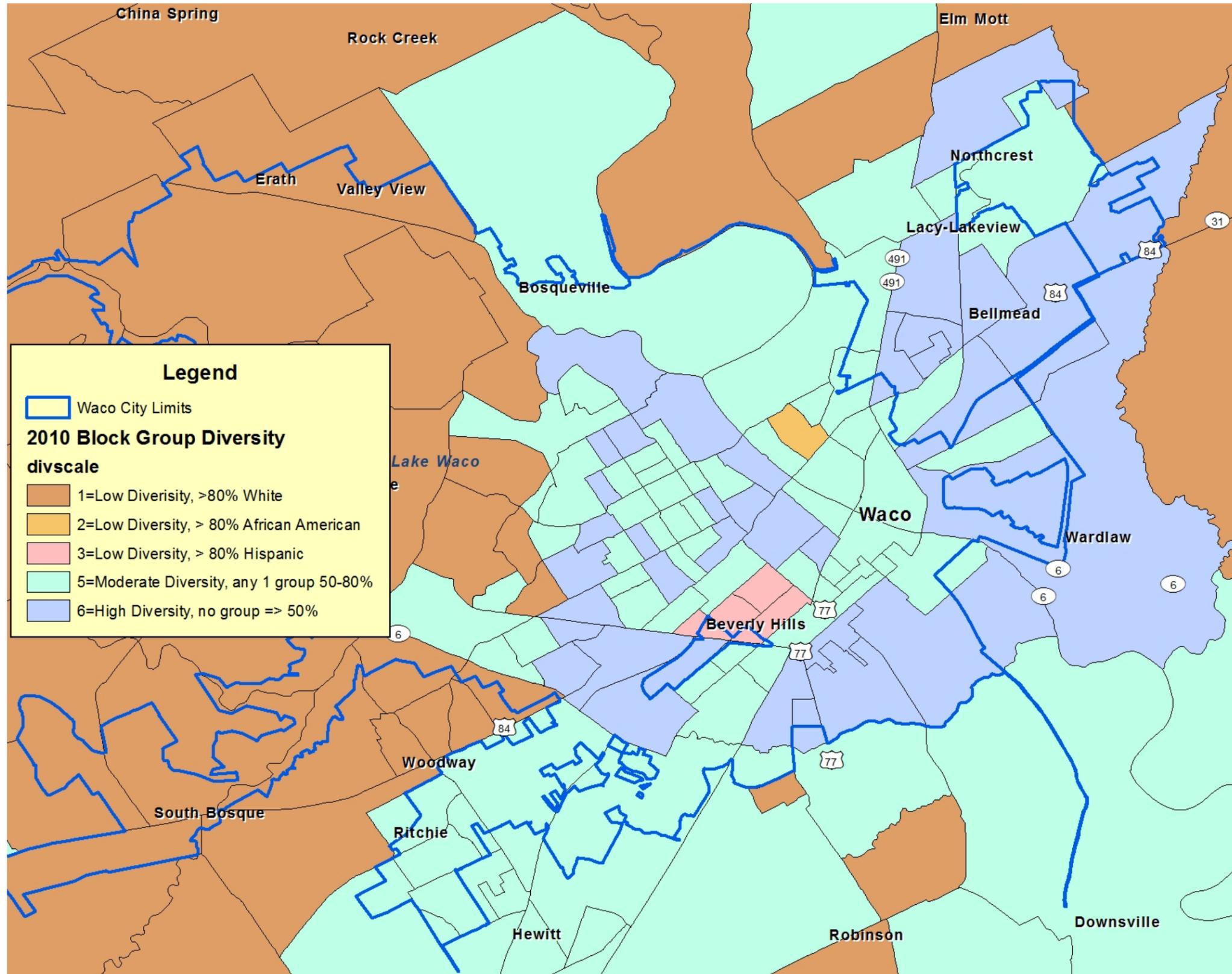


DRAFT Racial/Ethnic Diversity by Block Group (2010 data/boundaries)



Introduction to Fair Housing

Federal Legislation and Regulations

The Federal Fair Housing Act is Title VIII of the Civil Rights Act of 1968. The Act, as amended, prohibits discrimination in the sale, rental, advertising and financing of dwellings, and in other housing-related transactions and activities such as insurance, zoning and deed restrictions. It makes discrimination based on race, color, national origin, religion, sex, familial status and disability illegal. All housing related activities, regardless of funding source fall under the Fair Housing Act.

In summary, the following actions based on race, color, national origin, religion, sex, familial status or disability are prohibited:

- Refusing to show, rent, sell or transfer housing or property to be used for housing (vacant land, commercial property re-zoned for residential);
- Falsely denying that housing is available for inspection, sale or rent;
- Setting different terms, conditions or privileges for the sale or rental of a dwelling;
- Advertising or making any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status or disability, including housing that is otherwise exempt from the Fair Housing Act;
- Providing different housing services or facilities;
- Discriminating in appraising a property;
- Refusing to make a mortgage loan or to purchase a loan; or
- Refusing to make reasonable accommodations for disabled tenants and/or allow disabled tenants to make reasonable modifications to their units.

The familial status protection states that unless a building or community qualifies as housing for older persons, it may not discriminate against families in which one or more children under the age of 18 live with a parent, legal guardian, or designee of the parent or legal guardian. The protection also applies to pregnant women and anyone in the process of securing legal custody of a child.

The exception to the familial status protection is for housing for older persons if it is occupied solely by persons who are 62 or older; or houses at least one person who is 55 or older in at least 80% of the occupied units and adheres to a policy that demonstrates an intent to housing persons who are 55 or older.

Reasonable accommodations for disabled tenants would include allowing service animals in a “no pets” property, providing a reserved parking space near the unit, and providing curb-cuts in sidewalks. For buildings constructed after March 13, 1991 with more than three units, public and common areas must be accessible with doors and hallways must be wide enough for wheelchairs; and all ground-floor units (or all units if there is an elevator) must have:

- An accessible route into and through the unit;
- Accessible light switches, electrical outlets, thermostats and other environmental controls;
- Reinforced bathroom walls for later installation of grab bars; and
- Kitchens and bathrooms that can be used by people in wheelchairs.

While the Federal Fair Housing Act does not specifically include sexual orientation and gender identity as protected groups, lesbian, gay, bisexual or transgender (LGBT) persons experiencing housing discrimination may be covered by the Fair Housing Act depending on the type of complaint. HUD established a new rule regarding housing providers that receive HUD funding, have loans insured by the Federal Housing Administration (FHA), or are lenders insured by FHA. This includes Section 8, Public Housing, CDBG projects, HOME projects, HOPWA, Section 202/811 and FHA-insured properties or lenders. A private lender, seller, or landlord who does not receive HUD funding nor has an FHA-insured loan is not subject to the regulations. As of March 5, 2012, the new HUD rule regarding equal housing access to LGBT persons within HUD and FHA programs became effective.

The HUD program regulations intended to ensure equal access of persons without regard to actual or perceived sexual orientation, gender identity or marital status (24 CFR Section 5.105(a)(2)). The rule clarifies the definition of “family” as outlined in 24 CFR 5.403 and household as defined in 24 CFR 570.3 by adding LGBT inclusive language. The rule prohibits inquiries as to sexual orientation or gender identity except where the housing provided is temporary, emergency shelter that involves sharing of sleeping areas or bathrooms, or for the purpose of determining the number of bedrooms to which the household may be entitled. However, a person seeking shelter at an emergency shelter must be provided equal access through the use of separate quarters/bathroom, motel vouchers, or other accommodations.

Other Fair Housing Act provisions cover actions that are neighborhood-based, such as:

- Persuading, for self-profit, owners to sell using panic tactics for the purpose of blockbusting;
- Channeling or steering prospective buyers or tenants into neighborhoods of similar ethnic identity;
- Refusing to lend money or insure properties in certain neighborhoods, or require additional costs for the services for the purpose of redlining; or
- Establishing neighborhood, project or building deed restrictions that prohibit protected groups.

Blockbusting is an activity that began in the 1960s when real estate agents or their clients profited by using panic tactics to encourage majority (usually white) owners to sell because different racial or ethnic groups were moving into the area. Often the real estate agent or client would “plant” the first household of a different racial or ethnic group in the neighborhood and approach existing owners to sell before the neighborhood became undesirable. The realtors, or their clients, would purchase the houses at a reduced price and re-sell at a higher price, often to the new racial or ethnic group. While this practice isn’t as overt and prevalent today, it does happen in more subtle ways.

Steering or channeling occurs when realtors direct prospective buyers or tenants to dwellings in neighborhoods or developments of similar racial, ethnic or national origin composition or direct them away from neighborhoods or developments of different composition. Often steering from more desirable neighborhoods or multi-family developments occurs when realtors do not advise the prospective buyer or tenant of the availability of listings.

Red-lining occurs when lenders or insurers either refuse their services to certain neighborhoods or require additional costs for their services. Other areas of red-lining occur when chain stores, banks, and other multi-site commercial entities charge more for products and services in areas that are predominately minority or low-income.

Another form of discrimination that has received much attention and has resulted in state laws is predatory lending. Predatory lending is unfair or fraudulent actions of a real estate or personal loan lender to profit through higher fees and interest rates. The practice is often aimed at low-income, elderly, minority and foreign-born residents who are not knowledgeable about loan procedures or believe their choices are limited. Various tactics include:

- Charging high fees or interest rates to those with a higher credit risk, or to those of a group that is perceived to have a higher credit risk;
- Packing excessive and hidden fees into the amount to be financed;
- Encouraging refinancing that will result in little long term benefit to the borrower and is for the purpose of generating additional fees and prepayment penalties;
- Using negative amortization to make it more difficult to reduce principal;
- Using balloon payments to conceal the true financial burden and/or to force foreclosures or refinancing at higher rates when the balloon payment is due;
- Requiring mortgage insurance through a specified insurance agent/company, usually at a higher rate; and
- Charging disproportionately higher fees for short-term loans such as payday loans, tax refund anticipation loans, car title loans, checking account overdraft fees, and credit card late fees.

While payday and car title loans are not related to fair housing, many of the companies providing such loans are located in low-income and minority neighborhoods as well as near areas where young adults or the elderly live.

The Fair Housing Act does not pre-empt local zoning and land use regulations, however, the Act applies to local government entities and prohibits them from making zoning or land use policies that exclude or otherwise discriminate against protected persons. In 1999, there was a joint statement of HUD and the Department of Justice regarding group homes, local land use ordinances and the Fair Housing Act. The statement clarifies that the Fair Housing Act makes it unlawful to:

- Utilize land use policies that treat groups of persons with disabilities less favorably than groups of non-disabled persons. For example, it is unlawful to prohibit housing for a specific type of disability, such as mental illness, from locating in a particular area while allowing other groups of unrelated individuals to live together in that areas;
- Take action against, or deny a permit for, a home because of the disability of the individuals who live or may live there. For example, it is unlawful to deny a building permit for a home because it is intended to provide housing for persons with intellectual disabilities or mental illness; and
- Refuse to make reasonable accommodations in land use and zoning policies where such accommodations may be necessary to afford persons or groups of persons with disabilities an equal opportunity to use and enjoy housing. What constitutes a reasonable accommodation is a case-by-case determination.

In addition to the Fair Housing Act, there is additional legislation that impacts discrimination when even one dollar of federal funding is involved. There include:

- Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color or national origin;
- Architectural Barriers Act of 1968 requires that building and facilities designed, constructed, altered or leased with federal funds after September 1969 be accessible to and useable by disabled persons;
- Title IX of the Education Amendments Act of 1972 prohibits discrimination based on sex in education programs;
- Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability (including failure to make activities or programs accessible);
- Section 109 of Title 1 of the Housing and Community Development Act of 1974 prohibits discrimination on the basis of race, color, national origin, sex or religion;
- Age Discrimination Act of 1975 prohibits discrimination based on age; and
- Title II of the Americans with Disabilities Act of 1990 prohibits discrimination based on disability in programs made available by public entities.

In addition to federal laws concerning discrimination, there are several applicable Presidential Executive Orders, including:

- Executive Order 11063 prohibits discrimination in the sale, leasing, rental or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds;
- Executive Order 11246, as amended, prohibits discrimination in federal employment based on race, color, religion, sex or national origin;
- Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The EO also established the President's Fair Housing Council, which will be chaired by the Secretary of HUD.
- Executive Order 12898 requires that each federal agency conduct its program, policies and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color or national origin;
- Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and conducted programs and activities; and
- Executive Order 13217 requires that federal agencies evaluate their policies and programs to determine if any can be modified to improve the availability of community-based living arrangements for persons with disabilities.

State and Local Legislation

Both the State of Texas and City of Waco have Fair Housing legislation. The Texas Fair Housing Act can be found in Title 15, Chapter 301 of the Property Code. The Civil Rights Division of the Texas Workforce Commission is responsible for receiving, investigating, seeking to conciliate and acting on complaints of alleged violations of the Texas Fair Housing Act. The provisions of the Act are in concert with the Federal Fair Housing Act. The complainant or respondent may elect to have the claims asserted in the complaint decided in a civil action or may agree to an Administrative Hearing. An Administrative Hearing must not begin or continue after the beginning of the trial of a civil action. The complete Texas Fair Housing Act is in the appendices.

Article IV, Chapter 12, Part II of the City of Waco's Code of Ordinances outlines the City's Fair Housing Ordinance. As with the State law, the local ordinance follows the legislation set forth in the Federal Fair Housing Act. The City's Fair Housing Administrator receives complaints and referrals of complaints from HUD or a third party and investigates the complaint. If the Administrator deems that a discriminatory practice has occurred, an attempt by informal measures to effect conciliation is made. If the efforts to secure voluntary compliance have been unsuccessful, the Administrator recommends that the City

Attorney prosecute the violator in municipal court. During the process, the Administrator cooperates with HUD on any Federal or joint investigation, conciliation or prosecution. When necessary, the Administrator assists the complainant in filing a complaint with HUD to initiate a federal investigation. The complete Fair Housing Ordinance is in the appendices.

Major Data Sources for Analysis

A number of databases were used to develop a complete community profile, including the analysis of impediments to fair housing choice (AI) in Waco. Due to the differences in sources, changes in reporting, and changes in geographic bases, the use of the data becomes complicated and confusing. Below is a summary of the databases as well as the issues surrounding their use.

Census Data

Since 1790, the U.S. has been charged with completing a census of population every decade. This decennial census is a 100% count of the population by race/ethnicity, age, gender and other basic characteristics and is mandated for use in determining congressional and local redistricting. In 1940, the Census Bureau added a second questionnaire to the process. While the rather short 100% count of the population continued as mandated by law, a longer more detailed set of questions was asked of a sample of the population. Approximately every seventh household was asked to complete the long form, which included questions on employment, income, education, housing costs, and other detailed population and housing information.

After the 2000 Census, which included the short 100% count questionnaire and the long sample questionnaire, the Census Bureau adopted a new format for collecting sample information. The 100% count questionnaire would continue every 10 years, but a new “rolling” detailed survey would be conducted monthly on a much smaller population sample. Each year, 3 years and 5-years, the results of the samples would be aggregated and averaged using a complex set of formulas. This new American Community Survey (ACS) replaced the long form sample survey for the 2010 decennial census.

As a result of the introduction of the American Community Survey, there is no longer a single point in time survey for the 100% population/housing count and the detailed population/housing sample counts. This makes linking the 100% data from April 2010 with the sample data from an average of monthly surveys more difficult and less accurate. Adding to the difficulty and inaccuracy is the issue with data reliability and validity by geographic size. As the geographic section below explains, the country is divided into states, counties, cities, and then census-defined areas – Census Tracts, Block Groups and Blocks. The smaller percent of the population sampled, the larger the area or overall population must be to result in a semblance of accuracy. Therefore, while state, county and city data can be assumed relatively accurate for a one year of monthly sample surveys, sample surveys at the Census Tract and Block Group levels must be aggregated over 5 years to be as accurate as the 1-year county data. Block level data are not accurate and not reported in the American Community Survey. Additionally, the more substrata data, through cross-tabulations, the less accurate a single year aggregation becomes and more samples are required.

For the Fair Housing Plan, the racial/ethnic data from the 2010 Census is as accurate a population count as is possible, with an estimated 5-7% undercount in certain locales and among certain minority groups. However, the data sets from the American Community Survey, such as income, employment and

general housing cost/condition information are only available for a 1-year sample at the state, county and large-city level. Other data, such as disability, housing information by race/ethnicity, income by household size, housing information by income are only available for a 3-year sample at the state, county and large-city level and for a 5-year sample at the Census Tract or Block Group level.

All of the American Community Survey data have an inherent margin of error that, depending on the geographic size, may be larger than the reported estimate. For example, a Block Group's household estimate for low-income households may be 125, with a margin of error of +/- 150, making the range of estimate from a minus 25 to a positive 275. For the purposes of the analysis of impediments using Census data, the estimates are used without regard to the margin of error.

Despite the inaccuracies in the American Community Survey data, all of the information is similarly accurate/inaccurate, resulting in the ability to use the data to analyze comparisons across demographic characteristics, geography and/or time.

The American Community Survey database is used for delineating population by race/ethnicity/disability, households by income, and other general demographic information. Cross-tabulated data have been aggregated into the Comprehensive Housing Affordability Strategy (CHAS) database.

CHAS Database

HUD and the Census Bureau work together to develop a set of cross-tabulations related to housing for use in analyzing conditions for HUD programs. This Comprehensive Housing Affordability Strategy (CHAS) data set includes housing conditions by income by race/ethnicity, householder age, and disability. Due to the complications in deriving estimates on multiple cross-tabulations, the CHAS data based on the 5-year ACS samples are released approximately 2 years after the related ACS data. For example, currently the most recent ACS files are for 2008-2012 but the most recent CHAS files are for 2006-2010.

Because of the additional cross-tabulations for the CHAS data, the information cannot be reported at a geography smaller than the Census Tract level. Therefore, no Block Group CHAS data are available. Additionally, the Census Tract data are not split by political boundaries with information provided for partial Census Tracts within or outside of a city.

HMDA Database

A key database used to determine discrimination in mortgage lending is the Home Mortgage Disclosure Act (HMDA) annual database, the most recent of which is for 2012. The HMDA database is developed by the Federal Financial Institutions Examination Council (FFIEC) as a result of 1975 legislation enacted to require public loan data to be provided to assist in identifying possible discriminatory lending practices and determining if financial institutions are serving the housing needs of their communities.

The HMDA database provides information for each mortgage loan originated with a state, county and Census Tract designation attached to allow analysts to aggregate the records to any of the 3 geographic

levels. For the Fair Housing Plan, the records have been analyzed as a whole as well as aggregated to the Census Tracts wholly or partially within Waco City Limits. The statistical analyses have been conducted on the record-level database and maps and tables have been provided on the city-level and Census Tract-level aggregations.

Geographic Delineations

The databases used for the development of analyses of impediments to fair housing choice for the Fair Housing Plan are available at the city level, Census Tract level and/or Block Group level depending on the data source and information detail.

Census Tracts are moderate-size areas wholly within a county and having an average population of approximately 4,000 but usually range in size between 1,200 and 4,000 people. The Census Tract boundaries are determined with the intent that they can be maintained over several decades for data comparisons over time. As a result, they follow permanent visible physical features such as highways and waterways, with the exception that they never cross county boundaries.

Census Blocks are the smallest geographic area that can be created by visible physical features, such as a single residential block bounded by 4 streets. Census Blocks are wholly contained within Census Tracts.

Census Block Groups are, as the name implies, a group of Census Blocks with the same first digit in their numbering system. For example, Census Blocks 201-225 would be clustered to become Block Group 2 within a single Census Tract. As with Census Tracts, the Block Groups may cross local jurisdictional boundaries, such as city limit lines.

The decennial census counts are aggregated to partial Census Tracts, Block Groups and Blocks within political jurisdictions for use in redistricting. Counts from the 2010 Census, based on a 100% enumeration of the population, are available for only those Census Tract, Block Group and Block areas within Waco.

In summary, for small geographic areas, most data are aggregated/reported at the county level, city/place level, whole Census Tract level (regardless of city limit lines), whole Block Group level, and occasionally at the Block Level. For this Fair Housing Plan, the data are presented for the City of Waco and for Census Tracts that are wholly or partially contained within Waco. A few variables, such as total population by race/ethnicity are provided at the Block Group level. Where available, data for the 2012 single-year ACS or the 2008-2012 5-year ACS are used. For CHAS data and other HUD-provided data, the 2006-2010 ACS forms the basis for the aggregation. The HMDA database is for 2012.

Resident & Stakeholder Surveys

During January through March of 2014 the City solicited information from residents and stakeholders regarding fair housing issues in Waco. Surveys were advertised and provided in English and Spanish through the City's website and in paper form. Stakeholders were interviewed in person and 40 were invited to roundtable discussions.

The main issues brought forth by both the residents and the stakeholders, including lenders, educators, grant-makers, social service providers, and housing providers, include:

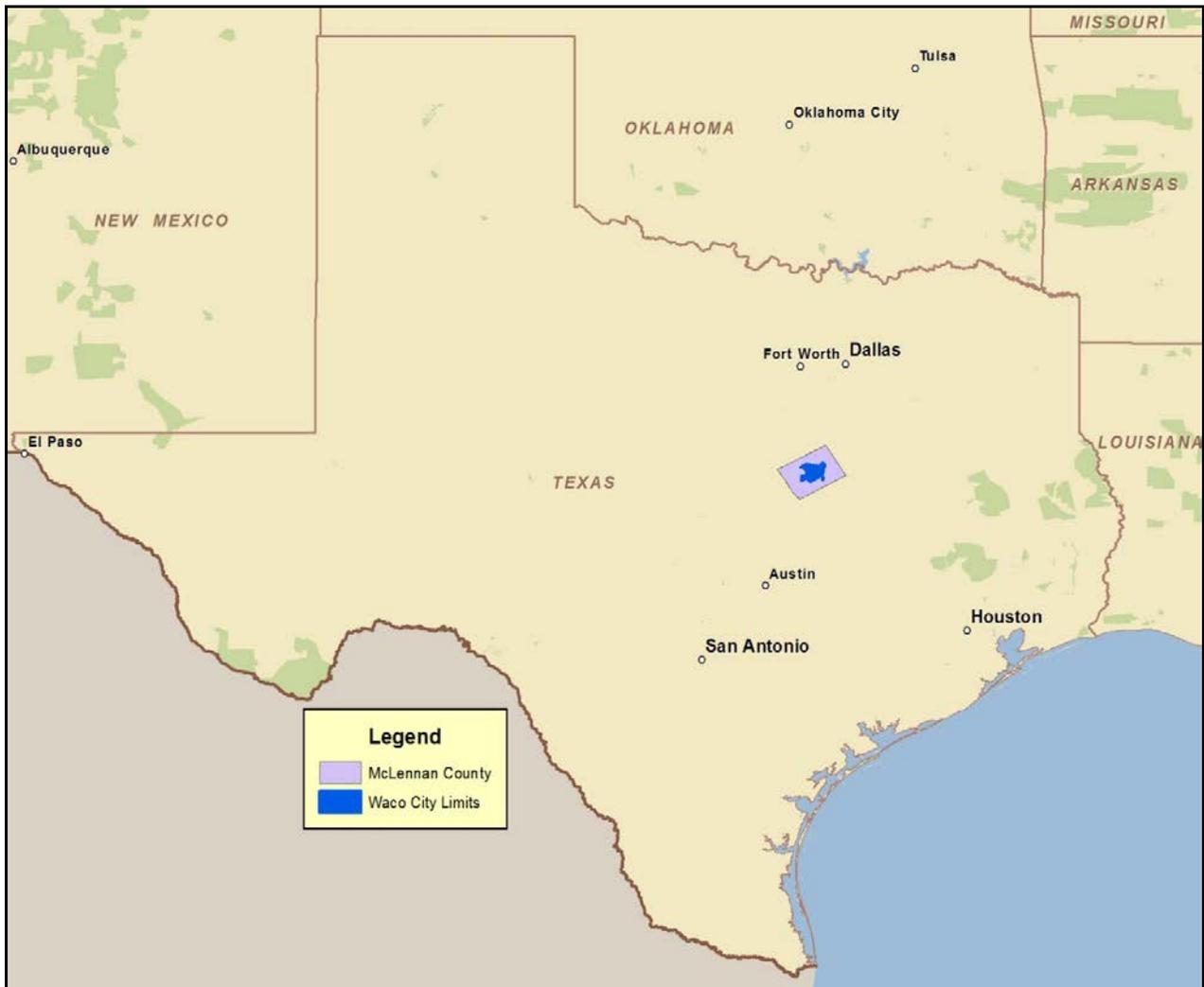
- Lack of sufficient affordable housing;
- Limited housing choice;
- Lack of rental housing for large families and non-university students;
- Need for more homeownership;
- Overt and subtle discriminatory advertising by local realtors and landlords;
- Racial and sexual orientation discrimination in leasing and selling;
- Use of criminal and credit background as an excuse to not lease;
- Landlords not making reasonable accommodations for the disabled;
- Predatory lending practices, both with mortgages and payday/car-title loans;
- Lack of employment opportunities;
- Lack of adequate funding for social service agencies to help move clients out of poverty;
- Lack of adequate amenities such as grocery stores, pharmacies, clinics, sidewalks and street lights in low-income and minority neighborhoods;
- Lack of adequate transportation to existing employment and amenities;
- Lack of education about fair housing laws; and
- Too many red-tagged/unsound buildings that have not been demolished.

Community Profile

Geography

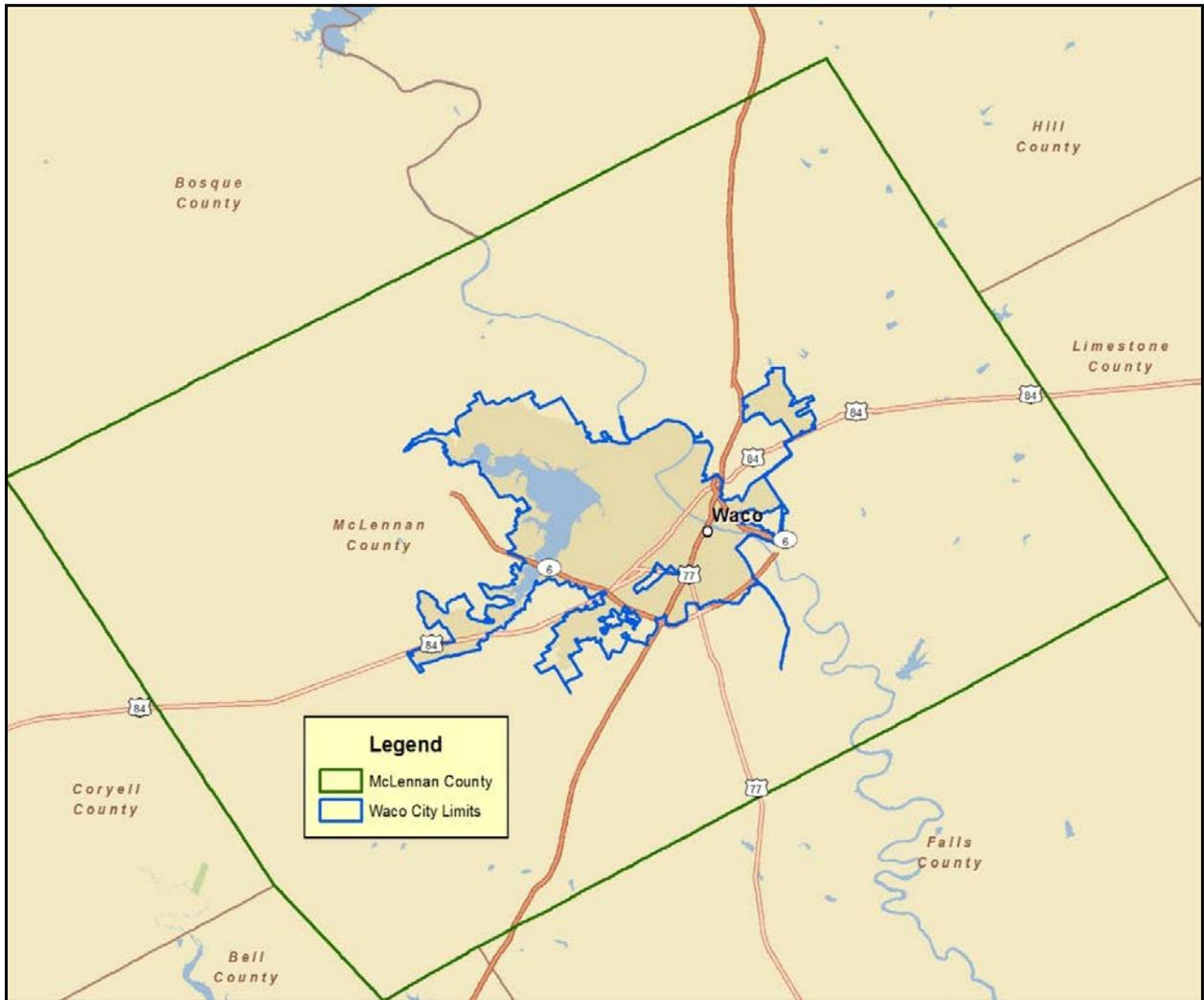
The City of Waco is located in central Texas within McLennan County. The maps below show its location in Texas and in McLennan County as well as zoomed to the city limits.

Map 1 – Waco within Texas and McLennan County



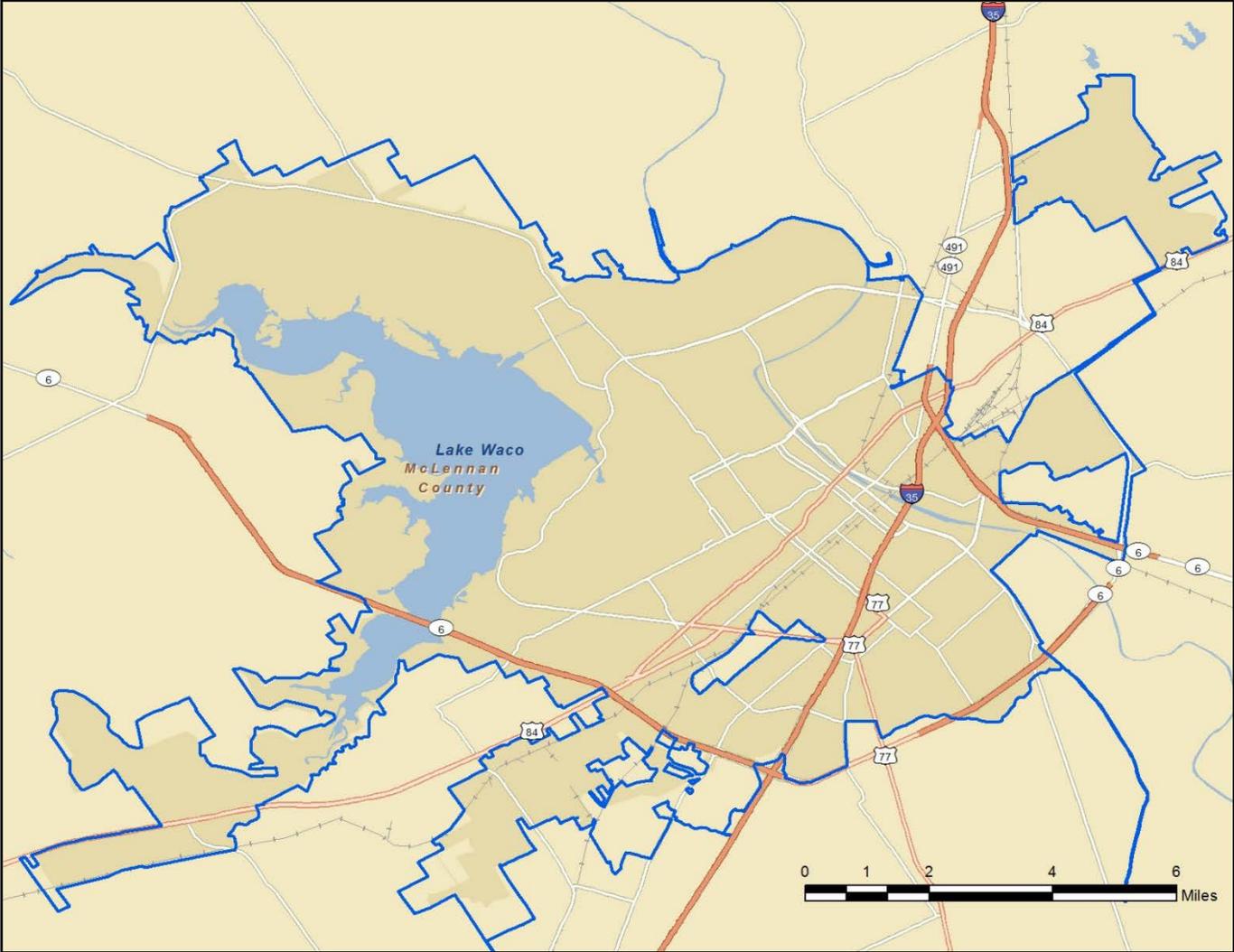
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Map 2 – City of Waco within McLennan County



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Map 3 – Waco City Limits



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General Demographics

The City of Waco currently has an estimated population of 127,003 (American Community Survey 2012), up from 122,212 in 2010 (Decennial Census) and 114,167 in 2000 (Decennial Census). Due to the presence of Baylor University in the heart of Waco, the city has nearly double the percent of 20 to 24 year olds than Texas, with a median age of 29.3 years as opposed to 33.9 for Texas and 33.2 for all of McLennan County. Waco’s percent of households with at least one person 65 years or older mirrors the state, though there is a considerably lower rate of households with at least one person under 18 years of age (31.9% for Waco as opposed to 38.1% for Texas).

Between 2000 and 2010, the minority population in Waco became the majority, with Hispanics and African Americans comprising 63.22% of the total population. The table below details the racial/ethnic population, while Maps 4 and 5 show the geographic distribution of racial/ethnic diversity in Waco.

Table 1 – Racial/Ethnic Distribution from 2000 to 2012

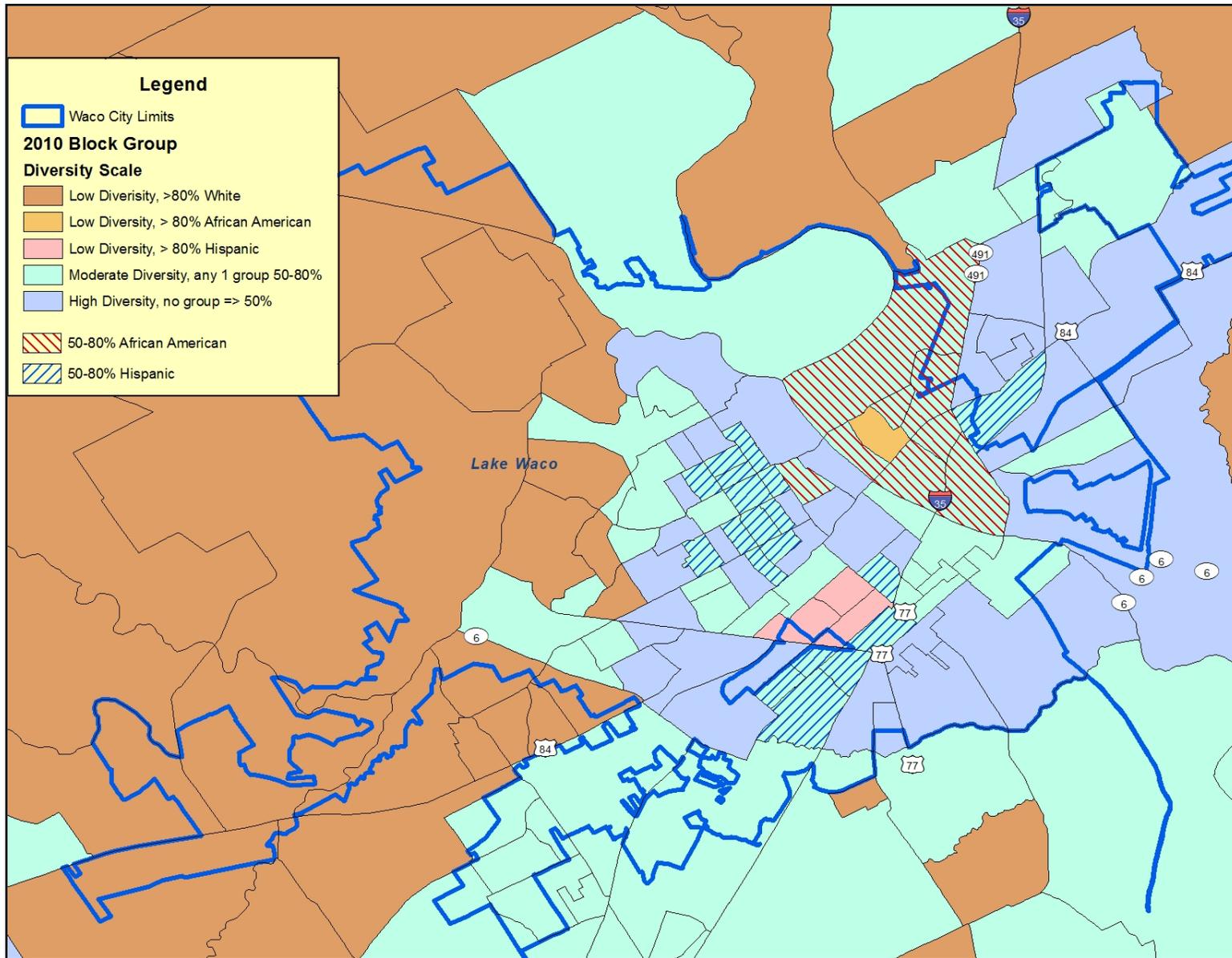
	2000 Census	% of Population	2010 Census	% of Population	2012 American Community Survey	% of Population
Total Population	114,167		122,212		127,003	
Hispanic	26,989	23.64	36,180	29.60	42,731	33.65
Non-Hispanic White	58,321	51.08	56,028	45.84	54,468	42.89
African American	25,576	22.40	25,640	20.98	25,821	20.33
Asian	1,548	1.36	2,103	1.72	2,517	1.98
Other & Multi- Race	1,733	1.52	2,261	1.85	1,466	1.15

Mixed Metro US has derived a map of the United States at the Census Tract level that depicts racial/ethnic diversity. However, for the Waco area, the Census Tract areas are too large to truly describe the neighborhood diversity. Therefore, using the Mixed Metro US methodology as a model, the map below has been developed at the Block Group level. In both models, the inner core of Waco is primarily moderately diverse, with higher Hispanic population to the west, higher African American population to the east and higher white population in the center. Though the area is moderately to highly diverse, most of the block groups do have a single race/ethnicity that represents more than half of the population.

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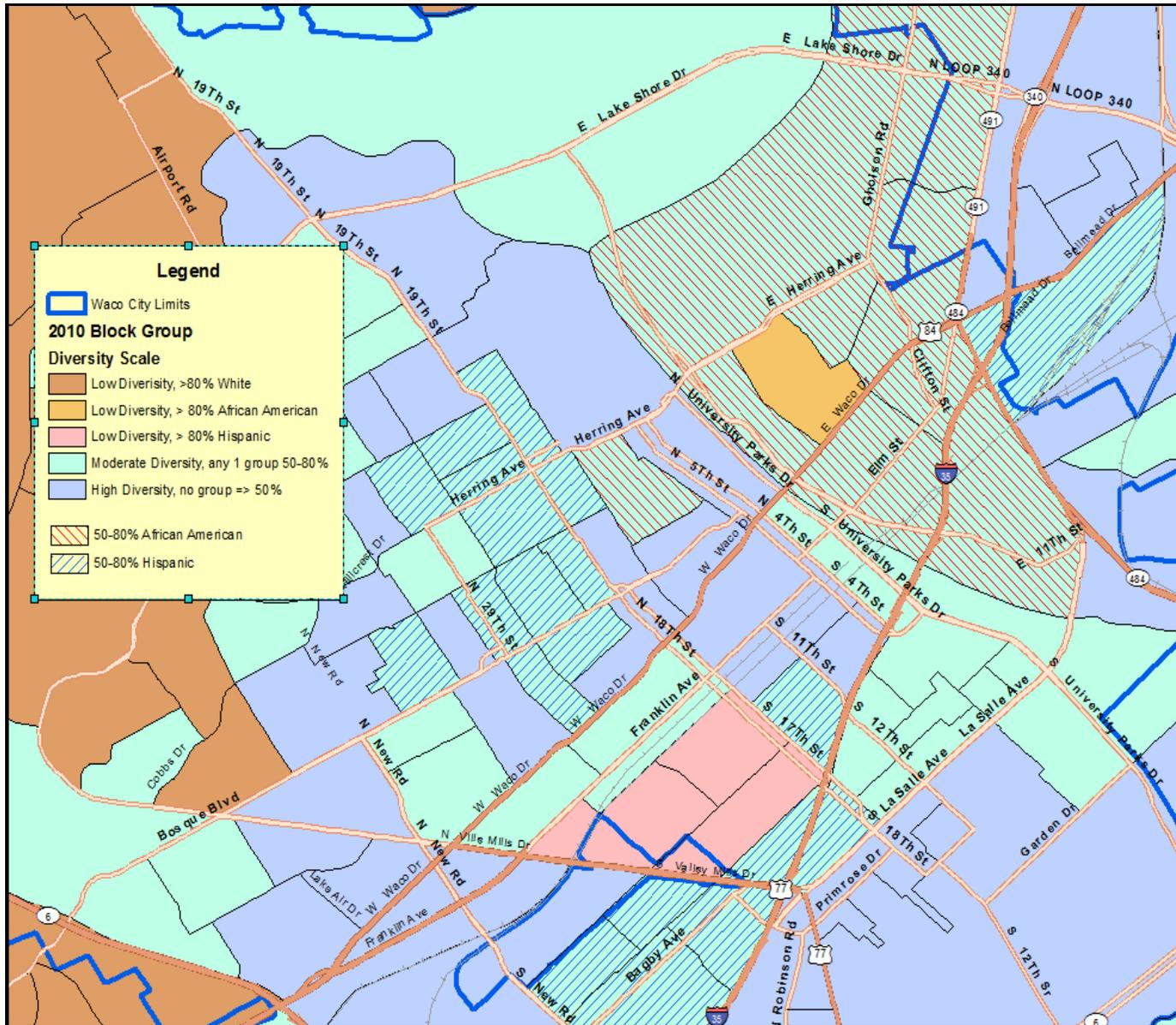
**Map 4 –
Racial/Ethnic
(2010 Census
Level)**

**Citywide
Diversity in Waco
at Block Group**



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Map 5 – Racial/Ethnic Diversity in the Core Area of Waco (2010 Census at Block Group Level)

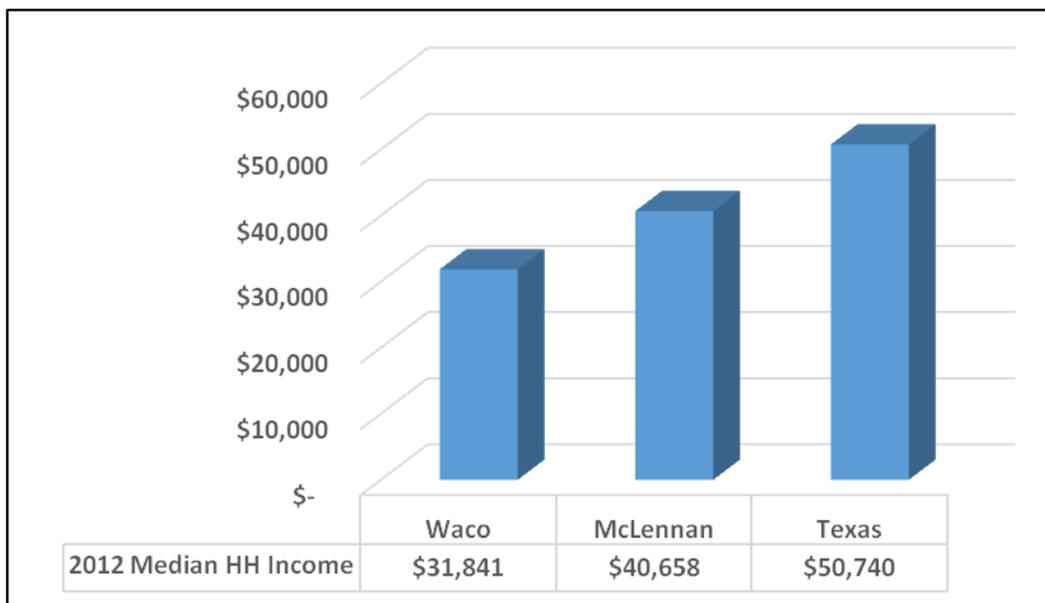


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Income Characteristics

The median income in Waco is considerably lower than that of McLennan County and Texas. The 2012 Texas median household income was \$50,740, while McLennan County's 2012 median household income was \$40,658 compared with Waco's median household income of \$31,841. Figure 1 compares the 2012 median household income for Waco, McLennan County and Texas. Map 6 shows the geographic distribution of the 2008-2012 median income ranges by 2010 Census Tract. The lower income areas in Waco are also the areas with moderate to high racial/ethnic diversity. The predominately white areas outside the city's core neighborhoods have the highest incomes. Due to the small sample size for the American Community Survey (ACS), income at the block group level is not sufficiently accurate and split census tract data for tracts straddling the city limits are not available.

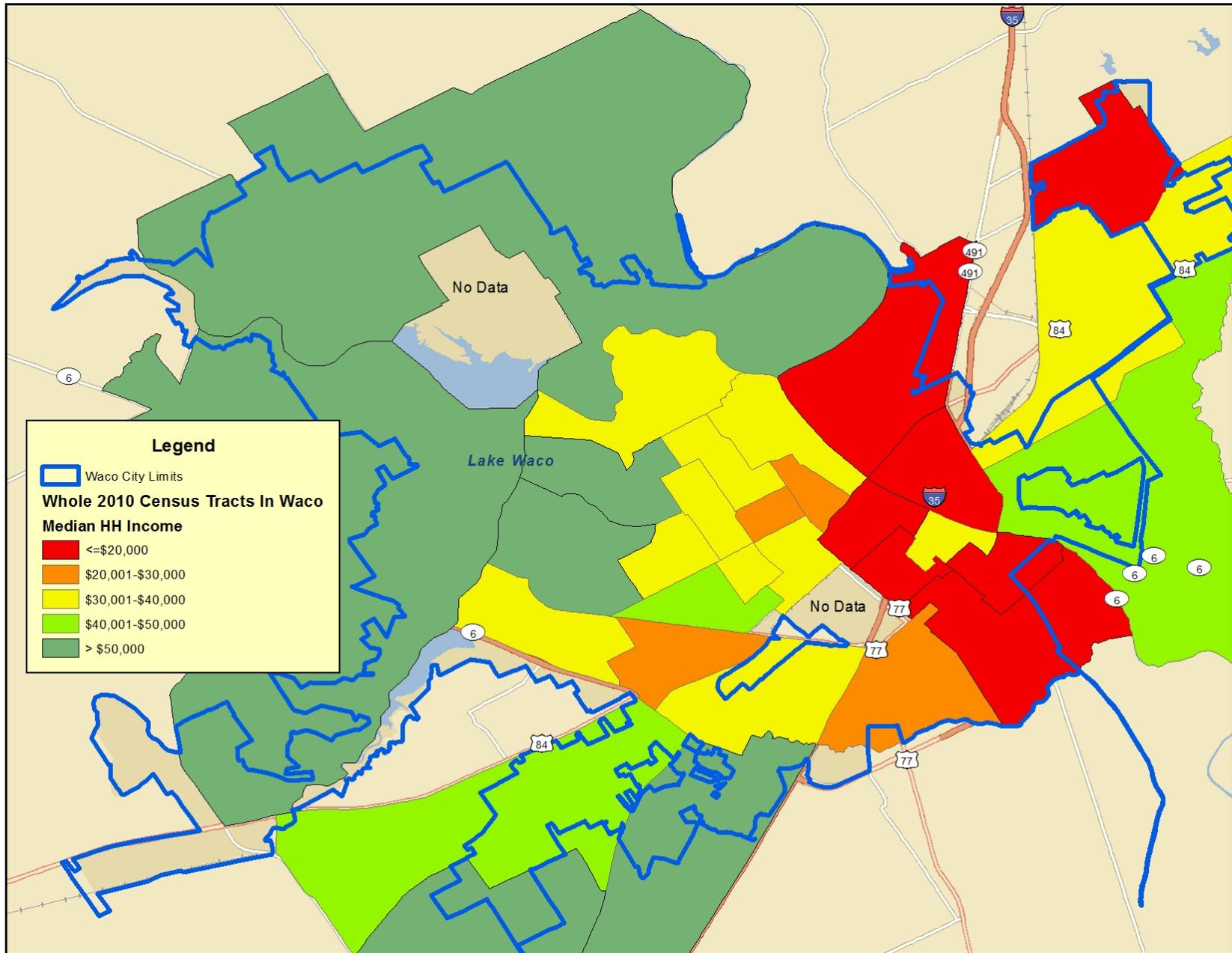
Figure 1 – Waco, McLennan County & Texas 2012 Median Household Income



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Map 6 – Median Household Income by Census Tract (2008-2012 American Community Survey)

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Housing Stock

The housing stock in Waco is predominately single-family, with 60.4% being single-family detached or attached. Additionally, the housing stock is older than the county, due to suburban growth, or the state. Despite the high percentage of single-family housing, 51.2% of the households are renters. There is a high percent of non-family households and a very high group quarters population due to the presence of Baylor University. However, unlike many university towns, there is a much lower percent of housing units with 3 or more bedrooms than the state as a whole. The table below summarizes housing stock and household information from the 2012 American Community Survey for Texas, McLennan County and Waco.

Table 2 – Select 2012 Housing Stock Variables for Waco, McLennan County and Texas

	Waco	McLennan County	Texas
Vacant Units	13.5%	11.3%	11.7%
For Sale Vacancies	9.6%	10.2%	12.6%
For Rent Vacancies	48.6%	37.8%	32.0%
Other Vacancies	41.8%	52.0%	55.4%
Occupied Units	86.5%	88.7%	88.3%
Owner Occupied	48.8%	62.4%	62.3%
Renter Occupied	51.2%	37.6%	37.7%
Group Quarters Population	6.3%	3.9%	2.2%
Single Family	59.7%	68.9%	68.1%
Duplex	5.7%	4.0%	1.9%
3-4plex	5.0%	3.2%	3.2%
5-9 units per structure	9.4%	5.9%	4.8%
10-19 units per structure	10.2%	5.8%	6.2%
20 or more units per structure	9.0%	5.5%	8.1%
Mobile Home	1.0%	6.6%	7.7%
Built 2000 or later	17.3%	17.4%	24.0%
Built in 1990s	7.6%	12.0%	15.4%
Built in 1980s	12.2%	14.9%	17.4%
Built in 1970s	18.4%	18.8%	17.1%
Built in 1960s	12.2%	11.2%	9.7%
Built in 1950s	17.7%	13.4%	8.5%
Built before 1950	14.5%	12.4%	7.9%
Median Value of Owner Occupied	\$89,700	\$104,600	\$129,200
Median Gross Rent	\$721	\$752	\$831

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Housing Affordability and Accessibility Issues

Though housing costs and affordability are not a fair housing issue, per se, in the United States it is closely correlated to protected groups, race/ethnicity and disability in particular. HUD, with assistance from the Census Bureau, produces a number of databases related to housing affordability by race/ethnicity, age, disability and household size. The information is at the city and Census Tract levels using 2006-2010 American Community Survey Data from which the Comprehensive Housing Affordability Strategy (CHAS) database was created. The information is aggregated by income range based on the HUD definitions of extremely low-income (30% or less of Area Median Income – AMI), low-income (30.1-50% of AMI), moderate-income (50.1-80% of AMI), and two categories of above moderate-income (80.1-100% and greater than 100% of AMI). The lower the income, the greater the probability that the household will (1) have a housing cost burden, paying more than 30% of their income for housing, and (2) have other housing problems, including overcrowding (more than 1 person per room), older housing, having lead-based paint, or lacking some or all heating, plumbing or kitchen facilities.

Table 3 below summarizes the households by type and income, while Table 4 details households with a housing problem by problem, tenure and income. Both tables are from the 2006-2010 CHAS database.

	0-30% AMI	>30-50% AMI	>50-80% AMI	>80- 100% AMI	>100% AMI
Total Households	8,615	6,570	7,840	3,900	17,420
Small Family Households	2,485	2,560	3,090	1,525	7,550
Large Family Households	650	600	919	575	1,785
Household contains at least one person 62-74 years of age	685	945	1,085	580	3,100
Household contains at least one person age 75 or older	785	805	1,020	485	1,830
Households with one or more children 6 years old or younger	1,855	1,635	1,593	815	1,570

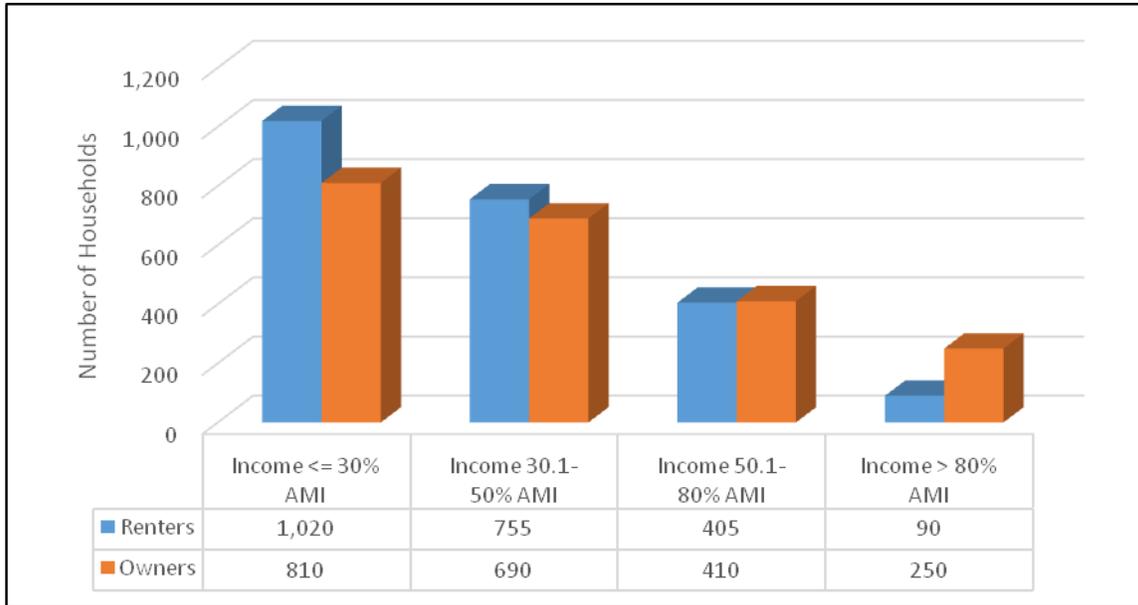
Table 3 –Households by Household Type and Percent of Area Median Income

Table 4 – Households by Tenure & Income with Only One Listed Housing Problems

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Substandard Housing – Lacking complete plumbing or kitchen facilities	195	60	155	25	435	30	0	20	0	50
Severely Overcrowded – With >1.51 people per room (and complete kitchen and plumbing)	195	40	20	10	265	0	4	45	80	129
Overcrowded – With 1.01-1.5 people per room (and none of the above problems)	185	245	65	25	520	45	110	99	70	324
Housing cost burden greater than 50% of income (and none of the above problems)	4,395	1,800	520	10	6,725	670	645	385	90	1,790
Housing cost burden greater than 30% of income (and none of the above problems)	665	1,640	1,875	375	4,555	330	765	990	430	2,515
Zero/negative Income (and none of the above problems)	1,000	0	0	0	1,000	125	0	0	0	125

Households with at least one disabled adult are generally lower income and have a higher cost burden than other households. The graph below shows the income distribution of renter- and owner-occupied units with at least one disabled adult. As with the other affordability data, this graph is based on the 2006-2010 CHAS data.

Figure 2 – Households with Disabled Adult(s) by Tenure & Income



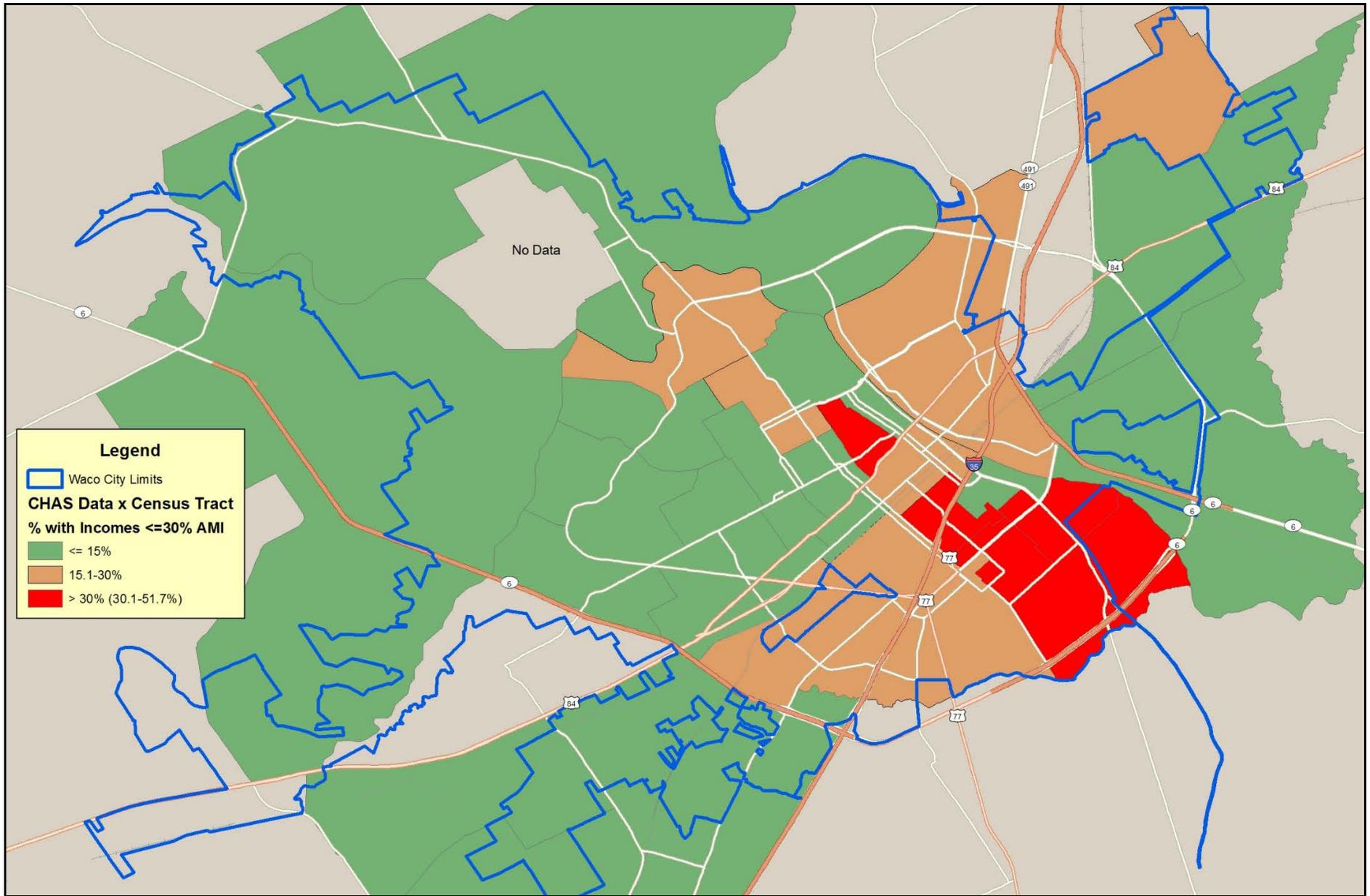
Disparities by race/ethnicity in household income and/or households with at least one housing problem can indicate not only barriers to affordable housing for everyone but impediments to fair housing for racial/ethnic minorities. The table below, from the 2006-2010 CHAS, compares households by income and race/ethnicity for totals by income range and for those with one or more housing problem. The table shows that there is no significant disparity among the race/ethnicities and no significant disproportion in low- to moderate-income or housing problems for minority populations. When viewing income groups, the percent each race/ethnicity is of Waco’s total for each income group closely mirrors the percent for all income groups combined. Likewise, when viewing each individual income group, the percent of households for each race/ethnicity with a housing problem is similar across racial/ethnic categories. African Americans and Hispanics are not disproportionately clustered in the lower income groups or in the group with housing problems. With the exception of Hispanics earning more than 80% of the Area Median Income, whites have a slightly higher percent of households with housing problems than other race/ethnicities, further indicating that there is no significant disproportion among minorities. However, all groups have a significant rate of housing with problems in all income groups, with approximately 3/4 of the households with incomes of 50% of the AMI or less having housing problems, regardless of race or ethnicity of the householder. Additionally, in reviewing the units with housing problems by tenure (owner versus renter occupancy), there is a disproportion by race/ethnicity for renters.

Table 6 – Households by Income & Race/Ethnicity With 1 or More Housing Problems

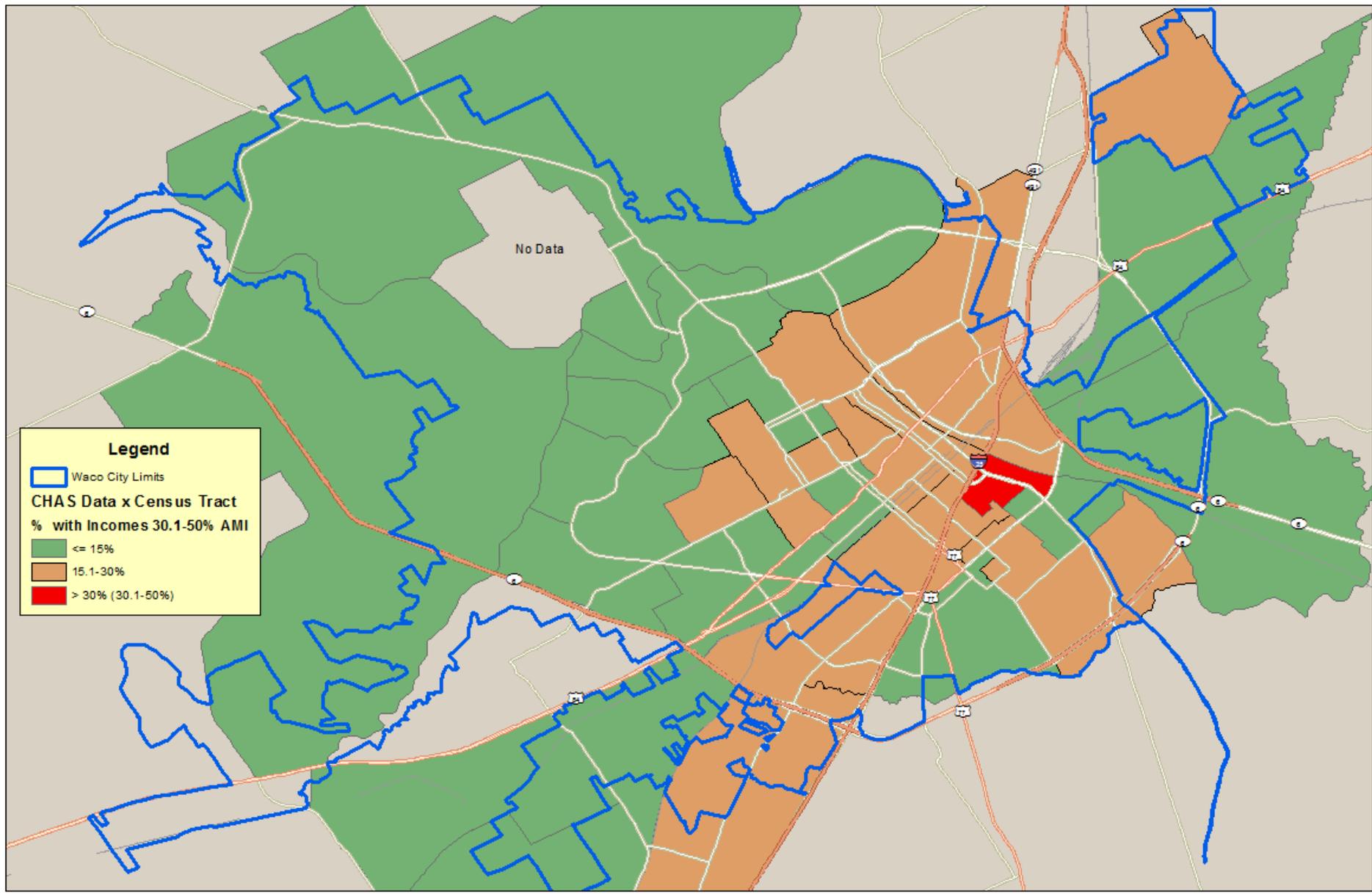
		Total Households by Row				Percent of Waco Total by Row		
		Waco	White	African American	Hispanic	White	African American	Hispanic
<= 30% AMI	Has 1 or more housing problems	7,470	3,645	2,125	1,540	48.8	28.4	20.6
	Percent with 1 or more housing problems	76.5	78.4	70.8	80.5			
	Total	9,760	4,650	3,000	1,914	47.6	30.7	19.6
	Percent Race/Ethnicity of Total by Income		47.6	30.7	19.6			
30.1-50% AMI	Has 1 or more housing problems	5,485	2,695	1,345	1,385	49.1	24.5	25.3
	Percent with 1 or more housing problems	79.5	84.0	76.2	74.9			
	Total	6,900	3,210	1,765	1,850	46.5	25.6	26.8
	Percent Race/Ethnicity of Total by Income		46.5	25.6	26.8			
50.1-80% AMI	Has 1 or more housing problems	3,825	1,765	995	980	46.1	26.0	25.6
	Percent with 1 or more housing problems	48.0	49.6	47.6	44.7			
	Total	7,975	3,555	2,090	2,190	44.6	26.2	27.5
	Percent Race/Ethnicity of Total by Income		44.6	26.2	27.5			
> 80% AMI	Has 1 or more housing problems	925	350	135	385	37.8	14.6	41.6
	Percent with 1 or more housing problems	24.2	18.8	15.9	38.3			
	Total	3,815	1,860	850	1,005	48.8	22.3	26.3
	Percent Race/Ethnicity of Total by Income		48.8	22.3	26.3			
Total households all incomes		46,155	21,730	12,305	11,249	47.1	26.7	24.4

Below is a series of maps delineating the geographic distribution of households by income and by those with housing problems.

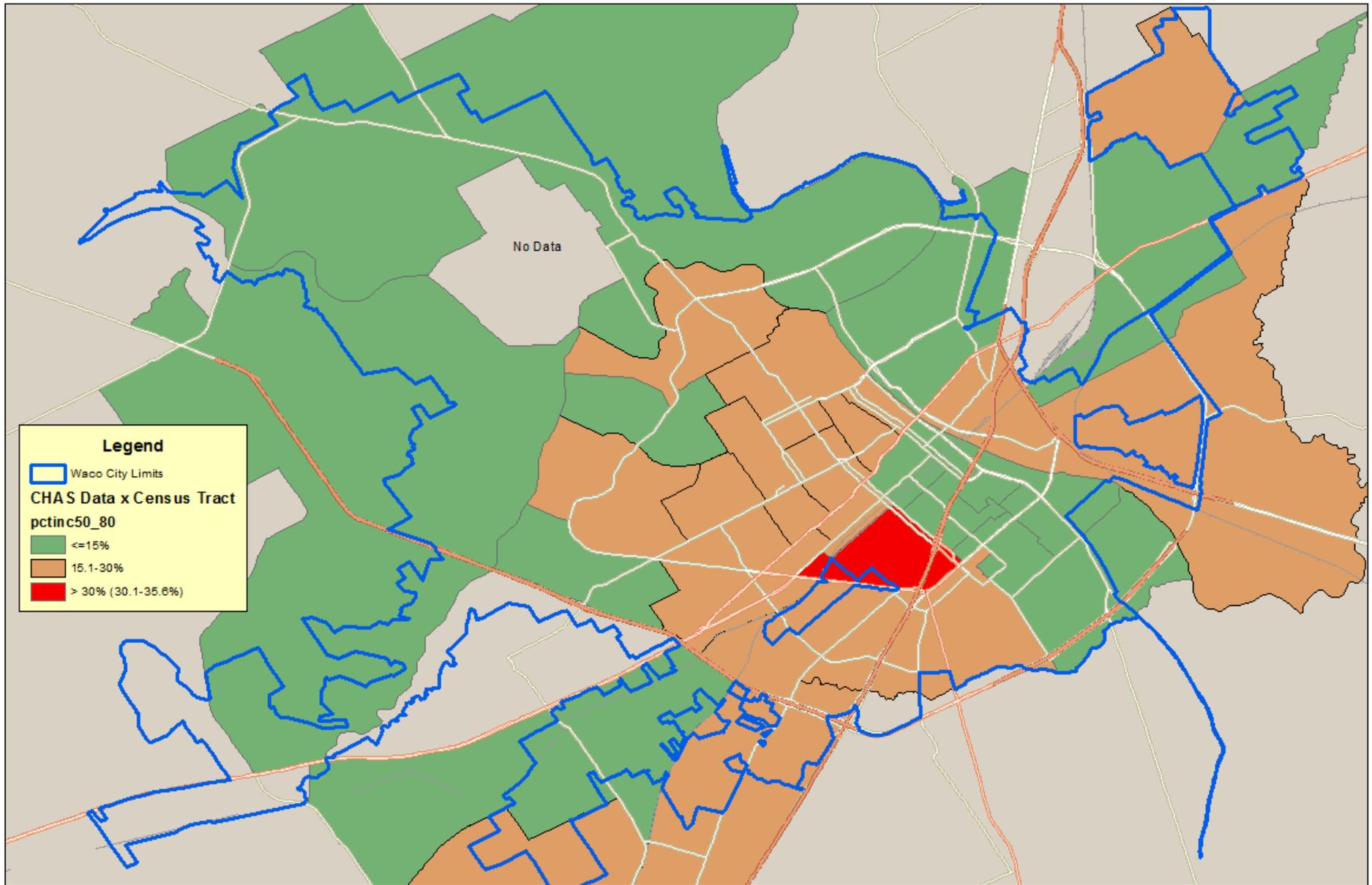
Map 7 – Percent Extremely Low Income Households from 2006-2010 CHAS Census Tract Data



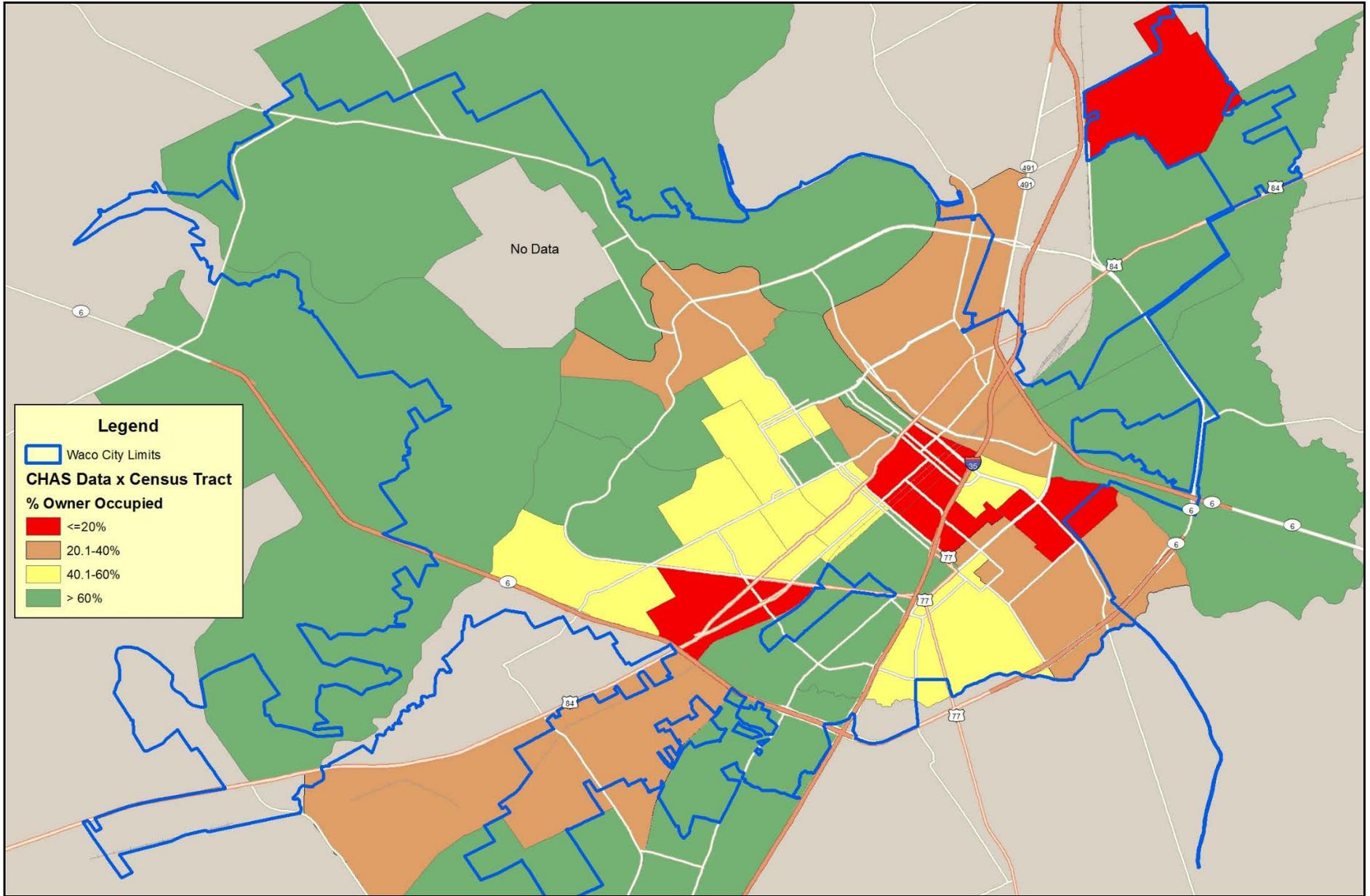
Map 8 – Percent Very Low/Low Income Households from 2006-2010 CHAS Census Tract Data



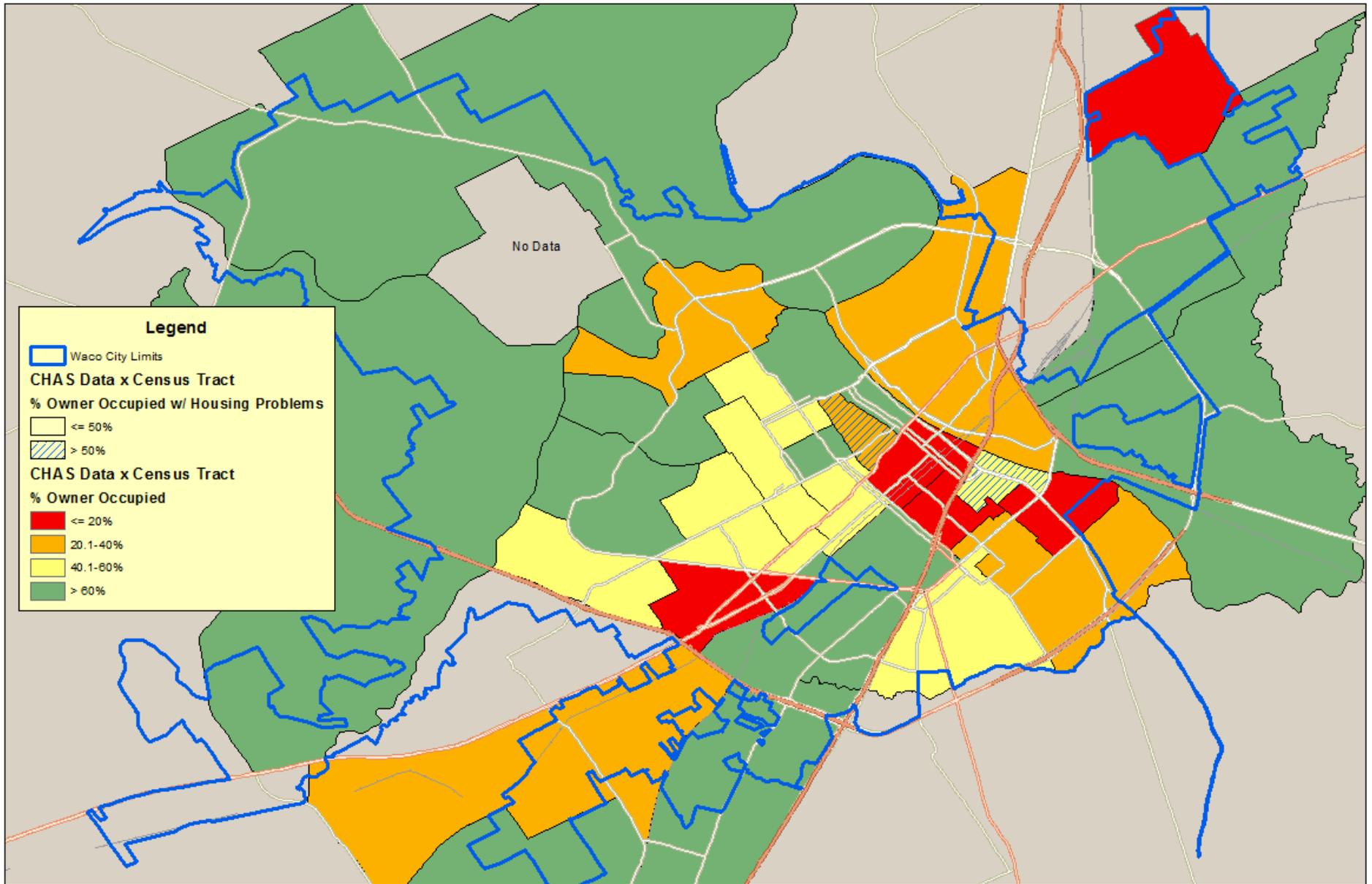
Map 9 – Percent Moderate Income Households from 2006-2010 CHAS Census Tract Data



Map 10 – Percent Owner Occupied Housing from 2006-2010 CHAS Census Tract Data

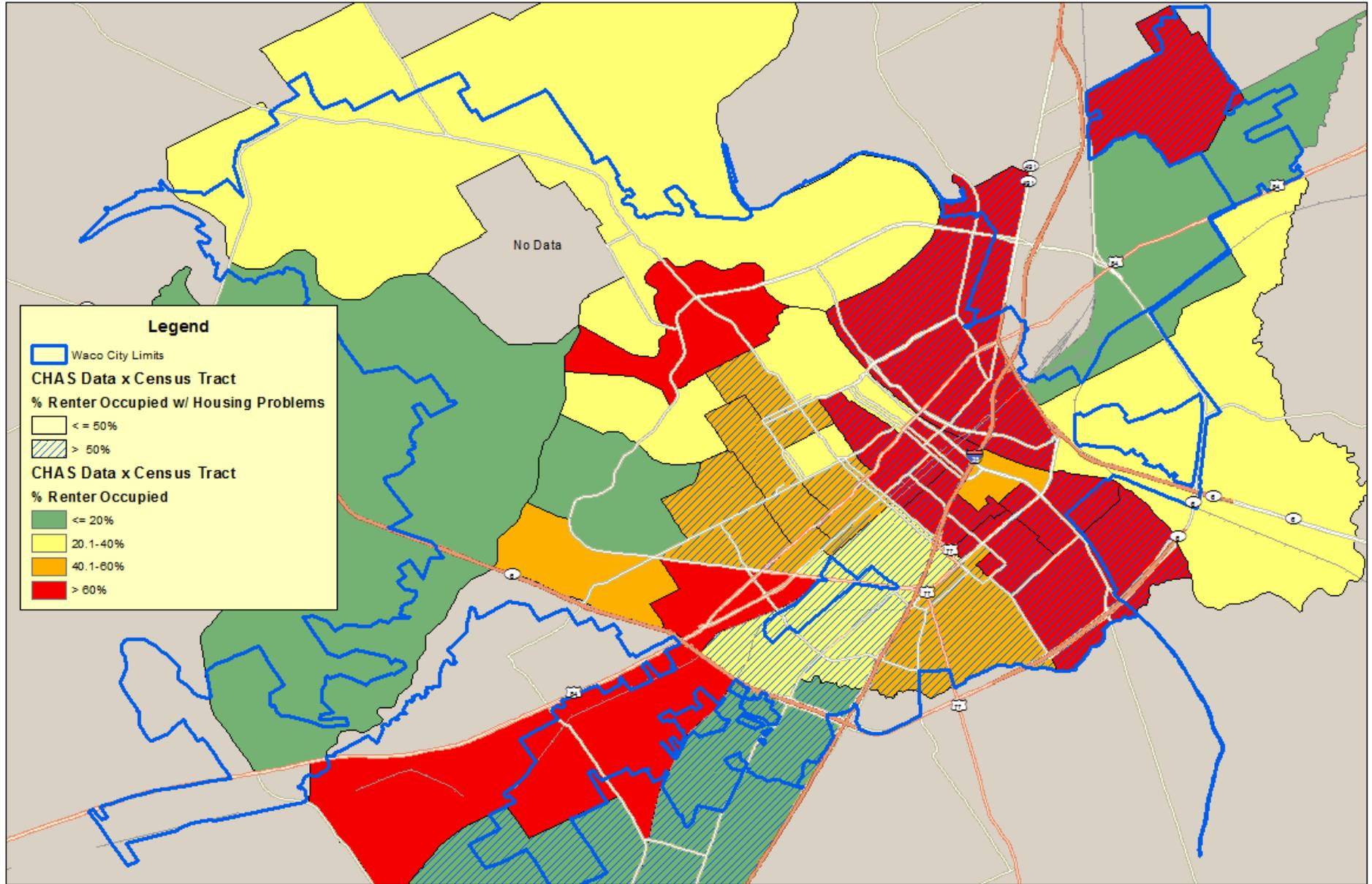


**Map 11 – Percent of Owner Occupied Housing with Housing Cost Burden and/or Overcrowding
2006-2010 CHAS Data by Census Tract**

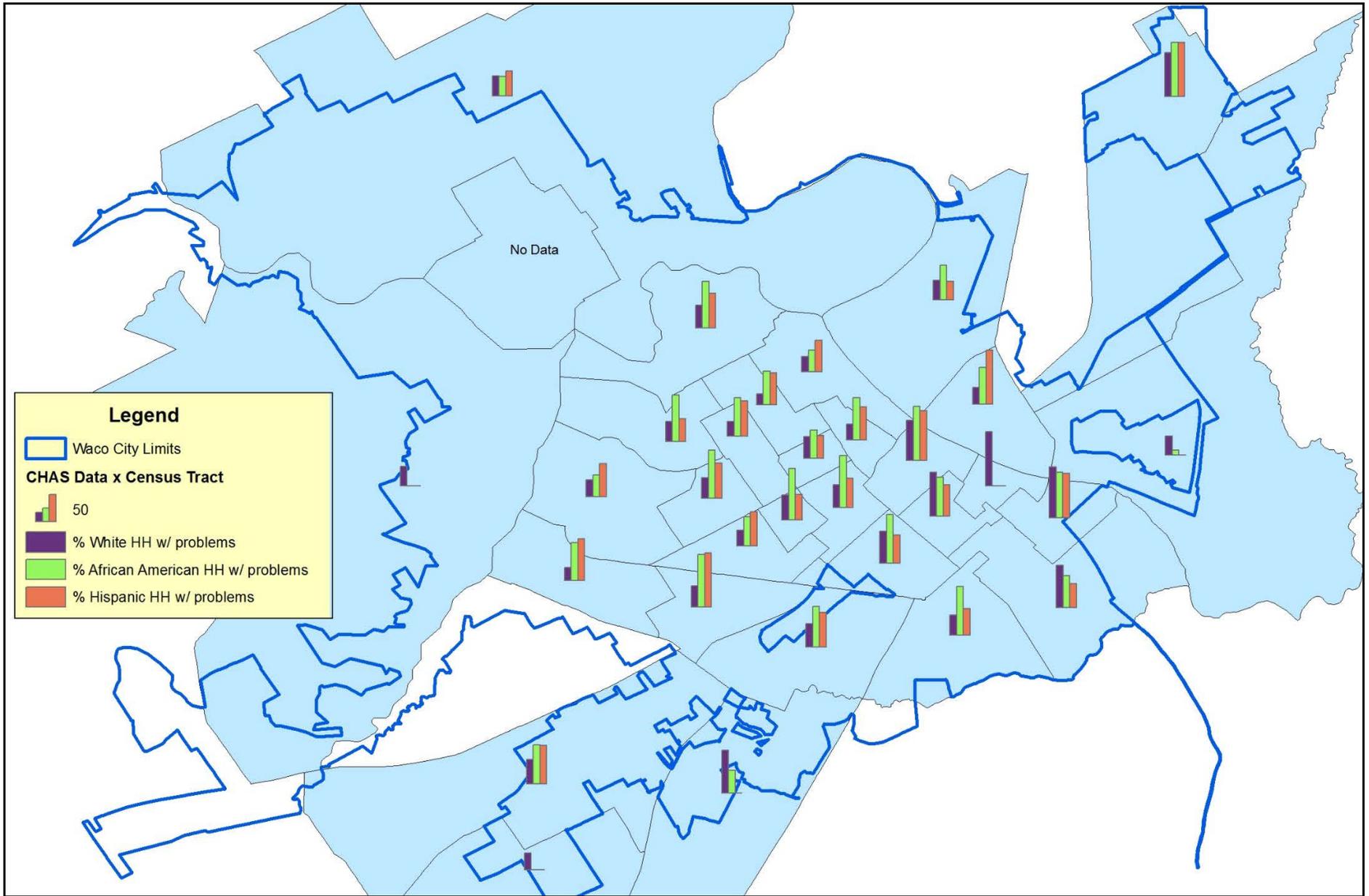


Map 12 – Percent of Renter Occupied Housing with Housing Cost Burden and/or Overcrowding

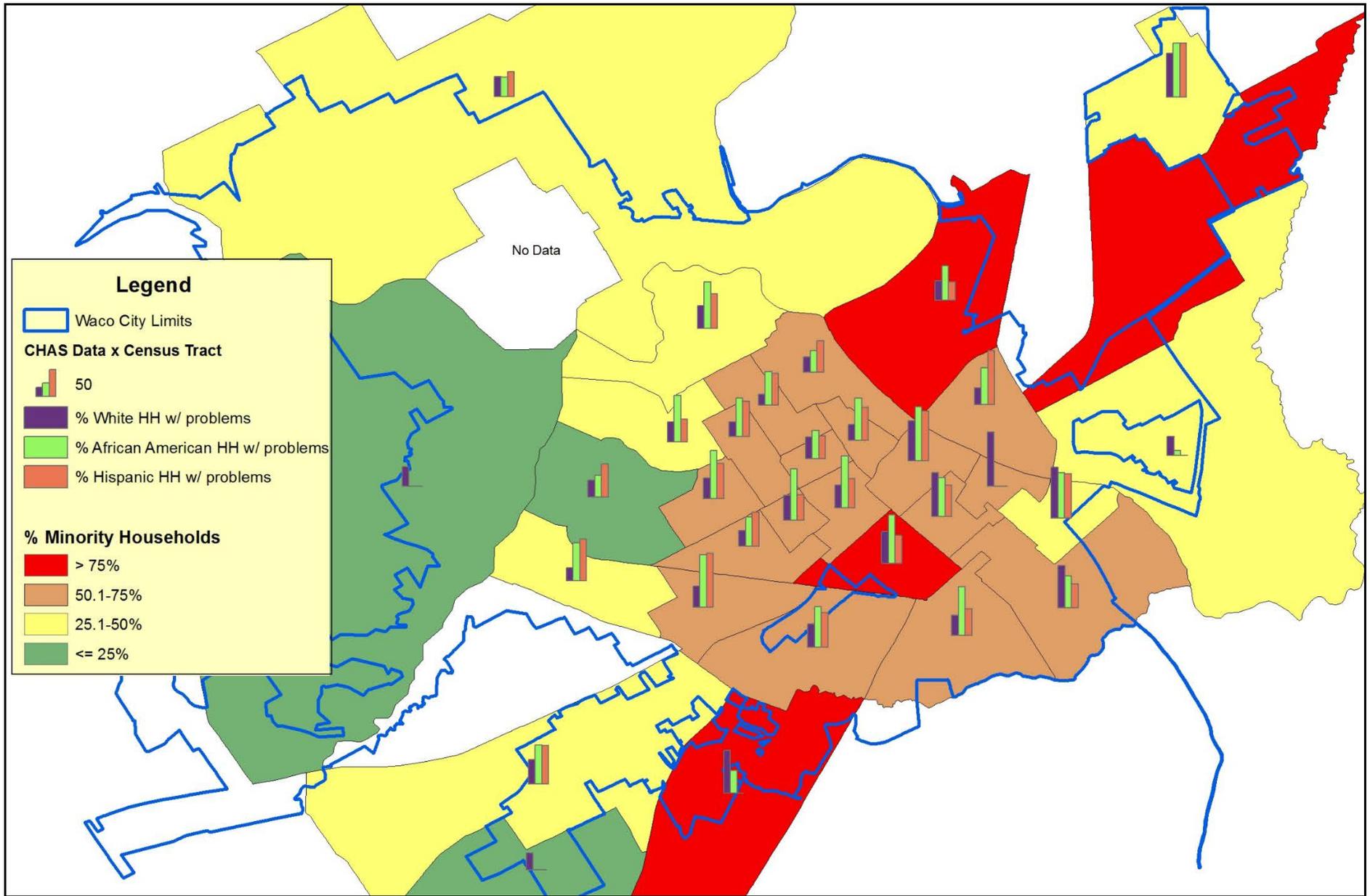
2006-2010 CHAS Data by Census Tract



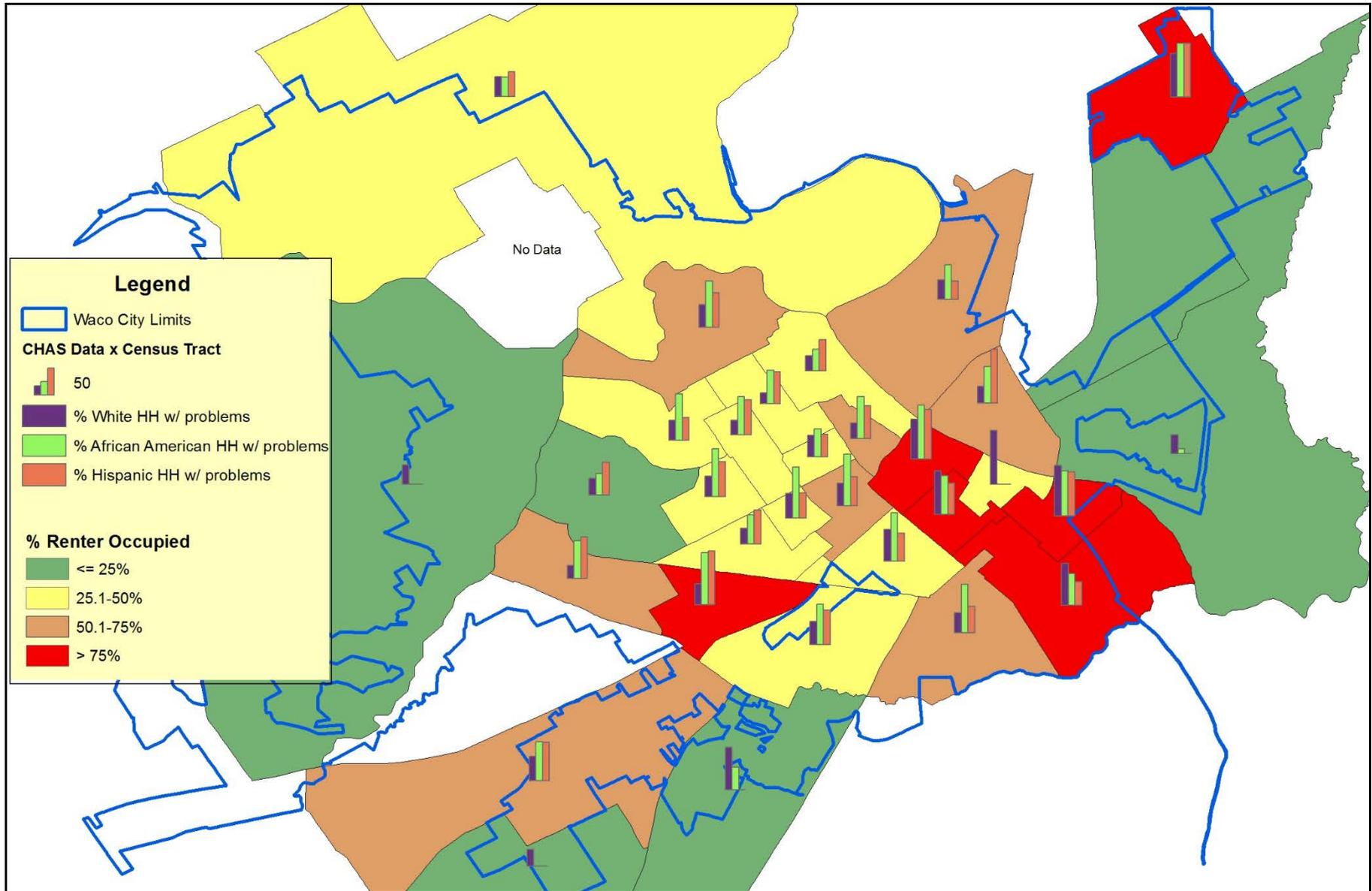
**Map 13 – Percent of Households by Race/Ethnicity with Housing Cost Burden and/or Overcrowding
2006-2010 CHAS Data**



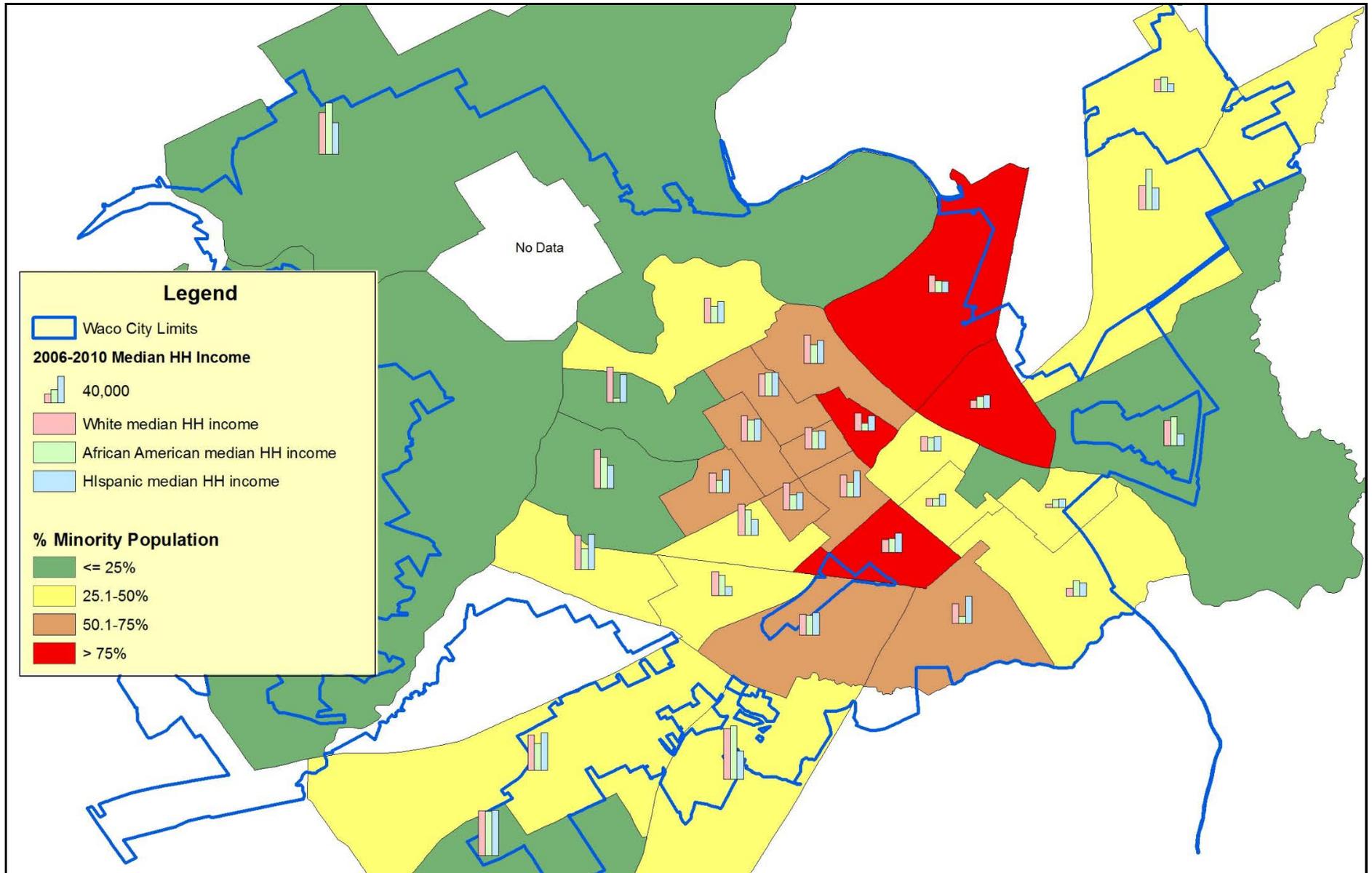
**Map 14 – Percent of Households by Race/Ethnicity with Housing Cost Burden and/or Overcrowding
Over Percent Minority Population
2006-2010 CHAS Data**



**Map 15 – Percent of Households by Race/Ethnicity with Housing Cost Burden and/or Overcrowding
Over Percent Renter Occupied Households
2006-2010 CHAS Data**



**Map 16 – Median Household Income by Race/Ethnicity Over Percent Minority Households
2006-2010 American Community Survey**



Though the core of Waco is moderately racially/ethnically diverse, when the minority populations are collapsed together and compared to white population, the area is seen as predominately minority. Though city-wide there is not a disproportion of minority households with housing problems, when examining the data at the Census Tract level, it can be seen that in general there is a higher percent of housing problems for African American and Hispanic households than for white households. This is especially evident in the west side of the city core. Additionally, the higher the percent renter-occupied, the greater the disparity between white households with a cost burden or overcrowding and minority households with the same problems.

When looking at median household income by race/ethnicity cross-tabulated with percent minority population, the lower the percent minority population, the higher income in general with a higher disparity in median incomes. In the core of Waco, with Census Tracts between 25% and 100% minority, the incomes are lower and, in general less diverse than in most of the more suburban Census Tracts.

Available Housing in Waco

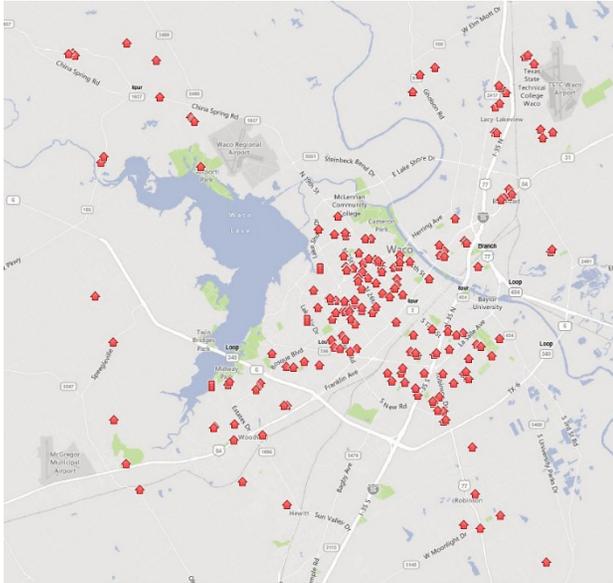
Owner-occupied housing in Waco is more affordable than in other areas of Texas. One third of the houses for sale in March 2014 were listed for less than \$100,000, with another 20% listed for \$100,000 to \$150,000. The table below shows the asking price for the homes followed by a series of maps by Zillow of the majority of those listed.

Table 7 – Homes Listed for Sale by Asking Price in March 2014

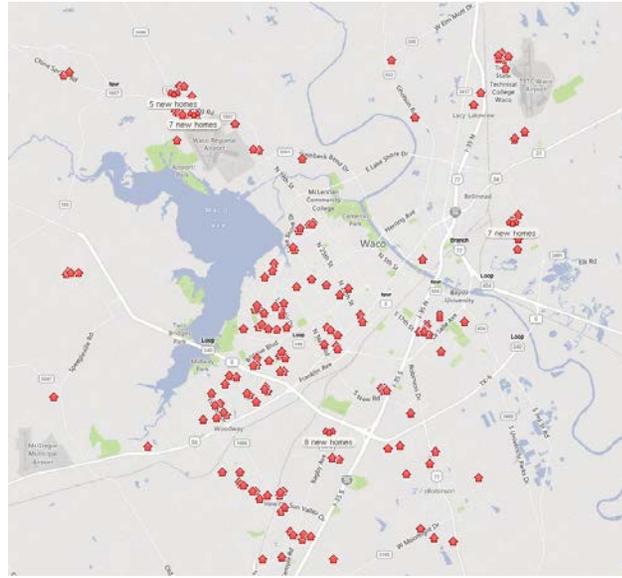
Asking Price	Number of Listings	Percent
< \$100,000	253	33.0
\$100,000-\$149,999	152	19.8
\$150,000-\$199,999	160	20.9
\$200,000-\$299,999	110	14.4
> = \$300,000	91	11.9
Total	766	100.0

Maps 17-21 – Location of Majority of Homes Listed for Sale by Asking Price from Zillow.com

Less than \$100,000 Asking Price



\$100,000-\$149,999 Asking Price



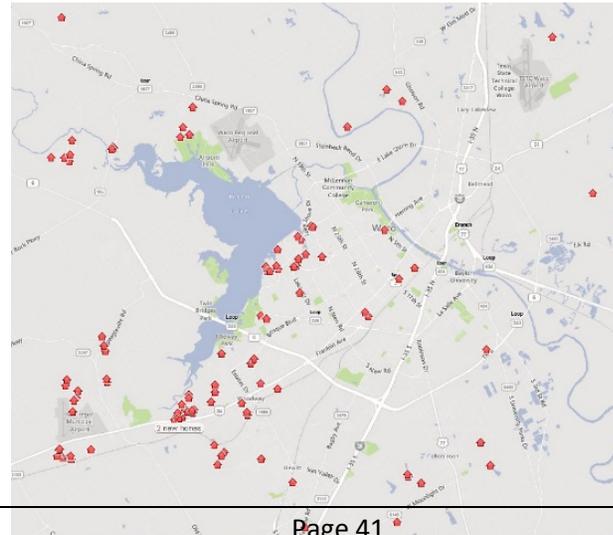
\$150,000-\$199,000 Asking Price



\$200,000-\$299,999 Asking Price



> = \$300,000 Asking Price



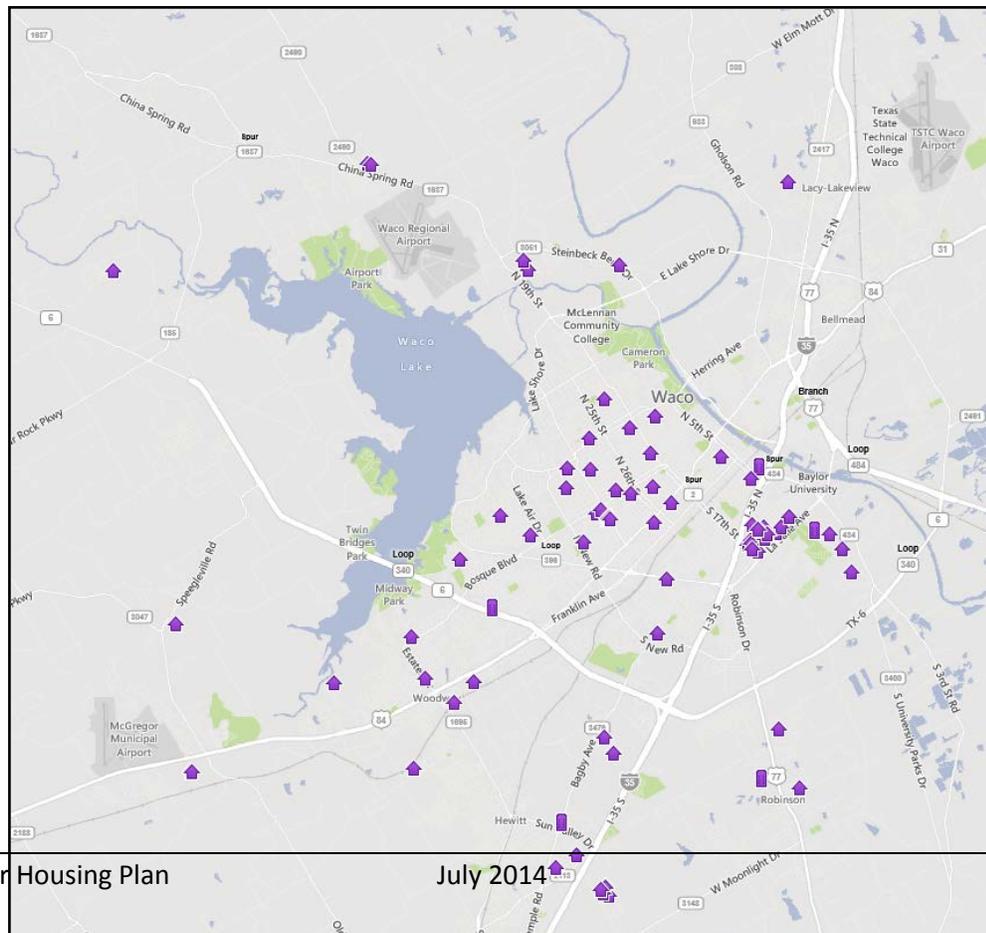
Rental housing in Waco is less available, particularly for large families, and is the only housing available for the lower income population. The lower the income, the less accessible home purchase is. The 2012 Fair Market Rents for the Waco MSA and Texas as a whole are presented in the table below. The Waco MSA has considerably lower Fair Market Rents than the State, but also has a considerably lower median household income. Based on the National Low Income Housing Coalition, an estimated 58% of renters in Waco are unable to afford a 2-bedroom rental at Fair Market Rents.

Table 8 – 2012 Fair Market Rents for Waco MSA

	0-Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Waco MSA	\$605	\$606	\$754	\$944	\$975
Texas	\$616	\$681	\$826	\$1,095	\$1,288

A review of 26 apartment complexes in and around Waco, show that rents range from \$320 to \$960 for a 0- or 1-bedroom; \$465-\$1380 for a 2-bedroom; \$595-\$2,200 for a 3-bedroom; and only one listing for a 4-bedroom at \$900. Most of the rental units listed on Zillow are single-family homes, townhomes or condos. Of the 81 listed, 13 are 0- to 1-bedroom, 15 are 2-bedroom, 34 are 3-bedroom and 21 are 4-bedroom or larger and range from \$395 to \$2,500 per month. The map below shows the Zillow rental listings.

Map 22 – Available Rentals from Zillow.com



Public and Subsidized Housing

The Waco Housing Authority has 881 units of public housing and 2518 housing vouchers, including 25 project-based and 2,483 tenant-based Section 8 Housing Choice Vouchers as well as 10 Veterans Affairs Supportive Housing (VASH) vouchers. The characteristics of the residents is summarized in the table below:

Table 9 – Characteristics of Waco Housing Authority Residents

	Public Housing	Total Vouchers	Project-Based Vouchers	Tenant-Based Vouchers	VASH Vouchers
Average Annual Income	\$9,017	\$10,976	\$22,752	\$10,934	\$8,385
Average length of stay (years)	5	4	0	4	1
Average Household size	2	2	4	2	1
# of Elderly Program Participants (>62)	127	360	0	360	0
# of Disabled Families	209	564	0	558	3
# of Families requesting accessibility features	881	2,518	1	2,493	10
# of HIV/AIDS program participants	0	0	0	0	0
# of DV victims	0	0	0	0	0
White	329	748	0	741	4
Black/African American	547	1,759	1	1,741	6
Hispanic	229	318	0	315	0
Asian	0	3	0	3	0
American Indian/Alaska Native	5	7	0	7	0
Pacific Islander	0	1	0	1	0
Other	0	0	0	0	0

There are currently 1,228 households on the HCV waiting list with 485 are waiting for a 0- or 1-bedroom, 401 for a 2-bedroom, 255 for a 3-bedroom, 39 for a 4-bedroom and 1 for a 5-bedroom. Those waiting for the 3-, 4-, and 5-bedroom units have the most difficulty in finding available units in the market.

There are currently 457 households on the public housing waiting list with 365 waiting for a 0- or 1-bedroom, 71 for a 2-bedroom, 49 for a 3-bedroom and 16 for a 4-bedroom.

Of current residents, the most immediate needs of HCV residents are finding suitable dwelling units, particularly 3 and 4-bedroom units.

WHA has a community services department that works with community partners to better enhance the quality of living for the tenants. Programs sponsored within the department include: transportation to pay bills, grocery shop, seek medical treatment, attend youth activities and attend "Go To College" trips. Elderly services include bingo, chair aerobics, help with nutrition and medication, assistance for those unable to read or write, translation for non-English speakers, senior educational programs, Family Self-Sufficiency works with participants in both Section 8 and public housing by setting 5-year goals for education and job training to be able to permanently exit government subsidized housing. Currently, there is 1 tenant closing soon on a house, 1 searching for a home to purchase and 1 starting the search process.

There are 12 Low Income Housing Tax Credit (LIHTC) properties in Waco consisting of 1,667 total units and 1,545 LIHTC units. Two of the properties are for the elderly, with 224 total units and 203 LIHTC units. Within these properties, there are 71 units that are accessible for the disabled.

Accessible Housing

There is no information on the severity of the various conditions of the special needs populations. However, of the elderly, 6,116 are disabled and of those 2,930 are in need of living assistance according to the ACS. The non-elderly disabled include 1,439 children and 8,378 non-elderly adults. Of the non-elderly adults, 2,826 are in need of living assistance. Those with serious mental illness require specialized services and often have criminal backgrounds and face housing discrimination. There is no information on the level of substance use for those who are estimated to have substance use disorders according to the Texas Department State Health Services.

All of the special needs populations require some level of supportive service. Medical care and transportation are two of the primary needs for these populations. Employment at a livable wage is another need for the working-age adults. Prior to employment, job training is needed as well as employment advocacy and civil rights advocacy.

Supportive housing, either through assisted living, group homes or permanent supportive housing is a need for 5,756 disabled adults, including elderly, and approximately 2,000 seriously mentally ill are in need of supportive housing according to the extrapolated statistics from the Texas Department of Health and Human Services.

The City ensures that LIHTC applicants address the needs of the non-homeless disabled and elderly through set-asides or need-specific developments. The City also provides technical assistance to prospective applicants of Section 202/811 funding and encourages appropriate entities to apply for such funds. The Waco Housing Authority provides housing to elderly and disabled and strived to expand the number of Section 504 units. The WHA advocates for its Section 8 HCV participants in securing appropriate accessible housing. During the next 5 years, the City will work with Texas Disability Rights to schedule educational workshops and encourage more involvement to advocate for and provide legal assistance to disabled persons, including mentally ill and those with chronic substance use disorders.

However, despite the actions of the City, there is a shortage of accessible housing units for the disabled and special needs populations in Waco. The magnitude of the problem is not definitive, but it can be estimated that at least half of the disabled and special needs adults are in need of better accessible housing.

Housing Discrimination Complaints in Waco

Put in info about fair housing complaints

Mortgage Lending Information

The Home Mortgage Disclosure Act (HMDA) database provides information about individual loan applicants with a Census Tract number attached for aggregation purposes. The key issue that HMDA data addresses where fair housing is concerned has to do with disparities among races/ethnicities and neighborhoods in loan denials. Other information is also useful in determining similarities and differences among applicants based on gender, race/ethnicity, income and location of the property.

Only loan applications for owner-occupancy, rather than for income-producing (rental properties) have been included in the database. In examining the 4,227 owner-occupied mortgage loans within Census Tracts wholly or partially in Waco, a series of correlations, cross-tabulations and regression analyses were conducted. Basic summaries by race/ethnicity about the applicants are presented below in graphs and tables and include purpose of the loan, average loan request, average income, average loan-to-income ratio, percent of applications denied and primary reasons for denial.

Table 7 – 2012 Owner-Occupied Mortgage Loans by Race/Ethnicity of Applicant & Purpose of Loan

Race/Ethnicity	Total_Applications	Purchase	Improvement	Refinance
White	2,523	1,272	119	1,132
Black	284	131	19	134
Hispanic	690	409	68	213
Asian	61	30	0	31
Other & No Data Given	669	313	38	318
Total Applications	4,227	2,155	244	1,828

Figure 3 – Percent of 2012 Owner-Occupied Applications by Race/Ethnicity

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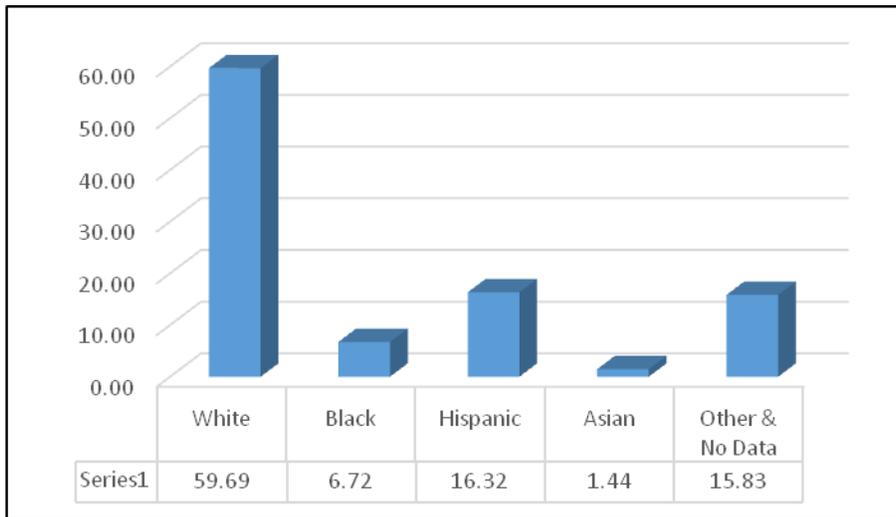


Figure 4 – 2012 Owner-Occupied Mortgage Loans by Race/Ethnicity of Applicant & Purpose of Loan

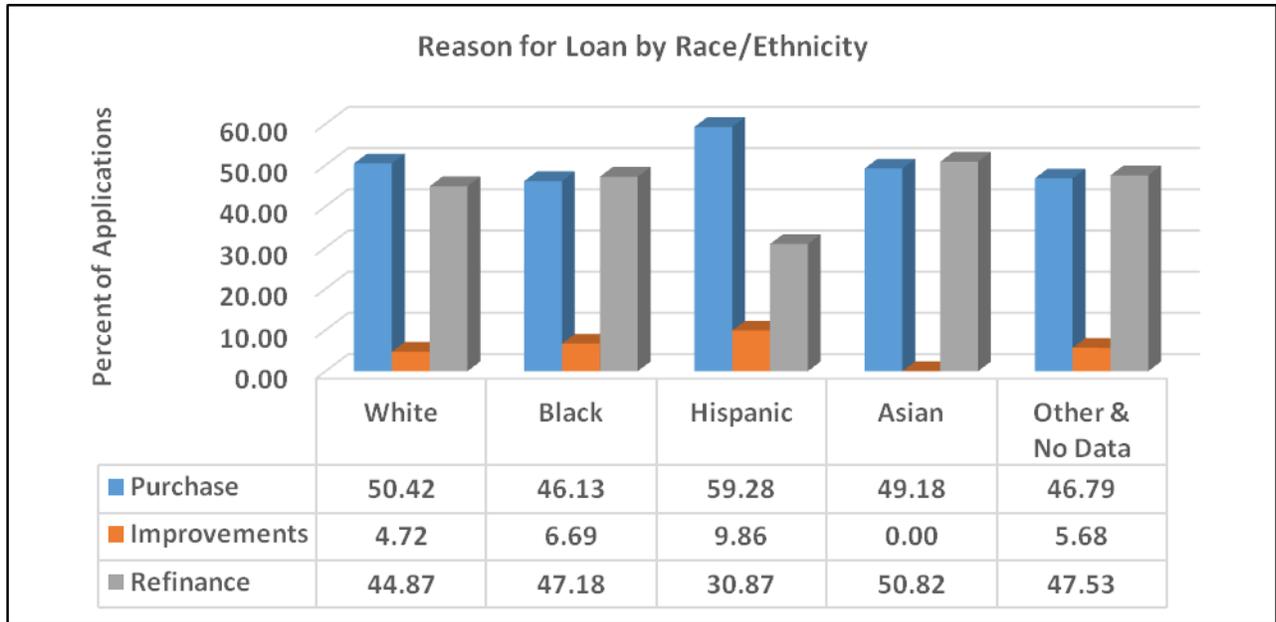


Figure 5 – 2012 Owner-Occupied Mortgage Loans by Race/Ethnicity & Average Loan Request with Average Income

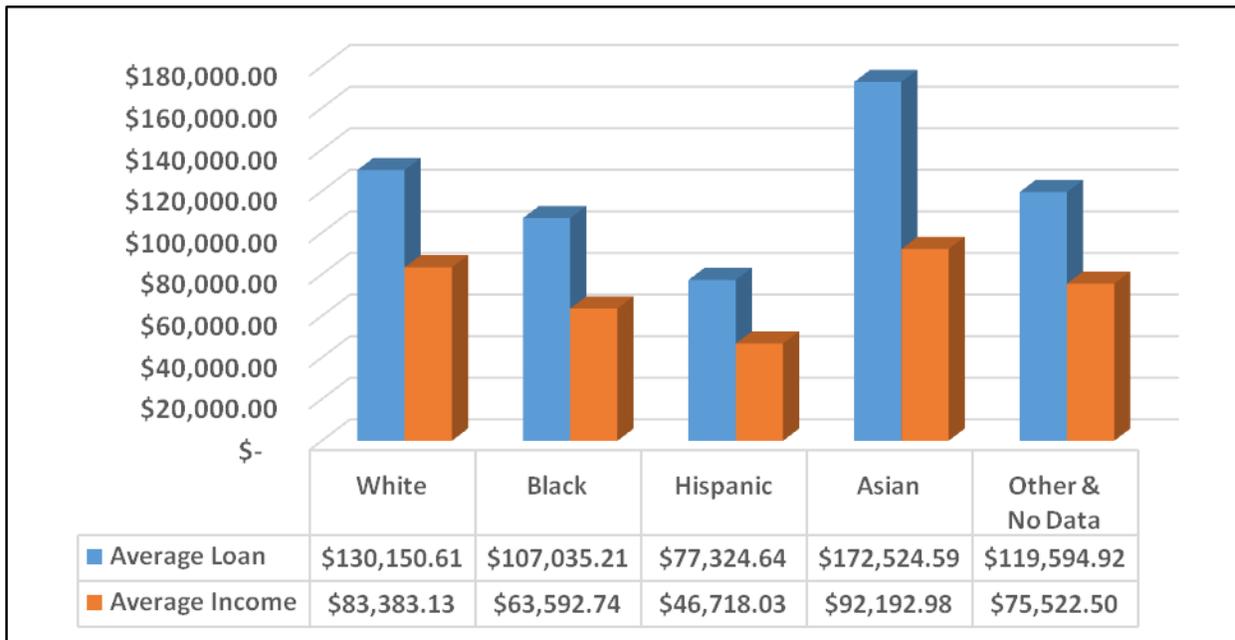


Table 8 – 2012 Average Loan-to-Income Ratio by Race/Ethnicity

Race/Ethnicity	Average Loan:Income Ratio
White	1.92
Black	1.93
Hispanic	1.81
Asian	2.28

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Other & No Data	1.75
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Figure 6 – Percent of 2012 Owner-Occupied Loans Denied by Race/Ethnicity

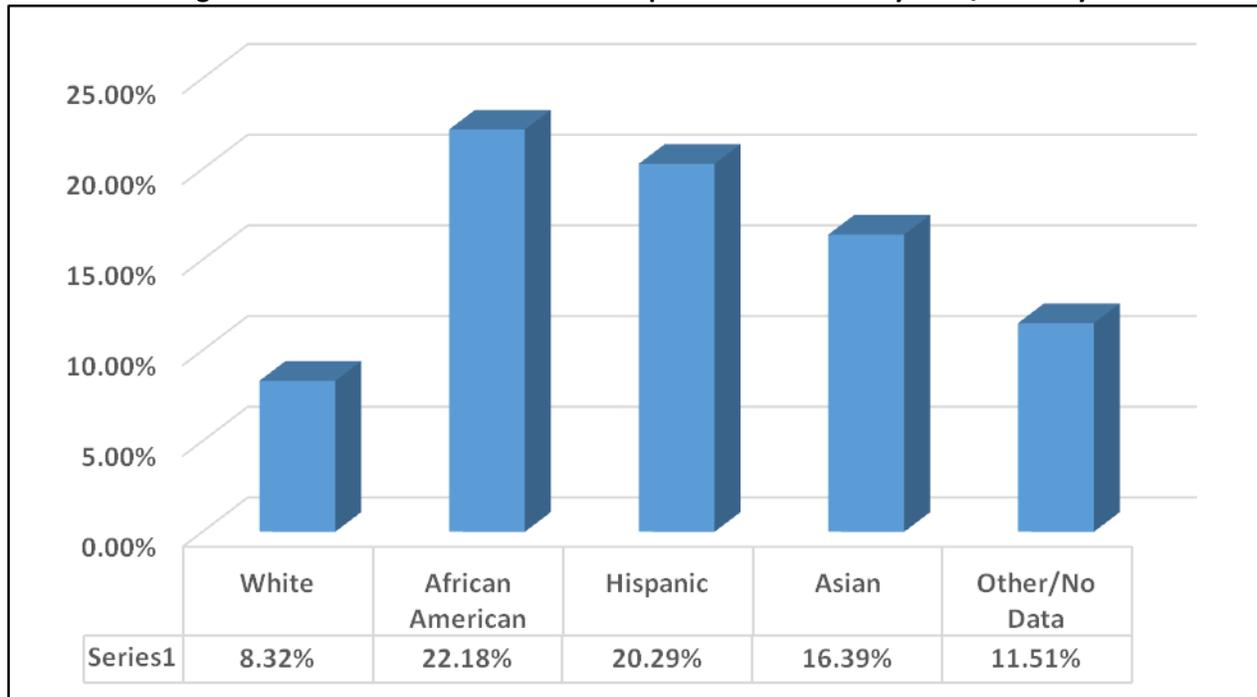


Table 9 – Primary Reason for Loan Denial by Race/Ethnicity for 2012 Owner-Occupied Loan Applications

Primary Reason for Denial	White	African American	Hispanic	Asian	Other/No Information
Debt	21.90%	15.87%	20.71%	50.00%	41.56%
Employment	2.38%	1.59%	3.57%	0.00%	1.30%
Credit	28.10%	55.56%	44.29%	20.00%	20.78%
Collateral	11.90%	7.94%	5.00%	0.00%	5.19%
Cash	1.90%	0.00%	2.86%	0.00%	3.90%
Unverifiable Info	10.48%	6.35%	9.29%	10.00%	9.09%
Incomplete Application	12.38%	3.17%	6.43%	10.00%	6.49%
Insurance Denied	0.00%	1.59%	0.00%	10.00%	0.00%
Other	10.95%	7.94%	7.86%	0.00%	11.69%
Total Denials	100.00%	100.00%	100.00%	100.00%	100.00%
% of Denials	8.32%	22.18%	20.29%	16.39%	11.51%

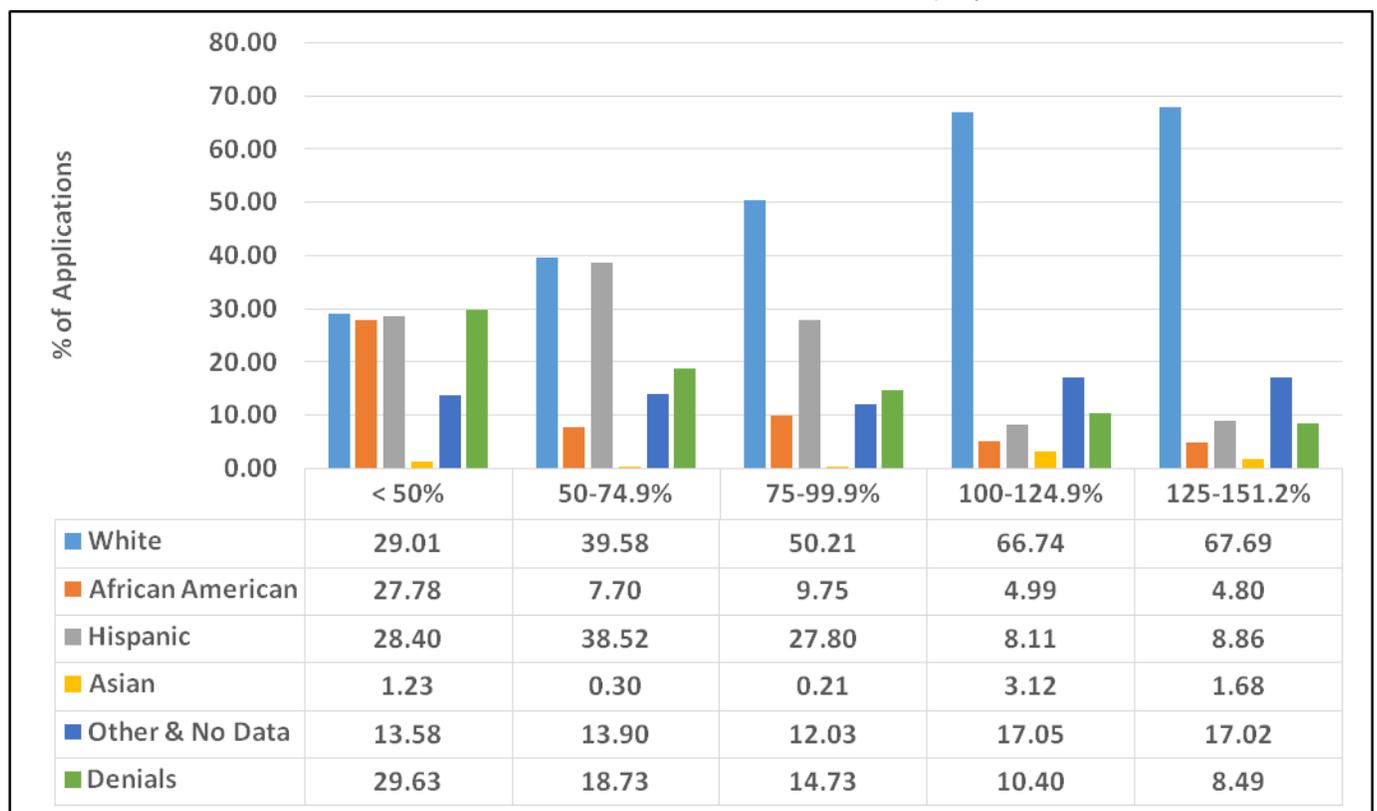
Credit history is the primary reason for loan denial for all race/ethnic groups but Asians and those for which no data was provided in the application. Debt is the primary reason for these two groups, and it is not determinable what race/ethnicity the “other/no information” category represents. One major indicator of discrimination in lending is the comparison among racial/ethnic groups of “other” as a reason for denial. “Other” can be a euphemism for race or ethnicity as the reason for denying a loan application. In Waco, there is not a higher rate

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of denials for minorities when “other” has been given by the lending institution as the reason for denial. In actuality, non-Hispanic whites have been denied based on “other reasons” more than African Americans, Hispanics or Asians.

Redlining has been an issue in certain areas of the nation, and though the problem peaking in the 1960s, it is still of concern when addressing fair housing. The graph below shows the percent of applications by race/ethnicity and for denials based on the ratio of the Census Tract’s median household income to the MSA’s household income of \$54,700. In other words, the lower the Census Tract median income, the more likely the area could be redlined – either deemed less desirable by buyers or less loan-worthy by mortgage lenders. As can be seen, the rate of loan denials is higher the lower the Census Tract income. This may be a concern and an impediment to fair housing choice depending on other factors for which no information is available. Additionally, the higher the Census Tract income, the higher the percentage of white applicants and the lower the percent of African American and Hispanic applicants. This disparity is due in part to the income disparity among applicants, but can also be a reflection of steering by realtors or loan officers.

Figure 7 – Percent of Applications by Race/Ethnicity based on Ratio of Census Tract Income to MSA Income of \$54,700



A regression analysis of the HMDA data aggregated to the Census Tract level with the percent of applications denied as the dependent variable and the percent of the Census Tract population that is minority, the percent of the applicants who are minority and the Census Tract to MSA income ratio as the independent variables yields a highly significant adjusted R square of 0.632.

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The map immediately below shows the geographic distribution of the loan denials as well as the racial/ethnic composition of the areas. The highest denial rates are in the Census Tracts on the east side of the City’s core where there is the highest minority population and moderately high racial/ethnic diversity.

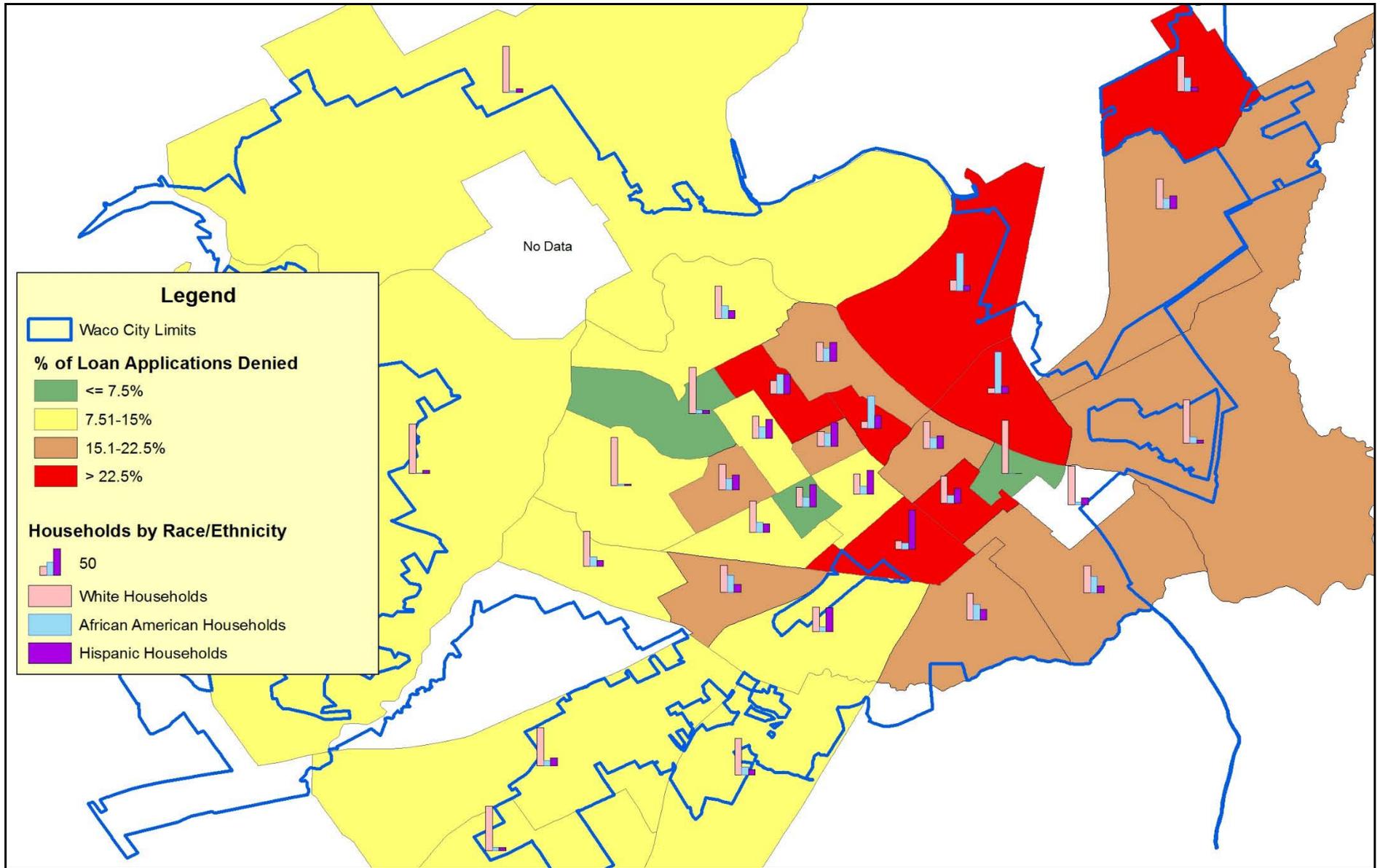
Following the map showing loan denials is a map showing the average loan-to-income ratio by Census Tract with the racial/ethnic composition. The suburban areas, which are mostly white, have the highest loan-to-income ratio, with the lowest ratio being in Census Tracts on the east side of the City’s core. Traditionally, realtors and lenders state that households should be able to afford a mortgage that is twice the annual income. The north and south suburbs have average ratios of greater than twice the annual income, while a majority of the census tracts on the west side of the city have ratios of 1.51 to 2 times the annual income. The loan amounts are based on the amount for which the buyer applied, not the amount actually loaned. There is no way of knowing if those buying in the core of Waco requested a lower loan-to-income ratio because of prudence, realtors steering them to lower-cost housing or a fear of being denied a loan. However, in looking at the 2006-2010 CHAS data, these lower-income, ethnically diverse Census Tracts have a higher rate of homeowners with housing cost burdens, perhaps due to the purchase of older less-energy efficient homes costing more to repair, maintain and climatize.

The loan-to-income ratio varies geographically but is similar across racial/ethnic groups. The table below shows the city-wide ratios by race/ethnicity. Asians have a considerably higher loan-to-income ratio than other groups, with Hispanics having a lower than average ratio and white and African Americans being almost identical.

Table 10: City-wide Loan-to-Income Ratio by Applicants’ Race/Ethnicity

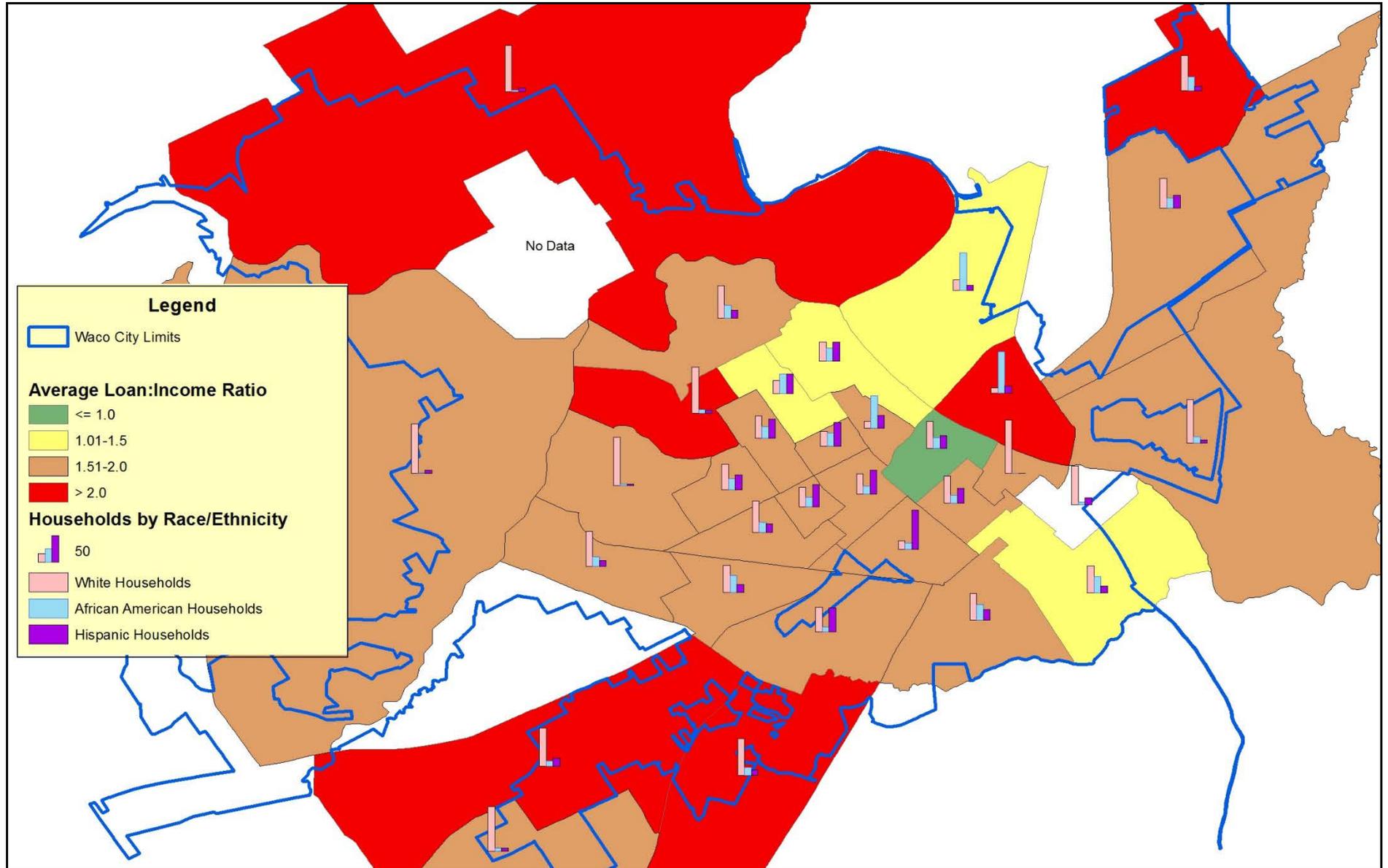
	Applications	Loan:Income
White	2,523	1.92
African American	284	1.93
Asian	61	2.28
Hispanic	690	1.81

Map 17 – Percent of Mortgage Loans Denied and Household Race/Ethnicity by Census Tract



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Map 18 – Average Mortgage Loan Amounts to Income and Household Race/Ethnicity by Census Tract



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Analysis of Possible Impediments to Fair Housing Choice

Based on the analysis of the community conditions, the local ordinances, and the market place, the following issues are considered impediments to fair housing choice in Waco.

Legislative and Regulatory Review

1. Possible Impediment Identified

- a. While the City has a quality Fair Housing Ordinance, as does the State of Texas, there can be confusion and overlap as a complainant may file a complaint with Waco, Texas and HUD.

2. No Impediments Identified/Possible Impediments Currently Addressed

- a. The City of Waco has a comprehensive Fair Housing Ordinance, modeled after the Federal Fair Housing Act and the State of Texas Fair Housing Law. The provisions of the ordinance address violations to fair housing and are as complete as local jurisdictions' authorization is allowed. A copy of the ordinance is in the Attachments.
- b. The City's Zoning Ordinance allows Community Homes with no more than 6 unrelated special needs individuals in all of the 10 residential zoning districts. In addition, the high-density residential districts, R-3C, R-3D, and R-3E permit licensed Group Homes. All of the other residential districts provide for licensed Group Homes with special permits and zoning variances. No fair housing impediments were identified in the zoning ordinance as a result of the permitted use of Community Homes and Group Homes in all residential districts.
- c. The City's Building Codes are based on the latest International Codes, including the 2012 Property Maintenance, Building, Residential, Plumbing, Mechanical, Fuel Gas, Energy Conservation, Fire, and Existing Building Codes and the 2011 National Electrical Code, with exceptions outlined that results in reducing any impediments or hardships related to complying with the codes.

Affordability and Accessibility Review

1. Possible Impediments Identified

- a. Based on the 2006-2010 CHAS data, there are 4,555 renters and 2,515 owners with a housing cost burden in Waco.
- b. An additional 785 renters and 453 owners are living in overcrowded conditions.
- c. There are 1,228 on the Section 8 HCV waiting list and 457 on the public housing waiting list, showing a need for additional subsidized housing units.
- d. Regardless of income, 67.4% of disabled renters have housing problems, including housing cost burdens and/or over-crowding.

- e. There is a serious shortage of accessible housing, including group homes and Section 504 independent units, for the disabled and special needs populations in Waco.
- f. Public transportation has been cited by stakeholders and residents completing the needs survey as a major need for all residents, but especially low-income and special needs populations in Waco.

2. No Impediments Identified/Possible Impediments Currently Addressed

- a. In general, housing costs in Waco are less than those throughout the rest of Texas and the nation.
- b. The City's Housing and Community Development Department expends considerable CDBG and HOME funds to provide affordable housing in Waco:
 - i. Owner-Occupied Rehabilitation/Reconstruction Program assists low- to moderate-income homeowners in repairing or rebuilding their deteriorating homes;
 - ii. Emergency Repair Program assists low- to moderate-income homeowners in addressing emergency situations such as roof damage, plumbing issues and electrical emergencies;
 - iii. Homebuyers' Assistance Program provides downpayment and closing cost assistance, as well as principal buy-down assistance to low- to moderate-income first-time homebuyers;
 - iv. Interim Construction Loans assists developers to construct single-family affordable housing units in the central city, primarily within designated impact areas;
 - v. New Single-Family Construction through CHDOs (Community Housing Development Organizations) provides funding to build new single-family homes for low- to moderate-income homebuyers;
 - vi. Assists providers of housing for the homeless in maintaining properties; and
 - vii. Homebuyer education, financial literacy education and credit counseling to prospective home-buyers.
- c. The City maintains a Lot Sales Program that provides City-owned and tax foreclosure properties at a price not to exceed \$100 for the development of affordable owner-occupied housing;
- d. The City of Waco requires that applicants for Low Income Housing Tax Credits (LIHTC) provide a portion of their units to homeless and special needs individuals and families.
- e. The Waco Housing Authority provides 881 units of public housing and 2,493 Section 8 Housing Choice Vouchers, including 10 vouchers through the Veterans Affairs Supportive Housing (VASH) program.

- f. The Waco Housing Authority is a strong advocate with landlords for its Section 8 participants to ensure that the disabled receive reasonable accommodations as outlined in the Fair Housing Act.

Racial and Ethnic Disparities and Concentrations Identified

1. Possible Impediments Identified

- a. There is a racial/ethnic disparity among renters with housing problems, including overcrowding and housing cost burdens.
- b. While Waco is moderately diverse at the Census Block Group level, the suburban areas are predominately white and the central city, though more diverse, has most neighborhoods west of University Parks Drive being majority Hispanic and those neighborhoods east of University Parks Drive being majority African American.
- c. Income diversity is lacking with concentrations of low- to moderate-income in the central city.
- d. Of mortgage loan applications, the majority of the applicants in higher-income neighborhoods are white, reducing the possibility of racial/ethnic deconcentration.
- e. African Americans and Hispanics have 2.5 times the denial rate for mortgage loans of whites and Asians have twice the denial rate of whites.
- f. The majority of the mortgage loans denied is in the more racially/ethnically diverse central city, particularly in areas of higher minority concentration.
- g. Anecdotal information and complaints filed citing racial/ethnic and disability discrimination by landlords.

2. No Impediments Identified/Possible Impediments Currently Addressed

- a. The majority of the residents receiving housing assistance in Waco are African American or Hispanic.
- b. The Waco Housing Authority is a strong advocate with landlords for its Section 8 participants to ensure that there are no violations to the Fair Housing Act.
- c. Those households receiving first-time homebuyer's assistance through the City or tenant-based rental assistance through subrecipient public service agencies receive fair housing education and advocacy to ensure that their rights are not being violated.
- d. The City of Waco has developed and distributed educational brochures and videos, in English and Spanish, to landlords, realtors, lenders, insurance companies, HOAs and residents.
- e. The City posts fair housing information on the official City website.
- f. The City enforces the Fair Housing Ordinance by receiving and adjudicating complaints.

Plans to Affirmatively Further Fair Housing in Waco

The City of Waco will focus its efforts to affirmatively further fair housing and reduce the impediments to fair housing choice on (1) fair housing education and (2) promoting deconcentration through the development of new housing in areas that are not heavily minority or low-income. During the next 5 years, in concert with the 5-Year Consolidated Plan, the City will take the following steps to address the impediments to fair housing choice and to affirmatively further fair housing in Waco:

1. Confusion over jurisdiction regarding fair housing legislation and lack of knowledge regarding fair housing laws.

Planned Actions

- a. Continue to improve enforcement of the Fair Housing Ordinance and cooperation with HUD in ensuring that regardless of the agency receiving the complaint, both the City and HUD are involved in the solution.
- b. Continue to distribute educational fair housing brochures and videos, in English and Spanish, to landlords, realtors, lenders, insurance companies, HOAs and residents.
- c. Continue to speak at public meetings, civic gatherings, HOA meetings and the like regarding fair housing laws and issues.
- d. Maintain, update and enhance fair housing information on the official City website.
- e. Provide training to City planning staff and commission members regarding fair housing legislation related to the zoning regulations and variances.
- f. Continue to provide fair housing training to CDBG and HOME subrecipients, and monitor their compliance.
- g. Provide additional education on the changes to the HUD rules regarding LGBT discrimination and “reasonable accommodations” for the disabled, particularly regarding service animals.

2. Lack of adequate affordable housing.

Planned actions

- a. Continue to grant permits for Community Homes and licensed group homes for special needs populations.
- b. Continue to expend CDBG and HOME funds to provide affordable housing, especially to minorities through:
 - i. Owner-Occupied Rehabilitation/Reconstruction Program assists low- to moderate-income homeowners in repairing or rebuilding their deteriorating homes;

- ii. Emergency Repair Program assists low- to moderate-income homeowners in addressing emergency situations such as roof damage, plumbing issues and electrical emergencies;
 - iii. Homebuyers' Assistance Program provides downpayment and closing cost assistance, as well as principal buy-down assistance to low- to moderate-income first-time homebuyers;
 - iv. Interim Construction Loans assists developers to construct single-family affordable housing units in the central city, primarily within designated impact areas;
 - v. New Single-Family Construction through CHDOs (Community Housing Development Organizations) provides funding to build new single-family homes for low- to moderate-income homebuyers;
 - vi. Homebuyer education, financial literacy education and credit counseling to prospective home-buyers.
- c. Continue the Lot Sales Program to provide City-owned and tax foreclosure properties, especially lots not in areas of high minority or low-income concentration, at a price not to exceed \$100 for the development of affordable owner-occupied housing;
 - d. Encourage Low Income Housing Tax Credit (LIHTC) applicants to acquire properties that are not in areas of high minority or low-income concentration.
 - e. Continue to require that applicants for Low Income Housing Tax Credits (LIHTC) provide a portion of their units to homeless and special needs individuals and families.
 - f. Continue to require that fair housing education be included in the homebuyer classes for first-time homebuyers.
 - g. Assist CHDOs in locating and acquiring properties in areas without minority or poverty concentrations.
 - h. Continue to support agencies that provide supportive services to special populations, including the elderly, disabled, mentally ill, victims of domestic violence, and persons living with HIV/AIDS, in order to ensure equity of services and access and to assist in moving these individuals out of poverty and into self-sufficiency.
 - i. Continue to support the Waco Housing Authority in securing additional Section 8 HCVs.

3. Racial and Ethnic Disparities and Concentrations

Planned Actions

- a. Continue to distribute educational fair housing brochures and videos, in English and Spanish, to landlords, realtors, lenders, insurance companies, HOAs and residents.
- b. Continue to speak at public meetings, civic gatherings, HOA meetings and the like regarding fair housing laws and issues.

- c. Maintain, update and enhance fair housing information on the official City website.
- d. Provide training to City planning staff and commission members regarding fair housing legislation related to the zoning regulations and variances.
- e. Continue to provide fair housing training to CDBG and HOME subrecipients, and monitor their compliance.
- f. Continue to enhance fair housing enforcement through local fair housing ordinance.
- g. Encourage banks to locate in low-income and high-minority areas and to discourage predatory lenders from locating in low-income and high-minority areas.
- h. Encourage policy makers to strengthen existing legislation that regulates predatory lenders.
- i. Continue to advocate for subsidized renters and buyers to ensure that fair housing laws are not violated.

Goal # 1 Increase the variety of housing options and opportunities for all Wacoans

- Homeownership programs
- Reconstruction
- Infill development
- Demo grant HOTHFC – bond program, I/C financing, LIHTC grants/loans
- Interim Construction program
- TBRA
- CHDO funding
- LIHTC and Senior Housing
- Residential Tax Abatement
- Sale of City lots
- IDA program
- Land acquisition by non profits
- Infrastructure grants for inner city neighborhoods
- PSH – scattered sites for homeless

Goal # 2 Expand Homeownership

- Homeownership programs
- Infill development
- Demo grant HOTHFC – bond program, I/C financing, LIHTC grants/loans
- Interim Construction program
- CHDO – provide counseling, education, maintenance, credit repair, predatory lending/fair housing, etc.
- Residential Tax Abatement
- Waiver of construction related fees on our programs
- Sale of City lots
- IDA program
- Land acquisition by non profits
- Infrastructure grants for inner city neighborhoods
- Lease purchase – NW Waco
- HOTHFC – bond programs with D/P assistance

Goal 3 Preserve the value of existing housing stock

- Reconstruction with relocation options
- Residential Tax Abatement
- Inspections for quality – all HUD funded programs
- Work closely with Building Standards Commission and Code Enforcement
- HUD programs available for both new and existing homes
- Lead based trained staff

Goal 4 Adopt development strategies tailored to specific parcels and areas of city

- Several inner city developments
- LIHTC – mixed income (affordable and market rate)
- Work with developers on land acquisition plans targeted for housing development
- Work closely with all affordable housing developers and some market rate developers

Goal 5 Increase resources – especially financial resources – available for housing activities, deploy those resources strategically, and measure success

- Assisted in building the capacity of all three CHDO's
- Work with various lenders, HOHFC, and state – homeownership and rental programs /opportunities
- Fund numerous non profits providing all types of housing and provide technical assistance
- Formed many partnerships and involved on many committees for all types of housing both local and statewide
- Successful IDA program
- Inspect for quality in all units built or funded with HUD funds (HUD rep said we had best homes built in state – reconstruction) Planning reviews many of proposed plans before we agree to fund many of our housing programs
- Homeless Plan and Poverty Initiatives