, Tucson is notable in the fact that the number of Hispanic residents is notably higher than its neighboring areas in Pima County.

Findings from the 2008 study “The American Nightmare: Foreclosures and Their Impact in Metropolitan Tucson” indicate that minority populations have been disproportionately affected by the foreclosure crisis that engulfed Tucson and Pima County beginning in 2007.

## Poverty Rates for Hispanics Compared to Whites

While the data shows there is a higher frequency of poverty for Hispanics and Latinos in Tucson when compared to the remainder of Pima County, the level of disparity is consistent to both areas. In both areas there is approximately an 11 percent higher rate of Hispanic or Latino poverty when compared to non-Hispanic populations. In both areas Hispanics are considerably poorer than non-Hispanics.

### Percent of Population Below the Poverty Rate

	Pima outside Tucson	Tucson
Hispanic or Latino origin (of any race)	20.44%	30.70%
White alone, not Hispanic or Latino	8.05%	19.20%

Table 3 - Percent of Hispanic population below poverty rate

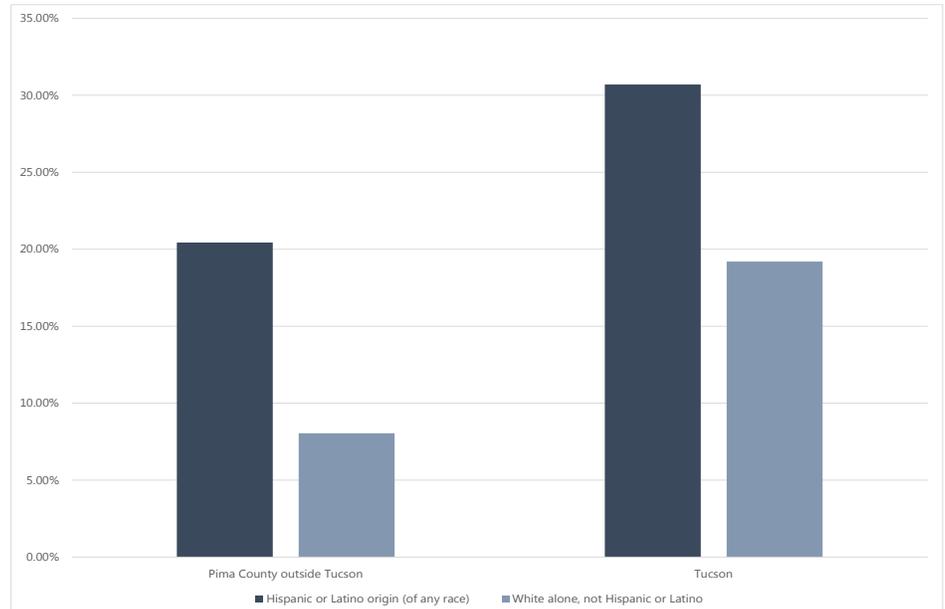


Figure 4 - Comparison of Hispanic and white poverty levels in Tucson and Pima County

# Poverty Levels

## General Poverty Levels

The City of Tucson has a much higher poverty rate than the area of Pima County outside Tucson. Over a quarter of the population in Tucson is below the poverty rate and there is almost the same frequency of people in extreme poverty (less than 50% of the poverty line) in Tucson than there are people below the poverty line in Pima County.

	Less than 50% poverty level	Less than 100% poverty level	Less than 125% poverty level
<b>Tucson</b>	11.80%	25.20%	31.80%
<b>Pima County outside Tucson</b>	5.73%	12.65%	16.74%

Table 4 - General poverty levels

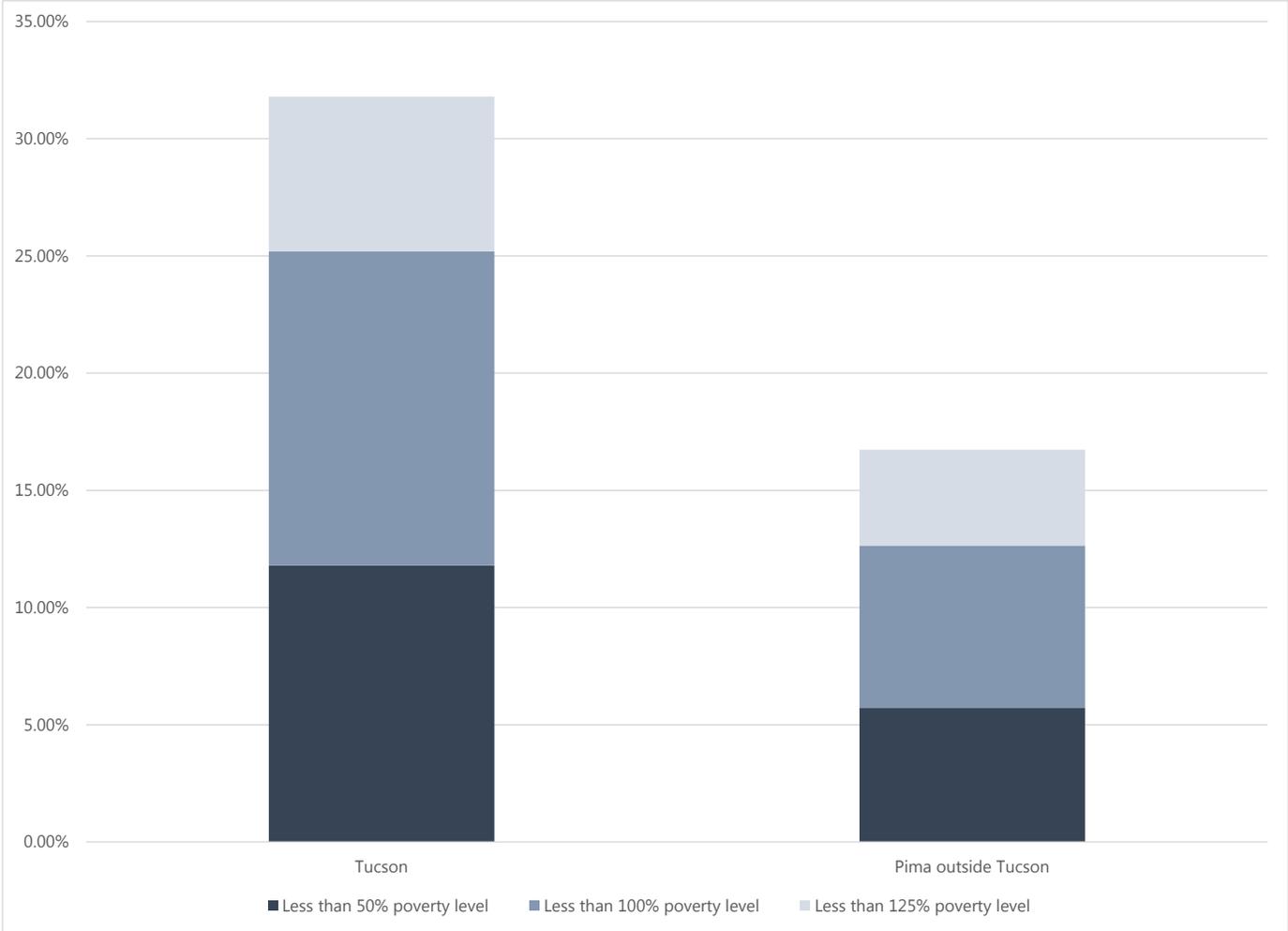


Figure 5 - Comparison of poverty rates in tucson and pima county

## Poverty Levels By Race

When comparing racial poverty between the jurisdiction areas a few trends are very noticeable. With the exception of the American Indian and Native Alaskan population, Tucson has much higher poverty rates across all races. In some cases the level of high poverty (population below 50% of the poverty level) in Tucson is equal to or surpasses the number of people who are in poverty in Pima County outside of Tucson.

African American and Asian populations tend to fare much better outside Tucson while the American Indian population tends to fare worse.

	Pima County outside Tucson		Tucson	
	Less than 50%	Less than 100%	Less than 50%	Less than 100%
American Indian and Alaska Native	26.62%	43.48%	16.00%	39.30%
Some other race	8.18%	20.32%	13.10%	31.70%
Black or African American	3.42%	11.17%	15.30%	28.80%
Two or more races	5.95%	13.56%	13.50%	26.90%
Asian	3.34%	6.88%	16.90%	26.70%
One race	5.56%	12.62%	11.80%	25.10%
White	4.63%	11.05%	11.00%	23.40%
Native Hawaiian and Other Pacific Islander	0.02%	22.43%	10.30%	17.40%

Table 5 - Comparison of poverty levels by race

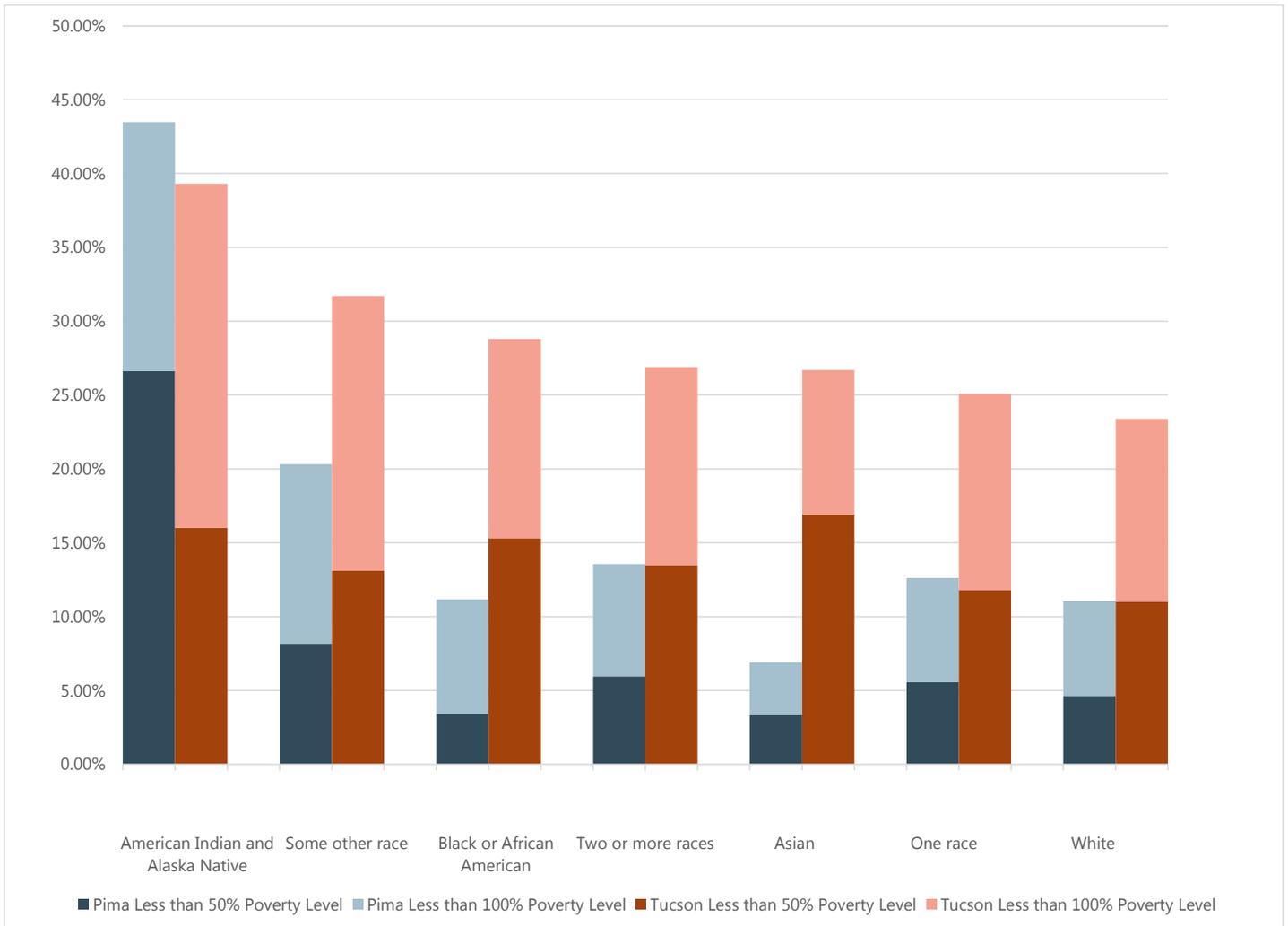


Figure 6 - Comparison of poverty rates by race

## Disability and Poverty Rates

When compared to national statistics, both Tucson and Pima county have similar percentages of people living with disabilities as the rest of the country. Tucson has a higher rate of people living with disabilities than the surrounding Pima County area. This is somewhat surprising considering the fact that Pima County’s trends much older with a higher population of older residents in an age group where disability rates increase. This may be because persons with disabilities have higher poverty rates and therefore live in Tucson where housing is cheaper. In both communities the rate of poverty is higher for those with disabilities than those without.

### Portion of population living with a disability

Tucson	Pima outside Tucson	United States
13.89%	12.98%	12.10%

Table 6 - Population disability rates

While there are more people with disabilities who live in poverty in Tucson, there is actually a greater discrepancy between the rate of poverty for people with disabilities than people without disabilities outside of Tucson.

## Portion of Population in Poverty by Disability Status

	Pima County outside Tucson	Tucson
Poverty rate for those with disabilities	18.52%	28.70%
Poverty rate for those without disabilities	11.81%	24.70%

Table 7 - Comparison of poverty rates for people with disabilities

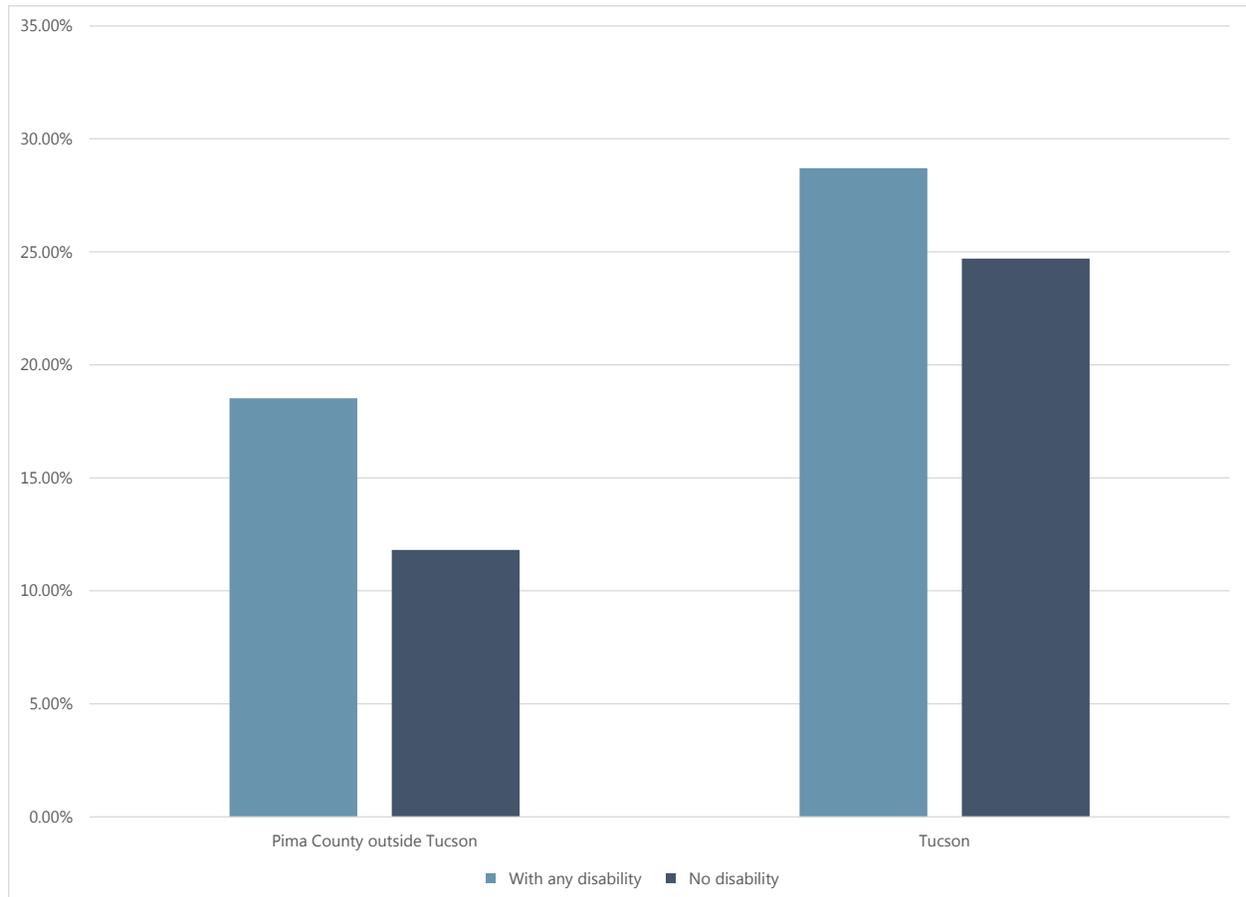


Figure 7 - Comparison of poverty rates for people with disabilities

## Educational Attainment

Tucson is home to the University of Arizona which has a student population of over 40,000, houses world class research facilities, and some of the top programs in the country. Despite this resource, Tucson still falls behind Pima County in educational attainment. Of those age twenty five and older, Pima County has ten percent more of their population with college degrees or higher. This means that the workforce outside of Tucson has a higher education level which would correlate to the differences in household income noted previously.

### Population 25 and Older: Highest Level of Education Achieved

	Pima County outside Tucson	Tucson
Less than 9th grade	3.80%	6.80%
9th to 12th grade, no diploma	5.90%	9.10%
High school graduate (includes equivalency)	21.00%	24.40%
Some college, no degree	25.80%	27.00%
Associate's degree	8.30%	8.10%
Bachelor's degree	20.11%	15.10%
Graduate or professional degree	14.81%	9.60%
Total Population above 25	324,856	325,584

Table 8 - Educational attainment for those 25 and older

### Population 25 and Older: Highest Level of Education Achieved

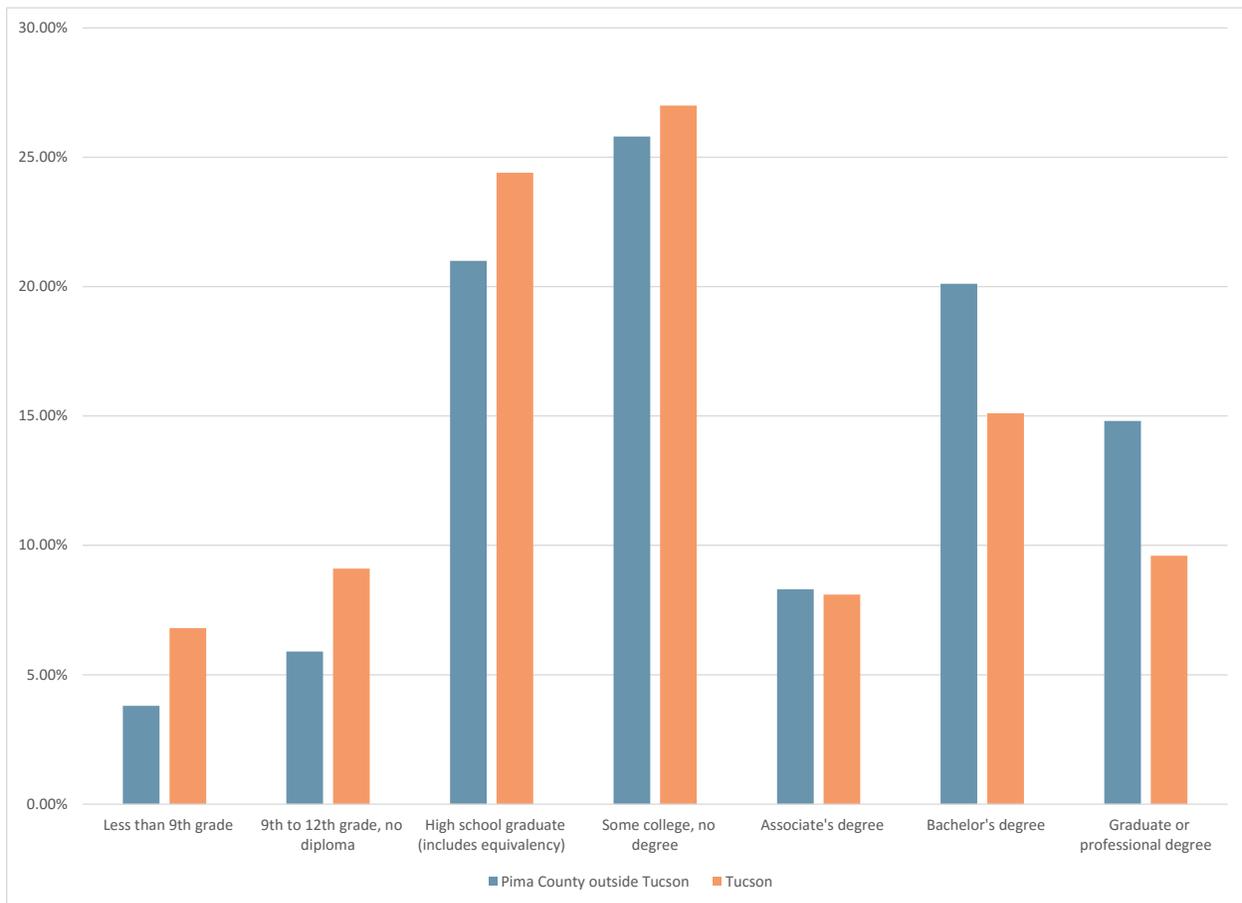


Figure 8 - Comparison of educational attainment between Tucson and Pima

## Employment

The distribution of employment by industry is similar between Tucson and Pima County outside of Tucson with the largest employment sector being educational services, health care, and social assistance.

The commuting patterns are relatively similar between the city and the county with a majority of the population commuting by driving alone. Tucson has a higher percentage of people carpooling, utilizing mass transit, and walking.

### Employment by Sector

	Pima County - outside Tucson			Tucson		
	Total Employed			Total Employed		
Educational services, health care, and social assistance	47,742	25.09%		59,586	26.50%	
Professional, scientific, management, administrative	21,798	11.45%		25,768	11.50%	
Retail trade	21,322	11.20%		27,267	12.10%	
Arts, entertainment, recreation, accommodation, and food service	18,577	9.76%		28,016	12.50%	
Manufacturing	16,438	8.64%		14,144	6.30%	
Public administration	14,130	7.42%		13,708	6.10%	
Finance, insurance, real estate, rental and leasing	11,418	6.00%		11,028	4.90%	
Construction	11,317	5.95%		14,589	6.50%	
Other services, except public administration	10,145	5.33%		12,405	5.50%	
Transportation, warehousing, and utilities	8,197	4.31%		8,642	3.80%	
Wholesale trade	3,280	1.72%		4,010	1.80%	
Information	3,023	1.59%		3,997	1.80%	
Agriculture, forestry, fishing, hunting, and mining	2,928	1.54%		1,492	0.70%	
<b>Civilian employed population 16 years and over</b>	<b>190,315</b>			<b>224,652</b>		

Table 9 - Employment by sector

### Workforce Commute

Commuting to Work	Tucson	Pima County outside Tucson	United States
Car, truck, or van - drove alone	73.50%	80.01%	76.3%
Car, truck, or van - carpooled	10.50%	9.28%	9.8%
Public transportation (excluding taxicab)	3.70%	1.07%	5.0%
Walked	3.60%	1.29%	2.8%
Other means	5.00%	2.18%	1.8%
Worked at home	3.80%	6.17%	4.3%

Table 10 - Workforce commute statistics

## Household Income

Even though the workforce of Tucson and Pima County are distributed relatively similarly by employment sector and have comparable employment rates, household incomes are consistently lower in Tucson. The median income in Tucson is \$37,032 while the median income of Pima County outside Tucson was calculated by staff to be approximately \$56,000. It is difficult to determine median income from a nested, generalized data set but this calculation is on the conservative side.

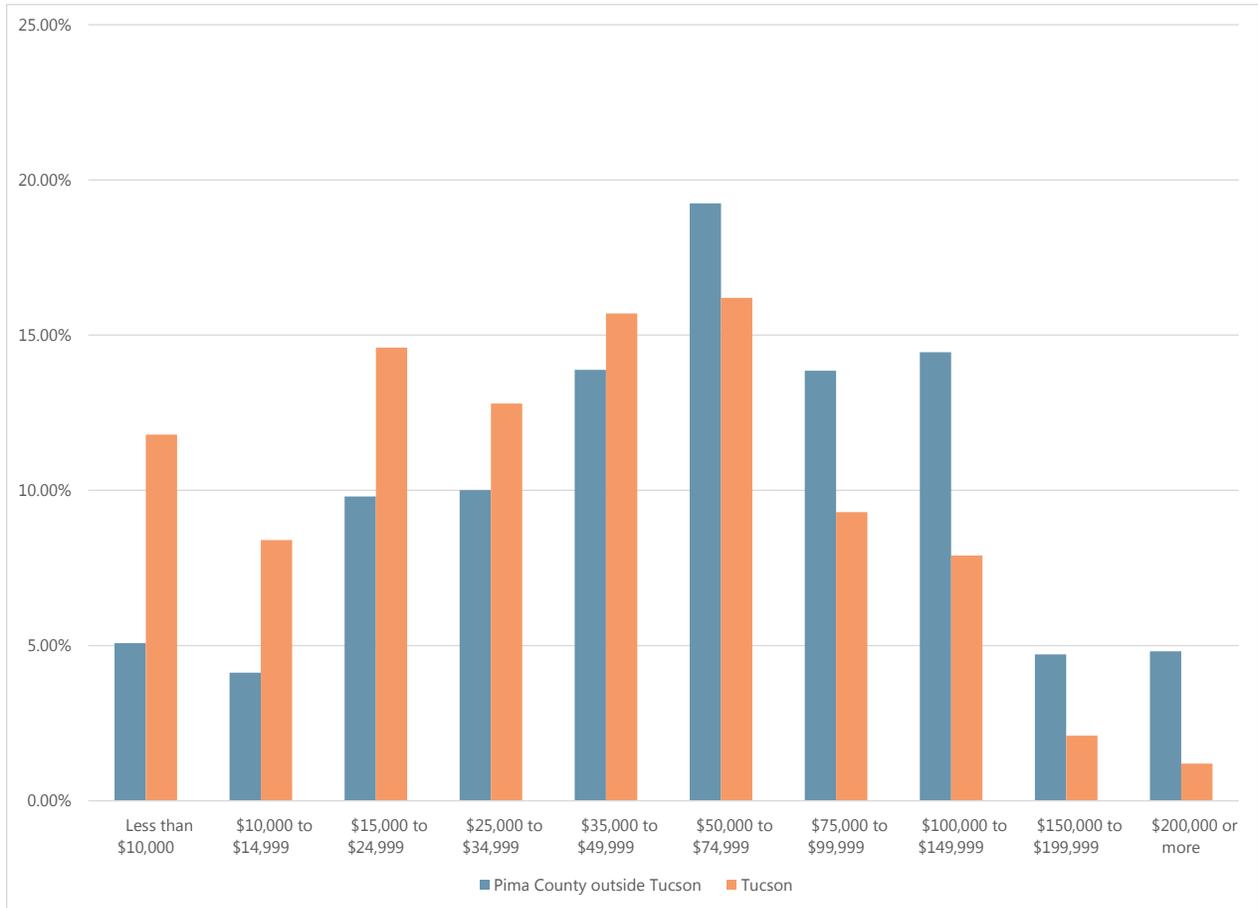


Figure 9 - Household income comparison

Income and Benefits (In 2013 Inflation-Adjusted Dollars)	Pima County outside Tucson	Tucson
Less than \$10,000	5.08%	11.80%
\$10,000 to \$14,999	4.13%	8.40%
\$15,000 to \$24,999	9.80%	14.60%
\$25,000 to \$34,999	10.01%	12.80%
\$35,000 to \$49,999	13.88%	15.70%
\$50,000 to \$74,999	19.25%	16.20%
\$75,000 to \$99,999	13.86%	9.30%
\$100,000 to \$149,999	14.45%	7.90%
\$150,000 to \$199,999	4.72%	2.10%
\$200,000 or more	4.82%	1.20%

Table 11 - Household income comparison

# Housing Stock

## Distribution of Building Type

A large portion of the housing in the area is comprised of single unit detached structures. Both Tucson and Pima County outside of Tucson generally follow national averages in housing structure type distribution. It is interesting to note that Tucson has a much higher rate of multi-unit structures while the rest of Pima county has a higher rate of single unit detached structures and mobile homes.

Units in structure	Tucson	Pima County outside Tucson	United States
1-Unit, Detached	51.30%	67.78%	61.70%
1-unit, Attached	8.00%	6.90%	5.79%
2 Units	3.50%	0.51%	3.80%
3 or 4 Units	4.50%	1.67%	4.44%
5 to 9 Units	5.60%	2.08%	4.78%
10 to 19 Units	7.60%	2.69%	4.49%
20 or more Units	13.00%	3.40%	8.40%
Mobile Home	6.40%	14.81%	6.52%
Boat, RV, Van, etc.	0.20%	0.16%	0.08%

Table 12 - Distribution of housing types

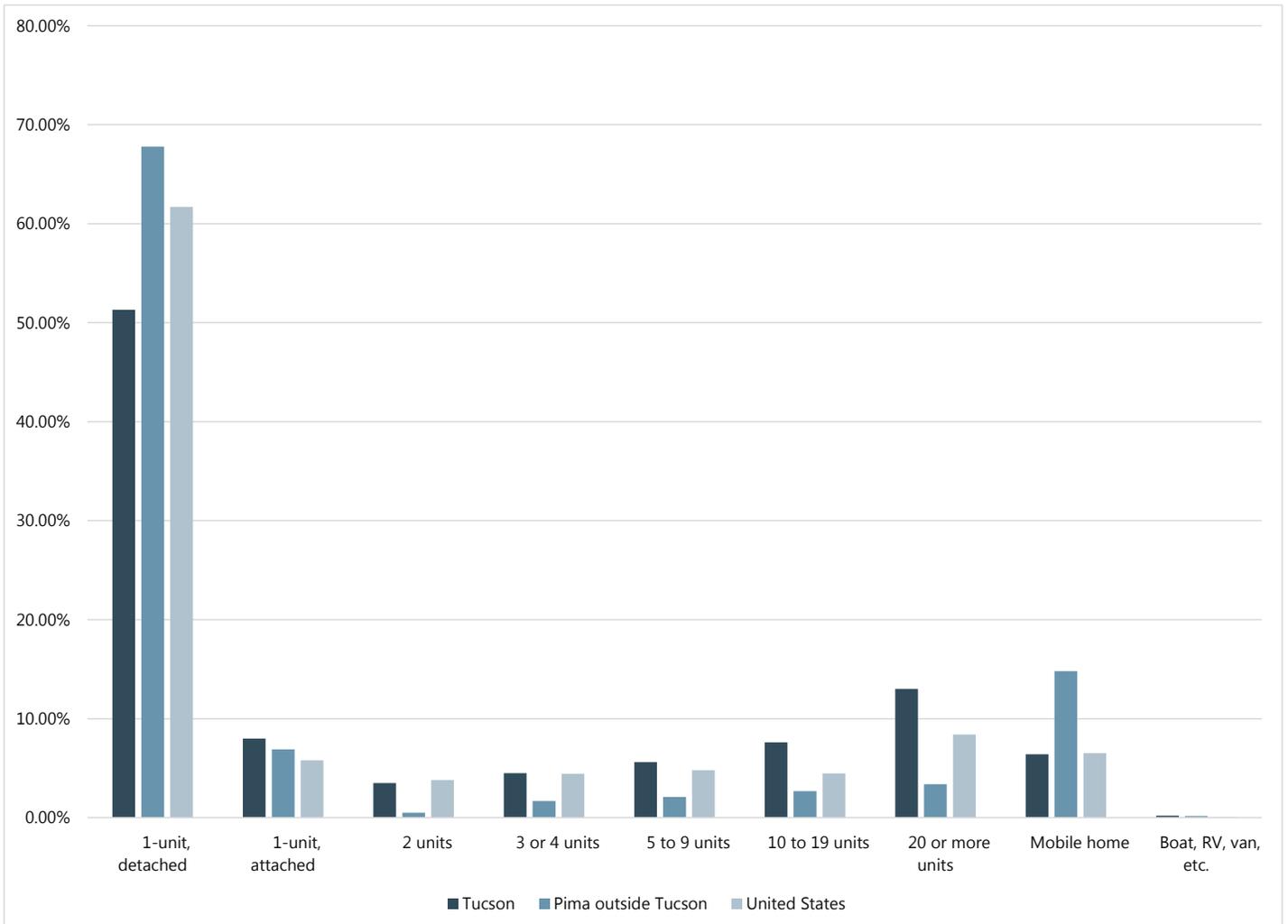


Figure 10 - Distribution of housing types

## Room Count per Dwelling

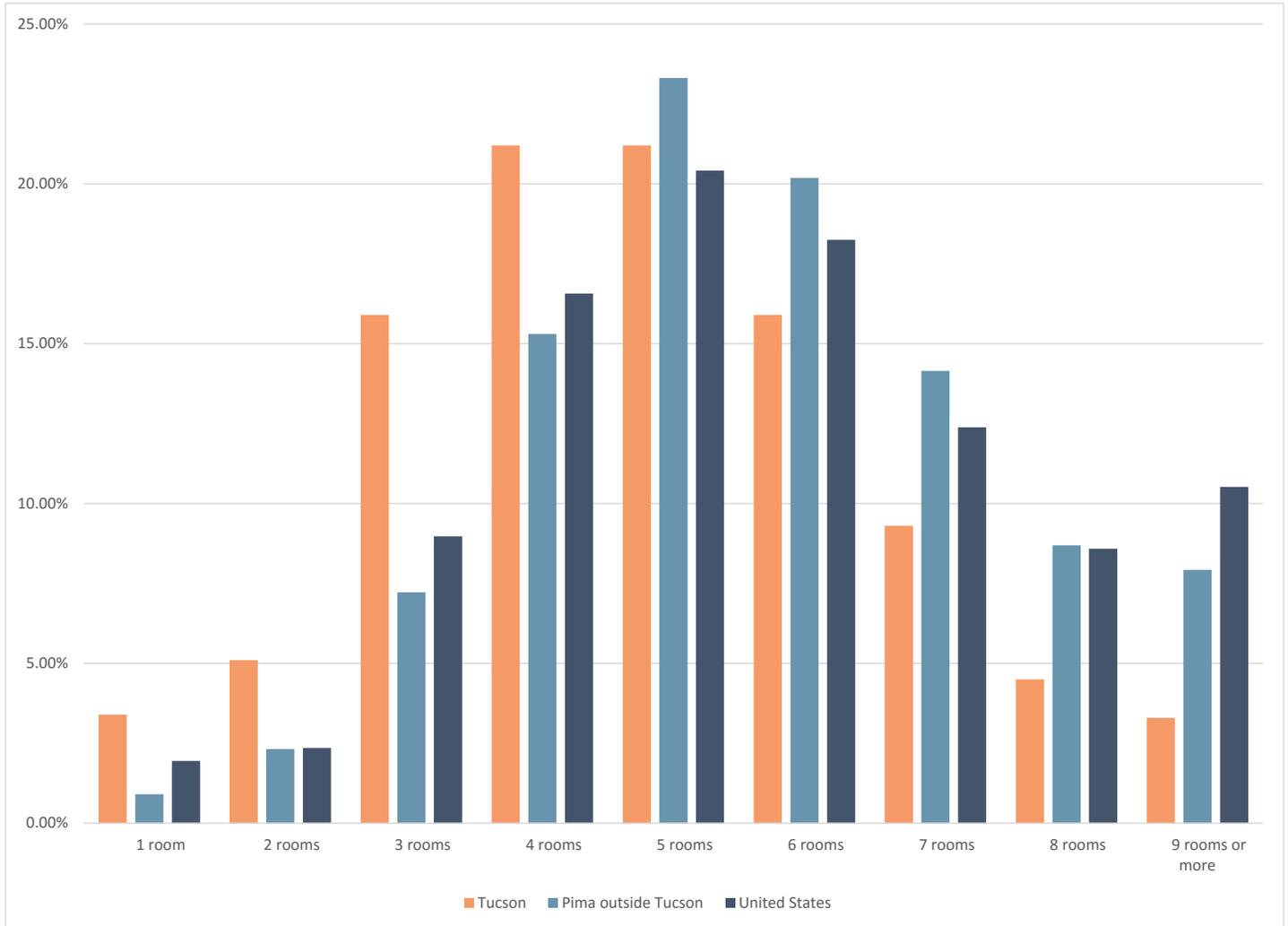


Figure 11 - Room count comparison

Housing units in Tucson average less total rooms than the rest of Pima County and the United States. This has the potential to effect families with children and larger households needing to accommodate many occupants.

Rooms	Tucson	Pima County outside Tucson	United States
1 Room	2.38%	2.23%	1.95%
2 Rooms	3.98%	3.80%	2.36%
3 Rooms	12.42%	11.59%	8.97%
4 Rooms	18.12%	18.14%	16.57%
5 Rooms	21.57%	22.42%	20.41%
6 Rooms	17.61%	18.09%	18.25%
7 Rooms	11.67%	11.74%	12.38%
8 Rooms	6.65%	6.53%	8.59%
9 Rooms or more	5.62%	5.47%	10.52%

Table 13 - Room count comparison

## Number of Bedrooms per Dwelling

Similar to the number of rooms in a dwelling, Tucson also averages much fewer bedrooms per unit than both Pima County and the rest of the country. The city has a disproportionately high number of one bedroom units when compared to the rest of the region. This can make it difficult for families with children to find appropriate accommodations within Tucson and can have a disproportionate impact on the protected class of familial status.

Bedrooms	Tucson	Pima County outside Tucson	United States
No bedroom	3.70%	1.00%	2.16%
1 bedroom	19.30%	7.87%	11.12%
2 bedrooms	29.70%	28.06%	26.85%
3 bedrooms	34.00%	38.52%	39.76%
4 bedrooms	11.80%	20.76%	15.95%
5 or more bedrooms	1.50%	3.79%	4.16%
8 Rooms	6.65%	6.53%	8.59%
9 Rooms or more	5.62%	5.47%	10.52%

Table 14 - Bedrooms per dwelling comparison

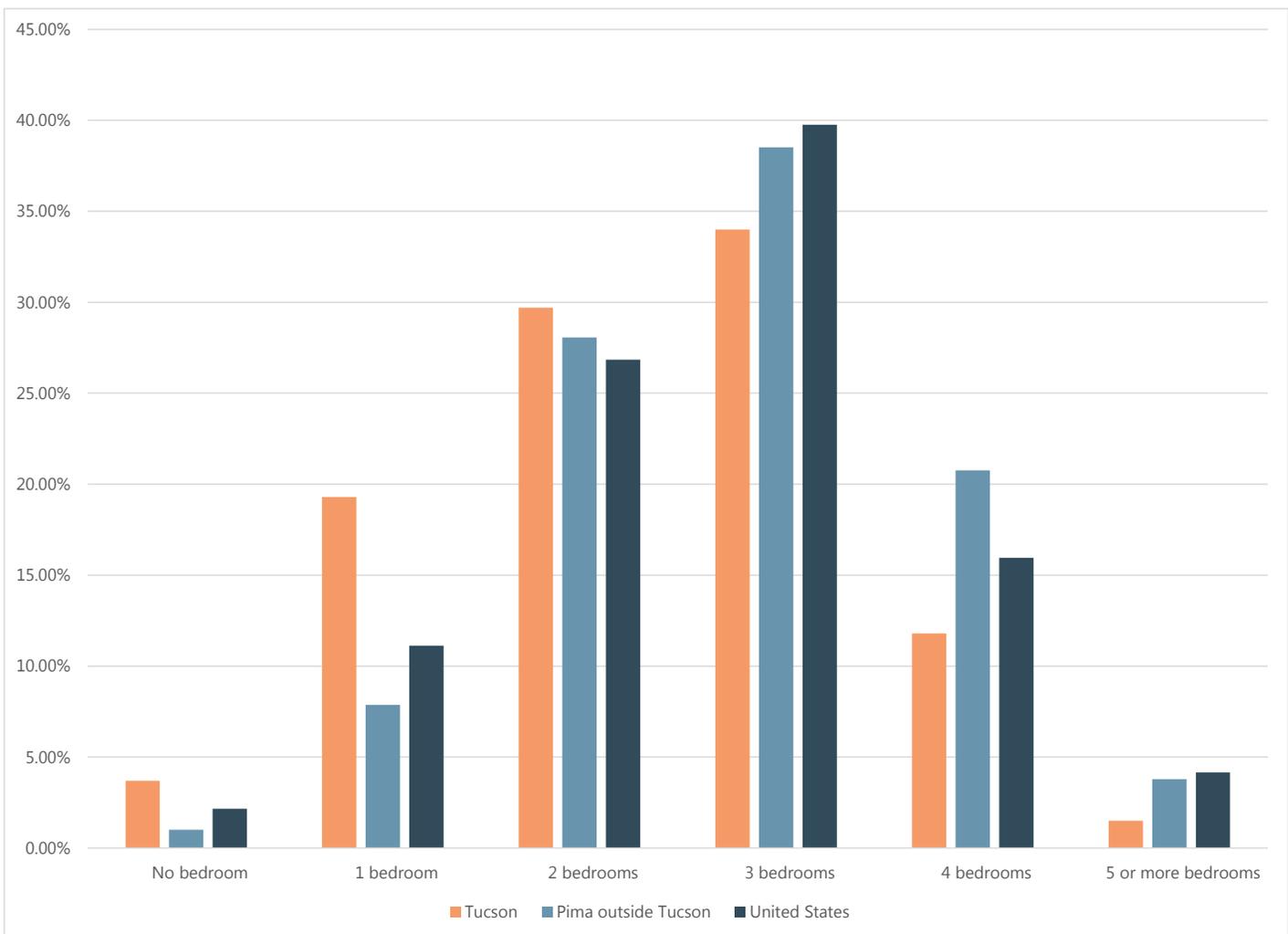


Figure 12 - Bedrooms per dwelling comparison

## Housing Age

The continued suburban growth of Pima County outside of Tucson is evident when analysing the age of the housing in the area. Tucson has an increasingly aging housing stock and new construction seems to have stopped growing compared to Pima County where an increasing number of newer homes are being built every decade. Tucson has more than three times the number of structures built prior to 1970 compared to the rest of Pima County.

The aging housing stock can have serious implications on the availability of accessible housing units for those with a disability since a majority of these properties were built before the construction requirements of the Americans with Disability Act (ADA) were in place.

Year Structure Built	Pima outside Tucson (Total)	Pima outside Tucson (%)	Tucson (Total)	Tucson (%)
2010 or later	1,519	0.72%	852	0.40%
2000 to 2009	57,504	27.16%	29,636	12.80%
1990 to 1999	49,378	23.32%	29,502	12.80%
1980 to 1989	41,154	19.44%	37,347	16.20%
1970 to 1979	40,938	19.34%	52,610	22.80%
1960 to 1969	12,437	5.87%	27,162	11.70%
1950 to 1959	5,683	2.68%	32,673	14.10%
1940 to 1949	1,580	0.75%	12,505	5.40%
1939 or earlier	1,530	0.72%	8,950	3.90%

Table 15 - Housing age comparison

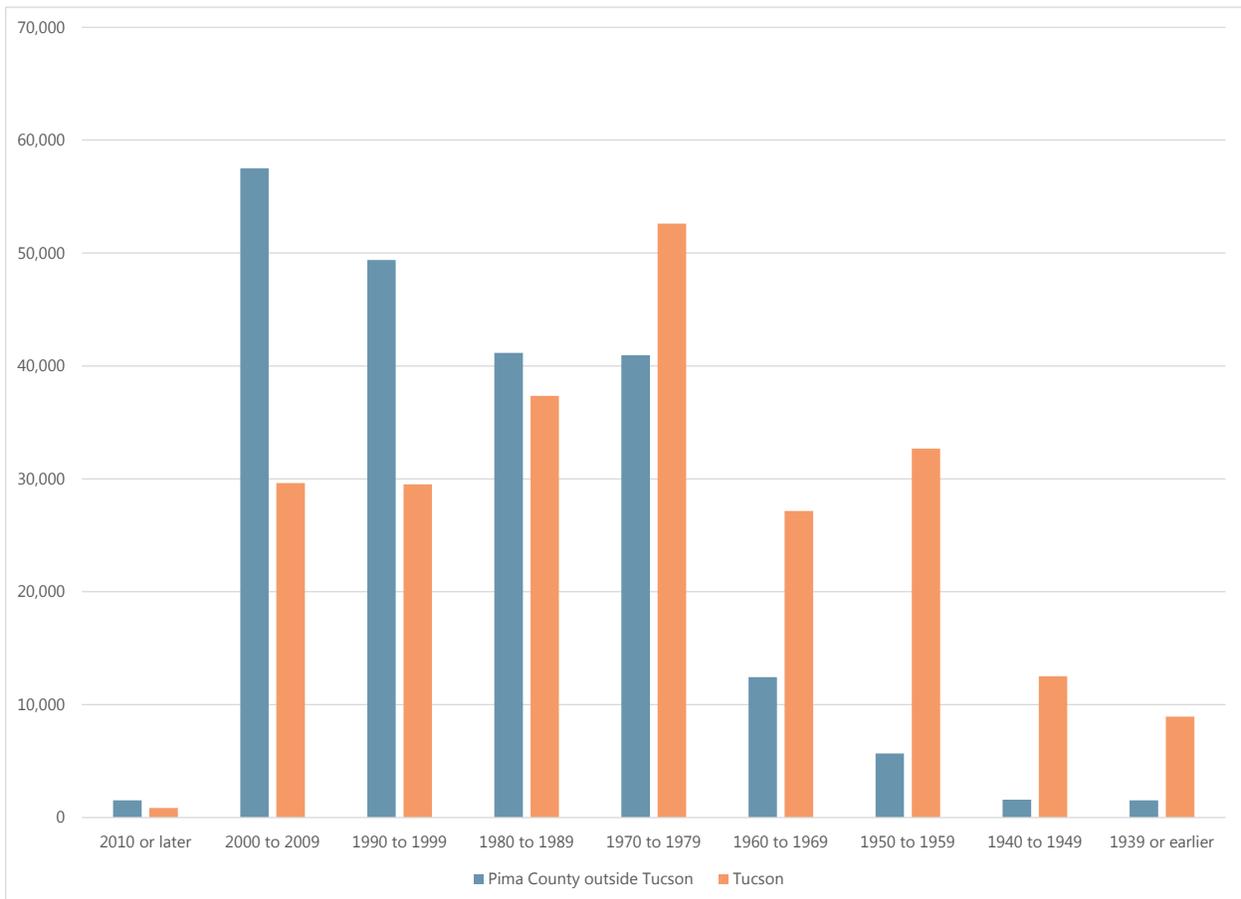


Figure 13 - Housing age comparison

## Owner-Occupied Housing Value

Housing units that are occupied by the owner in city of Tucson tend to have lower values than those in Pima County. This is likely a result of a combination of the fact that properties in Tucson tend to be older and have less rooms therefore are less desirable in the current market despite their centralized location. As newer homes are built in Pima County they command higher prices within the market and continue to devalue the properties within the City of Tucson. While this will most likely have the effect of making housing more affordable overall, it also has the potential to have the negative consequence of devaluing the investments of homeowners in centralized areas that have high minority population.

This devaluation discourages homeownership and encourages rental properties. While a higher frequency of rental properties encourages mobility,

if the rate of homeownership compared to rental properties is too low it can disincentivise maintenance and investment in these communities. Since Tucson has a higher rate of minorities this can have a disproportionate impact on minority neighborhoods that often do not receive the same level of investment from the market as non-minority areas.

Home value	Pima outside Tucson	Tucson
Less than \$50,000	7.99%	11.00%
\$50,000 to \$99,999	10.05%	18.70%
\$100,000 to \$149,999	14.91%	24.10%
\$150,000 to \$199,999	17.43%	22.20%
\$200,000 to \$299,999	22.02%	16.00%
\$300,000 to \$499,999	18.05%	5.90%
\$500,000 to \$999,999	7.94%	1.80%
\$1,000,000 or more	1.62%	0.30%

Table 16 - Owner-occupied housing value

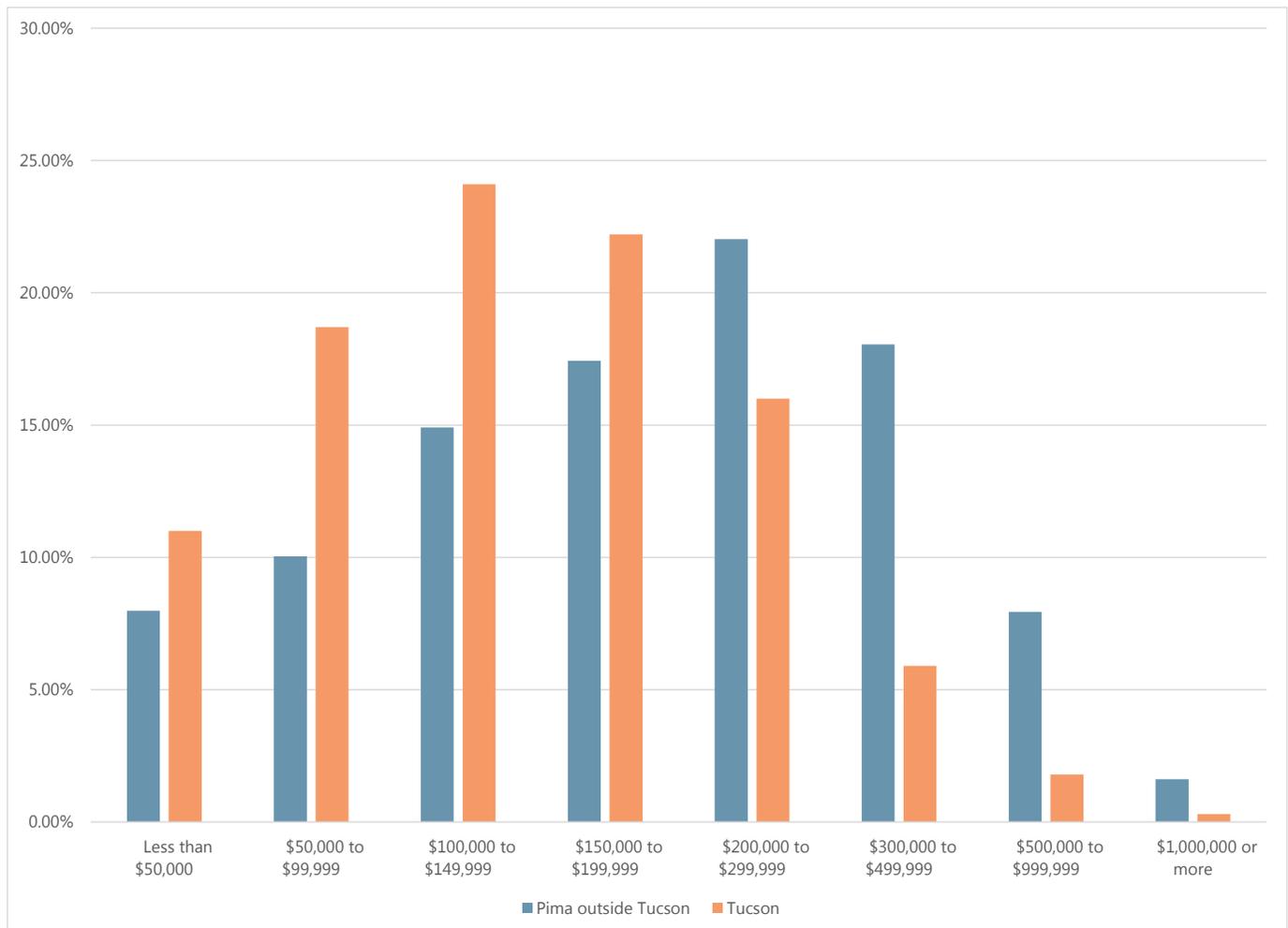


Figure 14 - Owner-occupied housing value comparison

## Cost Burden for Homeowners

The distribution of housing costs for homeowners is very similar in Tucson and Pima County with both areas having high portions of homeowners being cost burdened (cost burden indicates that households spend more than 30% of income on housing) as well as having high portions of their homeowners paying a very low percentage of their household income towards their mortgage. This type of distribution can create an interesting dynamic as it creates a scenario

where part of the population is not financially burdened by their house payment while an equal or greater portion of the population is heavily burdened but these expenses. This does not take transportation costs into account which can often take up a large portion of household income, especially in the heavily suburban Southwest.

## Housing Costs as a Percentage of Household Income for Owners with a Mortgage

Percent of household income paid to mortgage	Pima outside Tucson	Tucson
Less than 20.0 percent	34.68%	34.20%
20.0 to 24.9 percent	16.64%	16.60%
25.0 to 29.9 percent	13.09%	11.40%
30.0 to 34.9 percent	7.94%	9.10%
35.0 percent or more	27.65%	28.70%

Table 17 - Housing costs for owners with mortgage

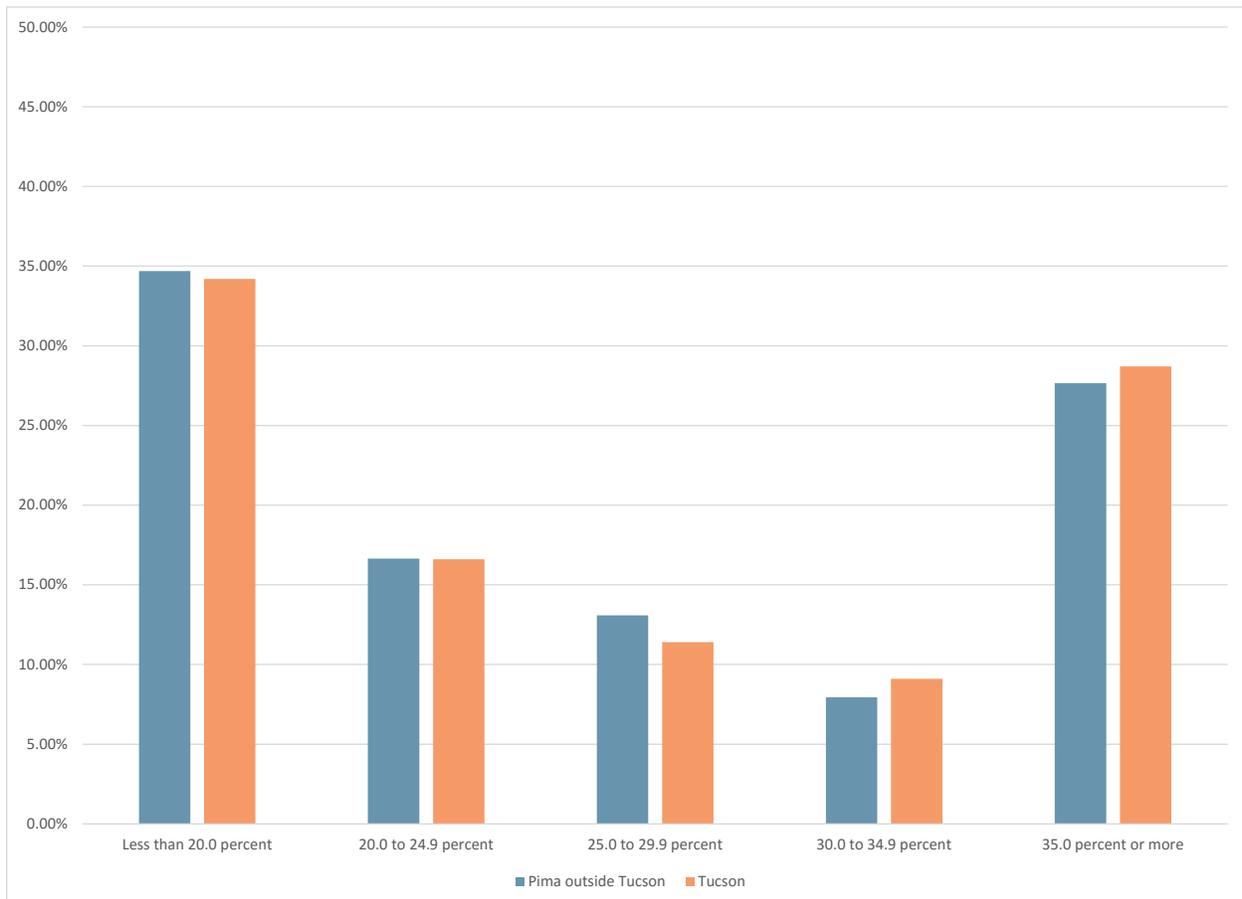


Figure 15 - Housing costs for owners with a mortgage

## Cost Burden for Renters

The data shows that renters from both jurisdictions are heavily cost burdened. While renters in Pima County fared better than those in Tucson, both have incredibly high rates of cost burden. In Tucson this is more severe with fifty seven percent of renters being cost burdened. This is only made more serious by the fact that Tucson has a much higher population of renters than the rest of Pima County. High rental costs can hinder local economies by restricting the flow of money, which in turn makes social mobility difficult.

This can have a disproportionate effect on minorities who have higher poverty rates in both jurisdictions.

### Rent as a Percentage of Household Income

	Pima County outside Tucson	Tucson
Less than 20.0 percent	14.12%	10.20%
20.0 to 24.9 percent	14.81%	12.00%
25.0 to 29.9 percent	11.50%	11.30%
30.0 to 34.9 percent	8.05%	9.00%
35.0 percent or more	38.60%	48.10%

Table 18 - Rent as a percentage of household income

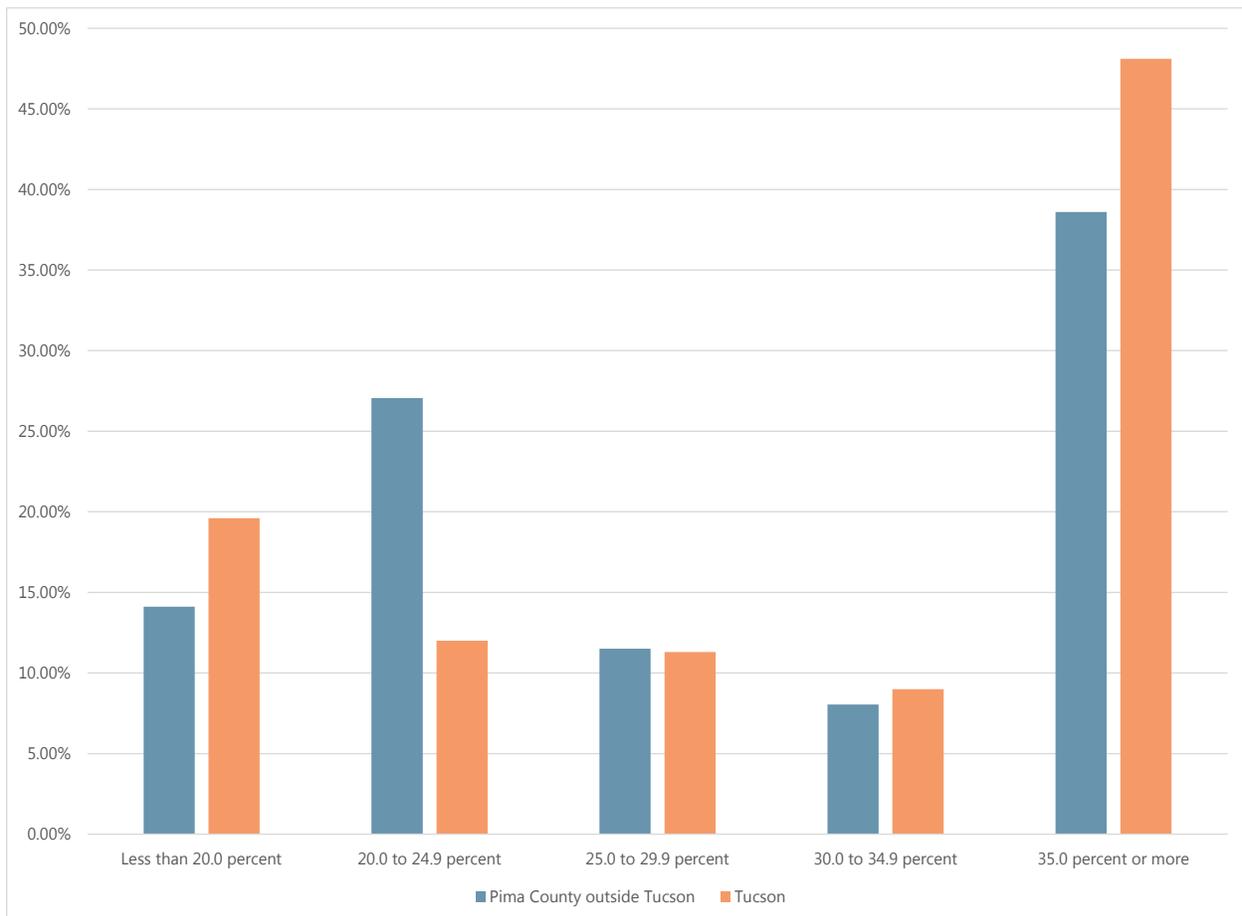


Figure 16 - Rent as a percentage of household income

## Homeownership Rates

The rate of owner-occupied units is significantly lower in Tucson when compared to the rest of Pima County. This is one of the largest disparities between the jurisdictions when looking at all of the data provided by the census. Pima County averages 26 percent more homeownership than Tucson. Lower overall wages and higher poverty rates in Tucson may account for some of the difference, but housing prices are lower in Tucson than Pima County. When taking into consideration the fact that most renters are cost burdened in Tucson along with the fact that a high number of homeowners also experience cost burden, this leads to the notion that the cost of housing may be too high for the local population.

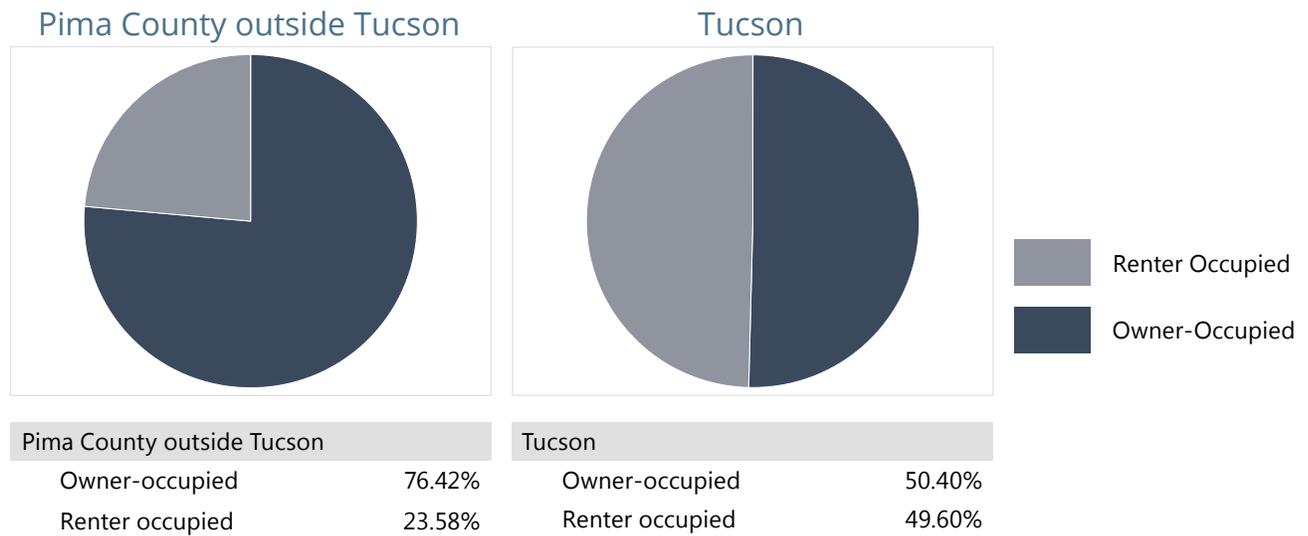


Figure 17 - Homeownership rates comparison

## Mobility

The mobility data indicates that the large rental population in Tucson is very active with almost a quarter of the population moving annually compared to fifteen percent of the population of Pima County. African Americans and American Indians have a higher rate of mobility with over thirty percent of the population moving annually. This type of mobility can be beneficial in allowing these populations to seek areas of high opportunity but it also increases the number of housing transactions and in turn potential chances for housing discrimination to occur.

Percent of population in the same home 1 year ago by race

	Total	White	Black	American Indian	Asian	Some Other Race	Hispanic
Pima Outside Tucson	84.46%	84.99%	68.46%	88.81%	81.81%	84.03%	83.90%
Tucson	75.22%	76.31%	68.28%	66.44%	72.88%	74.01%	76.24%

Table 19 - Mobility rate by race

## Student Population Influence on Percent of Rental Households

It is easy to assume that the high rate of rental units is a result of the market responding to the demand created by the large student population of the University of Arizona, but that notion does not hold up once additional data is considered.

When compared to similar city-university relationships in Arizona, such as Tempe's relationship with Arizona State University and Flagstaff's relationship with Northern Arizona University, the data shows that the University of Arizona has a much smaller impact on Tucson but the rate of rentals is largely similar. Both Tempe and Flagstaff are much smaller in terms of total population while having student populations that play a much larger role in the makeup of the

city. The ratio of the student population compared to the total population is five times higher in Tempe compared to Tucson but the rate of renter occupied units is only ten percent more. Flagstaff's ratio is 4 times higher and the rate of renter occupied housing is only three percent higher.

This data suggests that while the student population in Tucson influences the demand for rental units, it is not the major factor in the disparity in ownership rates between Tucson and the outlying areas of Pima County.



## Student Population Effect on Rental-Occupied Units

	<b>Tucson</b>	<b>Tempe</b>	<b>Flagstaff</b>
Population	523,278	168,228	65,870
Student population at major campus located within city	40,621	67,446	20,134
Student population as percentage of total population	<b>7.76%</b>	<b>40.09%</b>	<b>30.57%</b>
Percent renter-occupied units	49.60%	60.01%	52.50%

Table 20 - Student population effect on rental rates

## Minority Concentration Areas

Minority concentration areas exist in part because of historic patterns of discrimination in housing. Current practices and policies generally do not analyze or assess if they will alleviate or exacerbate the problem. Much of the minority concentration has its roots in institutionalized race-based housing policies. In a county like Pima that has had explosive post-war growth, housing patterns have been greatly affected by exclusion of minorities from government backed mortgages that facilitated and encouraged the expansion of new almost exclusively white suburbs. Mostly white (if not all white) suburban areas grew and prospered and received disproportionately greater public investment as compared to inner-city areas. Since minorities were almost completely shut out of affordable mortgages that would have allowed them to move to more prosperous suburbs, they often remained concentrated close to city centers. City centers suffered from disinvestment, further exacerbating housing issues in minority concentration areas. Even though racial discrimination in housing policy is no longer legal, its legacy continues to impact fair housing issues for minorities.<sup>12</sup>

Private sector practices like redlining by banks and insurance companies affected minority concentration in similar ways as government policy. Redlining often made it difficult, if not impossible, for minorities that lived in high minority concentration areas to get mortgage loans or home-improvement loans. Lack of capital to make improvements or build additions on existing homes or to build new homes contributed to lower property values in these areas.<sup>13</sup>

Before the housing market crashed in 2007, the practice of reverse redlining became more prevalent. This entails targeting

minority residents for riskier mortgages when they could qualify for ones with better terms. Another practice that has appeared during the foreclosure crisis is redlining neighborhoods by denying mortgages or mortgage insurance because of a high foreclosure rate in a particular area.<sup>14</sup>

Real estate agents have, and still do play, a role in racial concentration by steering clients to particular neighborhoods based on race or ethnicity. Fair housing requires that people have a choice about where they live and that other impediments to fair housing are addressed and eliminated. City and county policy must ensure that fair housing requirements are being met and affirmatively further fair housing.

## Minority Concentration Area Maps

The maps below show the minority concentration areas throughout Tucson and Pima County. The most drastically concentrated ethnic group is seen in the Hispanic map. The Hispanic population in Tucson is highly concentrated in the south-central region of the city. In Pima County, the concentrations of Native American populations correlate with reservation lands that are not governed by fair housing laws. The black population of Tucson is relatively evenly dispersed through north central and east Tucson, however cuts off abruptly north of River Road. Areas north of River Road tend to have higher home values and remain largely white, high income areas. The following maps, and all maps appearing in this document,<sup>15</sup> were developed by SWFHC with US Census data unless otherwise noted. The visual representation of the data provided by the maps allows information to be easily interpreted in the context of its geographic location and surrounding influences.

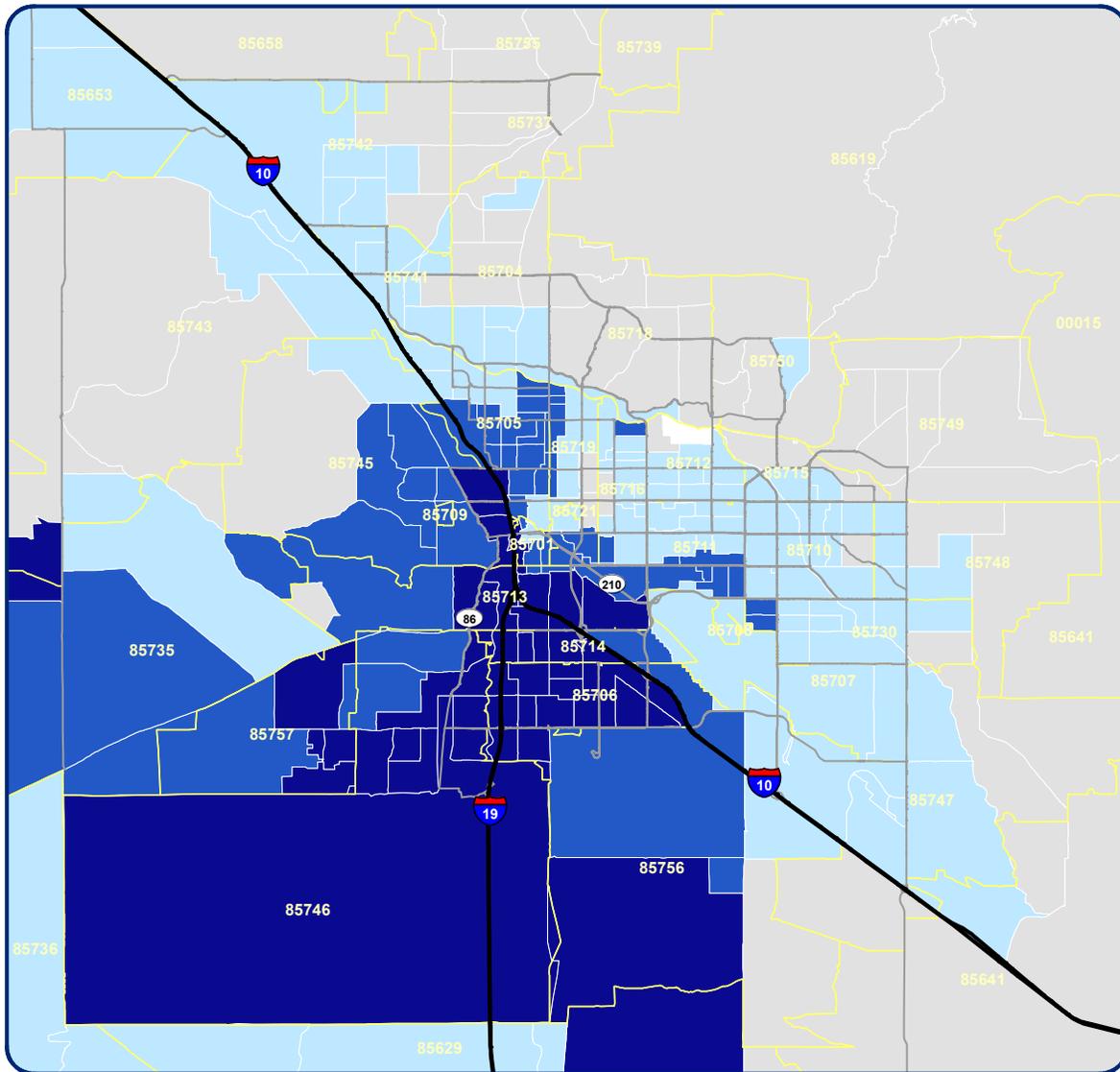
12 Jackson, Kenneth. *Crabgrass Frontier: The Suburbanization of the United States*. Oxford University Press, Oxford. 1985.

13 Amy Hillier, PhD. "Home Owners' Loan Corporation, Redlining, and Neighborhood Appraisals in Philadelphia, 1930-1960," <http://cml.upenn.edu/redlining/index.html>.

14 "Fair Housing and the Foreclosure Crisis." <http://www.civilrights.org/publications/reports/fairhousing/foreclosure-crisis.html>

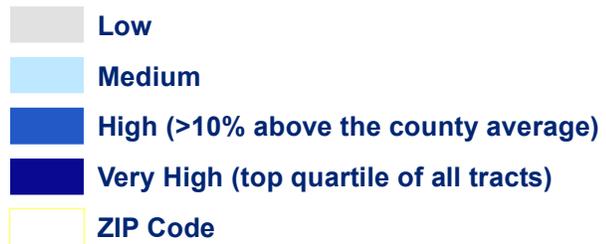
15 All maps other than the maps in the National Community Reinvestment Coalition (NCRC) section located on page 53. These maps were created by information provided by NCRC as part of the HMDA analysis.

# Concentrations of Minorities in Tucson



by Geoff Davies

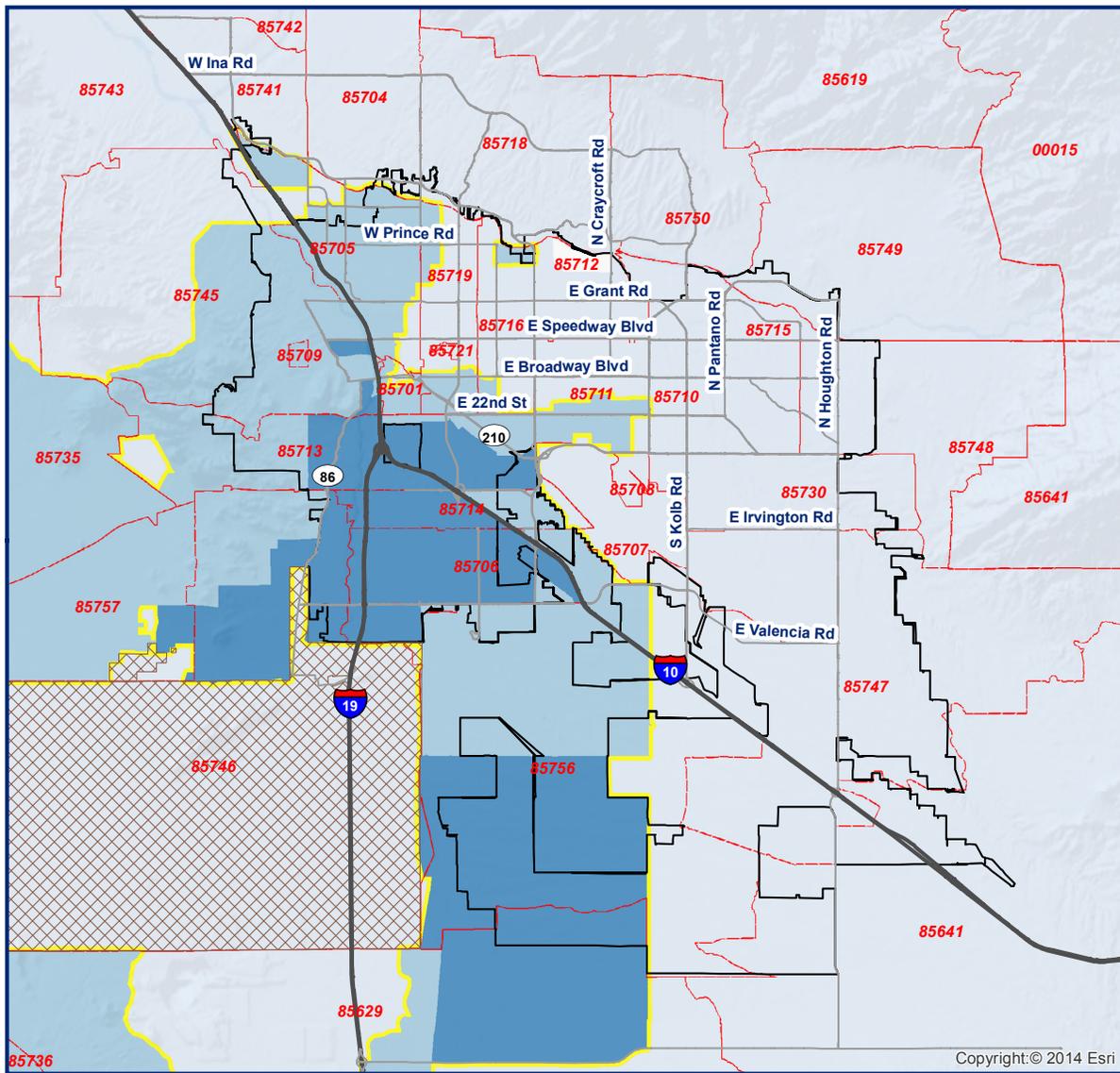
## Minority Concentrations



2010 US Census

Map 1 shows the areas of Tucson and part of Pima County with minority concentration areas at or above 10% of the city average. Map 1 shows significant minority concentration areas in the southern and western portions of Tucson.

# Concentrations of Minorities in Tucson - Hispanic



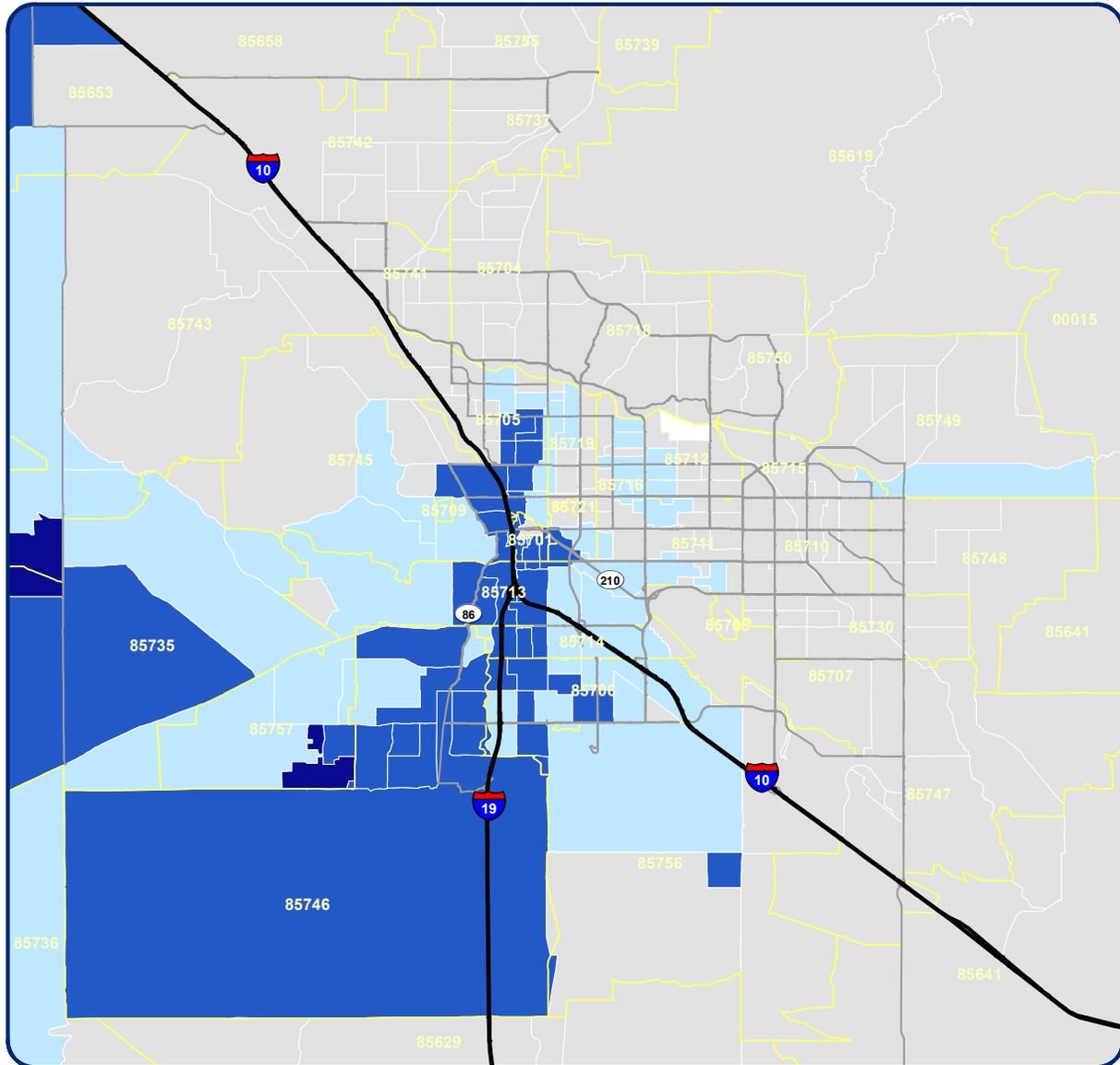
**Hispanic Concentration\***

- No Concentration\*
- Concentration\*
- High Concentration\* (top 25% of all census tracts)
- Tucson City Limits
- Native American Reservations
- ZIP Code
- Freeway
- Local Road

Sources: 2010 US Census; Esri  
 \* "Concentration" defined as greater than or equal to 10% above the county average.  
 Map by Geoff Davies

When these maps are broken down by protected class, Maps 2 and 3 show that Hispanic and Native American concentrations are located in the southern and western region of Tucson and Map 4 shows that African American concentrations are slightly more scattered throughout Tucson and on the eastern part of Tucson.

# Concentrations of Minorities in Tucson - Native American



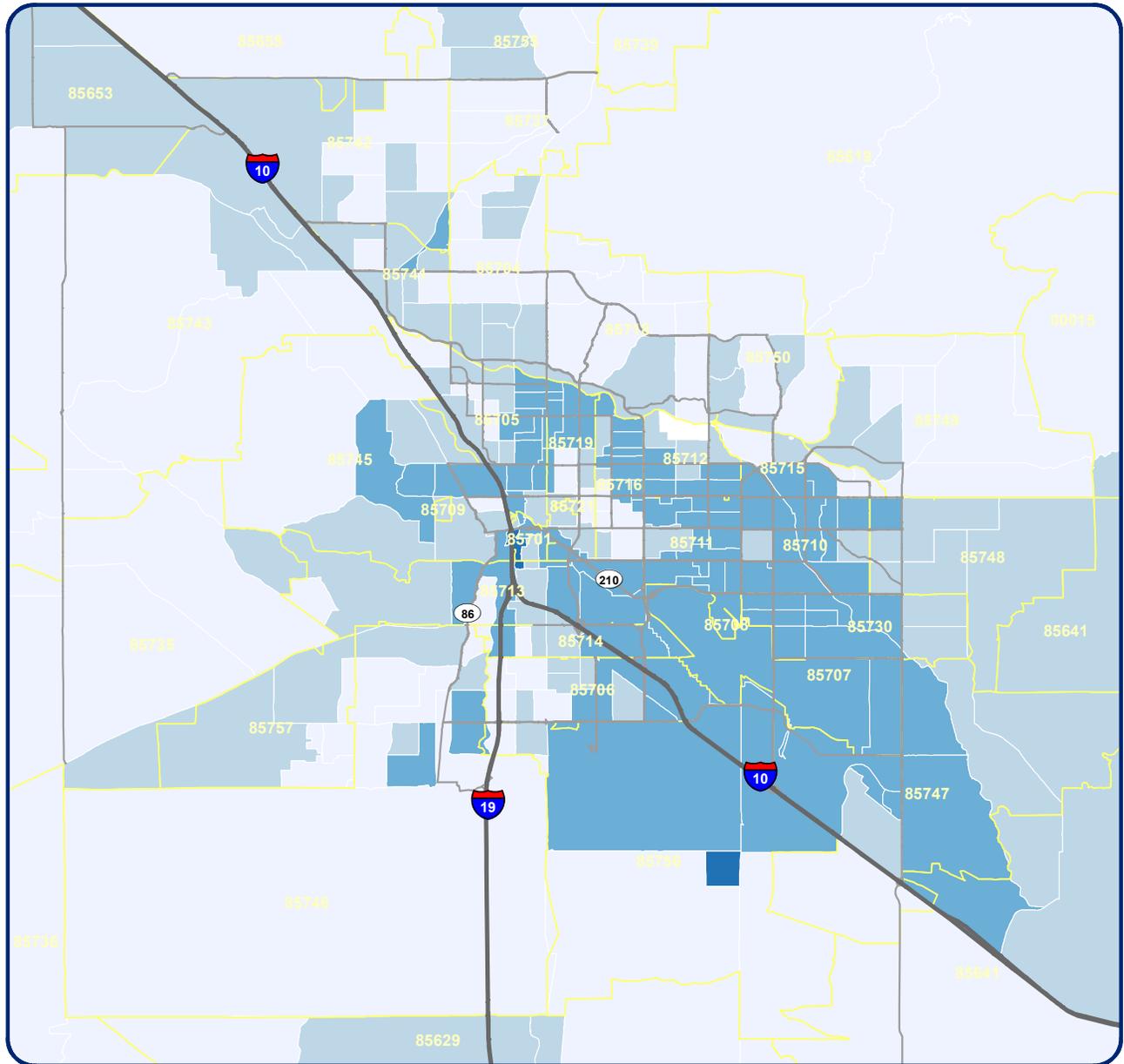
by Geoff Davies

## Native American Concentrations

- Low
- Medium
- High (>10% above the county average)
- Very High (top quartile of all tracts)
- ZIP Code

2010 US Census

# Concentrations of Minorities in Tucson - African American



by Geoff Davies

## Concentration

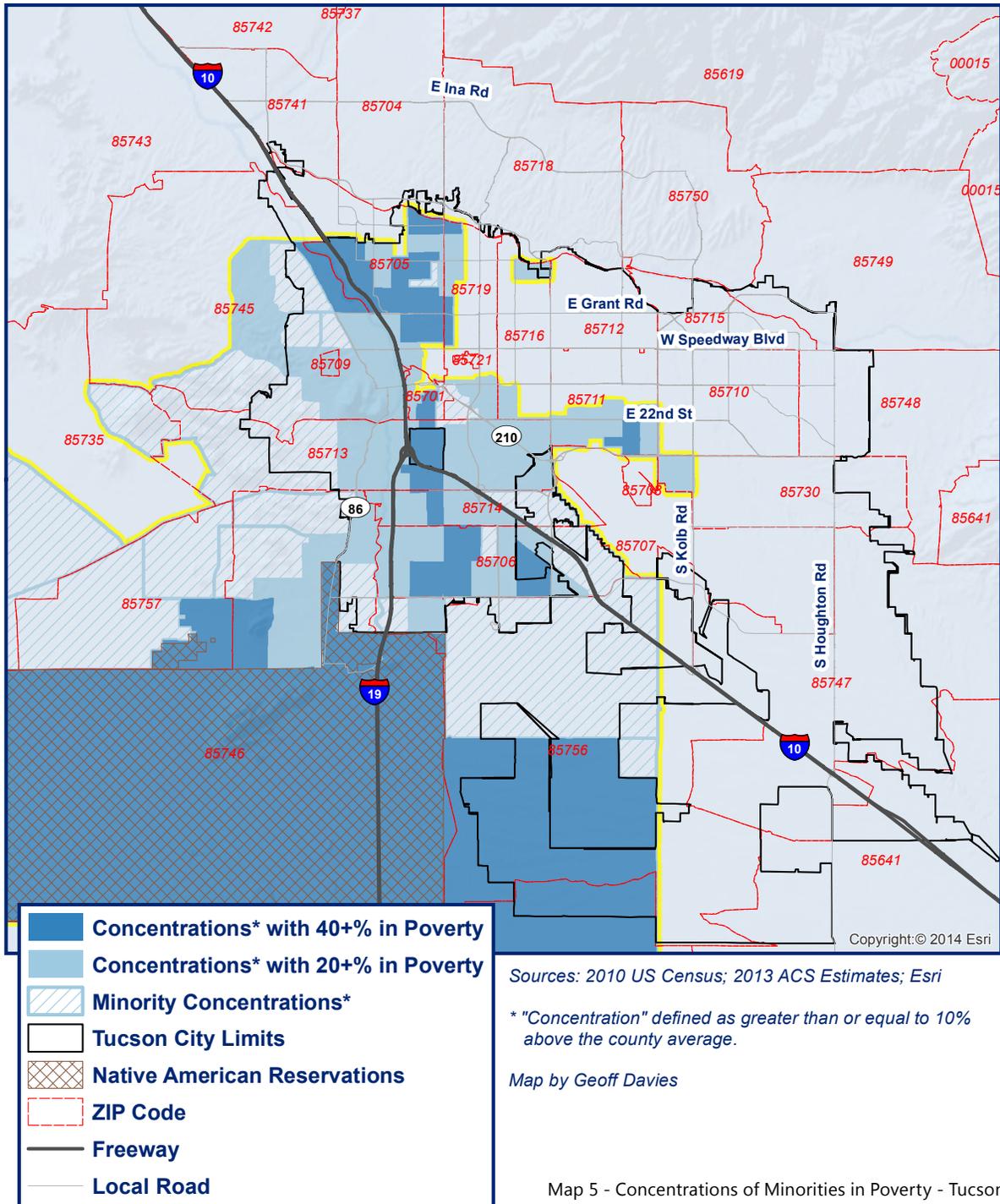
- Low
- Medium
- High (>10% above county average)
- Very High (top quartile of all tracts)
- ZIP Code

2010 US Census

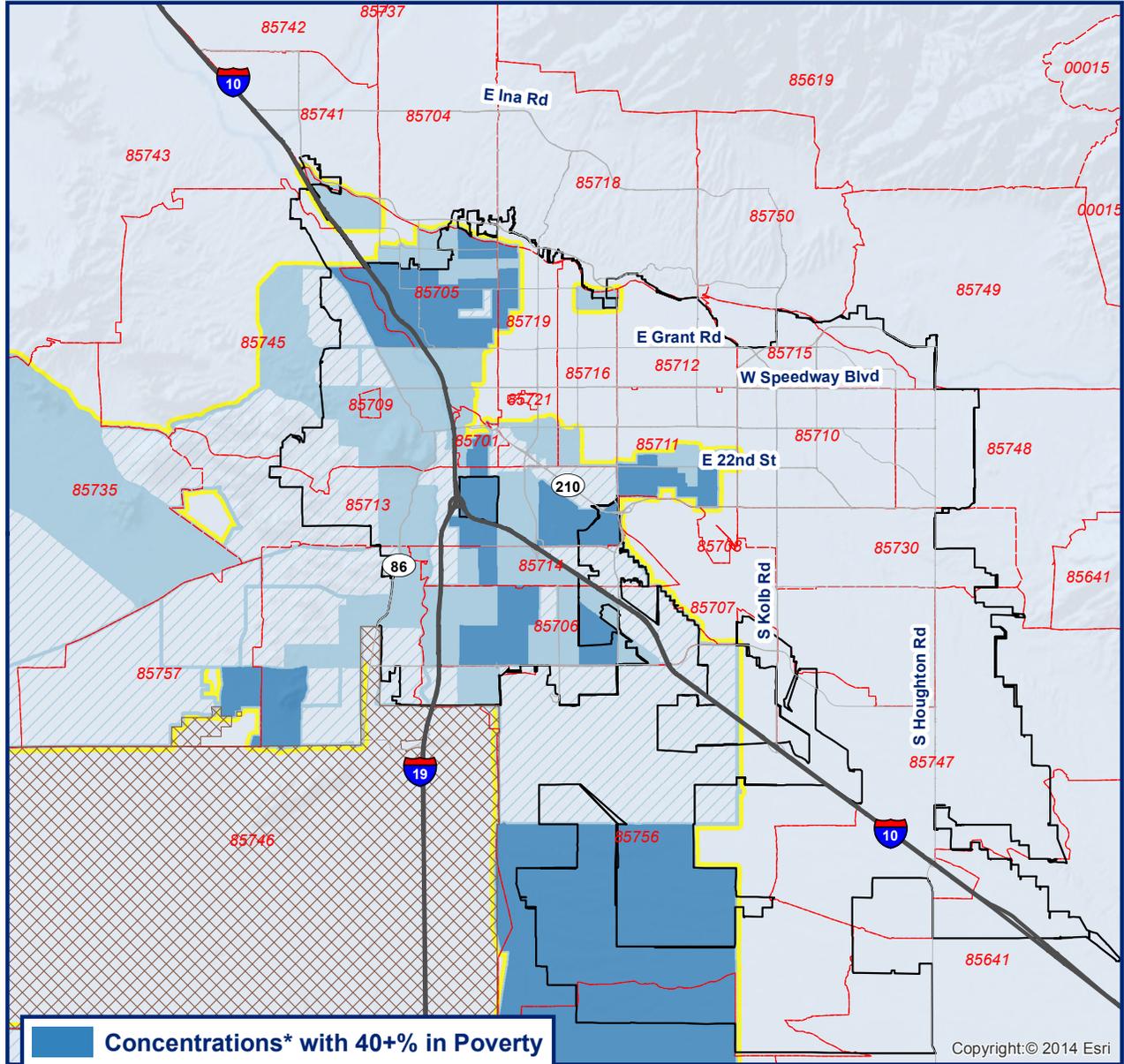
Map 4 - Concentrations of Minorities in Tucson - African American

The following maps show the correlation of concentrations of protected classes and concentrations of poverty. Maps 5 and 6 below show that in nearly all areas of high minority concentration, 20-40% of the population is also living in poverty.

# Concentrations of Minorities in Poverty Tucson



# Concentrations of Hispanics in Poverty - Tucson



**Concentrations\* with 40+% in Poverty**  
**Concentrations\* with 20+% in Poverty**  
**Hispanic Concentrations\***  
**Tucson City Limits**  
**Native American Reservations**  
**ZIP Code**  
**Freeway**  
**Local Road**

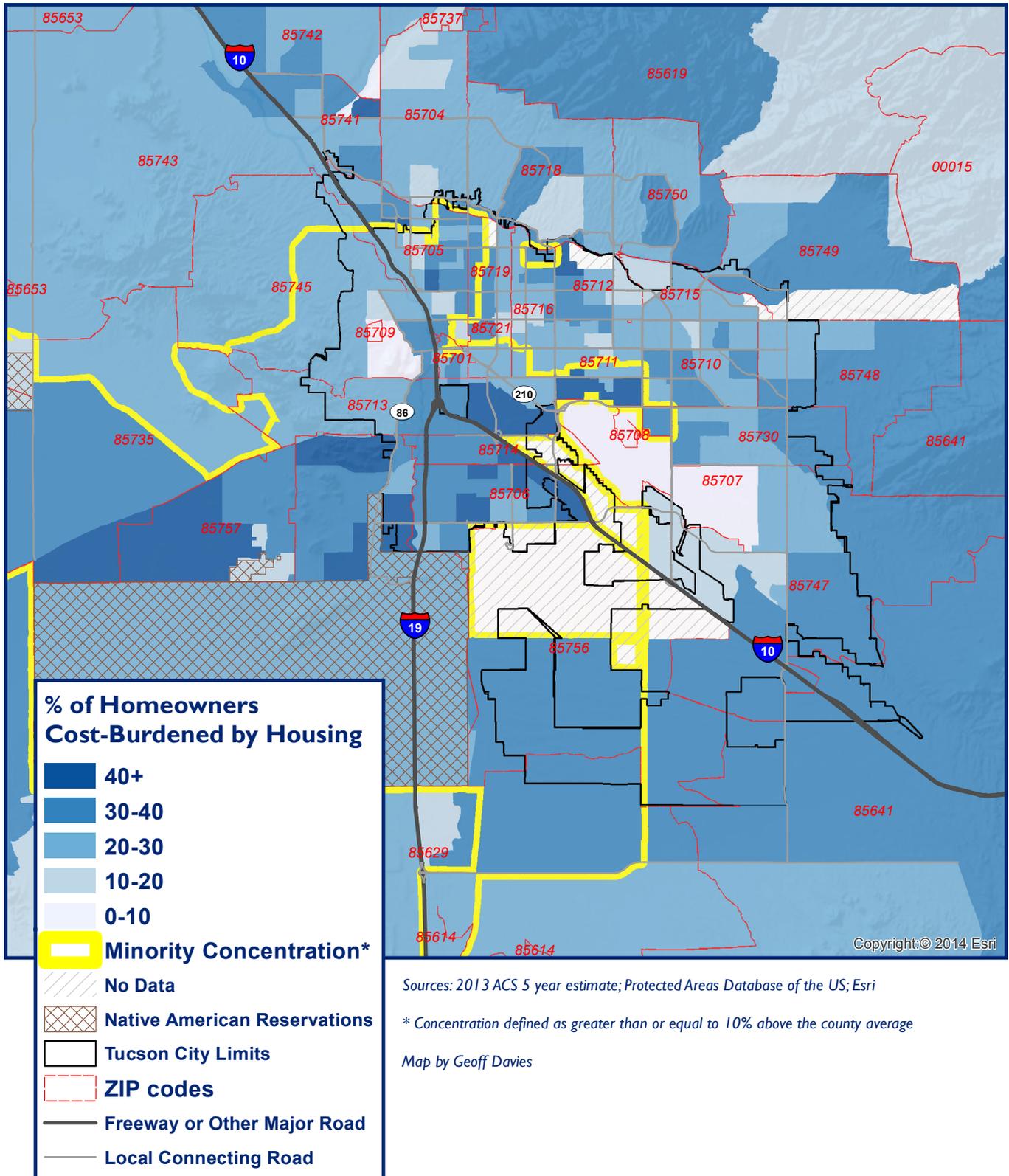
Copyright: © 2014 Esri

Sources: 2010 US Census; 2013 ACS Estimates; Esri

\* "Concentration" defined as greater than or equal to 10% above the county average.

Map by Geoff Davies

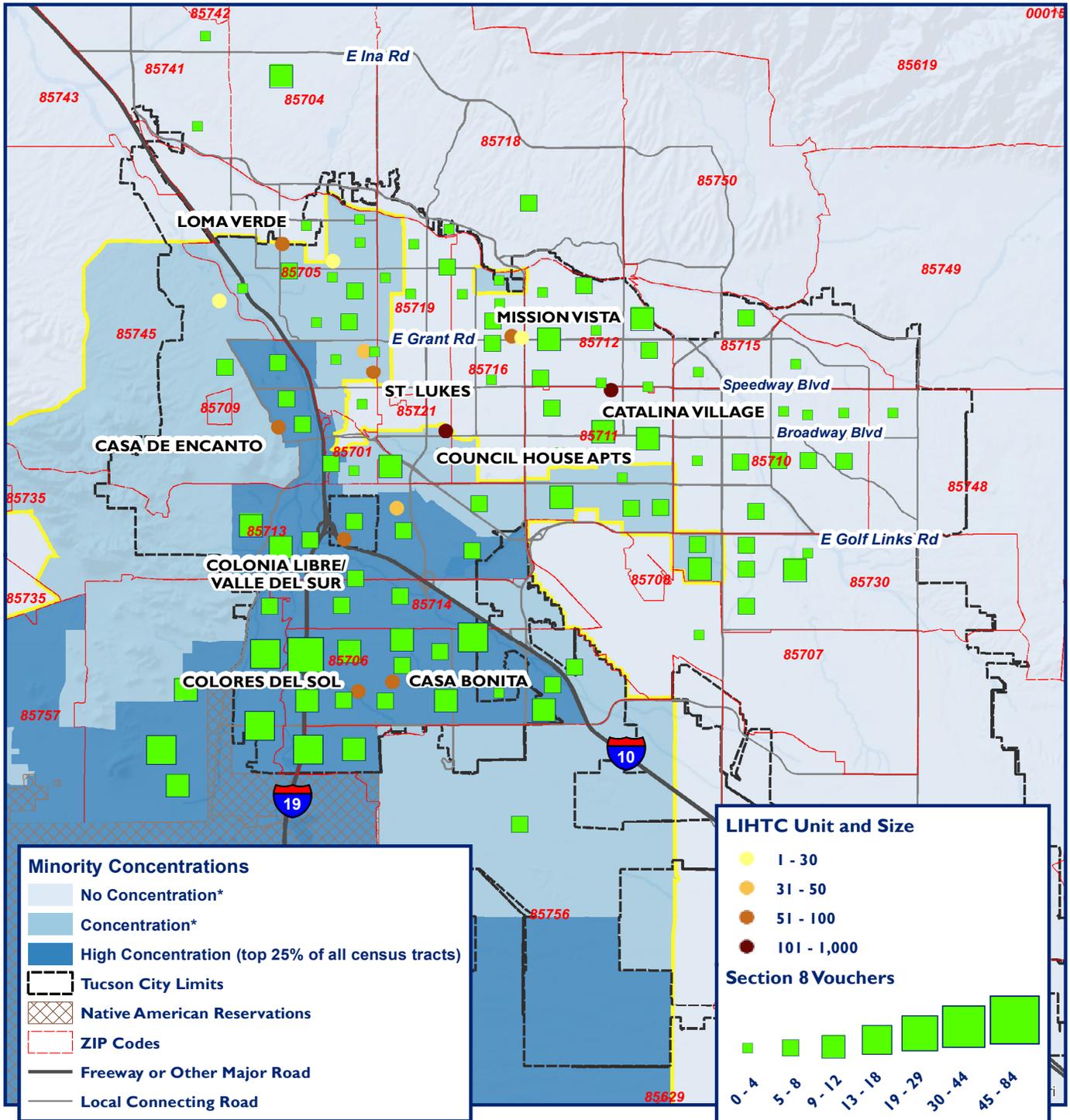
# Residents Cost-Burdened by Housing Compared to Concentrations of Minorities - Tucson



Map 7 - Residents Cost-Burdened by Housing Compared to Concentrations of Minorities - Tucson

Map 8 below shows that subsidized housing and Section 8 voucher usage is disproportionately located in high minority areas and areas of concentrated poverty.

# Minority Concentrations and Subsidized Housing - Tucson



Sources: 2010 Census; 2013 ACS 5 Year estimates; Protected Areas Database of the US; Esri

Map 8 - Minority Concentrations and Subsidized Housing - Tucson

## Dissimilarity Index

Segregation and isolation are indicators of inequality in residential areas. A strong community requires interaction and discourse between individuals of different backgrounds and viewpoints. Dissimilarity indices are traditionally used to measure the distribution of racial and ethnic groups across a particular region. Ranging from 0 to 100, the index indicates the percentage of a certain population that would need to relocate to create an equitable population distribution. For example, a dissimilarity index of 50% between non-Hispanic white and Hispanic in a region would mean that 50% of all non-Hispanic whites would need to relocate to create an equitable population

distribution. Thus, the higher the dissimilarity index, the greater the degree of residential segregation.

According to the Lewis Mumford Center, a value of 60 or more indicates a high level of residential segregation, 40 to 50 a moderate level and less than 30, a low level. The dissimilarity index between Hispanics and non-Hispanic whites in metropolitan Tucson is the highest level of residential segregation in 2000 and 2010.

### Dissimilarity index rates

Race and Ethnicity	Dissimilarity Index Rate 2000	Dissimilarity Index Rate 2010
White – Black	29.4	25.6
White – Hispanic	50	47.2
White – Asian	20.6	17.2
Black – Hispanic	36.8	36.9
Black – Asian	28	24.8
Hispanic - Asian	49.5	45.5

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16 [http://www.s4.brown.edu/us2010/segregation2010/ChartImg.axd?i=charts\\_0/chart\\_0\\_14.png&g=6b7a690f45414187b684b0248be1b41f](http://www.s4.brown.edu/us2010/segregation2010/ChartImg.axd?i=charts_0/chart_0_14.png&g=6b7a690f45414187b684b0248be1b41f)

Table 21 - Dissimilarity index rates

All dissimilarity index rates have dropped since the 2000 Census, with all factors falling into the moderate category or lower. Despite these figures, clear areas of segregation are visible in the minority concentration maps provided above, particularly in areas of high Hispanic population. The dissimilarity index rates factor in Tucson in its entirety. A possible explanation for the drop in the dissimilarity index rates despite the presence of segregated housing patterns can be found by looking at the Hispanic concentration map provided in Table 21 above. The Hispanic population concentration is extremely high

in south central Tucson, however, Hispanics make up 41.6% of the population of Tucson as a whole and reside in most neighborhoods in the Tucson region. The white population in the south central region of Tucson is negligible however, resulting in highly segregated neighborhoods even though Tucson scores moderately on the dissimilarity index.

## Exposure Index

Exposure Indices measure the probabilities for interaction between persons of one race or ethnicity with persons of a different race or ethnicity within a defined geographical region. In the chart below, the exposure index rate indicates the probability of the race or ethnicity listed first will interact with the race or ethnicity listed second. The rates range from 0 to 100, where a larger value means that the average group member (the race or ethnicity listed first) lives in a tract with a higher percentage of persons from the other group \*the race or ethnicity listed second). These indices depend on two conditions: the overall size of the other group and each group's settlement pattern

### Exposure Index

Race or Ethnicity	2000	2010
Black – White	53.6	49.4
Hispanic – White	37.1	33.4
Asian – White	63	56.1
White - Black	4.6	5.6
Hispanic – Black	4.4	4.8
Asian – Black	5	5.7
White – Hispanic	24.5	29.4
Black – Hispanic	34.2	37.4
Asian – Hispanic	25.4	31.1
White – Asian	3.5	4.4
Black – Asian	3.3	3.9
Hispanic - Asian	2.2	2.7



17

Table 22 - Exposure Index

According to the Exposure Index figures above, a Hispanic person has a 33.4 percent chance of living in the same neighborhood as a white person. However, a white person has a 29.4 percent chance of living in the same neighborhood as a Hispanic person. This indicates that in Tucson it is more likely for a white person to live in a neighborhood isolated from the Hispanic population than for a Hispanic person to live in a neighborhood without any white residents. Additionally, it has become less likely since 2000 for Hispanic, black, and Asian individuals to live in a neighborhood with white residents. However, at the same time, it has become more likely for every race and ethnicity to live in a neighborhood with black, Hispanic, and Asian residents. This indicates that the minority population has been growing in Tucson and residing in neighborhoods that had previously had higher white populations, however, white individuals are not moving into neighborhoods which have been high minority neighborhoods.

# Assessment of Current and Private Fair Housing Activities

## Survey Results

SWFHC created a survey to engage community members, real estate professionals, and agency staff in a conversation about fair housing, resources they feel are lacking, and their perception of challenges facing the housing industry. Fifty four people in Pima County completed the survey, which can be found in appendix C&D. The survey was distributed online, at public events, and at fair housing workshops.

A large percentage of people who took the survey felt as though they had been in contact with some form of housing discrimination. Over 77% of people surveyed believe housing discrimination either definitely occurs or likely occurs in their location. Just over 38% of people surveyed felt they or someone they know had either been the victim of housing discrimination or may have been the victim of housing discrimination. Just over 33% of people surveyed indicated that they had experienced a form of steering.

The survey results indicate that despite the prevalence of discrimination either experienced or witnessed, 81% of survey respondents indicated they they were either very familiar or somewhat familiar with fair housing and just under 65% of respondents said they would report discrimination if they saw it. A relatively high proportion of respondents, 13%, indicated that if they witnessed housing

discrimination they would likely do nothing or would not know what to do, supporting the need for ongoing education and outreach.

## Interviews

Six phone interviews have been conducted to gauge local and regional perspectives regarding the state of fair housing, affordable housing and community development throughout Pima County and Tucson. Interviews are ongoing and the results of those interviews will be added to this analysis. The individuals interviewed comprised a wide range of knowledgeable stakeholders including the private housing industry, community organizers, government departments charged with housing and community development, and nonprofit agencies. The interviews provide another perspective and balance to the community survey that focused on housing consumers. Before beginning the interview, interviewees received an explanation of the purpose of the interview, and that the interviewees name and organization would remain anonymous. The questions were similar for all interviewees and were open-ended to encourage discussion.

Throughout the course of the interviews, several common threads emerged and the interviewees brought up similar issues. They agreed on a number of similar points including the following:

- All interviewees stated that there is a lack of accessible housing for people

with disabilities, especially those with families.

- Race, Familial Status, and Disability are the most commonly discriminated classes
- Several interviewees mentioned that the lack of affordable housing stock allows the owners of affordable units to be more selective due to the high demand. They felt that this has a disproportionate impact on low income minorities.
- Housing consumers are largely unaware of their rights or where to turn to regarding a fair housing issue.
- Most interviewees stated that the organizations that they work for receive very few, if any fair housing related inquiries.
- Foreign born populations are often being charged different rates or receiving lower levels of service from their housing provider
- The housing stock in the area is rapidly aging putting additional stress on existing fair housing issues such as accessible units and affordable housing.
- There has been some NIMBY response on the community development side towards building affordable housing.

- Some felt that the region does not receive a proportionate level of program funding compared to regional neighbors like the Phoenix Metro area.
- All interviewees believed that housing discrimination occurs in the community.
- While almost all interviewees worked for organizations that included or required some sort of regular fair housing training, all interviewees stated that there was a need for greater education regarding fair housing.
- Many of the issues that were identified could be linked such as the aging housing stock not including many accessible units and poorly maintained properties putting further stress and tension on those low income minorities seeking affordable housing.

There was a consensus that discrimination does occur within the community and that it stems from a lack of education and resources regarding fair housing rights coupled with a market that is strained by a lack of affordable and accessible housing. These issues are only being made worse by the aging housing stock in the area. The most commonly mentioned discriminated classes were Race, Familial Status, and Disability. Based on these responses the housing stock in the county needs to be addressed.

While all were aware of where to refer housing consumers who have been victims of housing discrimination, many had little confidence that these consumers could identify these resources themselves or even be aware that various types of discrimination were illegal. Based on the responses, fair housing education and outreach is still needed throughout the county and possibly in a more active manner through public PSAs and engaging campaigns.

### Referrals

Southwest Fair Housing Council conducted phone tests in Pima County to determine how efficiently organizations and agency staff were able to identify a fair housing concern and make an appropriate referral. Out of 20 attempted phone calls, 18 were completed. The testers were given a call list and a prompt formulated by the test coordinator. They were told to be unwilling to give out specific

information regarding locations and contact information but to describe that they felt they had experienced discrimination while seeking housing. Half of the calls made stated the discrimination was based off their race and the other half were based on the families' having children. The tester stated they were seeking a reference on who could help with their situation.

Overall, people had a greater knowledge of housing discrimination and where to send the tester when it came to Race discrimination and considerably less knowledge about familial status discrimination. Out of 18 completed tests, only 16% were able to identify Southwest Fair Housing Council as an appropriate resource for housing discrimination. This indicates continued fair housing education and outreach is needed throughout Pima County in order to satisfy the needs of the community.

## Enforcement: Fair Housing Complaints and Testing

### HUD TEAPOTS (Title VII Automated Paperless Office Tracking System) Data

HUD contracts with the Arizona Attorney General's Office through their Fair Housing Assistance Program (FHAP) to process complaints alleging violations of FHA within the state of Arizona. The FHAP program also requires the AG to report the complaints they receive to HUD. These are both compiled within a HUD database referred to as TEAPOTS. HUD provided SWFHC with the following information from TEAPOTS for Pima County.

Basis of complaint	Number of complaints
Withdrawn after resolution	76
No cause	177
Lack of jurisdiction	45
Conciliated, settled	19
Complainant failed to cooperate	11

Table 23 - Teapot complaint results

HUD's records show 280 fair housing complaints were processed from 2010-2014 within Pima County. Of those complaints, 19, or 7%, resulted in a conciliation of settlement for the complainant. Seventeen of the nineteen successfully conciliated or settled complaints were filed on the basis of disability discrimination,

with disability complaints making up nearly 70% of all complaints processed through HUD. The amount of complaints filed for each protected class is provided in Table 22. The total number of complaints referencing a specific protected class is higher than the total number of complaints filed because several complaints site more than one protected class for the basis of the act of discrimination.

Basis of complaint	Number of complaints
Disability	195
Race	50
National Origin	44
Familial Status	16
Sex	24
Religion	5
Color	0
Retaliation	32

## Arizona Attorney General

Table 24 - TEAPOT basis of complaint

The AZAG is the sole FHAP (Fair Housing Action Program) active in the Pima County and Tucson region. Fair housing complaints can also be filed directly with HUD, though it is HUD's recommendation to refer complaints and questions directly to the local FHAP or FHIP (Fair Housing Investigation Program) for assistance. The AZAG investigates individual claims of housing discrimination, attempts conciliation or mediation of complaints, and acts as the legal authority which pursues litigation if a case results in cause finding.

Since 2010, the AZAG has investigated 273 complaints (tables containing all AZAG data are provided in Appendix B) in Pima County, 257 of which occurred in the city of Tucson. Out of all complaints filed, 66% of all complaints filed involved a claim of disability discrimination. The next highest categories, at 21% and 14% respectively, are race and national origin complaints. The prevalence of disability, national origin, and race complaints investigated by the AZAG mirrors enforcement data found in other enforcement activities which will be discussed further below. The breakdown of all complaint types can be found in table 23 below:

Disability	Race	Religion	National Origin	Familial Status	Sex	Color	Retaliation or Harassment
182	58	6	39	13	17	0	37

Table 25 - AZAG complaint basis

Out of all 273 complaints, the AZAG found no cause for 51%. Sixteen complaints were successfully conciliated or settled, and only one case was litigated through a cause finding investigation. The low number of complaints that result in a cause finding may indicate a low number of meritorious complaints, however it may also indicate a need for increased assistance by FHIPs, such as SWFHC. As fair housing advocates, FHIPs are able to help complainants navigate the complaint filing process, communicate effectively with landlords and other housing professionals, and communicate the nature of their complaint with investigators.

## Southwest Fair Housing Council

SWFHC conducts hundreds of tests and processes hundreds of fair housing inquiries annually. The presence of a fair housing organization like SWFHC in Tucson, which conducts ongoing testing and processes fair housing inquiries daily, is an asset to Pima County and Tucson. SWFHC's records provide a baseline of knowledge that, when combined with other data, show fair housing trends and areas of concern.

Fair housing testing is a controlled method of comparing the quality of information and services provided to a matched-pair of testers. One tester is used as a control and the other tester represents one of the protected classes, race, color, national origin, sex, religion, disability, or familial status. The testers are matched in every other socio-economic category, so that it can be determined whether differences in treatment were due solely to the protected class difference. Most of SWFHC’s tests are done by a matched pair of testers, though it is possible to conduct tests with a single tester, or more testers, depending on the nature and needs of the test. Testers are provided specific assignments for each test and fill out detailed analysis sheets upon completion. Tests are also recorded to ensure accuracy of results. Tests can be used to investigate and support a fair housing complaint or they can be done systematically. Fair housing organizations like SWFHC can bring fair housing complaints based on testing results alone. Test results are categorized as either “supports allegations” when a fair housing violation is found, “inconclusive” when it can not be determined if differences in treatment were due to a fair housing violation, and “does not support allegations” when the test did not uncover any fair housing violations. The percentage of tests which were found to support allegations are provided below.

	Protected Class			
	Disability	Race	National Origin	Familial Status
% Support Alegations	16.5%	8.8%	13.5%	12.61%

Table 26 - Fair housing testing results

Disability tests represented the highest percentage of tests which indicated housing discrimination had occurred, which is consistent with national trends. Disability complaints make up the largest percentage of complaints processed by HUD. Though housing professionals generally understand it is illegal to discriminate against someone for their race or national origin, disability regulations are more nuanced and are often misunderstood resulting in more complaints.

SWFHC is also a referral agency which provides fair housing and other housing referrals to housing providers and the public free of charge. Out of all 2,802 inquiries, the percentage of inquiries that pertained to either one of

the protected classes or a different type of housing concern is provided in the chart below:

Protected Class	Percentage of inquiries
Other	68.95%
Disability	13.74%
National Origin	8.92%
Race	3.68%
Familial Status	2.71%
Sex	1.03%
Religion	0.46%
Age	0.29%

Table 27 - SWFHC referral by protected class

If the inquiry is fair housing based, SWFHC first councils the complainant or housing professional in how to resolve their issue according to the Fair Housing Act. This is especially common when resolving disputes concerning reasonable accommodations and modifications for persons with disabilities in a rental setting. If the inquiry is either an Arizona Landlord and Tenant Act dispute or any other type of housing question, SWFHC refers individuals to various agencies and nonprofit legal assistance. Between 2010 and 2014, SWFHC received 1,932 calls that were not considered

a fair housing related inquiry and were referred to an outside agency. For all calls which were determined to have a fair housing component, 870 inquiries, the results are provided in the chart below, Only categories for which SWFHC received enough calls to have a significant data set are provided.

	Protected Class			
	Disability	Race	National Origin	Familial Status
<b>% resolved by SWFHC</b>	31.39	24.14	24	18.37
<b>% filed complaint with HUD or AG</b>	17.94	20.69	8.5	10.2
<b>% referred to another agency</b>	50.67	55.17	67.5	71.43

Table 28 - SWFHC referral result

## Tucson Fair Housing Law and Enforcement

The Tucson City Code has a fair housing ordinance with a few significant differences from the federal Fair Housing Act (FHA). The code includes all federally protected classes as well as age, marital status, sexual orientation, and ancestry. Fair housing complaints regarding protected classes not included in the FHA must be bona fide and must be filed directly with the city. Individuals cannot use private attorneys. A person found responsible for a first time offense is fined a minimum of \$300, but not more than \$2,500; a fine of at least \$600 but not more than \$2,500 is assessed for a second violation; and a third infraction receives a fine of at least \$900 and again, not more than \$2,500.

Because of the advantages of federal and state fair housing laws, except for the four classes protected by the city and not FHA, the vast majority of complainants choose to file their complaints through HUD, the Arizona Attorney General's Office or Southwest Fair Housing Council (SWFHC). Pima County does not have a fair housing ordinance and defers to the state fair housing statute. All allegations of illegal housing discrimination are referred to SWFHC or the Attorney General's Office. Enforcement of Tucson's Fair Housing Ordinance is important because it serves as another tool to combat housing discrimination, it further dissuades housing providers from discriminating, and it protects four classes of people that are not protected under federal or state fair housing laws.

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

Though the above stated official guidelines are in place to receive and process fair housing complaints through the city under Chapter 17, it is very difficult for the average resident to find this information and navigate the complaint process. Very few people would know to look for and find the Tucson City Code and then locate the section regarding housing discrimination. Furthermore, the code refers to the "Equal Opportunity Office (EOO)." However, the EOO is now the "Equal Opportunity Programs Division of Human Resources Department (EOPD)." The EOPD website does include information about housing discrimination complaints under Chapter 17. It also includes a downloadable complaint

form that requires a notarized signature. To the City's credit, it has added four protected classes not covered by the federal Fair Housing Act. However, finding information about the added protections under City Code and understanding and following the process to file a complaint is challenging. There is very little, if any, publicity about the city's added protected classes or complaint process. Downloading and printing out the complaint form, notarizing a signature, and finally returning the completed and notarized form presents several barriers, especially for the city's most vulnerable residents. This likely contributes to the fact that city has processed virtually no fair housing complaints under its code.

To assess how the average person with a fair housing complaint in the city of Tucson would navigate the process, SWFHC conducted a series of tests. First, SWFHC made 18 phone calls to organizations and agencies within the city of Tucson and Pima County. The details of these calls can be found on page 47; however out of all calls, no tester was referred to the city of Tucson or the EOPD to process a fair housing complaint.

Additionally, SWFHC conducted two tests of the city attorney's office because SWFHC was itself under the impression that the city attorney processed housing discrimination complaints under the City Code. It was only later that SWFHC was directed to the EOPD and discussed the complaint process with staff from that office. In the first test, the tester went to the city attorney's office and stated she wanted to speak with someone about a housing issue. The staff person told the tester she had the wrong office and that the city attorney does not deal with public housing. When the tester stated she was not in public housing, the staff person told her she could file a complaint with the AG's office, but that she did not have any details on the types of complaints filed there. When the tester asked what the city attorney's office does, the staff person stated that they only dealt with city departments and not the public. In the second test, the tester called the office and stated he was in a same sex marriage and that an apartment said they would not rent to him. The tester was referred to the Arizona Attorney General's office. The tests demonstrated that the city attorney staff that the testers interacted with did not know to direct housing discrimination cases to the EOPD.

## Home Mortgage Disclosure Act

The National Community Reinvestment Coalition (NCRC) conducted a portfolio and market share analysis using 2011-2013 Home Mortgage Disclosure Act (HMDA) data with the following specifications for the Tucson, AZ MSA: all single family lending, loans to owner-occupants, and first lien loans. All single-family loans include loans for home purchase and refinances.

For the portfolio share analysis, NCRC evaluated the market-rate and high-cost lending trends by race of borrower (White, African-American, White non-Hispanic, Hispanic, or Asian); income level of borrower (low- and moderate-income and middle- and upper-income); income level of census tract (low- and moderate-income neighborhoods and middle- and upper-income neighborhoods)<sup>18</sup>; and minority level of census tract (substantially minority or substantially white census tracts). Lending patterns were then compared to the demographics of the metropolitan area to illustrate potential lending disparities. Due to the relatively small size of the market, and the lack of recent HMDA analyses here, we have used data from 2011-2013 in this examination. While this exposes our review to the problems of including loans from the shaky early days of the recovery through the relatively active 2012 refinance spurt, and into 2013 we feel this gives a better idea of long term trends in the Tucson market over this period.

18 Low-to-moderate income is defined as incomes under 80% of the Area Median Income (AMI) as reported by the 2010 Census.

In the market share analysis, NCRC compared the proportion of high-cost loans made to a particular borrower group to all loans (prime plus subprime loans) made to that same borrower group. A disparity ratio illustrates how often lenders made high-cost loans to one borrower group (e.g. Whites) compared to another group (e.g. African-Americans).

Market-rate loans are loans made at prevailing interest rates to borrowers with good credit histories. High-cost loans, in contrast, are loans with rates higher than prevailing rates made to borrowers with credit imperfections. The higher rates compensate lenders for the added risks of lending to borrowers with credit blemishes. While responsible high-cost lending serves legitimate credit needs, public policy concerns arise when certain groups in the population receive a disproportionate amount of high-cost loans. When high-cost lending crowds out market-rate options in traditionally underserved communities, price discrimination and other predatory practices become more likely, as residents face fewer product choices. While high cost lending has declined greatly since 2008 as a portion of the market it is still important to monitor and measure for disparate impact on protected classes.

### **Portfolio Share Analysis of All Single Family Lending in the Tucson, AZ MSA**

Hispanic or Latino borrowers received a disproportionately high percentage of high-cost loans. While 25 percent of all households in Tucson, AZ MSA consisted of Hispanics, this borrower group received over 36 percent of all high-cost loans during 2011-2013<sup>19</sup> and just 19 percent of lower cost prime loans.<sup>20</sup> Furthermore, the percentage of market rate loans issued to Hispanics was smaller than their percentage

of the city's households, with about 65 percent of all single family prime loans issued to this borrower group.

African-American and Asian borrowers comprised a rather small proportion of households in the Tucson, AZ MSA in 2011-2013, representing respectively 3.2 and 2.48 percent of area households. Accordingly, these two borrower groups received fairly small percentages of prime and high-cost loans. While this doesn't mean that there is no cause for concern, the numbers borrowers in these categories are too small to draw correlations from.

### **Market Share Analysis of all single Family Home Lending in the Tucson, AZ MSA**

Consistent with the above observations, Hispanic borrowers were more than 2.05 times more likely to receive high-cost loans, as compared to White borrowers. In other words, 10.1 percent of the loans to Hispanics were high-cost, while 3.7 percent of the loans to Whites were high cost. Furthermore, White non-Hispanics were 0.75 times less likely to receive a high loan than White borrowers (a population that includes Hispanics, indicating that it is the protected class status that correlates with the presence of a higher cost loan). (see Table 1b and Chart 1b).

Residents of minority census tracts in Tucson, AZ MSA were over three times as likely to receive high-cost loans as residents of non-minority census tracts. (see Table 4b). Similarly, residents of LMI tracts in the Tucson, AZ MSA were more likely to get high-cost loans than were residents of more affluent areas (Tables 2b & 3b). Minority tracts also contain very few owner-occupants, with 82% of owner-occupied homes being located in tracts with less than 50% minority residents.

### **Denial Disparity Analysis of All Single Family Home Lending in the Tucson, AZ MSA**

Hispanic borrowers were 1.49 times as likely to be denied single family loans as were White borrowers. Furthermore, African-Americans were 1.39 times more likely to be denied a single family loan than White applicants. About

<sup>19</sup> See Table 1a and Chart 1a in Appendix A

<sup>20</sup> Note that this refers strictly to households; in terms of individuals the demographics of Tucson are very different. According to the 2013 ACS 5-year sample 36% of individuals in the Tucson MSA are Hispanic, primarily from Mexico, and are younger than the rest of the population. Traditionally this would indicate that in the near future these individuals will seek to form their own households and the demand for housing and housing finance for this market segment will increase.

20 percent and 18 percent of all Hispanic and African-American loan applications, respectively, were denied in Tucson, AZ MSA in 2011-2013, while just 12 percent of non-Hispanic White applicants saw their applications declined (see Table 1c and Chart 1c).

LMI applicants were more likely to be denied a single family loan than MUI borrowers. LMI borrowers were denied loans more than one and a half times more often than more affluent borrowers (Table 2c and Chart 2c).

Consistent with the above trends, residents of LMI and predominantly minority tracts were about 1.3 times as likely to be denied a single family loan, as compared to MUI and non-minority tract residents, respectively. This agrees with existing literature on the topic, where neighborhood factors account for much of the disparity in volume and cost of lending at least as much as borrower characteristics.<sup>21</sup>

## Lending Overview

Given what we know about the preference of the market for White non-Hispanic borrowers it is perhaps of no surprise that the Tucson MSA over the years 2011-2013 reflects a strong bias towards lending to this market segment. Interviews with loan originators, at both large and small lenders, reveal some of the reasons why. In most cases, loan originators are compensated based on the overall volume of lending they facilitate. Among loan originators this can lead to a prejudicial avoidance of applicants they feel may take too much of their time or those they suspect might have weaker credit or lower incomes. Some larger lenders have created programs which reward loan originators for servicing these clients. At the smaller end of the market, among correspondent lenders and mortgage brokers for example, it is unlikely to see this solution. Some of the strongest comments justifying why they avoid underserved markets and borrowers came from this group of loan originators.<sup>22</sup>

At first glance, the lending pattern of the Tucson MSA does not appear to show lending disproportional to the size of the racial group. White non-Hispanics are 66% of households and 67% of loan applications. However, this places their disparity ratio of 106% far above that of Hispanics at 65% and African Americans at 50%. Many of the loans reported lack demographic data as well. While only 1% of area households report a race or ethnicity other than those listed, over 10% of loan applications lack demographic data. While we cannot know how many of these loan applications were made by non-Hispanic Whites we can make an assumption based on the correlation between the percent of

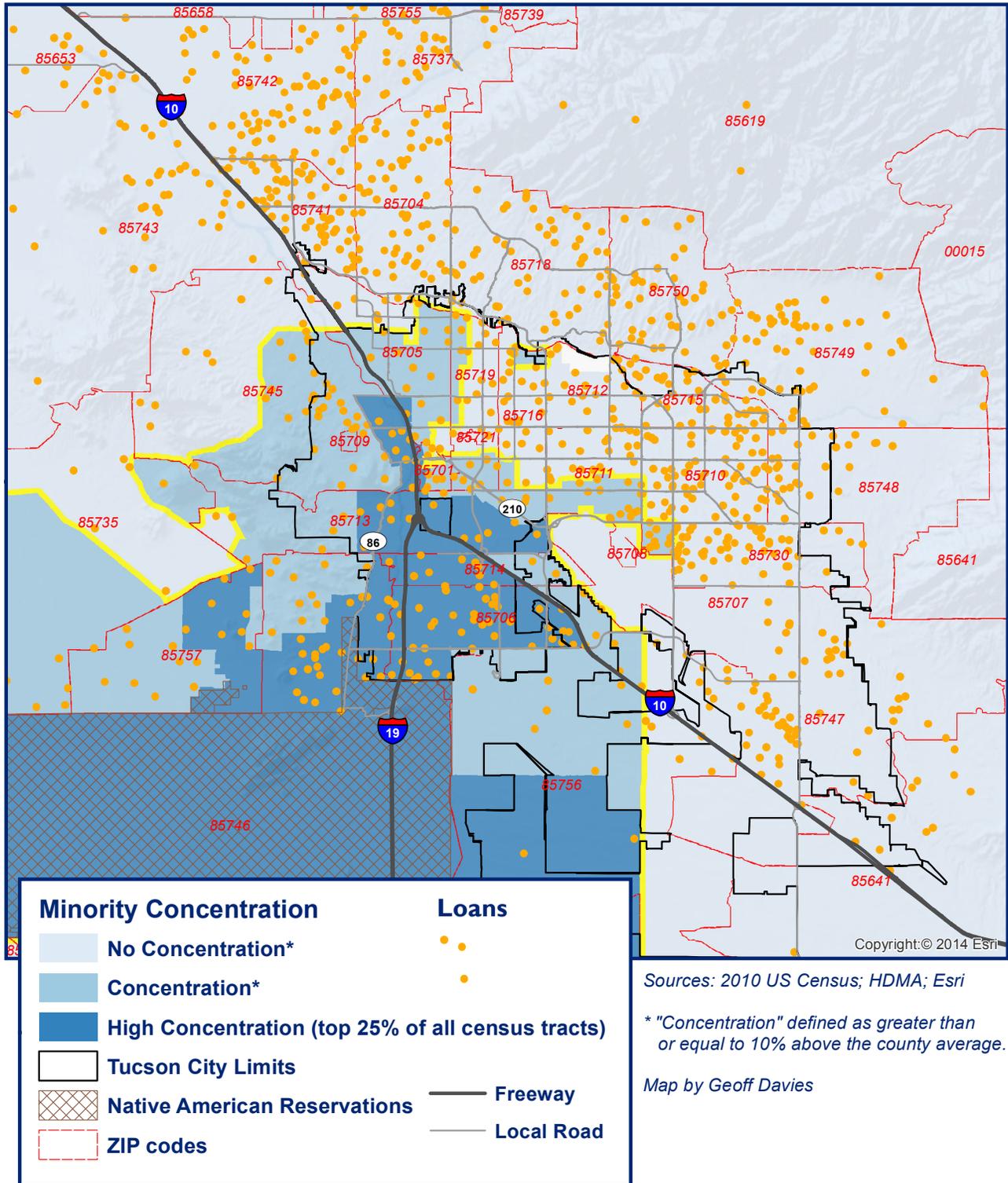
21 Wyly, E., Hammel, D., & Atia, M. (2004). Capital is the Landlord: Class-Monopoly Rent and New Geographies of Subprime and Predatory Mortgage Lending. In 34th Annual Meeting of the Urban Affairs Association.

22 These comments are obviously anecdotal, and reflect conversations and interviews conducted by the author over the years with loan originators.

Applications and Loans By Race for All Lenders in the Tucson MSA 2011-2013									
	Households*		Applications			Loans		Loan to Household	
	Number	Percent	Number	Percent	LMI**	Number	Percent	LMI	Disparity Ratio
Hispanic	99911	26%	16685	17%	112%	10713	17%	113%	65%
Asian	8745	2%	495	1%	69%	315	0%	63%	22%
Native American	6994	2%	2382	2%	47%	1559	2%	44%	136%
Black	12118	3%	1637	2%	83%	1001	2%	85%	50%
HUPI***	439	0%	245	0%	66%	159	0%	67%	221%
White	254886	66%	64179	67%	52%	44523	70%	51%	106%
Other	5567	1%	10063	11%	56%	5496	9%	52%	602%
<b>Total</b>	<b>388660</b>	<b>100%</b>	<b>95686</b>	<b>100%</b>	<b>61%</b>	<b>63766</b>	<b>100%</b>	<b>59%</b>	<b>100%</b>
***HUPI Hawaiian or Other Pacific Islander									
** LMI= <100% of MSA Median Income									
*2010 Census SF1									

Table 29 - Lending Overview

# Distribution of Housing Loans Over Minority Concentrations in Tucson - All Minorities



Map 9 - Distribution of Housing Loans Over Minority Concentrations in Tucson - All Minorities

these loans being made in LMI census tracts for the unreported loans and for non-Hispanic Whites that a significant portion of the unreported loans were made to White borrowers.

## Loan Application Overview

On the following pages are histograms of the home purchase and refinance loan activity in the Tucson MSA between 2011 and 2013. Histograms allow us to identify specific lenders that are outliers among local peers. For the purposes of this review, lenders that reported less than 100 home purchase or refinance applications over the three year period were excluded. This resulted in 94 lenders being included in the histograms below. Three lenders were eliminated from the measure of loan applications with a low-to-moderate income (LMI) applicant to clean the data and achieve a normal distribution. The importance of this distinction will be discussed below, but those three lenders appear to service the LMI community in Tucson almost exclusively. These three lenders, including United Security Financial (226 loan applications 100% with LMI applicants), James B. Nutter and Co. (157 applications, 154 with an LMI borrower), and Freedom Mortgage Corp (846 applications and 778 with an LMI applicant) may warrant additional scrutiny.

The histograms are transgressed by blue lines at the mean and red lines at one and two standard deviations from the mean. Both data sets display normal distributions and we can assume that 65% of lenders should appear within one standard deviation of the mean. Two standard deviations should include 95% of all lenders.<sup>23</sup> This method identifies several outliers, the most egregious of which is Homeservices Lending LLC (respondent ID 41-1914032). HMDA records reveal 509 applications reported for home purchase and refinance lending and just 59 reporting a minority applicant for this lender. The tables on the following pages identify the outliers which appear between one and two standard deviations below the mean for either applications or loans made to minority or LMI borrowers. This analysis can be used as a guide to the local lending market in Tucson for the years 2011-2013 and the appearance of a lender on one or more of these lists raises legitimate questions about the effort that lender is making in underserved markets in comparison with their peer lenders.

## Summary and Conclusions

- By combining HMDA data from 2011-2013 it is possible to draw better observations due to a larger set of data and a longer timeline in the history of each lender. This dataset is broader and deeper than the yearly HMDA reviews most often used in discussions on fair lending topics.
- Lenders in the Tucson AZ MSA display many of the same tendencies to cluster in proven markets during periods of tight credit access.<sup>24</sup>
- White non-Hispanic status, higher tract –to-MSA income and more owner-occupied units in the tract are all positively correlated with loan application and loan originations.

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<sup>23</sup> There is a rather comprehensive explanation of this effect in the Wikipedia article on Normal Distributions listed below. See the section on Standard Deviation and Tolerance Intervals for more detail.

[http://en.wikipedia.org/wiki/Normal\\_distribution](http://en.wikipedia.org/wiki/Normal_distribution)

<sup>24</sup> Immergluck, D. (2011). *Foreclosed: High-risk lending, deregulation, and the undermining of America's mortgage market*. Cornell University Press.

- While larger lenders are able to remain within industry norms, market pressure or other factors push smaller lenders into niche markets, possibly explaining the presence of many non-bank lenders in the outlier reports from the histogram analysis.
- Follow on meetings with outlier lenders are indicated, and would offer a point of advocacy for the NCRC member.

## Education and Outreach

### SWFHC

Southwest Fair Housing Council conducts extensive education and outreach activities throughout Pima County and Tucson, funded through HUD Fair Housing and Equal Opportunity grants, the City of Tucson, and Pima County. From 2010-2014, SWFHC conducted 340 presentations or workshops and participated in 61 community events, reaching a total of 26,946 people. SWFHC has also distributed 64,312 pieces of fair housing literature in the region. SWFHC trainings and presentations target housing professionals, agency staff, and the general public. All of the materials distributed by SWFHC and the content of all presentations has been approved by HUD staff.

Education and outreach programs are vital to the elimination of housing discrimination. Often fair housing violations are the result of housing professionals being unaware of the nuances and protections of the fair housing act. For example, disability violations are currently among the most common fair housing complaints nationally and locally. It is thought that housing providers are not intentionally discriminatory of persons with disabilities, however they are unaware of their responsibilities in granting reasonable accommodations and modifications. Education and outreach programs also empower the public to be aware of when they may be victims of housing discrimination and know how to file a complaint or seek assistance. Housing discrimination today is often not as overt as it may have appeared in the past, making it important for housing seekers to understand their fair housing rights and how to seek assistance.

# 2015 Fair Housing Impediments

The following section explains the impediments to fair housing that have been identified through researching current demographics, surveying the community and housing professionals, events that have shaped the housing industry, and fair housing education and enforcement databases. Each impediment is listed with supporting analysis provided. Previously discussed research is referenced where appropriate. The action steps to be taken to combat the impediments are provided in Section 7.

## Impediment 1:

### **Illegal housing discrimination continues to occur in Tucson and Pima County.**

SWFHC's enforcement program continues to process fair housing complaints and conduct testing that indicates illegal housing discrimination is occurring in many facets of the housing market. SWFHC's education and outreach program interacts regularly with the community and receives anecdotal evidence from community members, housing providers, real estate agents, government entities, and others that illegal housing discrimination occurs and the majority is not reported.

Information provided to SWFHC from the Arizona Attorney General (AZAG) regarding fair housing complaints processed in Tucson and Pima County, as well as the results of SWFHC's extensive testing in the community, indicate that housing discrimination is an ongoing problem. The AZAG has processed 273 fair housing complaints since 2009. Though only 16 of these complaints resulted in a conciliation settlement and only 1 resulted in a cause finding resolution, the sheer number of complaints filed, combined with the assumption that only 1% of housing discrimination is ever reported (NFHA; Fair Housing Trends Report), indicates more housing discrimination is occurring than is being confirmed through the complaint filing process. SWFHC tests have uncovered that people of color, persons with disabilities, and families with

children face housing discrimination an average of 13% on the time when seeking housing.

Additionally, there is significant evidence of discrimination towards persons with disabilities in the area. For example, 182 of the complaints filed with the AZAG, or 66%, were on the basis of disability. Seventeen of the 19 cause finding complaints reported in HUD's TEAPOT data since 2010 were for disability complaints as well. In the last 5 years, nearly 14% of all housing inquiries SWFHC has processed pertained to disability and 16.5% of disability tests confirmed that discrimination had occurred. The high number of complaints brought by persons with disabilities is consistent with national and statewide trends. When combined with the survey and interview feedback received, citing a need for more accessible housing, it becomes clear that continued education and outreach, particularly concerning disability issues, is necessary to combat ongoing discrimination.

## Impediment 2:

### **Housing consumers do not understand their fair housing rights, how to recognize if they experience illegal housing discrimination, or how to get assistance if their rights are violated.**

SWFHC has drawn these conclusions through fair housing complaints it has processed, education and outreach in the community, stakeholder interviews,

a community survey, and other interaction with housing consumers and housing professionals.

SWFHC has an established education and outreach program, as well as a comprehensive enforcement program, which operates throughout Pima County. Since 2010, SWFHC has processed 2,802 inquiries, most of which were housing consumers calling to determine if their housing question fell under fair housing. Though only 45% of those inquiries, or 870, resulted in a fair housing related question, the volume of calls received indicates there is ongoing confusion in the community regarding fair housing. SWFHC received similar feedback and fields similar questions regularly at public events and fair housing courses. Additionally, SWFHC was told by housing professionals during the interview process that people do not understand their fair housing rights and 13% of survey respondents said they either would do nothing or would not know what to do if they witnessed housing discrimination.

### Impediment 3:

**Housing providers and entities that assist people with housing related issues do not adequately understand fair housing rights and responsibilities and do not know how to identify fair housing violations or assist people whose fair housing rights may have been violated. A review of fair housing complaints, trainings, events, a community survey and focus group, and stakeholder interviews provide evidence that housing providers and other entities need continued fair housing training.**

SWFHC has conducted 340 fair housing courses with housing professionals in Pima County since 2010. Housing professionals who attend these classes are often very unfamiliar with fair housing laws. The number of complaints filed and settled with the AZAG also indicates that housing providers do not understand fair housing law, particularly in the area of disability discrimination which comprised 66% of the complaints filed with the AZAG. Out of all fair housing inquiries processed by SWFHC, 13.75% of them were disability as well, the highest category. The next highest category is National Origin at nearly 8%.

Additionally, SWFHC conducted tests of housing professionals and service providers in Pima County to determine if the staff could identify the tester's mock housing discrimination question as a fair housing violation. Two types of tests were conducted, for national origin and familial status. The housing professionals were significantly more likely to be able to identify race discrimination than familial status. Only 16% of the calls completed were referred to SWFHC to assist with the problem.

### Impediment 4:

**Tucson has significant areas of racial and ethnic concentrations, many of which are also high poverty areas. The city and county are obligated to affirmatively further fair housing (AFFH). This obligation requires that programs, policies, and projects work to alleviate segregated housing patterns. While some progress has been made since the last AI, it is still difficult to determine whether or not this requirement is being met. An analysis of the effect of housing, community development, and other projects on segregated housing patterns is not being done.**

Tucson is a diverse community with a majority minority population. Non-Hispanic whites make up 47% of the population, with Latinos making up 42%. Even with Tucson's diversity, it continues to have clearly segregated housing patterns. When looking at Map 2, areas of Latino concentration are clearly visible in south central Tucson, and along the west side of Interstate 10. Areas to the north of Tucson are predominantly non-Hispanic white.

Areas of minority concentration often lack the same access to opportunity that more integrated and white areas have. As is seen when comparing the segregated Hispanic housing patterns in Map 2 with the minority incomes in Map 6, the areas that have the highest Hispanic concentrations are also areas of concentrated poverty. In a recent study by the Martin Prosperity Institute, Tucson ranked as the 5th most economically segregated city in

the country.<sup>25</sup> People in concentrated areas of poverty generally have less access to education, transportation, employment, healthcare, and nutritious food. All of these factors combine and amount to significantly fewer resources for people to fully participate in society and reach their potential.

Historically, segregation along racial and ethnic lines was common and often mandated by law prior to the passage of the Fair Housing Act. Realtors refusing to sell a home to a black household in a white neighborhood, for example, was a common and accepted practice. Institutionalized discrimination further perpetuated segregated housing patterns when the federal government refused to insure mortgages in minority neighborhoods, a practice known today as redlining, further limiting the ability of minority group and maintain a home and build wealth. Even after the passage of the Fair Housing Act, these neighborhoods suffered significant divestment from both the public and private sectors. They often became industrialized areas, with poor schools, failing infrastructure, and limited employment options. This social and economic isolation from the greater community has created deeply segregated struggling neighborhoods. Additionally, segregated housing patterns can exacerbate social tension and lead to civil unrest, as was seen in Ferguson,

Missouri and other communities in the fall of 2015 (Economic Policy Institute).

Today, jurisdictions are mandated by the Fair Housing Act to affirmatively further fair housing through the policies and programs they implement. Segregated housing patterns cannot be overcome merely by banning overt housing discrimination, because they have become entrenched over time. Jurisdictions must do more than provide affordable housing; they must actively work to reduce segregation. This issue most recently came to the forefront of fair housing when the Anti-Discrimination Center in New York sued Westchester County, New York for acting in bad faith by certifying that communities in the county had met the demands of the Fair Housing Act. The county accepted \$45 million in federal grants to develop housing over a number of years, yet housing still remained as segregated as it was before receiving the grants and affordable units were not being built. It was alleged that Westchester County did too little to promote affordable housing and too little to reduce segregation. A U.S. District Court Judge found that the county falsely claimed that it was meeting its obligation to affirmatively further fair housing (AFFH), concluding that the required analysis of race-based impediments was not completed. Furthermore, the decision stated that the county did not comply with its additional obligation to

take the necessary steps to overcome impediments to fair housing choice.<sup>26</sup>

The decision highlights that AFFH certification is not a formality, rather a substantive requirement that demands an Analysis of Impediments to Fair Housing (AI) be conducted, appropriate actions taken to further fair housing and the analysis be documented. The court also found that income cannot be used as a proxy for race. Providing housing for low-income minorities may improve the housing stock, but may not do much to change patterns of discrimination or segregation. Analysis of where the housing was placed would need to be completed as well. The County must stand trial and is now facing a potential liability of over \$150 million. When looking at Map 1, it appears that there are significantly less affordable housing opportunities in the northern region of Tucson, including both the usage of Section 8 vouchers and availability of LIHTC properties. Expanding affordable housing opportunities for protected classes in high opportunity areas should be a priority in housing and community development.

## Impediment 5:

**The City of Tucson's fair housing ordinance is not well known or publicized. The complaint process is difficult to navigate and complete, especially for the city's most vulnerable residents. City staff and local housing**

25 [http://www.citylab.com/work/2015/02/americas-most-economically-segregated-cities/385709/?utm\\_source=SFFB](http://www.citylab.com/work/2015/02/americas-most-economically-segregated-cities/385709/?utm_source=SFFB)

26 <http://www.civilrights.org/publications/reports/fairhousing/foreclosure-crisis.html>

**providers and other service providers are generally unaware of the city's fair housing ordinance. Due to these factors, virtually no fair housing complaints are filed and processed under the Tucson City Code, and violators are not held accountable.**

The City of Tucson City Code includes four protected classes not covered by the federal Fair Housing Act. However, enforcement of the city's fair housing ordinance should be improved. The Equal Opportunity Programs Division (EOPD) and the Tucson City Attorney enforce the local fair housing ordinance. Tucson's fair housing ordinance protects individuals on the basis of age, marital status, sexual orientation, and ancestry in addition to the classes protected by the federal Fair Housing Act. Since these extra protections only apply to Tucson, they cannot be resolved by HUD or the AZAG. SWFHC's investigation for this report and testing of the City Attorney's Office to determine what services and information are provided to the public showed staff members in positions that may interact with the public did not provide adequate fair housing information to potential complainants. Additionally, finding information about the added protections under City Code and understanding and following the process to file a complaint is challenging. There is very little, if any, publicity about the city's added fair housing ordinance or complaint process. Downloading and printing out the complaint form, notarizing a signature, and finally returning the completed and notarized form presents several barriers, especially for the city's

most vulnerable residents. This likely contributes to the fact that city has processed virtually no fair housing complaints under its code.

### Impediment 6:

**The foreclosure crisis had a negative impact that disproportionately damaged minority neighborhoods. The subsequent real estate market recovery in Pima County and Tucson has created new problems for housing consumers, such as rising rents, limited rental housing stock, and fewer paths to homeownership. There is also evidence that lenders and insurance companies redlined areas that were severely impacted by foreclosures. Due to the fact that racial and ethnic minorities were disproportionately affected by the housing market collapse, these groups have also been disproportionately affected by the resulting problems experienced by housing consumers during the recovery.**

Much of the information used to evaluate this impediment comes from national data. To date, there has been limited analysis of exactly how the foreclosure crisis impacted minority neighborhoods in Pima County and Tucson. The 2009 Pima County and City of Tucson AI was written during a unique time for housing in Arizona and the nation. Housing prices had skyrocketed, only to plummet just as quickly to some of the lowest levels seen beginning in 2007. These factors, when combined with high unemployment levels during the Great Recession created many

challenges for the housing market and Arizona was impacted harder than most parts for the county. Currently, Arizona's housing market is recovering quickly and homeseekers are facing new challenges.

Much of the housing market recovery in Arizona has been characterized by private investors and investment groups that purchased a significant portion of the low cost, recently foreclosed homes immediately following the crisis. These buyers have not only created a higher demand for real estate, thus raising home values, they have also impacted the rental market.<sup>27</sup> Many homeowners who experienced foreclosure were forced to become renters. The rental market is now experiencing lower vacancy rates and higher rents. In the first quarter of 2014, rents had risen to \$700.00 up from approximately \$640 in 2008, while the vacancy rate dropped to 6%.<sup>28</sup> Since racial and ethnic minorities were most at risk for subprime loans and foreclosure, they are being disproportionately impacted by the aftermath of the housing crisis. As of May 2014, areas to the south and southwest of Tucson, which have the highest concentrations of Latino residents, also had the highest concentrated areas of foreclosures

<sup>27</sup> <http://billmoyers.com/2014/09/05/ferguson-the-foreclosure-crisis-and-americas-hedge-fund-landlords/>

<sup>28</sup> [http://www.azhousingalliance.org/Resources/Documents/FRBSF%20AZ%20Housing%20\\_%20Labor%20Market%20Trends%20presentation.pdf](http://www.azhousingalliance.org/Resources/Documents/FRBSF%20AZ%20Housing%20_%20Labor%20Market%20Trends%20presentation.pdf)

and have also been identified as areas at greatest risk for future foreclosures.<sup>29</sup>

Additionally, areas of racial and ethnic concentrations of poverty, often saw the most dramatic drop in property values, and were commonly sought after by investors, often from out of state. These properties are at a higher risk for being poorly maintained by landlords who are disconnected from the property or disappointed in the return they are getting on their investment.<sup>30</sup> This type of investment can also inflate housing prices above what local residents can afford.<sup>31</sup> It is hard to overstate how dramatic the negative impact has been on areas of racial and ethnic concentrations. Many of these neighborhoods, already with limited access to opportunity, have been further destabilized by outside investors buying foreclosed homes who have turned them into rental properties. These rentals are often poorly maintained, increase rents, and reduce the number of homeownership opportunities for local residents.

## Impediment 7:

### **Banks have failed to maintain real estate owned (REO) properties in neighborhoods of minority concentration compared to similar homes in predominantly white neighborhoods.**

During the foreclosure crisis, an unprecedented number of homes were repossessed by banks and other lenders through the foreclosure process. A large number of bank-owned properties, known as REOs, essentially were abandoned and remained in limbo. Banks would often take years to process REOs and properties would remain abandoned and deteriorate because they were not maintained. A study conducted by the National Fair Housing Alliance (NFHA)

29 [http://www.azhousingalliance.org/Resources/Documents/FRBSF%20AZ%20Housing%20\\_%20Labor%20Market%20Trends%20presentation.pdf](http://www.azhousingalliance.org/Resources/Documents/FRBSF%20AZ%20Housing%20_%20Labor%20Market%20Trends%20presentation.pdf)

30 <http://billmoyers.com/2014/09/05/ferguson-the-foreclosure-crisis-and-americas-hedge-fund-landlords/>

31 <http://www.newrepublic.com/article/112395/wall-street-hedge-funds-buy-rental-properties>

and member organizations found that properties managed by institutions like US Bank, Wells Fargo, Bank of America, and loan service organization Safeguard Properties are more likely to need significant repairs, have trash on the property, have broken windows, and have other significant visual and structural issues.<sup>32</sup>

In 2012 NFHA filed a complaint with HUD alleging Bank of America systematically maintained and marketed foreclosed homes in white neighborhoods much better than in African-American and Latino neighborhoods. In September 2013, NFHA added Tucson to the list of cities where it uncovered this form of housing discrimination. The complaint, currently pending at HUD, alleges that failing to maintain and market homes in minority neighborhoods in the same manner as in white neighborhoods is a violation of the federal Fair Housing Act by Bank of America.<sup>33</sup>

This alleged systematic discrimination has contributed to the continued loss of minority wealth and neighborhood stability resulting from the foreclosure crisis. In a time when homes were universally losing value and equity, homes located in minority neighborhoods declined the most and have recovered the slowest. This impacts the neighborhood stability and wealth of not only those who lost their homes, but those who remain homeowners in neighborhoods with homes in disrepair. Many of these homeowners had already been victims of subprime mortgages and other fraudulent housing practices. Additionally, when banks fail to maintain homes they own in minority neighborhoods, “prices decline, allowing investors to snatch up these foreclosures, turning communities into neighborhoods of absentee landlords.”<sup>34</sup> The problems created by out of state investors taking over neighborhoods is detailed in Impediment 1. The foreclosure crisis and its aftermath have destabilized minority neighborhoods and destroyed minority wealth in an unprecedented manner. Minorities

32 <http://nationalfairhousing.org/REO/tabid/4265/Default.aspx>

33 <http://www.nationalfairhousing.org/Portals/33/News%20Release%20Bank%20of%20America%20FINAL%20130925.pdf>

34 <http://www.nationalfairhousing.org/Portals/33/News%20Release%20Bank%20of%20America%20FINAL%20130925.pdf>

were disproportionately targeted for unsustainable subprime loans that lead in part to the crisis. These discriminatory actions and practices and their impact have had a disparate impact on minority groups and violated the Fair Housing Act.

## Impediment 8:

**There is a lack of accessible housing, particularly for families with persons with disabilities, in the region. SWFHC's enforcement program receives regular contact from people about lack of accessible housing and frequent denial of reasonable accommodations and modifications.**

In the Jurisdictional Background section of this document, information regarding the Pima County Accessible Design Ordinance was provided. This progressive ordinance provides much needed standards for the construction of new single family homes. Unfortunately, much of the housing stock in the city of Tucson is too old to have fallen under these regulations. Several individuals in the surveys and interviews indicated that accessible housing was a significant barrier to fair housing. Additionally, one of the most common complaints processed by SWFHC involves persons with disabilities who are seeking reasonable accommodations and modifications to rental units.

Nearly 75% of Tucson's housing stock was built prior to 1990, compared with only 47% of the housing stock in areas of Pima County outside of Tucson. This means the majority of single family homes within the city were built without accessibility provisions in the building code. Individuals with disabilities who receive disability income also often have significantly less income to spend on housing. Though older homes tend to be more affordable to purchase or rent, they also often require more significant modifications to make them accessible. This issue will only continue to grow as a large section of the population, the baby boomers, are entering senior citizenship where disabilities become more common; especially mobility issues.

# Review of 2010 Impediments and Plan of Action

In the following section, all of the impediments found in the 2010 Analysis of Impediments to Fair Housing Choice for Tucson/Pima County will be listed, along with measures that were taken to address the impediment. An assessment of previous Plans of Action provides an opportunity to determine what worked and what did not and to use these insights to draft the 2015 Plan of Action. If an impediment has been addressed and is no longer an impediment, an explanation will be provided. If an impediment is deemed ongoing, it will be indicated as such. Virtually all the action steps that were proposed in the 2009 plan were conducted in some manner. The results either indicate success in reducing particular barriers or highlight that it is difficult to evaluate the extent of the impact for all impediments. As a result, some impediments carry over to the 2015 Plan of Action.

## Results and Assessment:

### Impediment #1:

**Testing, complaints, allegations, reports, the community survey and an analysis of demographics and patterns of minority concentrations have indicated that illegal housing discrimination continues to be a problem in Pima County and the city of Tucson. Housing discrimination is evidenced in the following areas: home sales, rental housing, mortgage lending, home insurance, and reasonable accommodations and modifications for persons with disabilities.**

#### Action plan from previous AI

The City of Tucson and Pima County will continue to support fair housing enforcement programs that conduct the following:

- Intake, investigate and process complaints, including filings with HUD and the State Attorney General.
- Assist complainants to remedy damages through mediation, conciliation or litigation.
- Conduct testing to monitor the compliance of housing providers with all fair housing laws.
- Release and publicize awards and settlements in fair housing cases to encourage compliance

#### Results:

The City of Tucson and Pima County have continued to fund and support the Southwest Fair Housing Council to conduct education and outreach and enforcement activities. SWFHC has provided dozens of workshops and presentations, staffed booths at events, and distributed thousands of pieces of literature throughout Tucson and Pima County. SWFHC has also provided fair housing enforcement and referral services to residents. Fair housing complaints are processed and submitted to HUD or the Arizona Attorney General's Office.

### Impediment #2:

**The community survey, complainants, agency staff, clinics, workshops and participation by the Southwest Fair Housing Council in community events have indicated that many community residents lack a basic knowledge of their rights under the Fair Housing Act and where to go for assistance if they encounter housing discrimination.**

#### Action plan from previous AI

- The City of Tucson and Pima County will continue to support fair housing education and outreach to community residents that include the following:
- Informational presentations and trainings will be provided to housing consumers (including home buyers, renters, home loan and insurance seekers and persons with disabilities) to educate them about their fair housing rights, how to identify housing discrimination and where to go for help if housing discrimination is encountered.
- A wide range of informational fair housing pamphlets and literature will be produced and made available through city and county program offices; organizations and businesses throughout the county; a wide variety of distribution points in the community such as libraries and churches; and at public and private events, trainings, forums, meetings and conferences. Records will be kept of the type of literature, the location of distribution and the approximate number distributed.
- Fair housing events and presentations at other community events and conferences will be conducted to build a greater awareness of fair housing and appreciation of diversity. These will include housing fairs, fair housing month celebrations in April, a workshop at the Affordable Housing Conference, poster contests for youth, and neighborhood, church, ethnic and organizational events such as Juneteenth Day, Cinco de Mayo, CDBG events and the Dr. Martin Luther King Day Celebration.
- A community survey similar to the survey contained in this report will be conducted for the next AI to monitor trends in fair housing concerns and knowledge.

**Results:**

The city and county have continued to support fair housing efforts through funding and partnering with the Southwest Fair Housing Council. All of the action steps listed above have been carried out by SWFHC on behalf of the city and county.

### Impediment #3:

**Investigation, the community survey, and observations from trainings, workshops, clinics, interviews and partnering with public and private agencies has shown that many staff working in areas of housing lack a knowledge of fair housing adequate to inform, assist and/or refer clients who need help with fair housing issues.**

**Action Plan from Previous AI**

- The City of Tucson and Pima County will schedule two trainings annually each lasting for two hours for all staff working in the area of housing or in a position that has contact with people who may have housing discrimination complaints. Staff from housing related nonprofit organizations in Pima County and Tucson that receive funding from the city or county will also be required to attend the trainings.

**Results:**

The city and county have worked closely with the Southwest Fair Housing Council to train its staff to recognize fair housing issues and refer people that may have experienced illegal housing discrimination to agencies that can assist them. In addition to this they have also received training from Nan McKay and Associates, HUD, and Judge Judy Drickey Prohow.

Pima County has created a pilot program in collaboration with SWFHC to train recipients of housing and community development funding about fair housing obligations and how to create affirmative marketing plans to meet its obligation to affirmatively further fair housing.

### Impediment #4:

**A review of allegations and complaints, trainings, workshops, and investigation evidence that many**

**housing providers lack a working knowledge of fair housing laws and what is required for compliance. This includes real estate agents, property managers, landlords, insurance agents, architects, planners, contractors and builders.**

#### **Action Plan from Previous AI**

- Informational presentations and trainings will be provided to housing providers (including real estate agents, property managers, landlords, property owners, lenders, insurance agents, architects, planners, contractors, builders and others) regarding their responsibilities under fair housing laws and how to achieve compliance.

#### **Results:**

As noted above, the city and county have continued to fund and collaborate with SWFHC to provide trainings and presentations free of charge to any group or entity. These efforts have been successful informing housing providers about fair housing laws and obligations. There continues to be a need for these trainings because of the large number of housing providers and the turnover in staff at these entities.

#### **Impediment #5:**

**Allegations, complaints, community foreclosure events, interviews with housing counselors, studies, reports and foreclosure data all show that predatory and abusive lending practices in Pima County have targeted minorities and other classes protected under the Fair Housing Act and have contributed to the dramatic increase of foreclosures. This has been exacerbated by the targeting of minorities by foreclosure prevention and loan modification scams.**

- During the foreclosure crisis many programs were created to assist victims of predatory lending and mortgage fraud.

- Though minorities are still at risk for this form of discrimination, foreclosures have slowed significantly from their peak.

#### **Action Plan from Previous AI**

- Pima County and the City of Tucson will continue to support fair housing enforcement and education and outreach programs to both consumers and providers of home loans and home insurance. The city and county will also continue to support the Don't Borrow Trouble® Pima County (DBT) program. DBT is a clearing house for lending and foreclosure related problems and complaints. DBT receives, analyzes and refers clients/complainants to HUD certified housing, loan and foreclosure counselors. DBT also records problems and complaints in order to provide the information needed for better planning to effectively address these problems.

#### **Results:**

The city and county continued to fund DBT to provide assistance to those facing foreclosure and other predatory lending issues. Though foreclosures have declined significantly from the height of the foreclosure crisis, DBT continues to have a high demand to assist clients with foreclosure and related issues. In fact, many of DBT's cases have become considerably more complicated and require more time to resolve.

#### **Impediment #6:**

**Allegations, complaints, articles and reports evidence that redlining by lenders and insurance companies is reemerging as homeowners and potential homeowners in neighborhoods with high rates of foreclosures are more apt to be denied or offered less favorable terms, fees and conditions when applying for loans or insurance coverage. This form of neighborhood disinvestment disproportionately impacts minority neighborhoods.**

**Action Plan from Previous AI**

- A survey will be conducted countywide to determine disparities in costs, rates, coverage, terms and conditions of loans and home insurance. The findings of this survey will be publicized and included as a topic in the fair housing trainings, forums, conferences and education and outreach conducted in Pima County. In addition, the results will inform and help to focus testing and other investigations as discussed in the Plan of Action for Impediment #1. If sufficient evidence is gathered to support allegations of redlining, complaints will be filed with HUD.

**Results:**

Redlining is difficult to uncover, however evidence from other parts of the country suggest that it was an issue after the foreclosure crisis. A survey was not completed.

**Impediment #7:**

**Allegations and complaints indicate that the problems of the lack of accessibility for persons with disabilities and the frequent denial of reasonable accommodations and modifications persist. These include the following: Lack of accessibility in rental housing. Lack of accessible designs in new single family housing. Resistance on the part of the housing industry to mandated accessibility and visitability provisions A shortage of funding for modifications to improve accessibility in older housing units.**

**Action Plan from Previous AI**

- Testing as well as education and outreach for accessibility will be conducted (see Action Plan for Impediment 1 & 2).
- Trainings for property owners, builders and contractors regarding their responsibilities to meet Fair Housing Act accessibility requirements independent of local building codes will be conducted.
- The advantages of visitability in marketing housing will be included in the curriculum of all training sponsored by the city and county regarding the design and construction requirements of the Fair Housing Act.
- The city and county will provide refresher trainings on federal accessibility requirements to inspectors.

**Results:**

Testing and education and outreach was carried out by SWFHC on behalf of the city and county. In 2012, the City developed a Section 504 panel to review and facilitate the interactive process associated with reasonable accommodation and reasonable modification requests in the Public Housing Authority programs. This panel ensures confidentiality and timely processing of requests and provides statistical information on types of requests and needs in the community.

**Impediment #8:**

**City and county housing programs and projects and the private housing projects they fund are required to meet the federal directive to affirmatively further fair housing (AFFH). Currently, it is very difficult to determine whether or not the City of Tucson and Pima County are meeting the requirement. Neither the data nor mechanisms to obtain and evaluate this data are in place at either the program or project level. Failing to include AFFH planning and the tools to implement it at the front end of a project makes it difficult to identify and correct fair housing problems later on in the five year AI process. The dramatic increase in federal housing programs**

**in progress in Pima County, including the Neighborhood Stabilization Plan, and possibly the Neighborhood Stabilization Plan 2 in the future, creates an urgency to address this need.**

#### **Action Plan from Previous AI**

- The City of Tucson and Pima County will include in each housing project a written AFFH plan defining specifically how affirmatively furthering fair housing will be accomplished by the project. The AFFH plan will include the issues of marketing, AFFH performance measures, how data gathering will occur, mechanisms to evaluate performance, reporting, and the process for additions and/or revisions if measures are not being met. The AFFH reports will be included in the annual CAPER and the AI will do an overall analysis of the combined impact of housing programs and projects in the city of Tucson and Pima County based on GIS mapping and statistics on minority concentrations.

#### **Results:**

The city and county have improved their awareness of their AFFH responsibilities. The Fair Housing Act requires that jurisdictions alleviate segregated housing patterns through its programs, projects, and policies. The PHA policy on project based voucher project selection (Chapter 17 of the Administrative Plan) does include consideration of deconcentrating poverty and providing opportunities for special populations. The HOME program rankings and ratings includes consideration for serving special populations and activities in redevelopment areas. The CDBG funding for parks projects prioritizes ADA improvements. The Section 108 application for funds for sidewalks was specifically for ADA sidewalk improvements. Incorporating AFFH into housing and community development decisions is an ongoing effort.

#### **Impediment #9:**

**The refugee community in Pima County is currently estimated at over 10,000, and several hundred new refugees are resettled there annually. Refugees unfamiliarity with housing transactions in the United States, limited English proficiency, and the lack of understanding of diverse cultural traditions by landlords and property managers has created new challenges for fair housing in Pima County. Many refugees have little experience with written contracts, further exacerbating the challenge to provide fair and affordable housing.**

#### **Action Plan from Previous AI**

- The city and county will conduct activities and support efforts to develop funding to focus on the fair housing needs of refugee communities in Pima County. These activities will be included in CDBG funding requests by local agencies and federal grant requests by the city and county. Information on the need for a better understanding of refugee communities will be included in the training and outreach to housing providers. In addition, city and county offices will include training for staff procedures for referring disputes in housing involving residents with refugee status to sources that can provide mediation services.

#### **Results:**

The Southwest Fair Housing Council has provided education and outreach and enforcement services to Pima County's refugee population. SWFHC has also staffed booths at refugee events to answer questions about fair housing issues and distribute fair housing literature.

### Impediment #10:

**The City of Tucson Fair Housing Ordinance is not being effectively enforced. This sends a negative message to the community, not only regarding rights under the ordinance and the willingness of the city to enforce them, but also regarding their fair housing rights in general, including those under the Fair Housing Act.**

#### **Action Plan from Previous AI**

- The City of Tucson will develop a plan to more effectively enforce the city's fair housing ordinance and then proceed to implement this plan. The plan will include education and outreach to city residents, public and private organizations and agencies; clarification and publication of procedures and policies for processing complaints; the training of staff taking complaints in these procedures and policies; and, issuing public annual reports on the nature of complaints received and the outcomes.

#### **Results:**

No measures were taken to address this impediment.

# 2015 Plan of Action

The following section restates the impediments discussed in the previous section followed by action steps that the City of Tucson and Pima County will take to mitigate the impediment.

## Impediment 1:

### **Illegal housing discrimination continues to occur in Tucson and Pima County.**

SWFHC's enforcement program continues to process fair housing complaints and conduct testing that indicates illegal housing discrimination is occurring in many facets of the housing market. SWFHC's education and outreach program interacts regularly with the community and receives anecdotal evidence from community members, housing providers, real estate agents, government entities, and others that illegal housing discrimination occurs and the majority is not reported.

#### **Action Steps:**

- The city and county will continue to fund and support fair housing enforcement.
- Process complaints and file them with HUD, the Arizona Attorney General, or other appropriate entities when warranted through the county and city's contracts with SWFHC.
- Conduct fair housing testing to investigate and uncover illegal housing discrimination in the housing market through the county and city's contracts with SWFHC.

## Impediment 2:

### **Housing consumers do not understand their fair housing rights, how to recognize if they experience illegal housing discrimination, or how to get assistance if their rights are violated.**

SWFHC has drawn these conclusions through fair housing complaints it has processed, education and outreach in the community, stakeholder interviews, a community survey, and other interaction with housing consumers and housing professionals.

#### **Action Steps:**

The city and county will continue to fund and support fair housing education and outreach for housing consumers.

- Provide trainings to housing consumers about their fair housing rights, how to recognize illegal housing discrimination, how to get assistance if their rights have been violated, and other related topics.
- Distribute fair housing literature throughout the city and county at government offices, nonprofit agencies, businesses, libraries, churches, events, and other locations frequented by those most vulnerable to housing discrimination.

- Attend community events and gatherings and staff tables and booths when possible to help educate the public about fair housing and available fair housing services.

### Impediment 3:

**Housing providers and entities that assist people with housing related issues do not adequately understand fair housing rights and responsibilities and do not know how to identify fair housing violations or assist people whose fair housing rights may have been violated.**

A review of fair housing complaints, trainings, events, a community survey and focus group, and stakeholder interviews provide evidence that housing providers and other entities need continued fair housing training.

#### **Action Steps:**

The city and county will continue to fund and support a robust fair housing education and outreach program for housing providers and entities that assist people with housing related issues.

- Provide fair housing trainings to city and county staff responsible for housing and community development programs and activities.
- Provide fair housing trainings to staff of government entities, nonprofit organizations, businesses, churches, and other groups that have contact with people most vulnerable to housing discrimination

### Impediment 4:

**Tucson has significant areas of racial and ethnic concentrations, many of which are also high poverty areas. Some of these areas also have concentrations of other protected classes like persons with disabilities.**

The City and County are obligated to affirmatively further fair housing (AFFH). This obligation requires that programs, policies, and projects work to alleviate segregated housing patterns. While some progress has been made since the last AI, this should be an ongoing effort where programs continue to improve in this regard. An analysis of the effect of housing, community development, and other projects on segregated housing patterns should be considered.

#### **Action Steps:**

The city and county will create and evaluate criteria for policies, projects, and procedures related to housing, community development, and other activities to assess the impact on minority concentration areas.

- Continue to develop the county's affirmative marketing pilot program for subrecipients into a robust requirement and tool to help programs and projects affirmatively further fair housing.
- Support and develop affordable housing projects in areas of opportunity outside of minority concentration areas.
- Market affordable housing programs in areas of racial and ethnic concentration to people outside of those areas that are least likely to apply.
- Add 'source of income' as a protected class under local fair housing ordinances.
- Encourage landlords outside of areas of racial and ethnic concentrations to accept and participate in the Housing Choice Voucher program.
- Support projects which reinvest in high minority concentration areas, such as programs that enhance education, transportation, health care, or employment opportunities.

- Focus fair housing education and outreach to residents of high minority concentration areas so they can be empowered with the knowledge of their fair housing rights.
- Continue to provide information and encourage Housing Choice Voucher recipients to find housing options in high opportunity areas.

## Impediment 5:

**The City of Tucson’s fair housing ordinance is not well known or publicized, the complaint process is difficult to navigate, and city staff and local housing providers and other service providers are generally unaware of the city’s fair housing ordinance. Due to these factors, virtually no fair housing complaints are filed and processed under the Tucson City Code, and violators are not held accountable.**

### Action Steps:

- The Equal Opportunity Programs Division (EOPD) and the City Attorney’s Office will improve enforcement of the city’s fair housing ordinance.
- The EOPD and the City Attorney’s Office will partner with the Southwest Fair Housing Council to:
  1. Assist in publicizing the city’s fair housing ordinance and complaint procedure throughout Tucson.
  2. Track fair housing inquiries and complaints filed with the EOPD and the city attorney.
  3. Train staff in the City Attorney’s Office about the Fair Housing Act, the city’s additional protected classes, and the process for filing a complaint.
  4. Train housing providers and others in Tucson about the city’s fair housing ordinance and how to file a fair housing complaint with the city.

## Impediment 6:

**The foreclosure crisis disproportionately damaged minority neighborhoods. The subsequent real estate market recovery in Pima County and Tucson has created new problems for housing consumers, such as rising rents, limited rental housing stock, and fewer paths to homeownership. There is also evidence that lenders and insurance companies redlined areas that were severely impacted by foreclosures. Due to the fact that racial and ethnic minorities were disproportionately affected by the housing market collapse, these groups have also been disproportionately affected by the resulting problems experienced by housing consumers during the recovery.**

### Action Steps:

- The city and county will continue to support programs and activities that encourage homeownership and neighborhood stabilization and revitalization in areas most severely damaged by foreclosure.
- Conduct a thorough analysis of how the foreclosure crisis impacted minority neighborhoods in Tucson and Pima County and target programs to those areas to encourage homeownership and other measures to stabilize and revitalize them.
- Create and promote low-income homeownership programs that target racial and ethnic minorities and persons with disabilities

- Create programs that assist housing consumers with emergency housing expenses, such as utility relief, moving expenses, and emergency rent or mortgage payment, as the housing market continues to recover from the financial crisis.

## Impediment 7:

**Banks have failed to maintain real estate owned (REO) properties in neighborhoods of minority concentration compared to similar homes in predominantly white neighborhoods.**

### Action Steps:

The city and county will monitor and remedy the impact of foreclosed properties in minority concentration areas.

- Monitor the maintenance of REO properties in areas of high minority concentration as compared to white areas and report any discrepancies to the appropriate enforcement entities.
- Hold accountable any financial institutions that the city and county do business with to adequately maintain and process REO properties in a timely manner.
- Provide education and outreach to neighborhoods at risk of REO neglect.
- Develop a method for residents to report REO and abandoned properties that are not being adequately maintained. Conduct education and outreach to inform hardest hit neighborhoods of the program.

## Impediment 8:

**There is a lack of accessible housing, particularly for families with persons with disabilities. SWFHC's enforcement program receives regular contact from people about lack of accessible housing and frequent denial of reasonable accommodations and modifications**

### Action Steps:

The City and County will make increasing accessible housing a priority.

- Create, expand, and support programs that provide assistance to low-income households to make accessibility modifications to homes and rental units.
- Continue to enforce the Pima County and City of Tucson Inclusive Design Ordinances for new construction.
- The City of Tucson will modify additional 3 - 5 bedroom public housing units for ADA accessibility.

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## Pima County 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
FY2010	36	17	2	0	3	0	2	1	<b>61</b>
FY2011	27	17	4	1	1	0	1	0	<b>51</b>
FY2012	22	13	4	0	0	0	2	0	<b>41</b>
FY2013	39	12	2	0	2	0	0	0	<b>55</b>
FY2014	47	12	4	0	1	1	0	0	<b>65</b>
<b>Totals</b>	<b>171</b>	<b>71</b>	<b>16</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>273</b>

## Pima County Fair Housing Cases by Basis of Claim

Year	Disability	Race	Religion	National Origin	Familial Status	Sex	Color	Retaliation or Harassment
FY2010	33	27	2	13	1	6	0	10
FY2011	29	5	2	12	3	2	0	3
FY2012	34	5	0	4	0	3	0	2
FY2013	41	7	0	5	4	3	0	8
FY2014	45	14	2	5	5	3	0	14
<b>Totals</b>	<b>182</b>	<b>58</b>	<b>6</b>	<b>39</b>	<b>13</b>	<b>17</b>	<b>0</b>	<b>3717</b>



Illegal housing discrimination occurs when **one or more of the following occurs** based on a person's race, national origin, color, religion, sex, or if they have children or a disability:

- |   |  |  |   |   |  |
|---|--|--|---|---|--|
| <p><b>A.</b><br/>Refusing, discouraging or <b>charging more to rent</b> an apartment or buy a home.</p> | <p><b>B.</b><br/>Discouraging a person from living where he or she wants to live, often by <b>steering him or her</b> to another apartment, complex or neighborhood.</p> | <p><b>C.</b><br/>Refusing or making it <b>hard to get a loan</b> to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.</p> | <p><b>D.</b><br/>Refusing, discouraging or <b>charging more for home insurance.</b></p> | <p><b>E.</b><br/><b>Discrimination based on disability:</b> Refusing to make a reasonable accommodation, refusing to allow a modification to make an apartment more accessible for persons with a disability or lack of accessible units.</p> | <p><b>F.</b><br/>Predatory lending: unfair, misleading, <b>deceptive or fraudulent loan practices.</b></p> |
|---|--|--|---|---|--|

**1. Have you or someone you know ever encountered one or more forms of housing discrimination described in the shaded boxes in your local area?**

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

**2. If you believe that you or someone you know encountered housing discrimination in your local area, please write down the letter(s) from the shaded boxes at the beginning of the survey that best describes the type of discrimination.**

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**3. Do you believe housing discrimination occurs in your local area?**

- Yes
- Likely
- Unlikely
- No

**4. If you think housing discrimination is occurring in your local area, what types do you think are most prevalent? Write down the letter(s) from the shaded boxes at the beginning of the survey.**

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**STATE OF ARIZONA - FAIR HOUSING SURVEY**



**SOUTHWEST FAIR HOUSING COUNCIL**

**5. How well informed are you about housing discrimination?**

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

**6. What would you do if you encountered housing discrimination?**

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Please check those that apply to you:**

◆ **Race/Ethnicity**

- White Anglo
- Hispanic
- African American
- Native American
- Other \_\_\_\_\_

◆ **Family Status**

- Have children in household
- No children in household

◆ **Employed in**

- The public sector
- The non-profit sector
- The private sector
- The housing industry
- Not employed
- Other \_\_\_\_\_

◆ **Gender**

- Female
- Male

◆ **Housing**

- I own a home
- I rent
- Other

**Reference Information:**

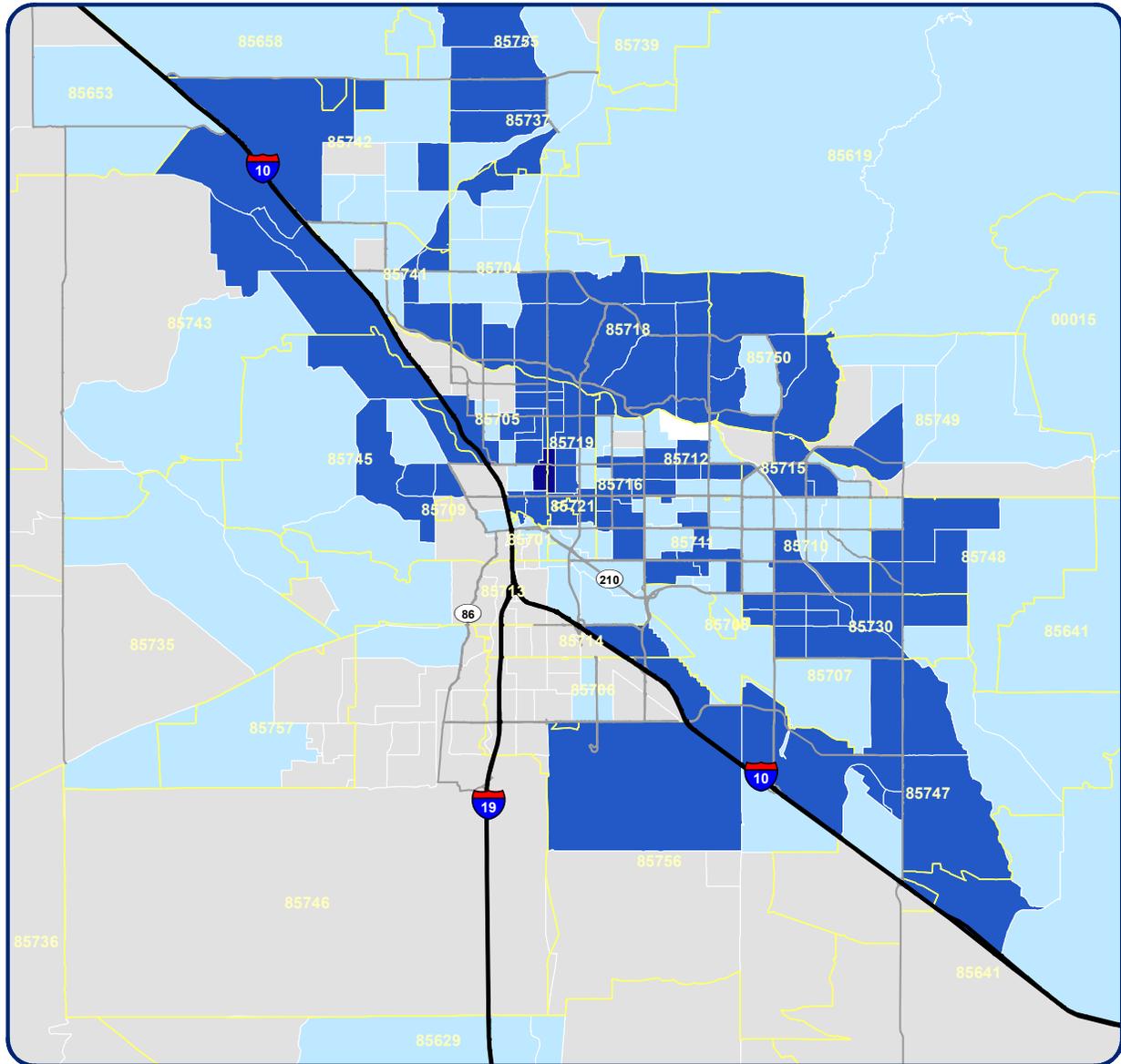
- ◆ Zip Code \_\_\_\_\_
- ◆ Neighborhood/ Subdivision \_\_\_\_\_
- ◆ Approximate yearly household income \_\_\_\_\_
- ◆ Number in household \_\_\_\_\_

The results of this survey will be included in the Analysis of Impediments to Fair Housing, for the State of Arizona. This survey is anonymous and for research purposes only.

Please return this survey to the location you received it.

# Concentrations of Minorities in Tucson, AZ

## - Asian -



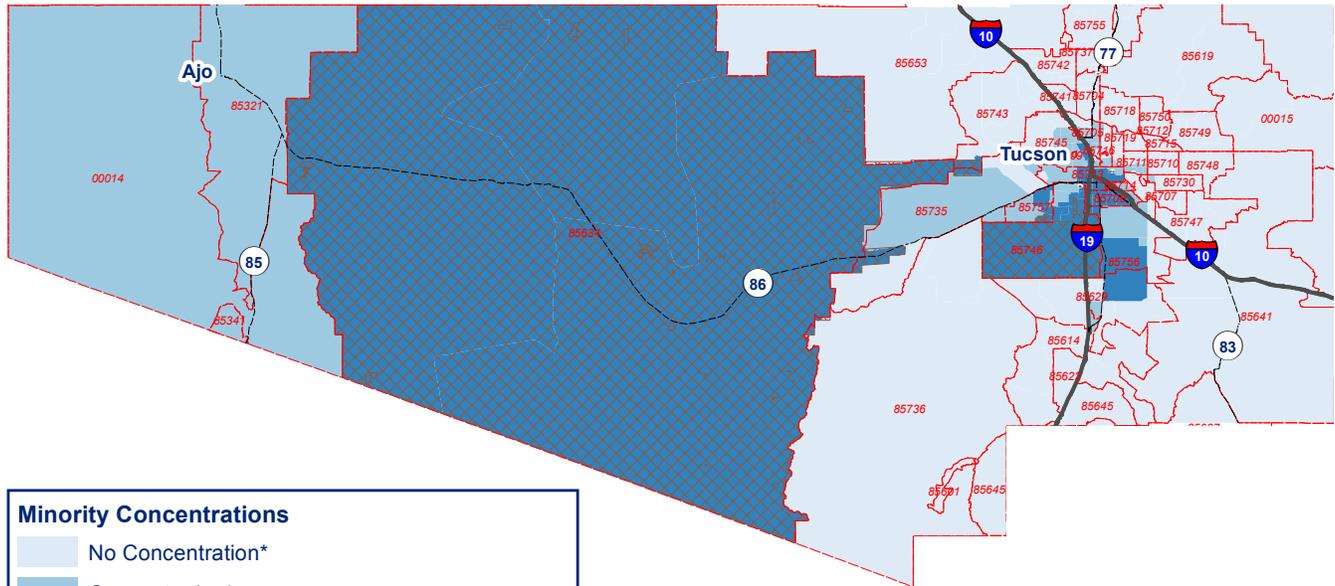
by Geoff Davies

### Asian Concentrations



2010 US Census

# Concentrations of Minorities in Pima County, AZ



**Minority Concentrations**

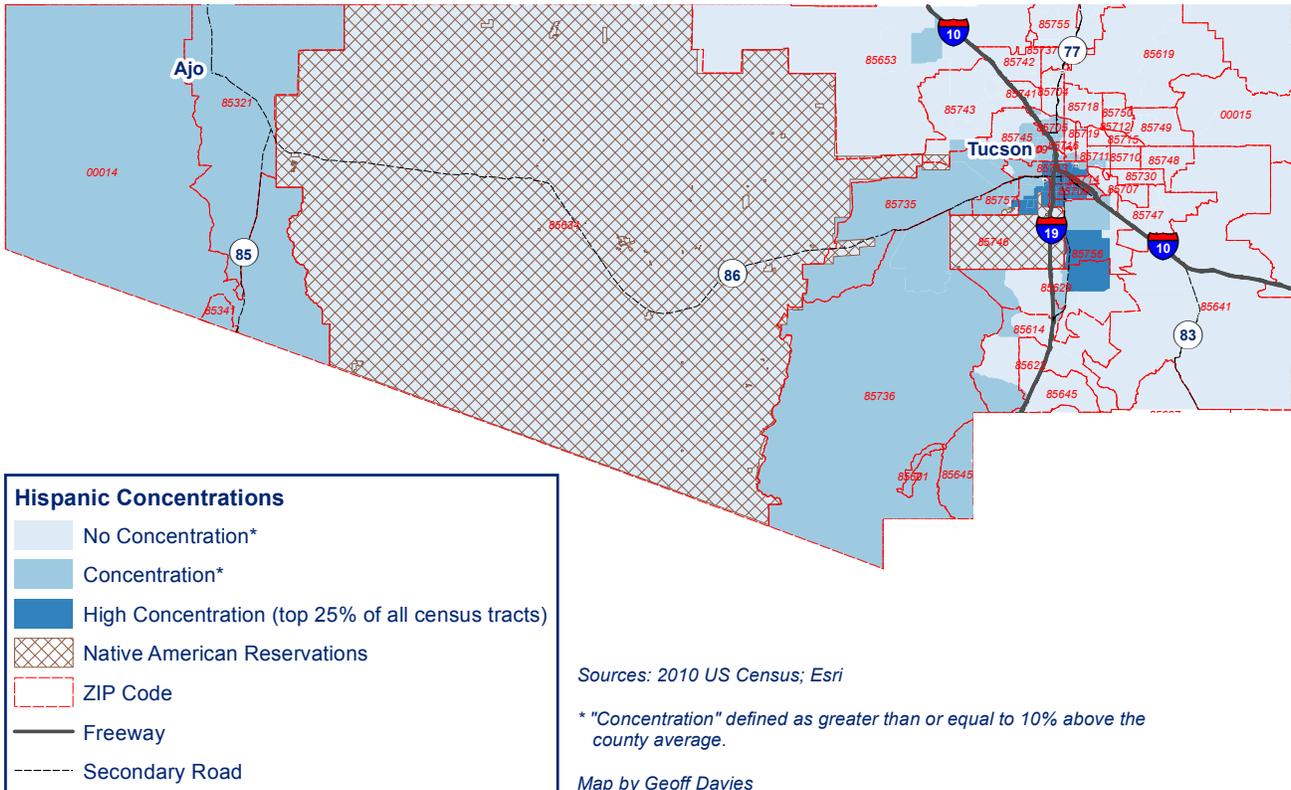
- No Concentration\*
- Concentration\*
- High Concentration (top 25% of all census tracts)
- Native American Reservations
- ZIP Code
- Freeway
- Secondary Road

Sources: 2010 US Census; Esri

\* "Concentration" defined as greater than or equal to 10% above the county average.

Map by Geoff Davies

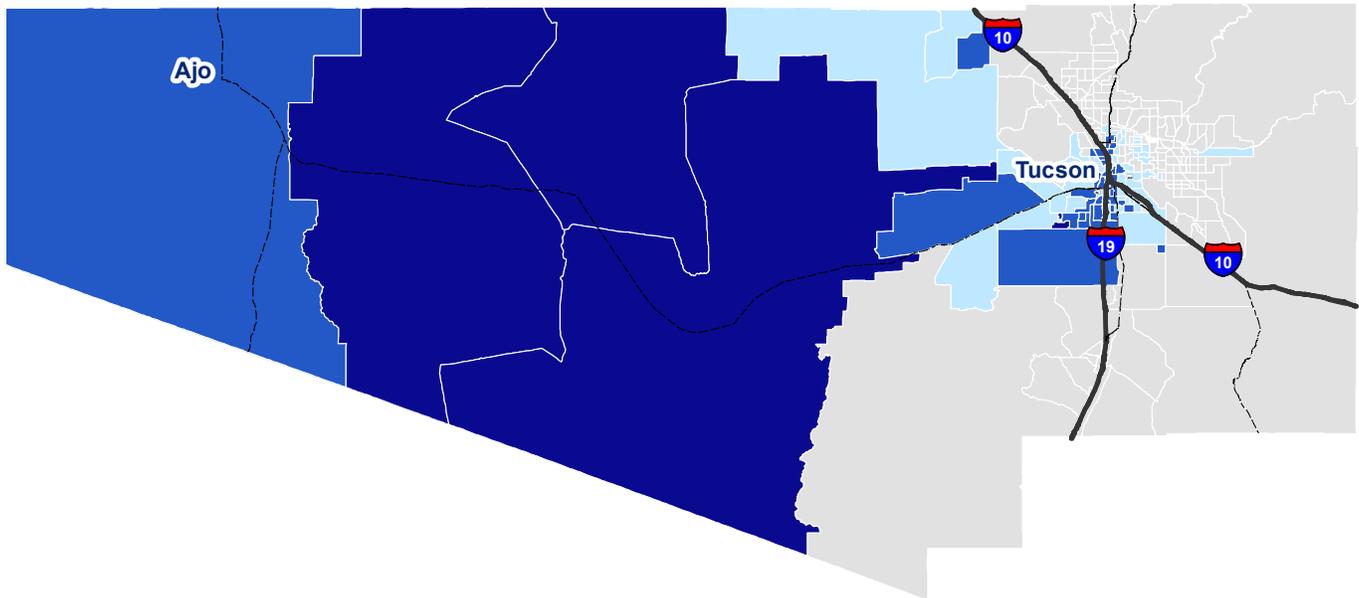
# Concentrations of Hispanics in Pima County, AZ



Map 12 - Concentrations of Minorities in Pima County - Hispanics

# Minority Concentrations in Pima County, AZ

- Native Americans -



## Native American Concentrations

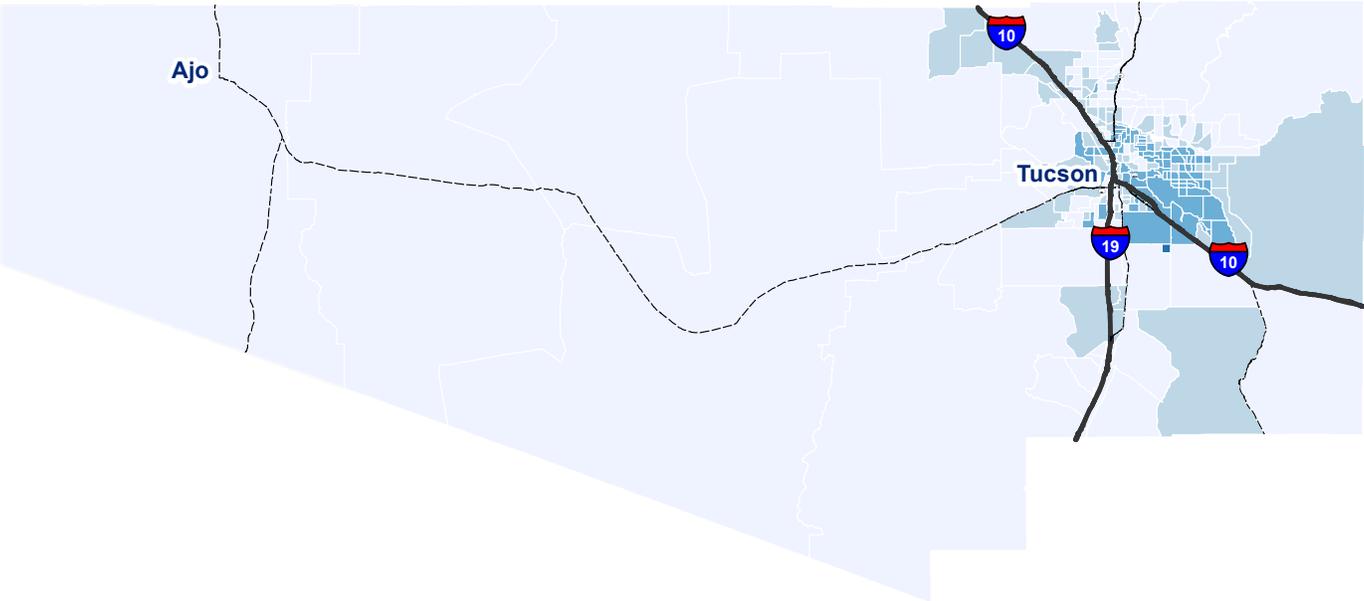
- Low
- Medium
- High (>10% above county average)
- Very high (top quartile of all tracts)

2010 US Census

by Geoff Davies

# Minority Concentrations in Pima County, AZ

## - African Americans -



### Concentrations

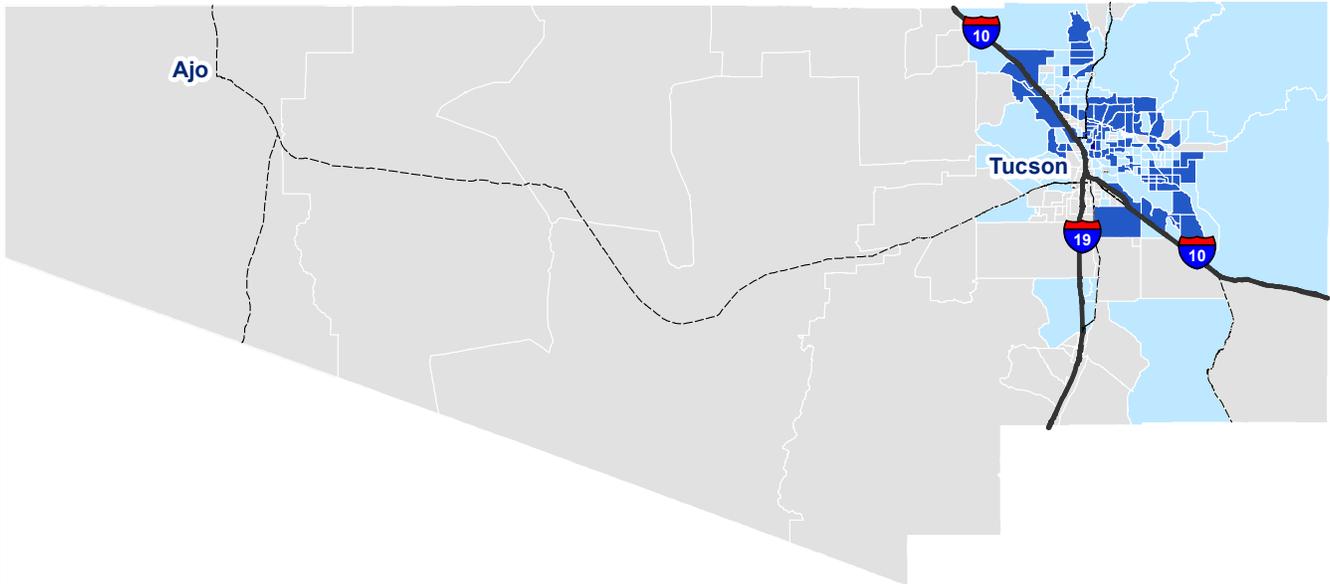
- Low
- Medium
- High (>10% above county average)
- Very High (top quartile of all tracts)

2010 US Census

by Geoff Davies

# Minority Concentrations in Pima County, AZ

- Asians -



### Asian Concentrations

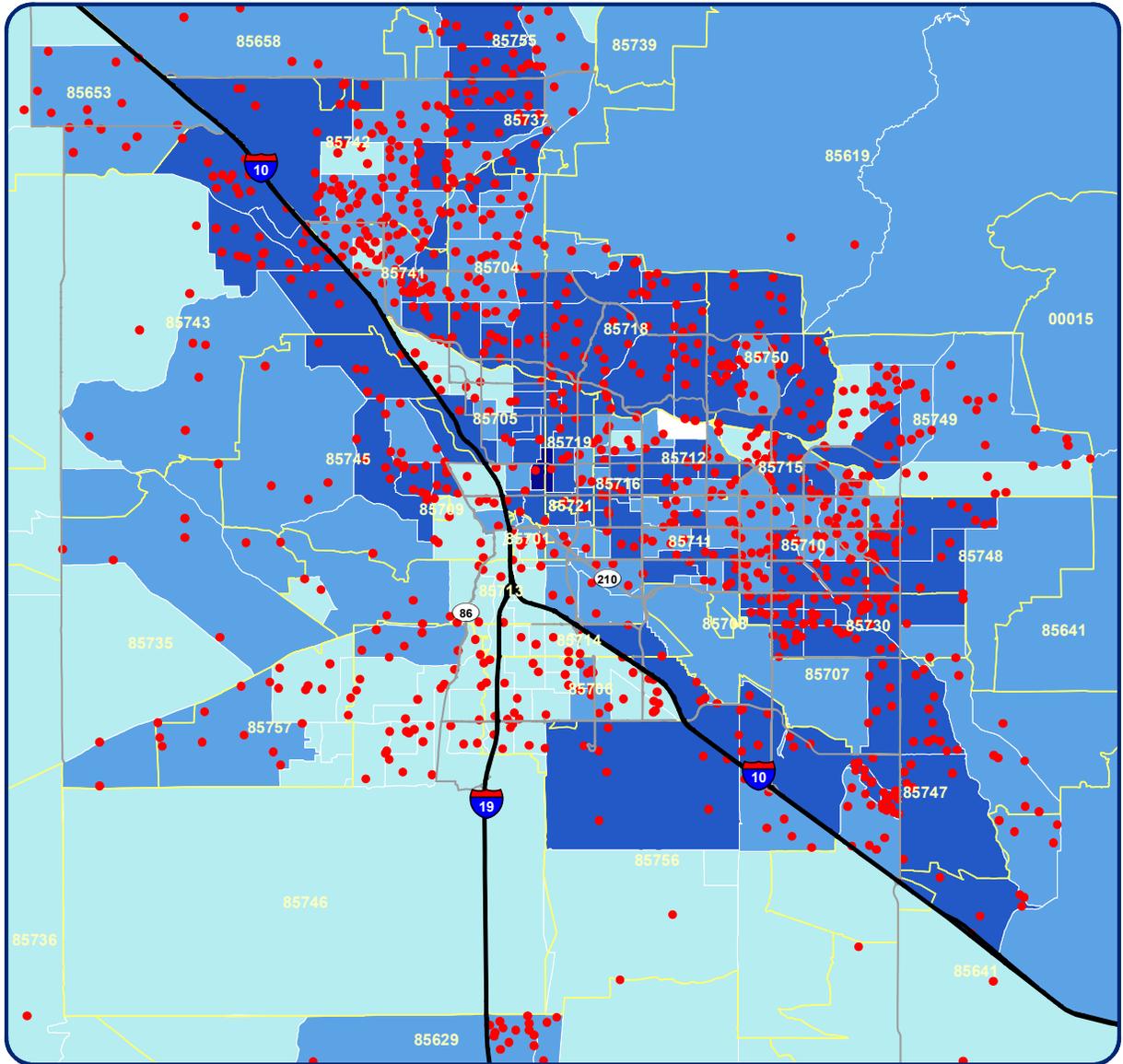
- Low
- Medium
- High (>10% above county average)
- Very High (top quartile of all tracts)

2010 US Census

by Geoff Davies

# Distribution of Housing Loans Over Minority Concentrations in Tucson, AZ

- Asian -



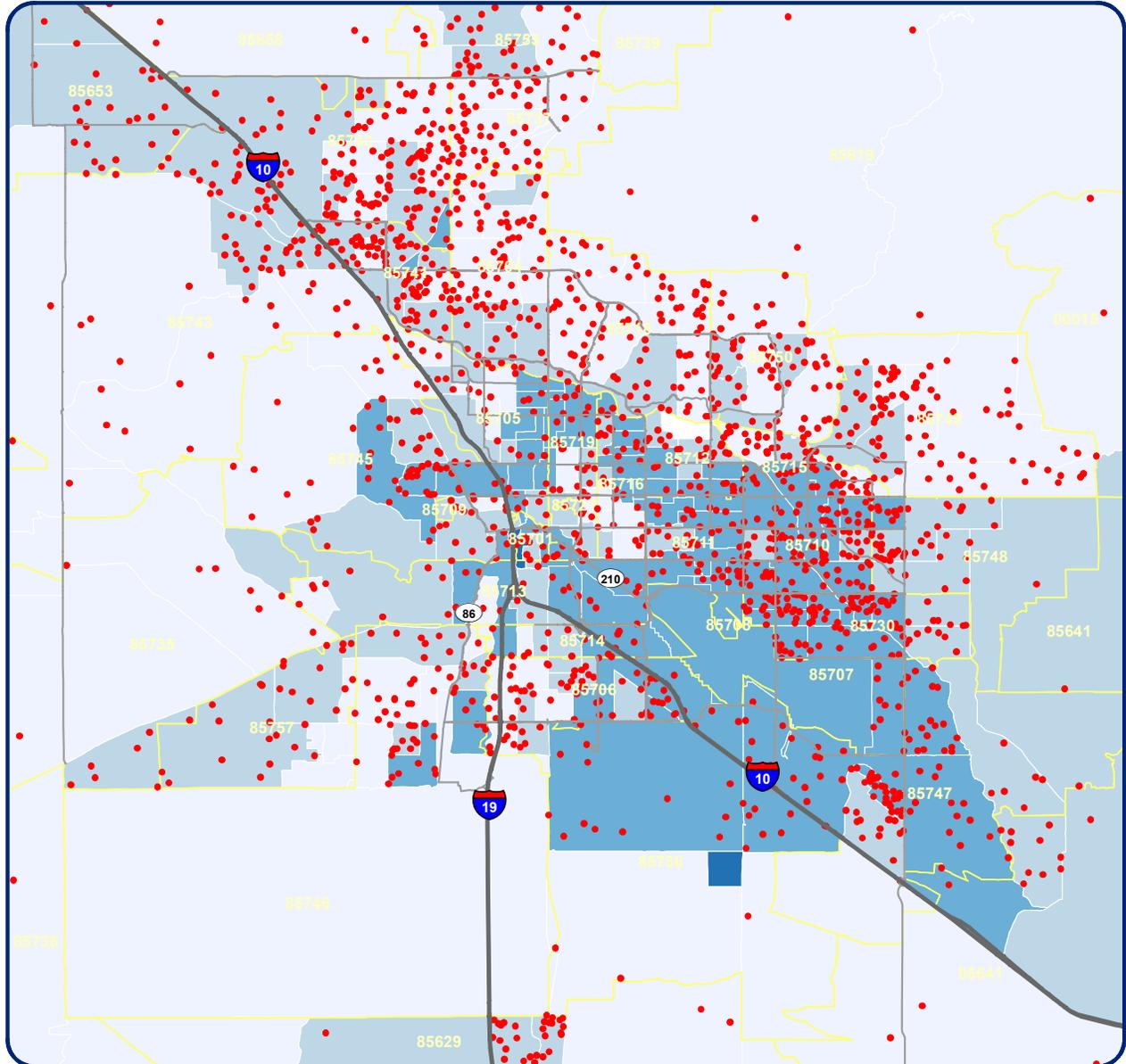
by Geoff Davies



Map 16 - Distribution of Housing Loans Over Minority Concentrations in Tucson -Asian

# Distribution of Housing Loans Over Minority Concentrations in Tucson, AZ

- African-American -



by Geoff Davies

## Concentration Loans

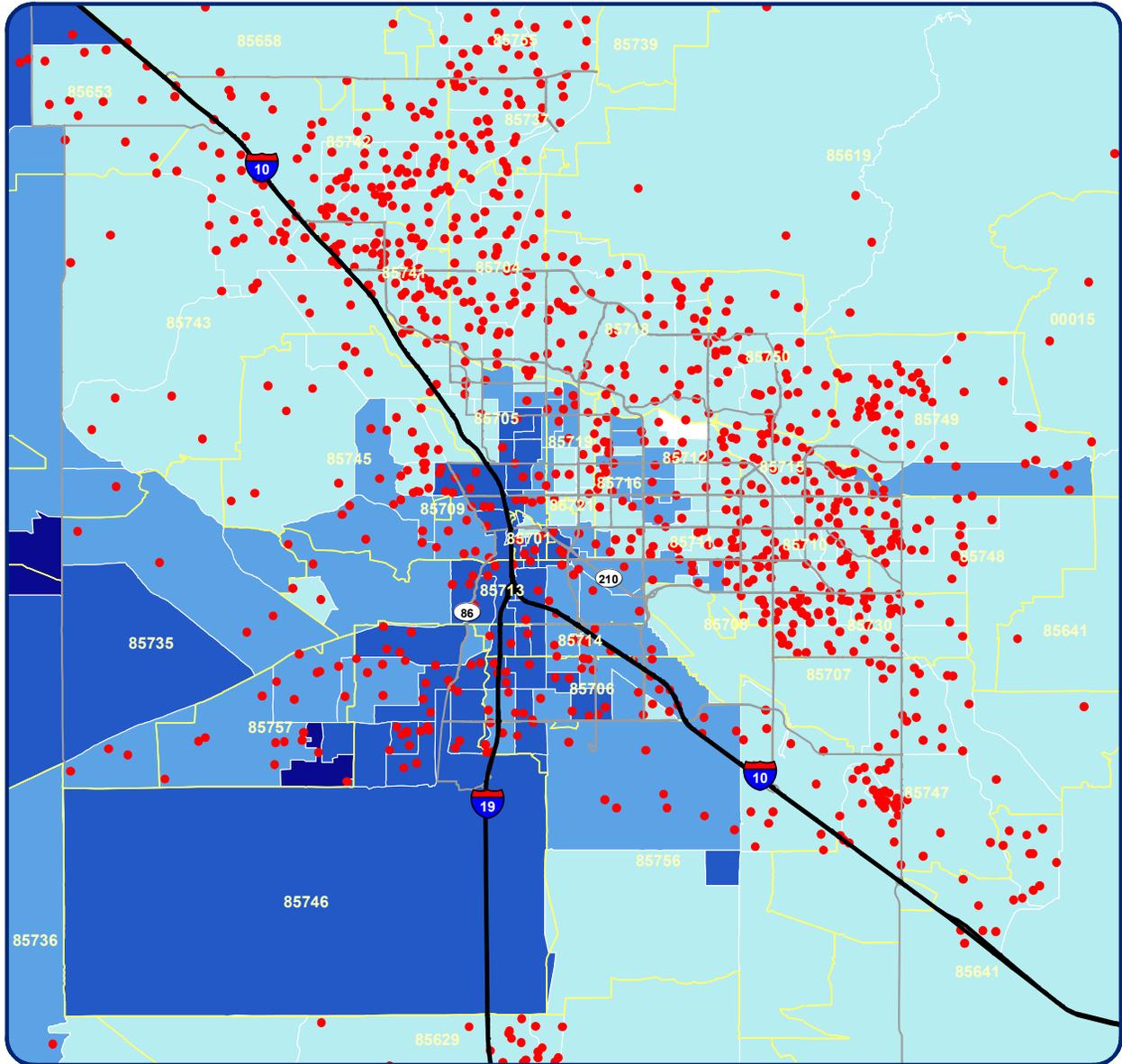
- Low
- Medium
- High
- Very High
- ZIP Code

2010 Census  
HMDA

Map 17 - Distribution of Housing Loans Over Minority Concentrations in Tucson -African American

# Distribution of Housing Loans Over Minority Concentrations in Tucson, AZ

- Native American -



by Geoff Davies

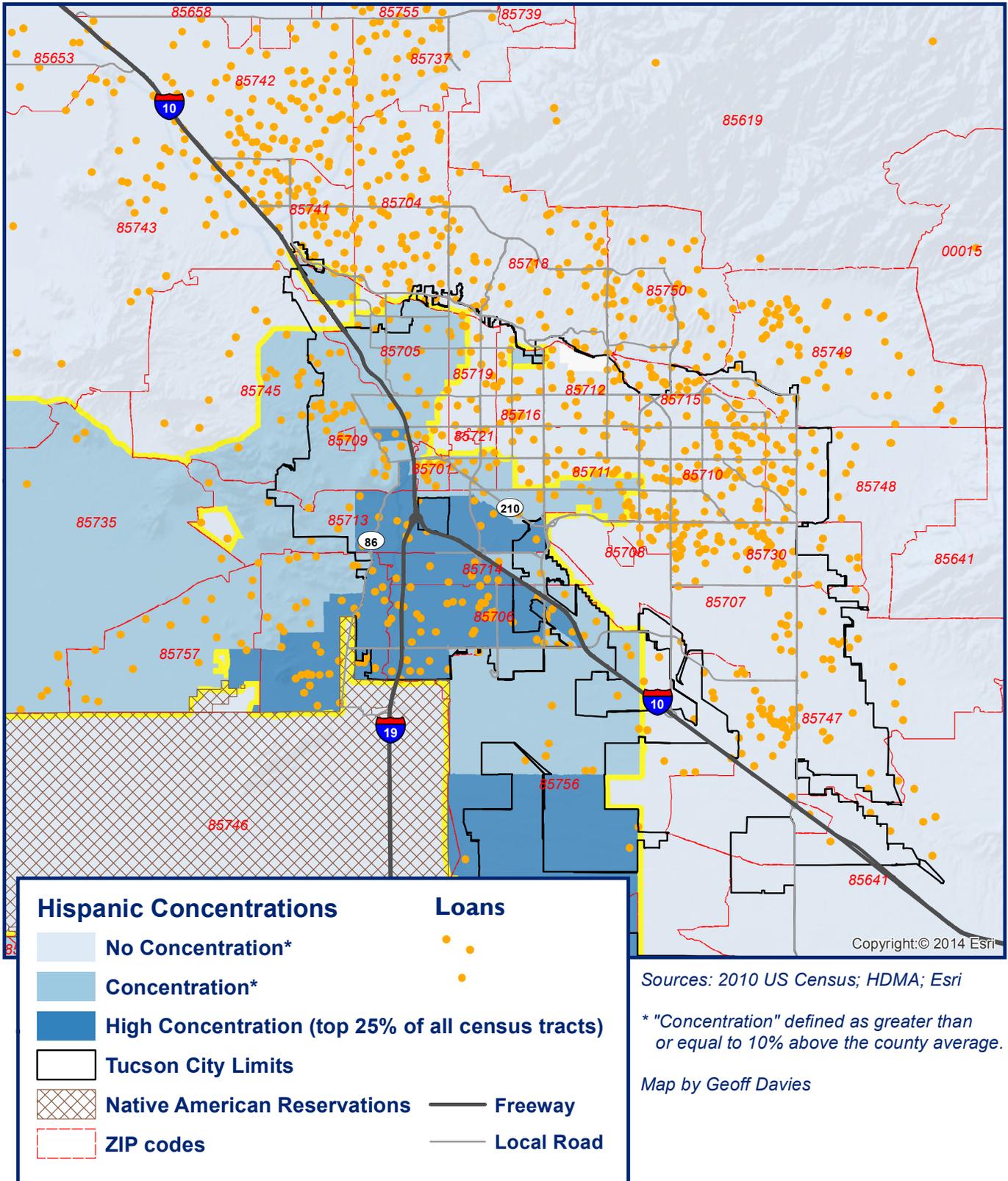
**Native Concentration**      **Loans**

- Low
- Medium
- High
- Very High
- ZIP Code

2010 Census  
HMDA

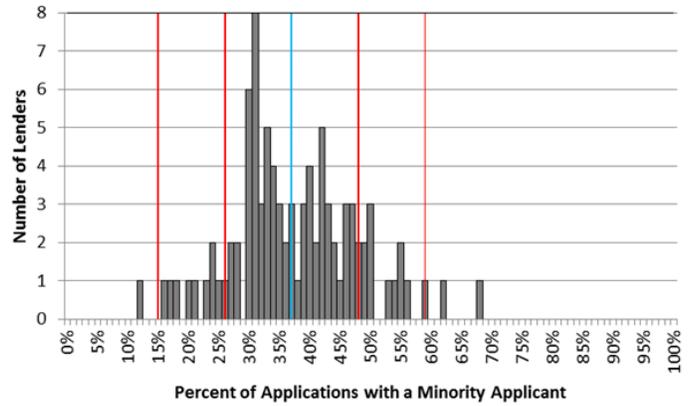
Map 18 - Distribution of Housing Loans Over Minority Concentrations in Tucson - Native American

# Distribution of Housing Loans Over Hispanic Concentrations in Tucson, AZ

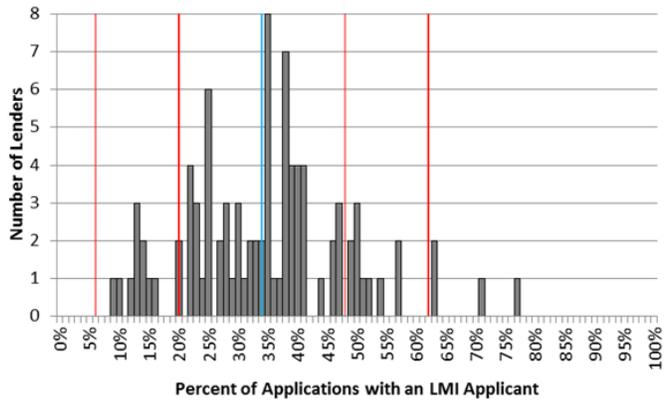


Map 19 - Distribution of Housing Loans Over Minority Concentrations in Tucson - Hispanics

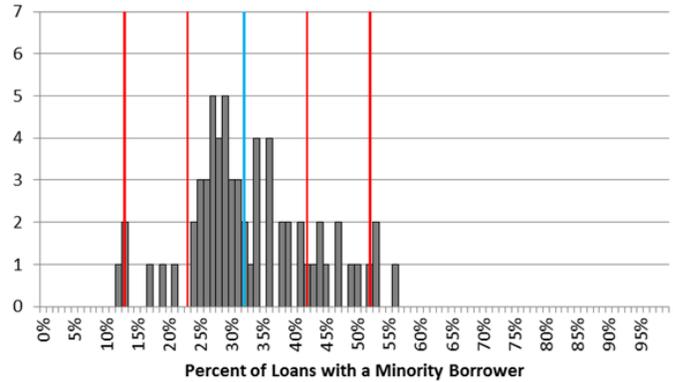
Minority Applications Outliers	
Respondent ID	Lenders
24049	Canyon Community Bank
708146	Mutual of Omaha
7774500004	Gateway Funding DMS
75633	BMO Harris Bank
2777650	Metlife Bank (2011-2012 only)
42-1720343	VIP Mortgage
26-4599244	Loandepot.com
2933616	Ing Bank (2011 only)
23748	National Bank of Kansas City
412135	Cote Taylor Bank



LMI Applications Outliers	
Respondent ID	Lenders
546571	Pentagon Federal CU
27-2371197	NYCB Mortgage
617677	NFCU
2933616	Ing Bank (2011 only)
86-0979719	Hunter Financial Group
42-1554181	Pulte Mortgage
52-2091594	American Internet Mortgage
7810600004	Provident Funding
26-2253315	Roundpoint Mortgage
2489805	Morgan Stanley Private Bank
17464	Farmers Bank and Trust
546509997	Homeamerican Mortgage Corp



Minority Loan Outliers	
Respondent ID	Lenders
41-1914032	Homeservices Lending
24049	Canyon Community Bank
7774500004	Gateway Funding DMS
2777650	Metlife Bank (2011-2012 only)
26-4599244	Loandepot.com
42-1720343	VIP Mortgage



LMI Loan Outliers	
Respondent ID	Lenders
546571	Pentagon Federal CU
27-2371197	NYCB Mortgage
52-2091594	American Internet Mortgage
617677	NFCU
7810600004	Provident Funding
42-1554181	Pulte Mortgage
26-0021318	Amerisave Mortgage Corp

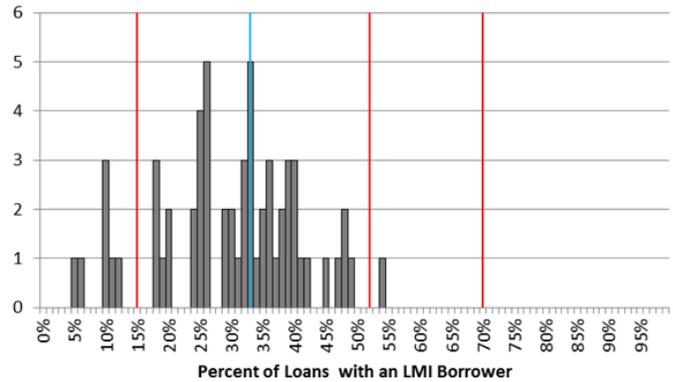


Table 1. All Single Family Lending to Owner-Occupants, Tucson, AZ MSA											
By Race of Borrower											
Table 1a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households*		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households	
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent			
<b>Borrower Race</b>											
White	19,900	1,030	20,930	92.47%	93.13%	92.50%	308,461	80.77%	1.14	1.15	
White, Non-Hispanic	15,554	599	16,153	72.27%	54.16%	71.39%	251,955	65.98%	1.10	0.82	
Black or African American	378	20	398	1.76%	1.81%	1.74%	12,218	3.20%	0.55	0.57	
Hispanic or Latino	3,599	404	4,003	16.54%	36.59%	17.69%	96,147	25.18%	0.66	1.45	
Asian	499	13	512	2.32%	1.18%	2.26%	9,479	2.48%	0.93	0.47	
<b>Total**</b>	<b>23,585</b>	<b>1,158</b>	<b>24,743</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>381,880</b>	<b>100.00%</b>	<b>1.00</b>	<b>1.00</b>	

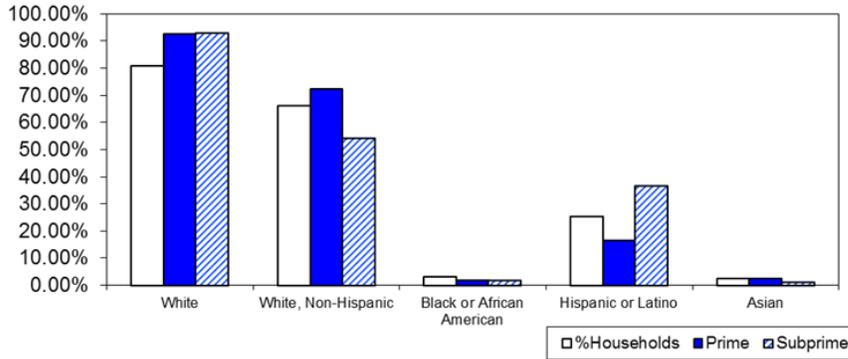
\* Households are as of 2010 US Census

\*\* "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

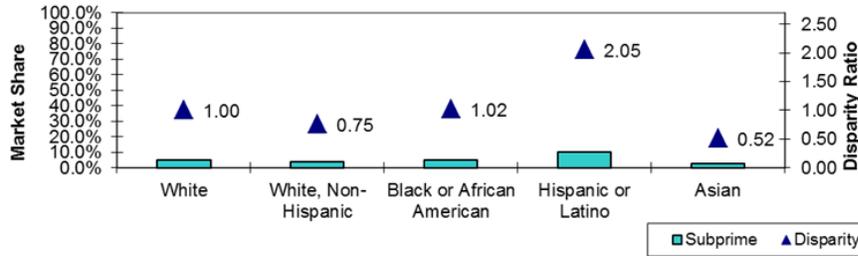
Table 1b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
<b>Borrower Race</b>							
White	19,900	1,030	20,930	95.1%	4.9%	1.00	1.00
White, Non Hispanic	15,554	599	16,153	96.3%	3.7%	1.01	0.75
Black or African American	378	20	398	95.0%	5.0%	1.00	1.02
Hispanic or Latino	3,599	404	4,003	89.9%	10.1%	0.95	2.05
Asian	499	13	512	97.5%	2.5%	1.03	0.52
<b>Total**</b>	<b>219</b>	<b>43</b>	<b>262</b>	<b>83.6%</b>	<b>16.4%</b>	<b>0.88</b>	<b>3.34</b>

Table 1c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
<b>Borrower Race</b>				
White	31,016	4,115	13.27%	1.00
White, Non Hispanic	23,408	2,835	12.11%	0.91
Black or African American	700	129	18.43%	1.39
Hispanic or Latino	6,653	1,316	19.78%	1.49
Asian	808	111	13.74%	1.04
<b>Total**</b>	<b>38,097</b>	<b>4,325</b>	<b>100.00%</b>	

**Chart 1a Percent of Loans Compared to Percent of Households by Race**

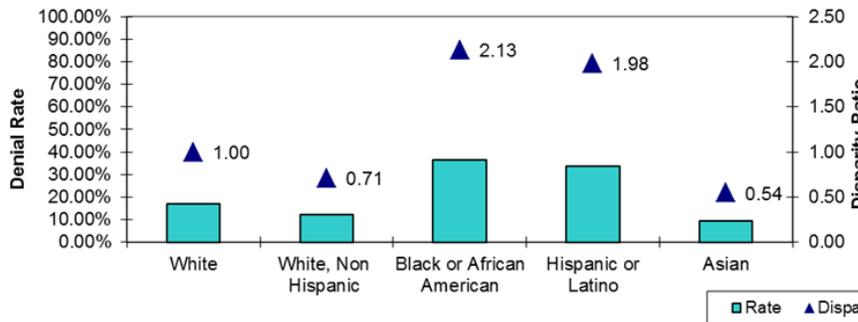


**Chart 1b Subprime Market Share of Loans by Race**



Disparity Ratio is subprime market share of loans to a racial group divided by subprime market share of loans to whites.

**Chart 1c Denial Rates and Disparity Ratios by Race**



Disparity Ratio is denial rate for loans to a racial group divided by denial rate for loans to whites

**Table 2. All Single Family Lending to Low-and Moderate-Income (LMI) Borrowers, Tucson, AZ MSA**  
**By Race of Borrower**

Table 2a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
<b>Borrower Race &amp; Income Level</b>										
LMI White	5,149	491	5,640	22.21%	42.77%	24.93%	308,461	80.77%	0.27	0.53
LMI White, Non Hispanic	3,633	218	3,851	15.67%	18.99%	17.02%	251,955	65.98%	0.24	0.29
LMI Black or African American	92	14	106	0.40%	1.22%	0.44%	12,218	3.20%	0.12	0.38
LMI Hispanic or Latino	1,484	268	1,752	6.40%	23.34%	7.20%	96,147	25.18%	0.25	0.93
LMI Asian	123	7	130	0.53%	0.61%	0.53%	9,479	2.48%	0.21	0.25
<b>Total (LMI+MUJ)<sup>1</sup></b>	<b>23,585</b>	<b>1,158</b>	<b>24,743</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>381,880</b>	<b>100.00%</b>		

<sup>1</sup> Households are as of 2010 US Census

<sup>\*\*</sup> "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

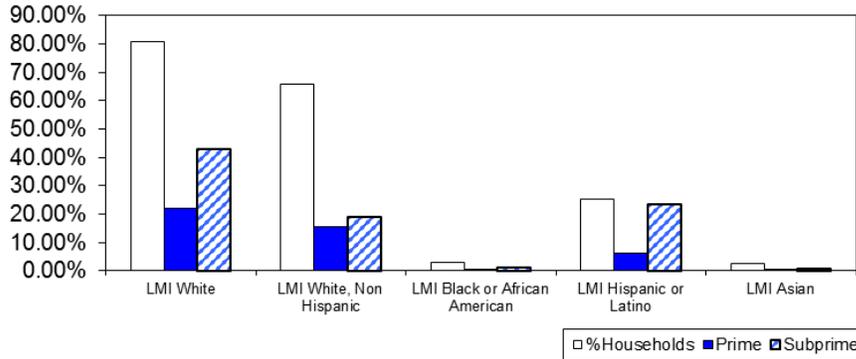
**Table 2b. Market Share Analysis**

Borrower Race & Income Level	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
LMI White	5,149	491	5,640	91.3%	8.7%	1.00	1.00
LMI White, Non Hispanic	3,633	218	3,851	94.3%	5.7%	1.03	0.65
LMI Black or African American	92	14	106	86.8%	13.2%	0.95	1.52
LMI Hispanic or Latino	1,484	268	1,752	84.7%	15.3%	0.93	1.76
LMI Asian	123	7	130	94.6%	5.4%	1.04	0.62
<b>LMI Total<sup>1</sup></b>	<b>5,878</b>	<b>527</b>	<b>6,405</b>	<b>91.8%</b>	<b>8.2%</b>	<b>1.01</b>	<b>0.95</b>

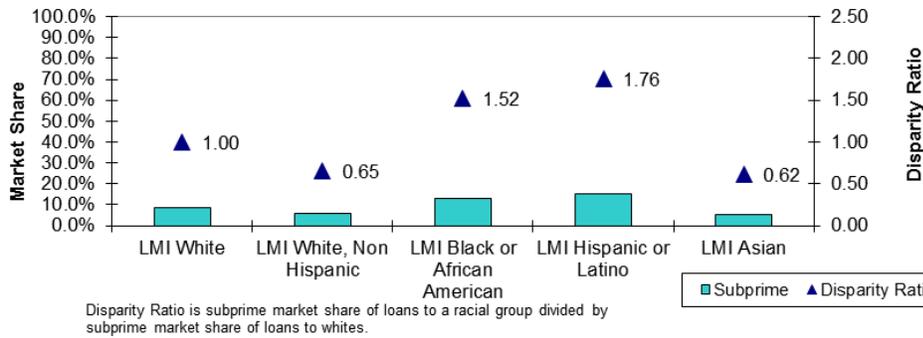
**Table 2c. Loan Denial Disparity Ratios**

Borrower Race & Income Level	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
LMI White	8,511	1,321	15.52%	1.00
LMI White, Non Hispanic	5,725	825	14.41%	0.93
LMI Black or African American	185	36	19.46%	1.25
LMI Hispanic or Latino	2,753	515	18.71%	1.21
LMI Asian	219	43	19.63%	1.27
<b>LMI Total<sup>1</sup></b>	<b>10,000</b>	<b>1,649</b>	<b>100.00%</b>	

**Chart 2a Percent of Loans Compared to Percent of Households by Race**



**Chart 2b Subprime Market Share of Loans by Race**



**Chart 2c Denial Rates and Disparity Ratios by Race**

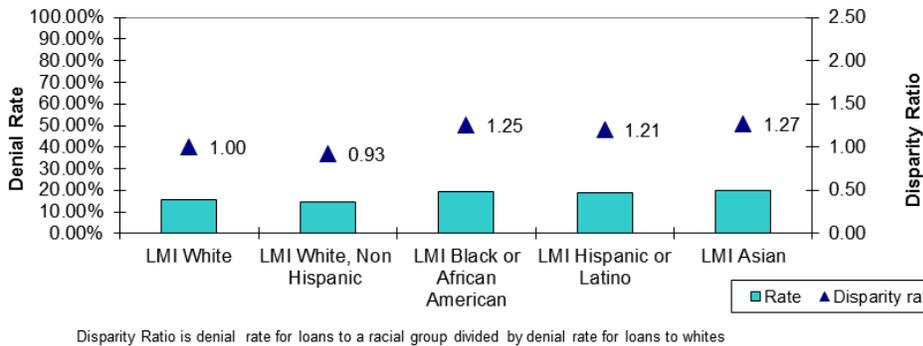


Table 3a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
<b>Borrower Race &amp; Income Level</b>										
MUI White	19,523	896	20,419	90.50%	79.15%	89.94%	308,461	80.77%	1.12	0.98
MUI White, Non Hispanic	15,235	490	15,725	70.62%	43.29%	69.26%	251,955	65.98%	1.07	0.66
MUI Black or African-American	372	20	392	1.72%	1.77%	1.71%	12,218	3.20%	0.54	0.55
MUI Hispanic or Latino	3,553	379	3,932	16.29%	33.51%	17.32%	96,147	25.18%	0.65	1.33
MUI Asian	497	13	510	2.30%	1.15%	2.25%	9,479	2.48%	0.93	0.46
<b>Total (LMI+MUI)<sup>1</sup></b>	<b>23,585</b>	<b>1,158</b>	<b>24,743</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>381,880</b>	<b>100.00%</b>		

\* Households are as of 2010 US Census

\*\* "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

Table 3b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
<b>Borrower Race &amp; Income Level</b>							
MUI White	19,523	896	20,419	95.6%	4.4%	1.00	1.00
MUI White, Non Hispanic	15,235	490	15,725	96.9%	3.1%	1.01	0.71
MUI Black or African-American	372	20	392	94.9%	5.1%	0.99	1.16
MUI Hispanic or Latino	3,553	379	3,932	90.4%	9.6%	0.95	2.20
MUI Asian	497	13	510	97.5%	2.5%	1.02	0.58
<b>MUI Total<sup>1</sup></b>	<b>23,138</b>	<b>976</b>	<b>24,114</b>	<b>96.0%</b>	<b>4.0%</b>	<b>1.00</b>	<b>0.92</b>

Table 3c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
<b>Borrower Race &amp; Income Level</b>				
MUI White	29,833	3,728	12.50%	1.00
MUI White, Non Hispanic	22,555	2,594	11.50%	0.92
MUI Black or African-American	684	120	17.54%	1.40
MUI Hispanic or Latino	6,234	1,070	17.16%	1.37
MUI Asian	803	110	13.70%	1.10
<b>MUI Total<sup>1</sup></b>	<b>36,387</b>	<b>4,885</b>	<b>13.43%</b>	

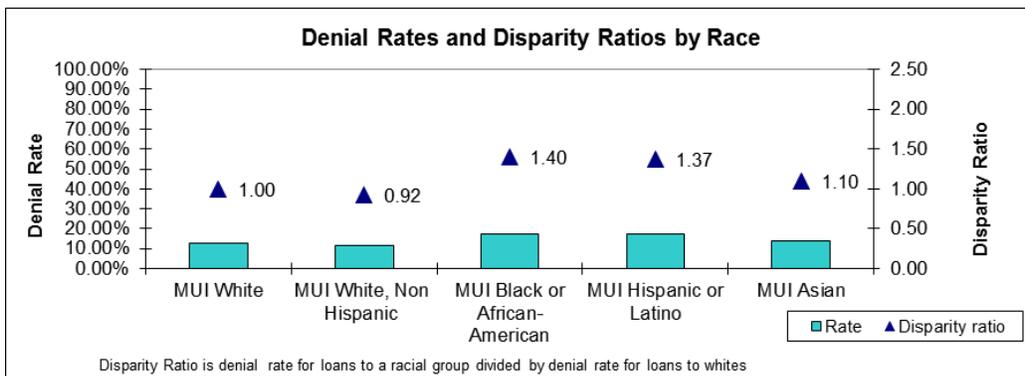
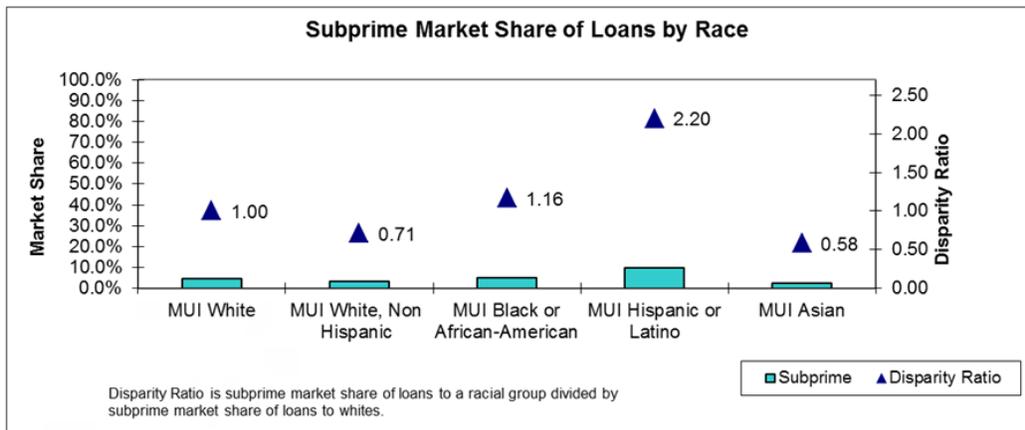
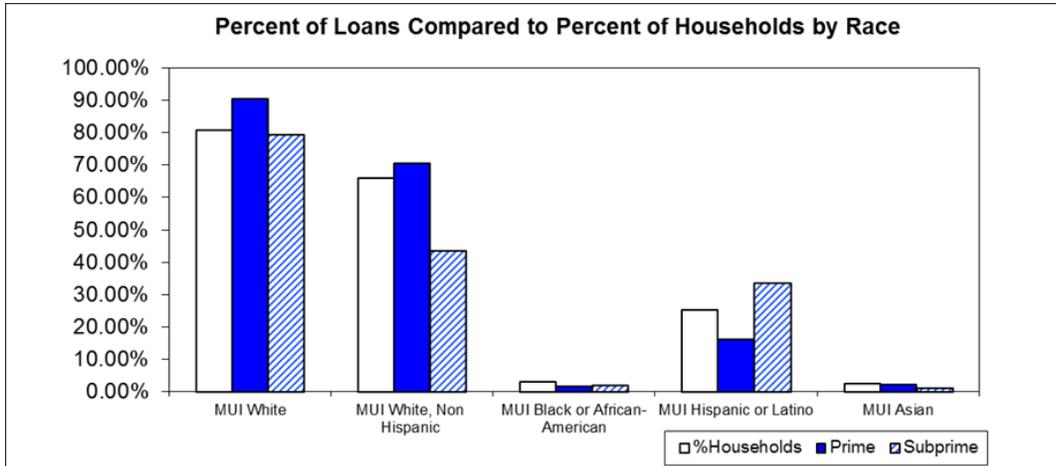


Table 4. All Single-Family Lending to Owner Occupants, Tucson, AZ MSA By Minority Level of Census Tract										
Table 4a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Minority Levels (Portfolio Share)			Owner-Occupied Housing Units (OOHU)*		Ratio of Prime Portfolio Share to Percent of OOHU	Ratio of Subprime Portfolio Share to Percent of OOHU
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
<b>Minority Level</b>										
0-49% Minority	19,985	748	20,733	84.74%	64.59%	83.79%	40,926	81.51%	1.04	0.79
50-100% Minority	3,600	410	4,010	15.26%	35.41%	16.21%	9,281	18.49%	0.83	1.92
<b>Total</b>	<b>23,585</b>	<b>1,158</b>	<b>24,743</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>50,207</b>			

\*2010 Census

Table 4b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Minority Level (Market Share)		Ratio of that Minority Level to 0-49% Minority (Market Share Ratio) <sup>1</sup>	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
<b>Minority Level</b>							
0-49% Minority	19,985	748	20,733	96.39%	3.61%	1.00	1.00
50-100% Minority	3,600	410	4,010	89.78%	10.22%	0.93	2.83
<b>Total</b>	<b>23,585</b>	<b>1,158</b>	<b>24,743</b>	<b>95.32%</b>	<b>4.68%</b>	<b>0.99</b>	<b>1.30</b>

Table 4c. Loan Denial Disparity Ratio	Denial Rate			Ratio of that Minority Level to 0-49% Minority (Denial Ratio)
	Applications	Denials	Percent Denied	
<b>Minority Level</b>				
0-49% Minority	31,138	4,117	13.22%	1.00
50-100% Minority	6,959	1,434	20.61%	1.56
<b>Total</b>	<b>38,097</b>	<b>5,551</b>	<b>14.57%</b>	<b>1.10</b>

Loans in Minority Concentration Areas	
Total # of Loans:	4,099
% of Pima County Total:	18.27
% Loans to Housing Units:	3.04
% Loans to Owner Occupied:	6.14

Loans in Other Areas	
Total # of Loans:	18,249
% of Pima County Total:	81.34
% Loans to Housing Units:	5.99
% Loans to Owner Occupied:	10.06

Minority Cost-Burdened	
Average %:	31.38

Other Cost-Burdened	
Average %:	26.55