Analysis of Impediments to Fair Housing Choice

Mesa, Arizona

April, 2015

Prepared for
The City of Mesa

By

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Introduction

Each year, the U.S. Department of Housing and Urban Development (HUD) requires Community Development Block Grant (CDBG) entitlement grantees to submit a certification that they will affirmatively further fair housing, and that their grants will be administered in compliance with Title VI of the Civil Rights Act of 1964 and the Fair Housing Act of 1968. Title VIII of the Civil Rights Act of 1968, as amended, commonly known as the Fair Housing Act, prohibits discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The Act also requires the Secretary of HUD to administer the Department's Housing and Community Development Programs in a manner that affirmatively furthers fair housing.

Provisions to affirmatively further fair housing (AFFH) are principal and long-standing components of HUD's housing and community development programs. These provisions flow from the mandate of Section 808(e)(5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department's Housing and Urban Development Programs in a manner to affirmatively further fair housing[1].

Local entitlement communities meet this obligation by performing an "Analysis of Impediments to Fair Housing Choice (AI)" within their communities, developing strategies, and implementing actions to overcome these barriers based on their history, circumstances, and experiences. In other words, Mesa will define the problems, develop the solutions, and be held accountable for meeting the standards set for itself. This analysis identifies the impediments to fair housing choice in the jurisdiction, assesses current fair housing initiatives, and describes the actions the jurisdiction will take to overcome the identified impediments. Mesa is meeting its obligation to affirmatively further fair housing by:

- Analyzing and eliminating housing discrimination within the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to all persons to include those persons with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

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

Through this process, Mesa promotes fair housing choices for all persons, to include Protected Classes, as well as provides opportunities for racially and ethnically inclusive patterns of housing occupancy, identifies structural and systemic barriers to fair housing choice, and promotes housing that is physically accessible and usable by persons with disabilities.

Through its Community Planning and Development (CPD) programs, HUD's goal is to expand mobility and widen a person's freedom of choice. HUD also requires CDBG Program participants, such as the City of Mesa, to document AFFH actions in their Consolidated Annual Performance and Evaluation Reports (CAPERs) which are made available for public comment and submitted to HUD.

Definitions & Data Sources

Definitions

Affirmatively Further Fair Housing – In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with "the 1968 Fair Housing Act's obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status."[2]

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

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

Impediments to Fair Housing Choice - As adapted from the *Fair Housing Planning Guide*, impediments to fair housing choice are understood to include: [3]

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

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

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

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

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.

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

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

- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners' association fees.
- Housing affordable to a low-income family of four (income up to 80% of the area median income) residing in the study area would carry a total monthly cost not exceeding $1,244 as reported by the National Low Income Housing Coalition's 2013 *Out of Reach* data.

Data Sources Used in this Analysis

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

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as "100 percent data", meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block level.

- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the "long form" Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census; therefore, SF 3 data from the 2000 Census was the only tract-level data source available for some variables.

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

- 2012 ACS 1-Year Estimates – Based on data collected between January 2012 and December 2012, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.

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

Stakeholder Engagement

Fair Housing Survey – This survey was designed to collect input from a broad spectrum of the community and received responses from residents across the study area. The survey consisted of 36 distinct questions, allowing a mixture of both multiple choice and open-ended responses. In all, there were 80 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey respondents is cited in this assessment, it refers only to the percentage of respondents to the particular question being discussed and may not be a percentage of the full 80 survey respondents. Surveys were received over a 98-day period, from March 5, 2014 to June 10, 2014. Paper surveys received were manually entered by the Survey Administrator into SurveyMonkey for tabulation and analysis. To prevent "ballot stuffing," the SurveyMonkey software bars the submission of multiple surveys from a single IP address. The link to the online survey was distributed through various email distribution lists. A Spanish translation of the same survey was also made available in hard copy and online. The Spanish version of the survey received four responses.

Stakeholder Interviews – Key community stakeholders were identified, contacted, and interviewed either individually or in small groups as part of this Analysis. These stakeholders included elected officials, representatives of nonprofit organizations, municipal and county staff, fair housing advocates, lenders, and real estate agents. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis. More than 25 stakeholder interviews were conducted.

Public Meetings – Five public meetings were held in order to provide forums for residents of the study area and other interested parties to contribute to this AI. Meeting dates, times, and locations are listed below. Meetings were held both during the day and in the evenings in various locations across the City, providing a variety of options for residents to attend.

These meetings were advertised via flyers and emails distributed by the City using its various email distribution lists. The format of these meetings ranged from small-group roundtable discussions to moderated forums. In several cases, education and input opportunities were added to the agendas of existing community meetings and workshops. Notes were taken of the public comments at all meetings.

Public Kickoff Meeting #1
Mesa Main Library
Saguaro Room
64 E. 1st Street
Wednesday, March 12, 2014
2:00 p.m.

Public Kickoff Meeting #2
Mesa Main Library
Board Room
64 E. 1st Street
Wednesday, March 12, 2014
5:00 p.m.

NEDCO/R.A.I.L. Meeting
Inside the Bungalow
49 North Robson
Thursday, March 13, 2014
6:30 p.m.

NEDCO/R.A.I.L. Meeting
Adelante Healthcare
1705 W. Main Street
Monday, June 9, 2014
6:00 p.m.

NEDCO/R.A.I.L. Meeting
Pioneer Park
526 E. Main Street
Thursday, June 12, 2014
6:30 p.m.

Remote Focus Groups – To provide further opportunities for engagement by members of the public and interested stakeholders, two remote focus groups were conducted via

conference call. Attendees were able to call in and participate remotely in a discussion with the facilitator and with one another. The two remote focus groups were held at the following dates and times:

- Tuesday, April 22, 2014 at 10:00 AM
- Thursday, May 1, 2014 at 1:00 PM

Limitations of this Analysis

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

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

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

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

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

Historical Overview

An Introduction to the City of Mesa, Arizona

Mesa is the third largest city in Arizona, following Phoenix and Tucson. With a population of 457,587 according to the U.S. Census Bureau's 2013 population estimates, Mesa is also the 38th largest city in the United States.[4] Mesa is located in Maricopa County and is considered a suburb east of Phoenix, which is located approximately 20 miles away. Mesa is the central city of the East Valley region of the Phoenix Metropolitan Area.

Mesa's Geography

Mesa is bordered by Tempe on the West, the Salt River Pima-Maricopa Native American Community on the north, Chandler and Gilbert on the South, and Apache Junction on the east. Due to Mesa's land area of 133.13 square miles and distance between east and west (an excess of 18 miles), locations in Mesa are typically described as East Mesa or West Mesa. Center Street, which runs north to south, splits Mesa into East and West with streets west of Center Street being considered West Mesa and streets east of Center Street considered East Mesa. Other accepted boundary streets include Mesa Drive located one-half of a mile east of Center Street and Country Club Drive which is located one-half of a mile west of Center Street.

Mesa's Early History

The area that would become the City of Mesa was first occupied by the Hohokams, an indigenous group that lived in the valley for 1,500 years. Farmers and canal builders, the Hohokams are most famous for the construction of a complex network of hand-dug irrigation canals which irrigated 110,000 acres and is widely regarded as the largest irrigation system of the prehistoric world. The system was transformative for the region, allowing a vibrant trade system and agriculture. As the Hohokam population grew, the area experienced overpopulation, an inadequate food supply, and warfare, which led the Hohokams to leave the region, disappearing around 1450.[5] Ongoing conflicts between the Pima and the Maricopa who were located along the Gila River and the Yavapai and the Apaches who were located in the Salt River Valley prevented settlement within the Mesa region. The Mesa region would remain unsettled from the 15th century through the 1800s.[6]

In 1865, Fort McDowell was established by the United States Army in an effort to be close to transport and travel routes.[7] In 1877, the first pioneers came to Mesa. Originating from Utah, these settlers were sent by Brigham Young to support the expansion of the Mormon Church

[4] "Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013", U. S. Census Bureau
[5] "A Brief History of Mesa, Arizona", *Mesalibrary.org* (City of Mesa Library
[6] http://www.mesamuseum.org/mesa-history
[7] U.S. Geological Survey Geographic Names Information System: Fort McDowell, Arizona

into Mexico. These settlers built homes and established businesses in the Lehi and north Mesa region. In 1878, a second group of Mormon settlers, known as the "Mesa Company" arrived. Within a four year period, 300 people were living in Mesa. The original Mesa town site, now referred to as Town Center, was one square mile. The town site was registered on July 17, 1878. The City of Mesa was incorporated on July 15, 1883. In Mesa's first election, 29 voters elected 10 city officials. Land in Mesa was allotted to families based on the amount of labor they contributed to building the Mesa Canal. The Mesa Canal used parts of the original Hohokam irrigation system and was completed in October of 1878.[8]

Mesa made many advances over the next several years including the building of the first permanent school in 1882, the founding of Mesa's first newspaper the *Mesa Free Press* in 1892, the arrival of railroad service in 1895, the use of electricity beginning in 1898 and telephone service in 1902, the building of Mesa's Union High School in 1909, and annexation of six subdivisions in 1930 which doubled the size of Mesa beyond the original square mile. Mesa's early history includes several notable national historic accomplishments. In 1911, the federal government financed its first large-scale irrigation project utilizing the Roosevelt Dam. In 1935, men were hired by the federal Works Progress Administration as a part of the New Deal. These workers built a new public library and city hall for Mesa and remodeled local schools and hospitals. Two military bases Falcon Field and Williams Field were established in Mesa in 1941, increasing military personnel, and the overall regional population. Both fields, now serve as airports for Mesa.[9]

Mesa's Cultural History

During the early establishment of Mesa, the area was culturally and ethnically diverse with indigenous Native American tribes, white European settlers, and African-American and other immigrant groups (Mexican, Chinese, Japanese, and Arabs) who came to the area to farm, work in construction, and open businesses. The building of the Roosevelt Dam brought many jobs in construction to the area. The Dam would later become a major tourist attraction for the region along with the prehistoric ruins, such as the Hohokam ceremonial site Mesa Grande which was acquired by the city in 1927.[10]

In 1916, the Verde Vista subdivision was established. Located between Sirrine and Pasadena, Verde Vista grew throughout the 1920s becoming a vibrant Mexican-American community filled with both residences and small businesses.[11] In the 1940s the local housing project Escobedo was built, and the name of the neighborhood was changed to the Escobedo Neighborhood. In 1920, the Mitchell Addition subdivision was established north of

[8] http://www.azmnh.org/heritage_wall.aspx
[9] http://www.azmnh.org/heritage_wall.aspx
[10] http://archive.chandlermuseum.org/@api/deki/files/23720/=City_of_Mesa_Historical_Survey.pdf
[11] http://archive.chandlermuseum.org/@api/deki/files/26171/=Temple%252C_Evergreen%252C_and_Escobedo_Neighborhood_Historic_Building_Survey.jpg

University and east of Center Street. Along with the Tuskegee Place subdivision, it formed the Washington Community. These subdivisions were the first areas to welcome African-Americans as buyers and residents in Mesa. The two areas are now combined into the Washington-Escobedo Neighborhood.[12] Mesa integrated schools in 1951, three years before segregation was declared unconstitutional, integrating schools established for White, Mexican-American, and African-American children. In 1942, following an order by President Franklin Roosevelt, Mesa's thriving Japanese-American community (located mainly along the security zone on Main Street) were forced to sell their homes and businesses and leave the region. Many families were sent to internment camps. A few Japanese-Americans who lived outside of the security zone in Lehi were allowed to remain but were prohibited from crossing Main Street.[13]

In May of 1979, Mesa was named an All American City by the National Municipal League and recognized for work designed to solve community problems through cooperation between citizens, schools, civic groups, and government. In 2008, Mesa received the 2008 Award of Excellence in Aerospace from Expansion Solutions Magazine in recognition of Mesa's work recruiting and retaining aerospace businesses. Several properties in Mesa are listed on the National Register of Historic Places for architectural design, engineering design, and community planning and economic development.[14]

Mesa's Early Residential History

During the early 19th century, Mesa was a small settlement and community with vernacular and Victorian style buildings. In the early 20th century, the original town site was divided into subdivisions. The introduction of the automobile heavily influenced layout and development in the region. Most buildings were still vernacular in design, but bungalows were also constructed for residential use. Following World War II, many residential subdivisions were built to accommodate population growth.[15] Other popular residential home styles included English cottage and period houses (which experienced frequent revivals throughout the 1920's). Residential properties during this time were small and non-discreet.[16]

Mesa's Economic History

Until World War II, Mesa's economy was based on agriculture. The vast majority of the Mesa workforce was employed in agriculture, predominately in dairy farming and raising livestock. Following World War II, technological advances such as the mechanization of farming and indoor air conditioning units, coupled with historical and cultural phenomenon

[12] http://www.lisc.org/phoenix/images/where_we_work/asset_upload_file765_15931.pdf
[13] http://www.azmnh.org/heritage_wall.aspx
[14] http://www.nps.gov/nr/
[15] http://www.mesaaz.gov/planning/PDF/HistoricPreservationplan.pdf
[16] http://archive.chandlermuseum.org/@api/deki/files/23720/=City_of_Mesa_Historical_Survey.pdf

like the Cold War and increasing popularity for the "Old West" shifted Mesa's economy. Technology, tourism, and service-based industries became the main drivers of the economy. With the exception of the 1920s, Mesa's population doubled each decade mainly due to rise in tourism, technological advances, and the opening of Falcon Field and Williams Field in the early 1940s. Throughout the 1950s and 1960s the aerospace industry also grew in Mesa. In 1957, rocket engine manufacturer Talco brought its research division to Falcon Field. In 1960 Talley Defense moved into the area and became Mesa's first Fortune 500 Company, Talley Industries. In the late 1960s, half of Mesa's residents were still employed in agriculture. However, this number steadily decreased as Mesa's growth as a suburb paralleled growth in the Phoenix metro region.[17]

[17] http://www.mesamuseum.org/mesa-history

Demographic Overview

Population Characteristics

As of the 2010 Decennial Census, the City of Mesa had a total population of 439,041, however more recent 2013 Census estimates put the figure at 457,587. The City's racial makeup in 2010 consisted of 77.1% White; 3.5% Black or African American; 2.4% American Indian and Alaskan Native; 1.9% Asian; less than 0.5% Native Hawaiian and Other Pacific Islander; 11.3% from other races; 3.4% from two or more races; and 26.4% were Hispanic or Latino of any race. Of those residents that classified themselves as Hispanic or Latino, 86.1% described their heritage as Mexican.

Demographic Profile Highlights 2000 and 2010 Census		
	2000	**2010**
Total Population	396,375	439,041
Male	140,763	215,918
Female	147,235	223,123
One Race	385,324	424,000
White	323,655	338,591
Black or African American	9,977	15,289
American Indian and Alaskan Native	6,572	10,377
Asian	5,917	8,493
Native Hawaiian and Other Pacific Islander	932	1,672
Other race	38,271	49,578
Two or more races	11,051	15,041
Hispanic or Latino (of any race)	78,281	115,753

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

With 26.4% of total residents in the City of Mesa being Hispanic or Latino, it is imperative to understand the background of these residents. For example, 22.7%, or 99,666 residents, of the total population of Mesa are considered to Mexican, while only 0.1% of residents are Cuban. The table below shows the comparison in populations among the Hispanic and Latino residents of Mesa from the 2000 and 2010 Census among four (4) sub-categories: Mexican; Puerto Rican, Cuban, and Other Hispanic and Latino. While this is by no means an exhaustive list, these are the categories used by the U.S. Census in its efforts to gather pertinent data.

Hispanic or Latino Demographic Profile Highlights of the City of Mesa 2000 and 2010 Census		
	2000	**2010**
Total Population – Hispanic or Latino	78,281	115,753
Mexican	63,518	99,666
Puerto Rican	1,513	2,441
Cuban	398	455
Other Hispanic or Latino	12,851	13,191

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

Comparing household data from 2000 to 2010 reveals a few significant trends. In 2000, the Census counted 146,643 households, 35.7% of which included children under the age of 18. Married couples living together made up 52.7% of the City's households, female-headed households made up 27.5% of the total, and 31.9% were nonfamily households. In 2000 the average household size was 2.68 and the average family size was 3.20.

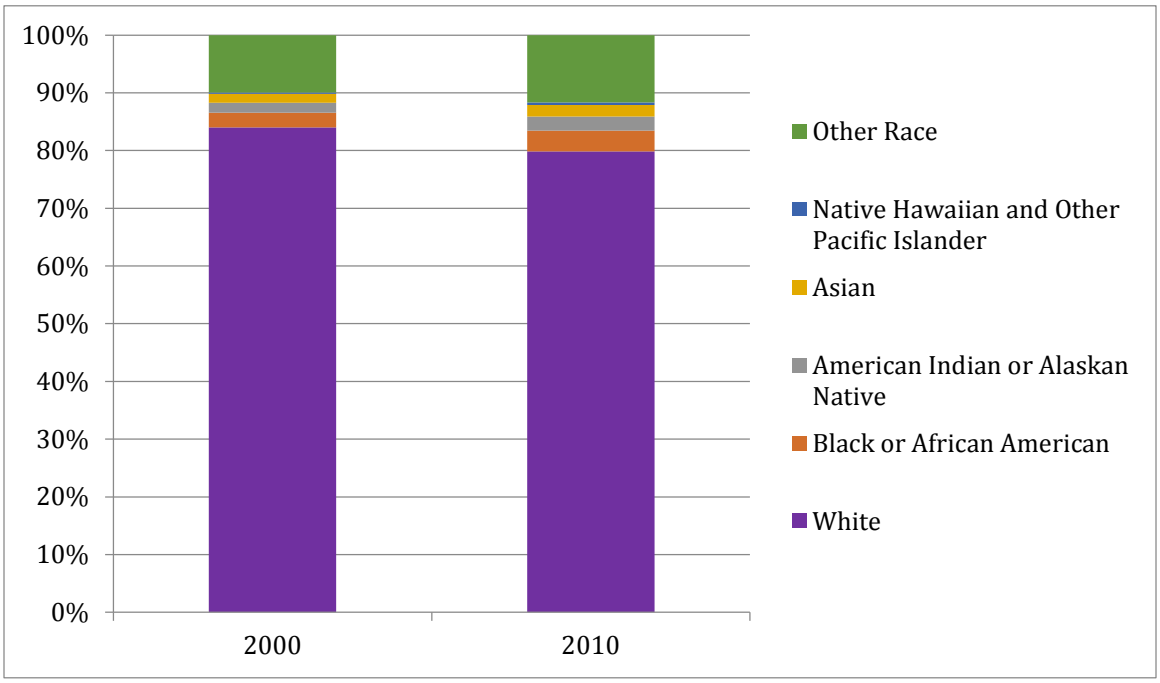
After a decade of population growth, the total number of households increased to 165,374, however, household growth rates varied by household types. For example, households with children decreased to 33.2% of the total, and female-headed households increased to 30.7%. Nonfamily households increased by 2.3 percentage points to 34.2% of all households. In 2010, the average household size was 2.63 and the average family size was 3.21.

Historical Demographic Trends			
	2000	**2010**	**% Change 2000-2010**
Total Population	396,375	439,041	10.8%
White	323,655	338,591	4.6%
Black or African American	9,977	15,289	53.2%
American Indian and Alaskan Native	6,572	10,377	57.9%
Asian	5,917	8,493	43.5%
Native Hawaiian and Other Pacific Islander	932	1,672	79.4%
Other race	38,271	49,578	29.5%
Hispanic or Latino (of any race)	78,281	115,753	47.9%

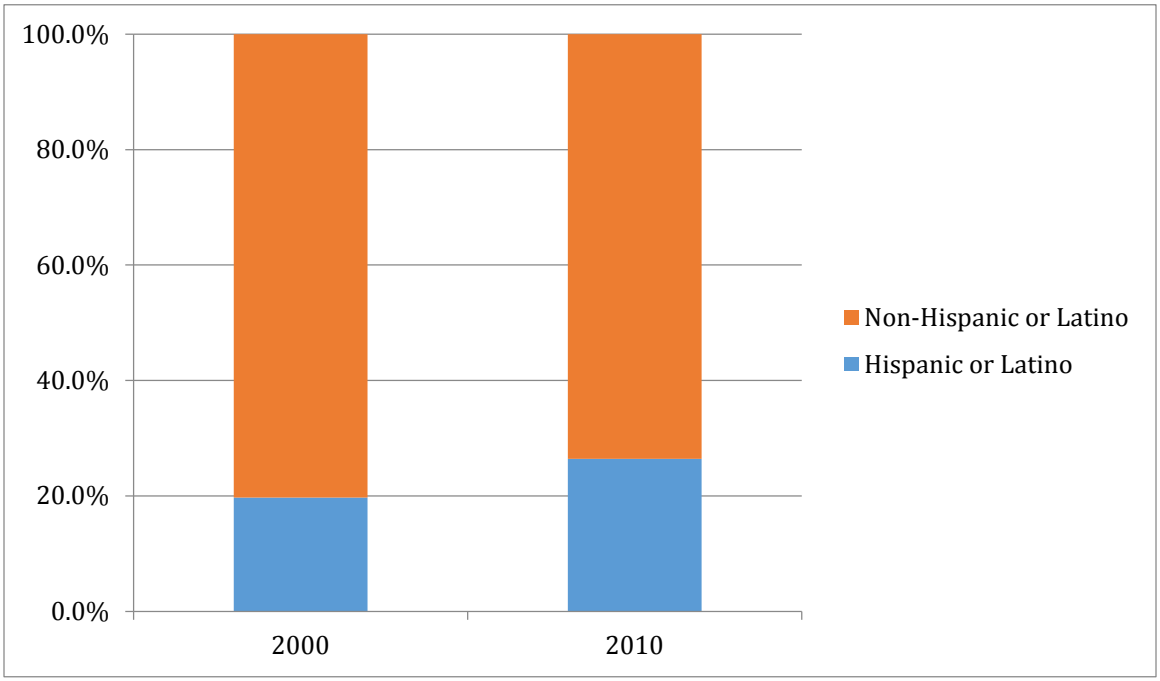
Source: 2000 and 2010 U.S. Census, 2012 American Community Survey, www.census.gov

Although the population has increased since 2000, based on the historical data, not all racial and ethnic groups increased at comparable rates through 2010. Further, though some racial categories showed a high growth rate, these figures are skewed due to the small overall size of the group. For example, the Native Hawaiian and other Pacific Islander population increased by 79.4% from 2000 to 2010, yet the total population was only 1,672 in 2010. In contrast, the Hispanic or Latino population grew by 47.9% during that period, an increase of 37,472 residents. Already the making up the majority of Mesa residents, the White population increased by 4.6% during this same period, which constitutes the addition of just under 15,000 residents.

Race as a Percentage of Total Population: 2000 to 2010



Hispanic/Latino Ethnicity as a Percentage of Total Population: 2000-2010



Employment & Economic Profile

Economic Analysis

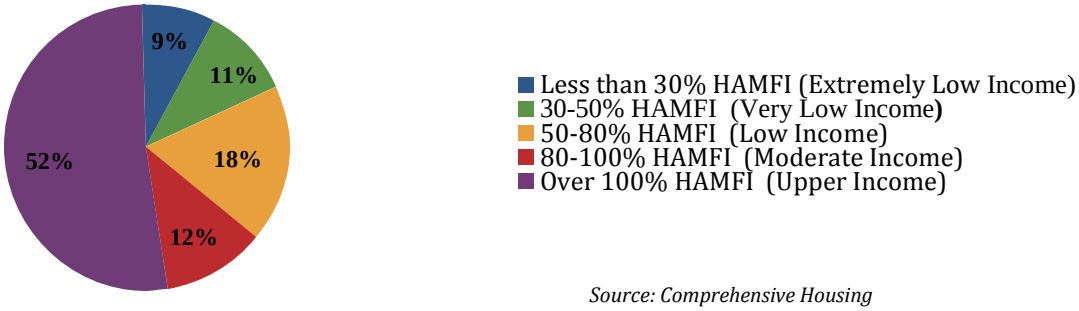
Like a majority of other metropolitan cities, Mesa is in the process of rebounding from the heavy impact left by the economic recession that the U.S. has struggled with for the past decade. Despite the City of Mesa making great strides to stabilize its local economy by constructing a world renowned arts center and welcoming new manufacturing and educational employers into the community, some residents in Mesa area are still struggling to find a job or are having to face pay cuts at work, which reduces or eliminates their ability to earn household income. Household income plays the most important role in helping individuals and families determine how much money they need to budget for mandatory expenditures, like mortgage, rent, or utility payments in comparison to discretionary income they may have available for living expenses or savings and investments. Household income is a strong indicator for an individual or family's standard of living. While economic factors may not be the strongest determinant in a family or individual's housing choice in every circumstance, the relationships between household income and race, gender and other factors should be evaluated for the potential for restrictions to fair housing choice and personal rights.

According to the 2008-2012 American Community Survey (ACS), the City of Mesa's household median income is $49,233.00. This is almost a 3% increase from Mesa's 2006-

2010 ACS household median income which was $47,810.00. HUD established the following categories based on HUD's Area Median Family Income (AMFI) for the City of Mesa, AZ:

- Extremely Low Income Households (Less than 30% AMFI)
- Very Low Income Households (30-50% AMFI)
- Low Income Households (50-80% AMFI)
- Moderate Income Households (80-100% AMFI)
- Upper Income (Over 100% AMFI)

Mesa, Az. American Median Family Income Distribution



Source: Comprehensive Housing Affordability Strategy (CHAS) (2006-2010) & ACS 2006

Family and Household Income

The 2008-2012 American Community Survey reported 166,806 households in Mesa.[18] In comparison, 57,902 of these households had unrelated individuals living in the home and 108,904 of these households were reported as families. The median income for family households according to the 2008-2012 ACS was $59,458. This number increased by 6% from the 2006 ACS median family income of $56,019. The median income reported for non-family households in the 2006 ACS, $33,783 actually decreased almost 4% in the 2008-2012 ACS to $32,550. Married couple family median income increased the most by over 10% between the 2006 ACS ($63,172) and 2008-2012 ACS ($69,672). These figures suggest that persons living as a family receive more income per household than those living with unrelated individuals in a household, and that the latter may be at an economic disadvantage. The Census reflected a 13.8% increase in per capita income, from $21,587 in 2000 to $24,570 as of the 2008-2012 ACS. These increases support that even though on average, households

[18] U.S. Census Bureau. 2008-2012 American Community Survey (ACS).

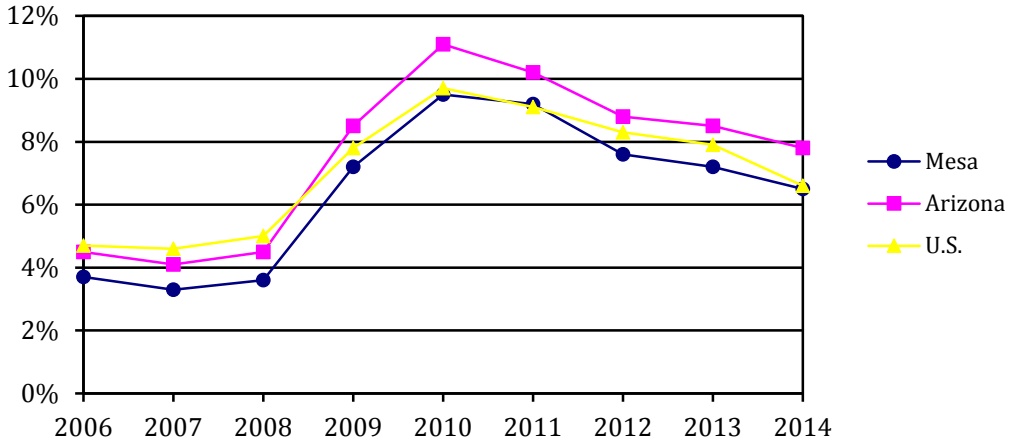
in the City of Mesa may have seen short term losses in income, there was an overall long term increase in the amount of income per household and per family over the decade.

Unemployment

The figure on the following page reflects the change in the unemployment rate in the City of Mesa from January 2006 to January 2014. The sharpest rise in the unemployment rate begins in 2008 at 3.6% and rises to 9.5% in 2010.[19] The 2008-2012 ACS estimated that there were 31,366 unemployed residents in Mesa.[20] This accounts for 9.1% of Mesa's workforce population that is 16 and over. This number has more than quadrupled in percentage from the 2000 Census count of unemployed citizens in Mesa of 8,136 (2.7% of Mesa's labor force). Each year after 2007, the economy slipped further into recession, jobs became more scarce and layoffs occurred more frequently. All of these factors culminated in the rate of unemployment shifting further up. As a community's unemployment rate rises, its households have less money available to budget between mandatory expenses like their mortgage or rent payments and their discretionary expenses. According to the Comprehensive Housing Affordability Strategy (CHAS) for 2006-2010, a total of 62,985 households (combined owners and renters) below 80% area median family income (AMFI) have potential to be in need of some form of housing assistance.[21] This number reflects the high number of households that have lost financial resources needed to pay for housing expenses. Given the total of 165,374 households recorded in the 2010 Census, about 38% of the city's households were low-income.

[19] Bureau of Labor Statistics. Local Area Unemployment Statistics. Unemployment data for City of Mesa, AZ (2006-2014).
[20] U.S. Census Bureau. 2008-2012 American Community Survey (ACS)
[21] Mesa, AZ Comprhensive Housing Affordability Strategy (CHAS) data for 2006-2010.

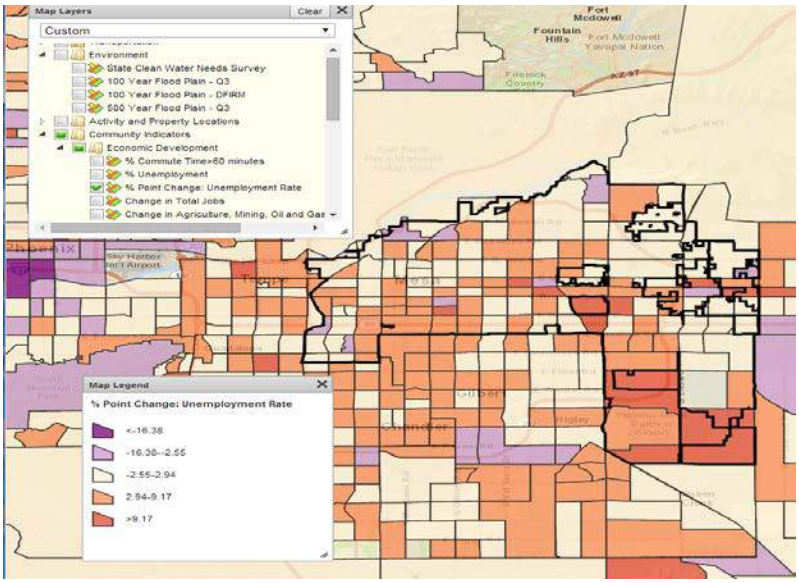
Mesa, Az. Unemployment Rate 2006-2014



Source: Mesa Unemployment Statistics Compared to State and National Unemployment data for City of Mesa, AZ (2006-2014).

The City of Mesa's unemployment rate exhibited similar patterns to Arizona's unemployment rate and the national unemployment rate between 2006 and 2014, following a major shift in rates from near 4% in January 2008 to their high points which range from 9.5 to 11.1% in January 2010 with a steady decline beginning in January 2011 that is continuing as the economy improves. From January 2006 to January 2009, Mesa's unemployment rate fell below the state and national rates, then mirrored the national unemployment rate from 2010 to 2011 before dropping again between 2012 and 2014.

Mesa, Az. Change in Unemployment



Source: Mesa, AZ Census 2000-2010 % Change. http://egis.hud.gov/cpdmaps/#

From 2000- 2010 Census data, the largest increases in unemployment have taken place in tracts located in the Southern parts of the city, which saw decreases in employment of greater than 9.17%. Other census tracts that have seen large increases in unemployment that range from 2.94% to 9.17% are in West Mesa. Expansion of the light rail that connects the city to employment options in Phoenix may help to alleviate future unemployment rates.

Poverty

An estimated 65,029 (14.8%) of Mesa's residents were living below the poverty level according to the 2008-2012 American Community Survey (ACS).[22] This data reflects an 85.6% increase in the amount of residents in poverty as the below poverty rate stood at 8.9% in the 2000 Census. Six percent (6.3%) of married couples, and 27% of households with a female head and no husband present are also living below the poverty level according to the 2008-2012 ACS. Poverty percentages for families and individuals as well as those for married couples and female heads of household are all less than those for the state of Arizona overall, meaning that Mesa has a lower amount of residents and families living in poverty in comparison to other cities in the state.

Families and Individuals with Income below the Poverty Level in the Past 12 Months		
	City of Mesa	**State of Arizona**
All Families	10.9%	12.4%
With related children under 18 years	17.2%	19.7%
Married Couple Families	6.3%	7.0%
With related children under 18 years	9.7%	11.2%
Families with Female Householder, No Husband Present	27%	30.7%
With related children under 18 years	34.7%	38.4%
All Residents	14.8%	17.2%
Under 18 Years	20.6%	24.4%
Related children under 18 years	20.3%	24.0%
Children under 6 years only	35.4%	33.8%
Children 6-17 years	64.6%	66.2%
18 years and over	21.8%	24.4%
18 to 64 years	14.2%	16.2%
65 years and over	7.6%	8.2%

[22] American Community Survey. 5-Year Estimates for Individuals living below poverty in Mesa, AZ. 2008-2012.

Families and Individuals with Income below the Poverty Level in the Past 12 Months		
	City of Mesa	State of Arizona
People in families	13.6%	15.9%
Unrelated individuals	23.6%	26.0%

Source: 2008-2012 American Community Survey 5-Year Estimates, U.S. Census Bureau, www.census.gov

Workforce and Industry

Mesa's civil employed population is made up of 197,739 of its residents. The table below separates the workforce in Mesa by percentage. Just over 82% of Mesa's labor force is comprised of private-sector workers. Government employees make up 11.7% of the workforce and self-employed, unincorporated business workers and unpaid family workers make up the last 6% of the city's workforce.

When further breaking down these categories, the healthcare, education and social services fields employ just over 21% of Mesa's workforce, re-emphasizing the city's leadership role in the education and healthcare industries. The second largest industry in Mesa is retail which employs 13.4% of the workforce and the third largest industry in is the professional, scientific, management, administrative, and waste management field at 12.2% followed closely by the art, entertainment, recreation, accommodation, and food service industry at 10%.

City of Mesa Industry Sector Percentages		
Industry	Labor Force	Percent
Class of Worker		
Private Wage & Salary Workers	163,220	82.5%
Government Workers	23,037	11.7%
Self-Employed in Own Not Incorporated Business Workers	11,290	5.7%
Unpaid Family Workers	192	0.1%
Total Private Industry		
Civilian employed population 16 years and over	197,739	--
Agriculture, Forestry, Fishing, Hunting, & Mining	1,038	0.5%
Construction	17,170	8.7%
Manufacturing	16,030	8.1%

City of Mesa Industry Sector Percentages		
Industry	**Labor Force**	**Percent**
Wholesale Trade	4,554	2.3%
Retail Trade	26,460	13.4%
Transportation & Warehousing, & Utilities	9,402	4.8%
Information	3,900	2%
Finance & Insurance, Real Estate, Rental, & Leasing	15,964	8.1%
Professional, Scientific, Management, Admin., & Waste Mgmt.	24,131	12.2%
Educational Services, Healthcare, & Social Assistance	42,179	21.3%
Arts, Entertainment, Recreation, Accommodation, & Food Services	19,704	10%
Other Services, Except Public Administration	10,073	5.1%
Public Administration	7,134	3.6%

Source: 2008-2012 ACS

Using data from Mesa's Office of Economic Development, the table on the following page lists Mesa's top employers as: Banner Health Systems, Mesa Public Schools, the Boeing Company, the City of Mesa Government and Maricopa County government, which have a combined total of 28,788 employees that live within Mesa or in Maricopa County area. These numbers support the census data showing a majority of Mesa's residents working in these fields.

City of Mesa Top Employers, December 2013		
Employer	**# of Employees**	**Business Sector**
Banner Health Systems	9,573	Healthcare
Mesa Public Schools	8,770	Education
The Boeing Company	4,086	Aerospace/Aviation
City of Mesa	3,715	Government
Maricopa County Government	2,644	Government
Wal-Mart	2,533	Retail
Maricopa Community College	1,951	Education
Kroger (Fry's)	1,210	Retail
Gilbert Unified	1,087	Government
Aviall Inc.	842	Aerospace/Aviation
The Home Depot	837	Retail
Bashas'	778	Retail

City of Mesa Top Employers, December 2013		
Employer	**# of Employees**	**Business Sector**
Apple	700 *(Projected)*	Manufacturing
Walgreens	687	Retail/Pharmacy
Empire Southwest	585	Machinery
McDonalds	580	Food Services
Target	556	Retail
Mountain Vista Medical Center	530	Healthcare
SRP	505	Power/Utility
Veolia Transportation	494	Transportation
US Postal Service	440	Government
Community Bridges	435	Healthcare/ Social Services
TRW Vehicle Safety Systems	411	Manufacturing

Sources: Mesa Office of Economic Development. USA, MAG Employer Database, City of Mesa, Phoenix Business Journal, December 2013

Protected Class Analysis

The Fair Housing Act and similar state or local fair housing laws list seven prohibited bases for housing discrimination:[23] race, color, national origin, gender, familial status, disability, and religion. This protected class analysis addresses each of these population groups and their geographic distribution in Mesa.

Race and Ethnicity

As of 2010, the City of Mesa was 64.3% White and 35.7% minority, a breakdown which mirrored that of the nation (64.2% White and 35.8% minority). Hispanic/Latino residents made up the largest share of the minority population and 26.4% of the population overall. Blacks composed 3.2% of the city and American Indians/Alaskan Natives, Asians and persons of two or more races each made up just under 2%.

There was considerable growth in all minority populations from 2000 to 2010. Mesa's Black, American Indian/Alaskan Native and Native Hawaiian/Pacific Islander populations all increased by 50% or more. By contrast, the White population lost 7,675 residents, a decline of 2.6%.

Population by Race and Ethnicity in the City of Mesa

Race by Ethnicity	2000		2010		2000-2010 % Change
	Count	Share	Count	Share	
Non-Hispanic					
One Race					
White	290,180	73.2%	282,505	64.3%	-2.6%
Black or African American	9,377	2.4%	14,101	3.2%	50.4%
American Indian/Alaskan Native	5,454	1.4%	8,359	1.9%	53.3%
Asian	5,755	1.5%	8,174	1.9%	42.0%
Native Hawaiian/Pacific Islander	874	0.2%	1,532	0.3%	75.3%
Other race	402	0.1%	555	0.1%	38.1%
Two or more races	6,052	1.5%	8,062	1.8%	33.2%
Hispanic or Latino	78,281	19.7%	115,753	26.4%	47.9%
Total Population	396,375	100.0%	439,041	100.0%	10.8%

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

The maps on the following pages show geographic concentrations of Mesa's minority residents. In 2010, Hispanics comprised more than one-quarter of the City's population (and

[23] *Live Free: Annual Report on Fair Housing FY 2010*, U.S. Department of Housing and Urban Development.

73.9% of its minority residents), which is about 10 percentage points more than the Hispanic share of the national population (16.1%). Mesa's Hispanic population was concentrated west of Lindsay Road to the city limits, and around the Phoenix-Mesa Gateway Airport. Twelve tracts had a Hispanic population over 50%, all clustered between University Drive and Baseline Road from Gilbert Road to Alma School Road. Together these twelve tracts accounted for 26.0% of the City's Hispanic population.

Other than Hispanics, no minority group made up more than 5% of Mesa's population in 2010. Blacks comprised the second largest share at 3.2%, considerably below their share of the national population (12.5%). The "Black Population" map illustrates that Blacks made up 8% or more of the population in only five census tracts – those located between Main Street and Southern Avenue from Alma School Road to the western city limit and immediately to the east of Fitch Park. No tract was more than 11% Black.

National Origin

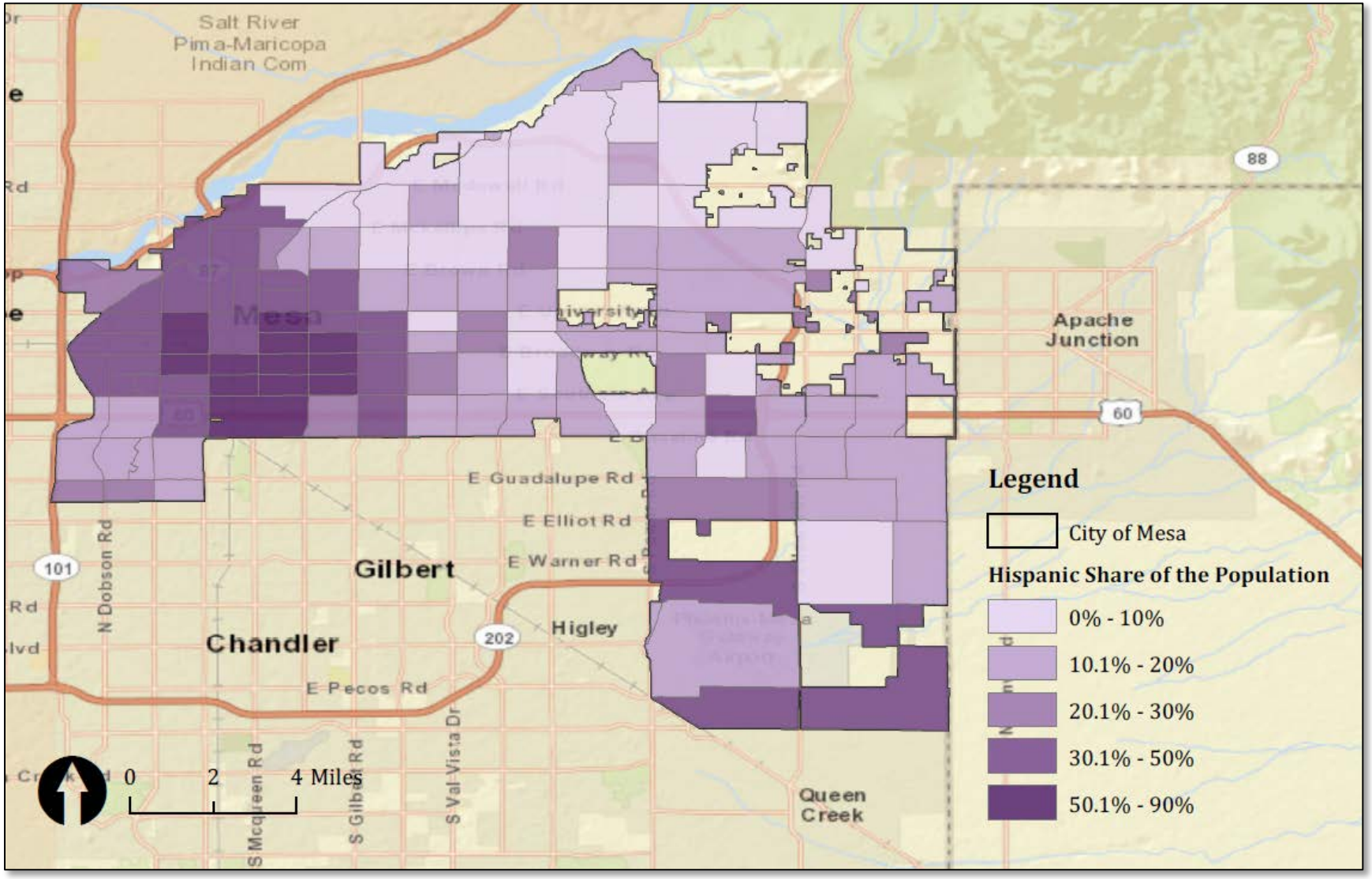
According to the 2008-2012 American Community Survey, 12.6% of Mesa residents were not native to the United States, on par with the national foreign born population rate of 12.8%. The largest share of foreign-born Mesa residents were from Latin America (67.8%), reflecting the large number of Hispanics who have migrated to the region. One-in-eight (12.6%) of non-U.S. natives were Asian and one-in-eleven (9.4%) were from other North American countries. Although a low share of the overall foreign-born population, the number of Mesa residents native to Africa more than doubled since 2000 to make up 2.0% of the total.

National Origin of Foreign Born Population in the City of Mesa

National Origin	2000		2008-2012		Percent Change
	Count	Share	Count	Share	
Europe	4,383	9.8%	4,106	7.3%	-6.3%
Asia	5,117	11.5%	7,036	12.6%	37.5%
Africa	432	1.0%	1,136	2.0%	163.0%
Oceania	350	0.8%	484	0.9%	38.3%
Americas	34,264	76.9%	43,137	77.2%	25.9%
Latin America	31,573	70.9%	37,891	67.8%	20.0%
Northern America	2,691	6.0%	5,246	9.4%	94.9%
Total Foreign Born Population	44,546	100.0%	55,899	100.0%	25.5%

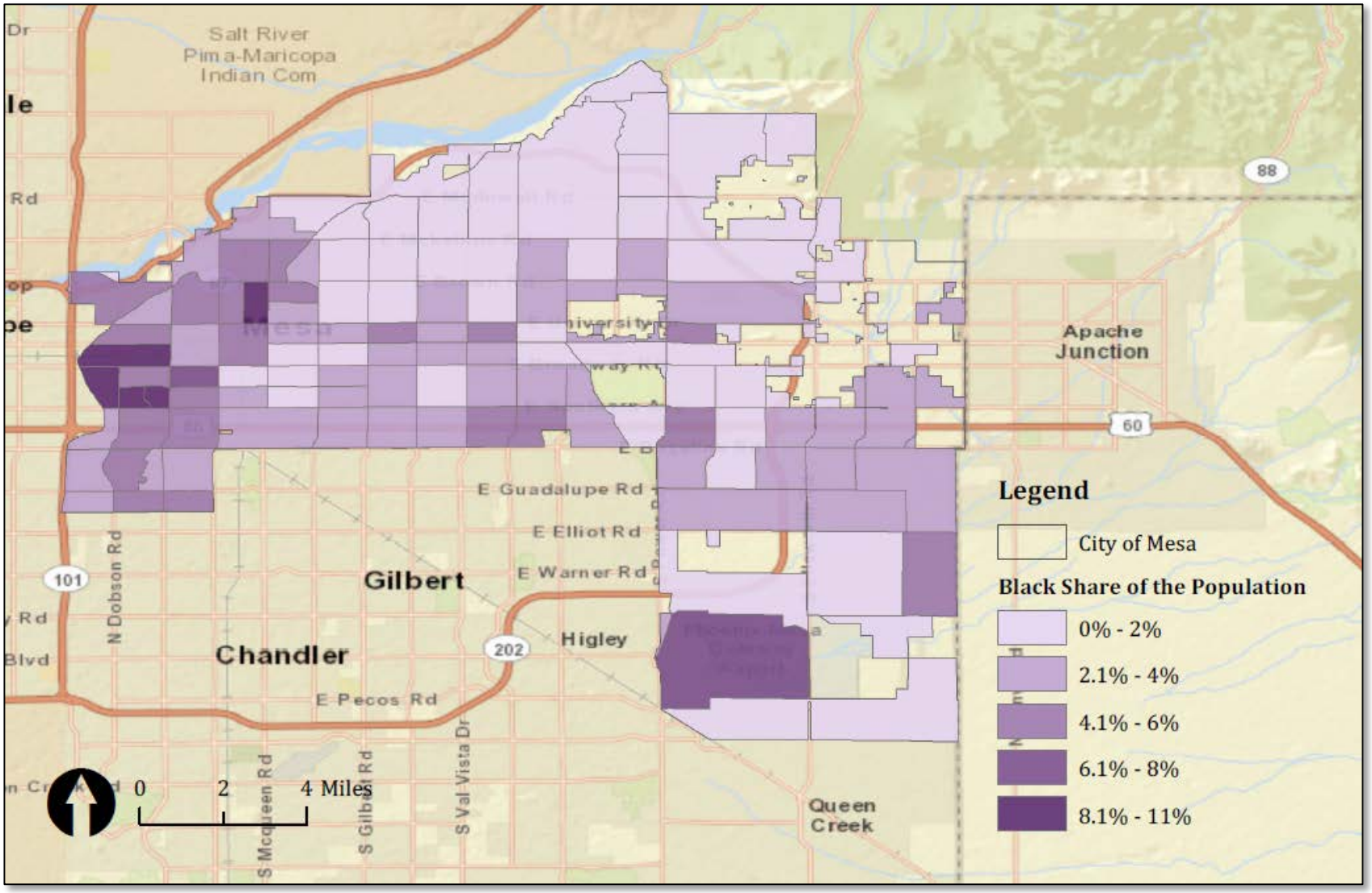
Sources: U.S. Census 2000 SF3 Table PCT019 and 2008-2012 5-Year American Community Survey Table B05006

Hispanic Share of the Population by Census Tract in the City of Mesa: 2010



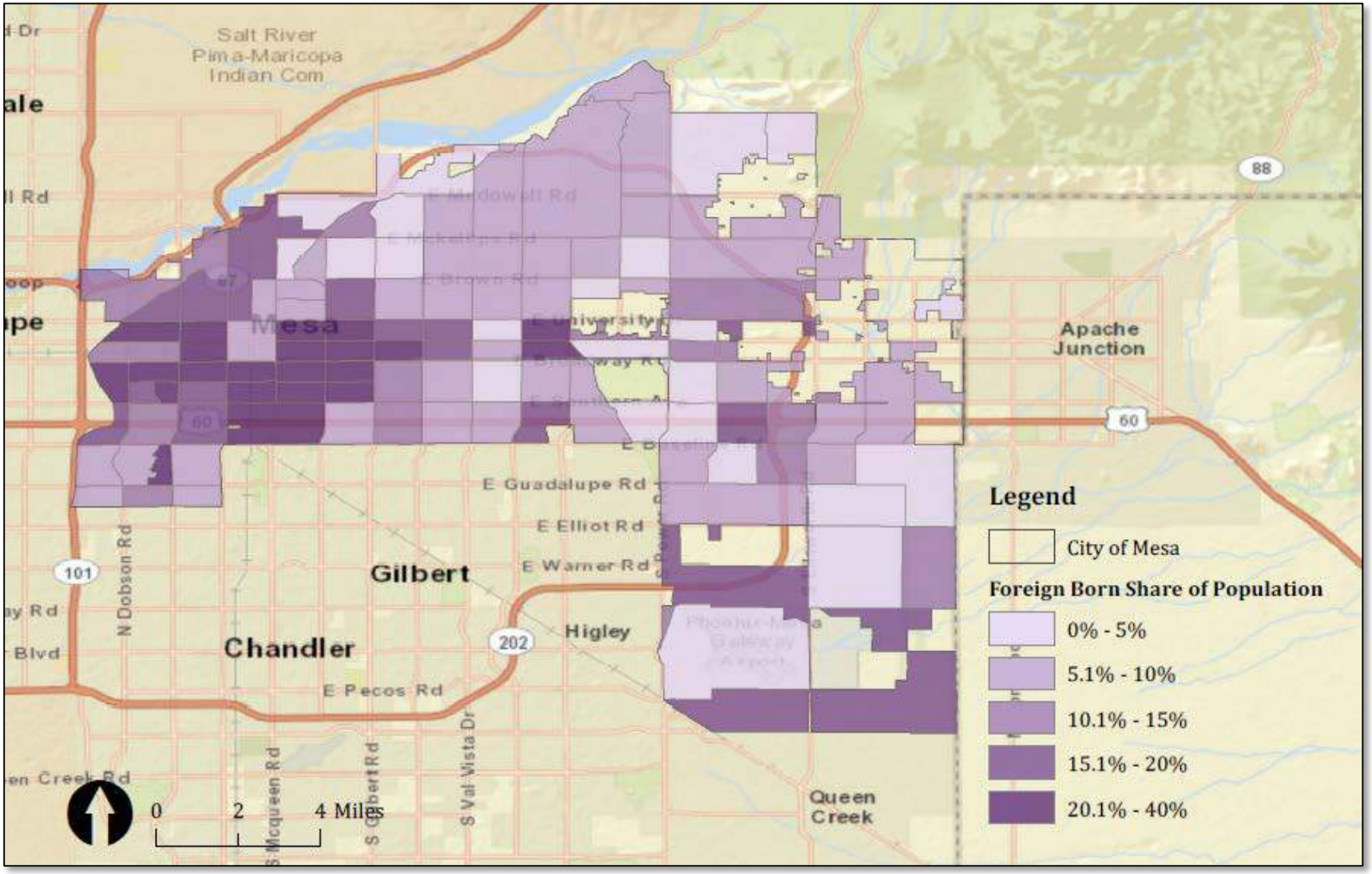
Source: U.S. Census 2010 SF1 Table P5

Black Share of the Population by Census Tract in the City of Mesa: 2010



Source: U.S. Census 2010 SF1 Table P5

Foreign-Born Share of the Population by Census Tract in the City of Mesa: 2008-2012



Source: 2008-2012 5-Year American Community Survey Table B05006

As the preceding map shows, highest concentrations of foreign born residents are in west Mesa, between Baseline Road and University Drive from Lindsay Road to the western city limit. Eighteen tracts in that area have a foreign born population share of 20% or more, and this area generally coincides with higher concentrations of Hispanic residents. Two other areas have a foreign born population of 20% or more – one tract just east of the Dobson Ranch Golf Course and two contiguous tracts bounded by Higley Road, Broadway Road, Greenfield Road and University Drive.

Familial Status & Householder Gender

As of the 2010 Census, there were 165,374 households in the City of Mesa, of which nearly two-thirds (65.8%) were families.[24]About half of families (or one-third of total households) included children. Nineteen percent of family households and 53.2% of non-family households had female householders, together totaling 50,841 female-headed households (or 30.7% of total households).

Familial Status and Sex of Householder in the City of Mesa

Household Type	2000		2010		2000-2010 % Change
	Count	Share	Count	Share	
Family Households					
Married couple householders	77,267	52.7%	78,469	47.4%	1.6%
With related children under 18	36,864	25.1%	34,937	21.1%	-5.2%
No related children under 18	40,403	27.6%	43,532	26.3%	7.7%
Male householder, no wife	7,041	4.8%	9,593	5.8%	36.2%
With related children under 18	4,437	3.0%	6,006	3.6%	35.4%
No related children under 18	2,604	1.8%	3,587	2.2%	37.7%
Female householder, no husband	15,548	10.6%	20,806	12.6%	33.8%
With related children under 18	11,002	7.5%	13,901	8.4%	26.3%
No related children under 18	4,546	3.1%	6,905	4.2%	51.9%
Nonfamily Households					
Female householders	21,971	15.0%	26,471	16.0%	20.5%
Male householders	24,816	16.9%	30,035	18.2%	21.0%
Total Households	146,643	100.0%	165,374	100.0%	12.8%
Total female householders	40,364	27.5%	50,841	30.7%	26.0%
Total households with children	52,303	35.7%	54,844	33.2%	4.9%

Sources: U.S. Census 2000 SF1 Tables P027 and P035 and 2010 SF1 Tables P29 and P39

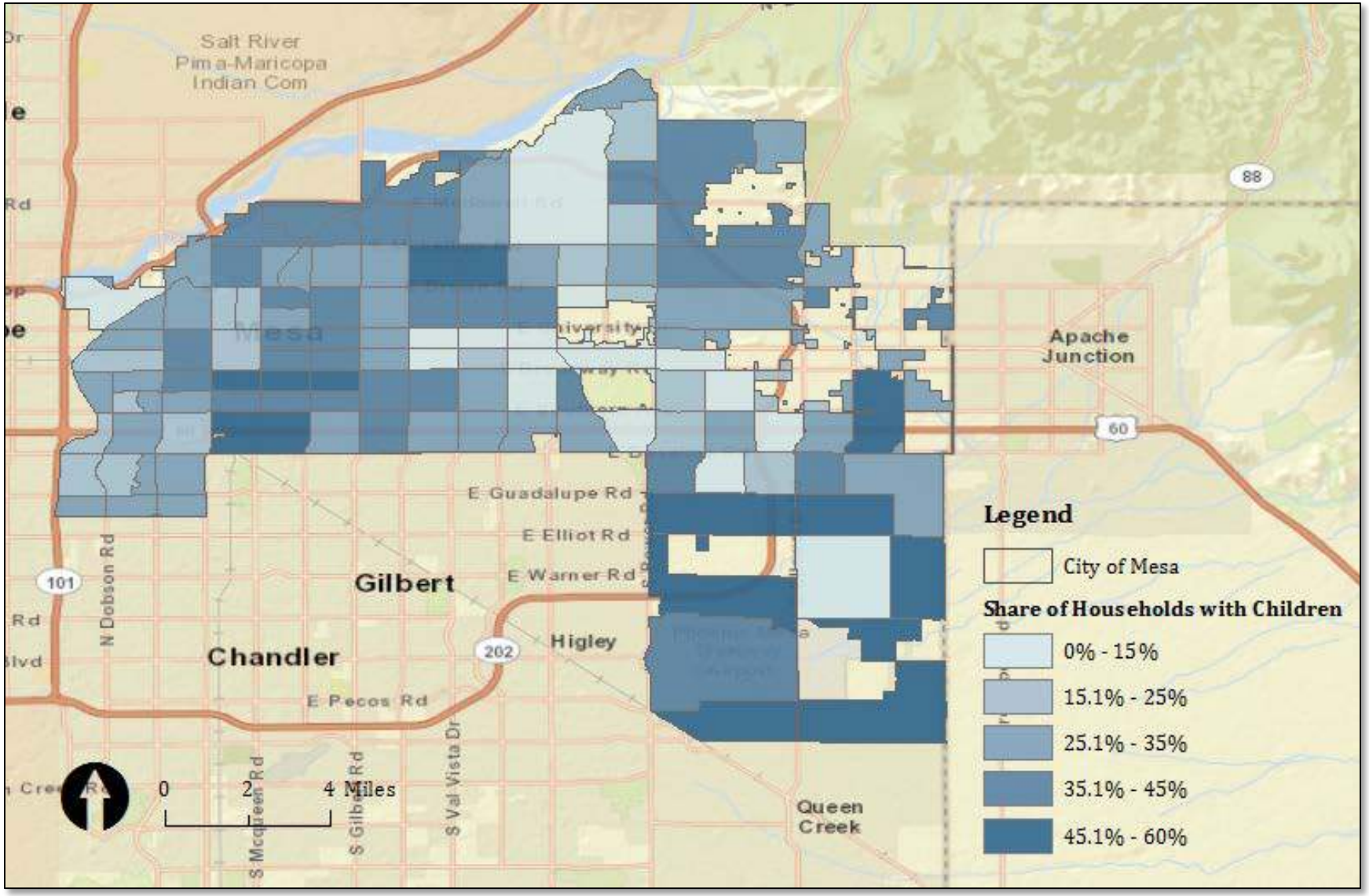
[24] The Census defines a family household as a household with two or more people (one of whom is the householder) related by birth, marriage, or adoption residing together. A family household also includes any unrelated people who may be residing with the family.

From 2000 to 2010, total households increased by 12.8%. Married couple households grew by only 1.6%, and the number of married couple households with children declined. All households with children grew by 4.9%, but declined as a share of total households. Highest growth rates were for female and male householders in family households without children (51.9% and 37.7%, respectively). Overall, trends in family type and householder sex indicate increasing diversity, along with slower growth rates for households with children.

The maps on the following pages identify concentrations of households with children and of female householders. The eleven tracts where 45% or more of households have children are scattered throughout the city, from tracts surrounding the airport and the General Motors Proving Ground in the south to tracts surrounding Heritage and Sherwood Parks closer to the city's west boundary.

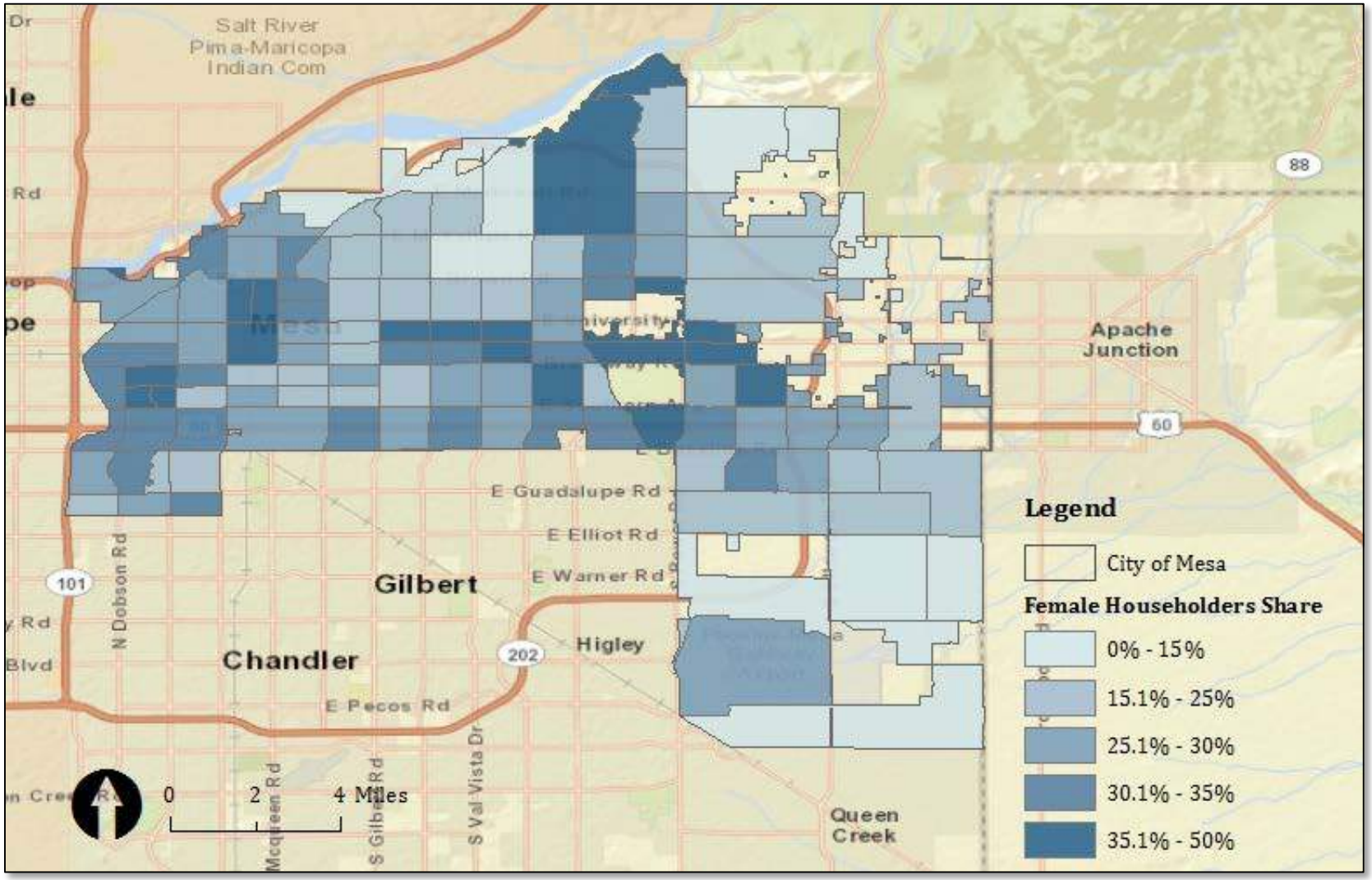
Tracts with high shares of female householders (35% or more) are also scattered, and include locations just north of Mesa Community College, north of Broadway Road to Fitch Park, along East Main Street from North Gilbert to North Greenfield Road, northwest of the US-60 and AZ-202 intersection, and surrounding the Longbow and Apache Wells golf courses. With the exception of the tracts north of Broadway, areas with high shares for female householders did not tend to be in high minority areas. None of the tracts with a high concentration of female householders also had a high concentration of households with children.

Share of Households with Children by Census Tract in the City of Mesa: 2010



Source: U.S. Census 2010 SF1 Table P39

Share of Female Householders by Census Tract in the City of Mesa: 2010



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

Disability

According to the most recent American Community Survey data (2008-2012), the City of Mesa had 48,843 disabled residents and an 11.0% disability rate for the general population, slightly below the national rate of disability of 12.0%. Disability rates varied considerably by age – 7.5% of Mesa residents under the age of 65 had a disability compared to 31.3% of those age 65 and older. Most common disabilities were ambulatory, cognitive, or self-care.

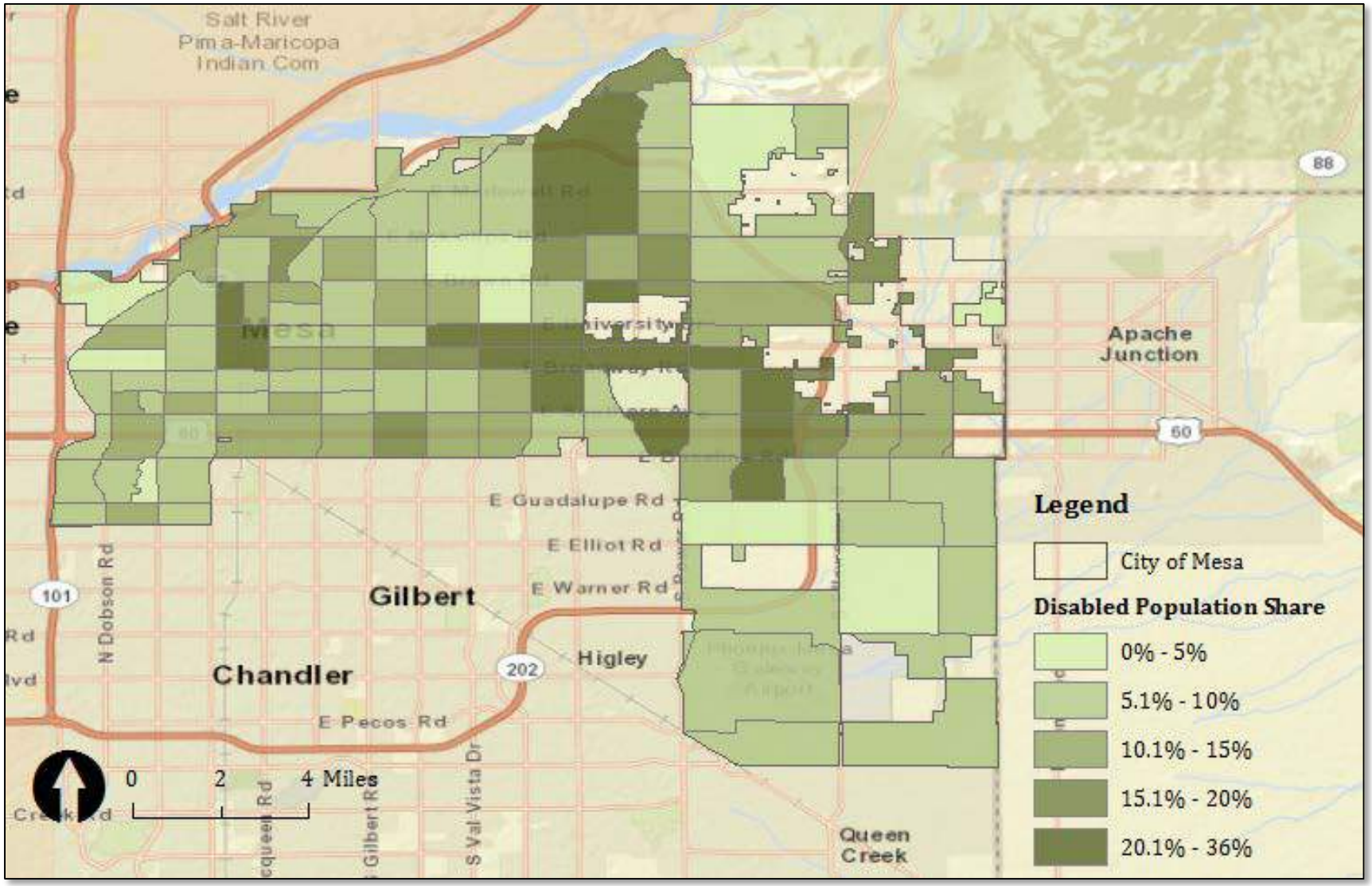
Disability Status of the Population in the City of Mesa, 2008-2012		
Disability Status	**Count**	**Share of Total**
Disability Status		
Total population	442,321	100.0%
With a disability	48,843	11.0%
Population under age 65	375,803	100.0%
With a disability	28,041	7.5%
Population over age 65	66,518	100.0%
With a disability	20,802	31.3%
Type of Disability[25]		
Population with a disability	48,843	100.0%
Hearing	14,749	30.2%
Vision	9,262	19.0%
Cognitive	17,578	36.0%
Ambulatory	25,939	53.1%
Self-care	9,770	20.0%
Independent living	16,105	33.0%

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

The map on the next page shows that the geographic distribution of the region's disabled population is relatively heaviest in the tracts that include Broadway Road from Lindsay Road to the eastern city limit and the tracts surrounding the Longbow and Apache Wells golf course in North Mesa.

[25] The U.S. Census defines a cognitive disability as a difficulty remembering, concentrating, or making decisions due to a physical, mental, or emotional problem. An ambulatory disability is a difficulty walking or climbing stairs. Self-care disabilities refer to difficulties bathing or dressing. An independent living disability is a difficulty doing alone due to a physical, mental, or emotional problem.

Share of Population with a Disability by Census Tract in the City of Mesa: 2008-2012



Source: 2008-2012 American Community Survey Table B18101

Segregation Analysis

The Segregation Analysis is intended to determine the degree to which Mesa residents are segregated by race and ethnicity, based on population counts from the 2000 and 2010 U.S. Censuses.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan[26] (1955) defined a "dissimilarity index" which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton[27] (1988) drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

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

Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, the City of

[26] Duncan, Otis D., and Beverly Duncan. 1955. "A Methodological Analysis of Segregation Indices." *American Sociological Review, Vol.* 20.
[27] Massey, Douglas, S. and Denton, N. A., 1988. "The Dimensions of Residential Segregation." *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

Mesa).[28] Evenness is not measured in an absolute sense, but is scaled relative to some other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). HUD identifies a DI value between 0.41 and 0.54 as a moderate level of segregation and 0.55 or above as a high level of segregation.

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

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region:[29]

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

where:

D = Dissimilarity Index

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Maj_i = Majority group population of census tract i

Maj_T = Majority group regional population

n = Total number of census tracts in the region.

[28] Study area census tracts are identified by HUD's Office of Policy Development & Research in data files provided to Sustainable Communities Regional Planning Grant program participants for use in preparing Fair Housing and Equity Assessments.

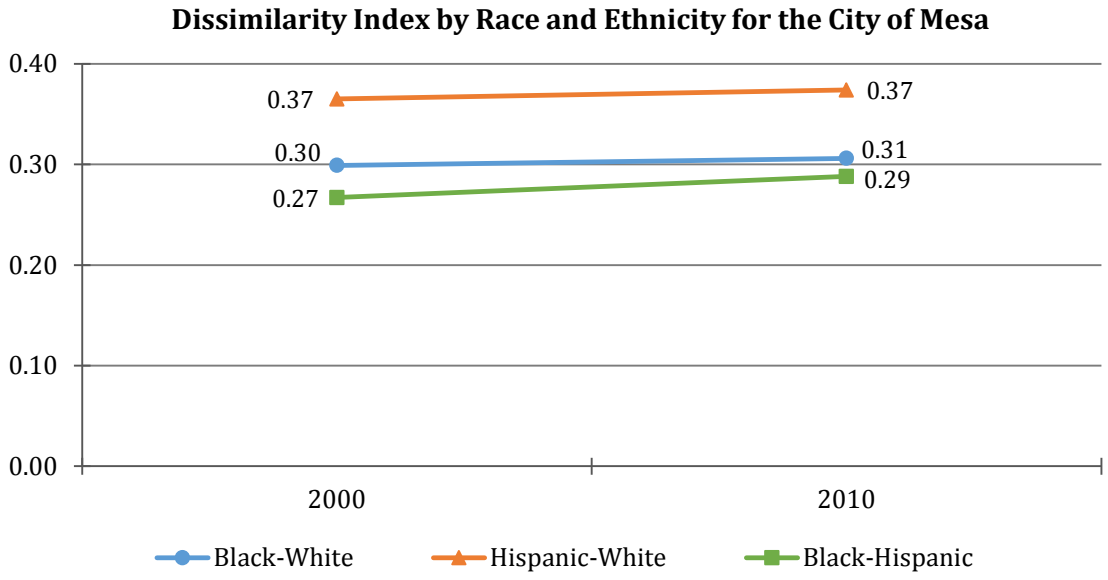
[29] Calculation after *Desegregation Court Cases and School Demographics Data*, Brown University, Providence, Rhode Island. Source: http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm.Accessed February 27, 2013.

The table below presents the results of these calculations between non-Hispanic Whites, non-Hispanic Blacks, and Hispanics in Mesa.[30] The graph that follows presents the same data in a visual format so that trends can be more readily identified.

Overall, the DI calculations show low levels of segregation in Mesa (DIs under 0.40) with little change from 2000 to 2010. As the table and graph on the following page show, segregation is highest between Hispanics and Whites at 0.37 in 2010. This figure can be interpreted as meaning that 37% of Hispanic residents, or 37% of White residents, would have to move census tracts for a totally even distribution, completely eliminating segregation between the two population groups. Segregation levels between Black and White residents and Black and Hispanic residents are lower, with DIs of 0.31 and 0.29, respectively. Both are up slightly since 2000.

Dissimilarity Index for the City of Mesa		
Group Exposure	**2000**	**2010**
Black-White	0.30	0.31
Hispanic-White	0.37	0.37
Hispanic-Black	0.27	0.29

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



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

While a distinction can be made between voluntary integration (lifestyle choice driven by social factors) and involuntary integration (housing choice driven by economic or other factors), it is impossible with the existing datasets to make a definitive finding between the two. However, it is likely that Blacks and Hispanics, with lower average incomes than other groups, found themselves in economic situations that left them little choice but to occupy, and compete for, the lowest cost housing options available to them.

Exposure Index

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

"Exposure measures the degree of potential contact between minority and majority group members" (Massey and Denton 1988). Exposure is a measure of the extent two groups share common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as the probability that a minority resident will come in contact with a majority resident, and ranges in value from 0.0 to 1.0, where higher values represent lower segregation.

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

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

can be written as:

where:

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

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Maj_i= Majority group population of census tract i

Tot_i = Total population of census tract i

n = Total number of census tracts in the region.

The EI is not "symmetrical" so the probability of a typical Black person meeting a White person in a tract is not the same as the probability of a typical White person meeting a Black person in that tract. An illustrative example of this asymmetry is to imagine a census tract with many White residents and a single Black resident. The Black person would see all White people, but the White residents would see only one Black person. Each would see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low segregation). If a minority is a small proportion of a region's population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.[31]

The "Exposure Index" table shows that in 2010 the typical probability of a Black person in Mesa interacting with a White person was 61%, while the probability of a White person interacting with a Black person was much lower at 3%. This probability can also be interpreted to mean that on average 61 of every 100 people a Black person met were White and 3 of every 100 people a White person met were Black. The low level of exposure to Black residents is not surprising given that they made up only 3.2% of Mesa's population as of 2010.

Exposure Index in the City of Mesa		
Interacting Groups	**2000**	**2010**
Black-White	0.69	0.61
White-Black	0.02	0.03
Hispanic-White	0.63	0.54
White-Hispanic	0.16	0.20
Black-Hispanic	0.22	0.27
Hispanic-Black	0.03	0.03

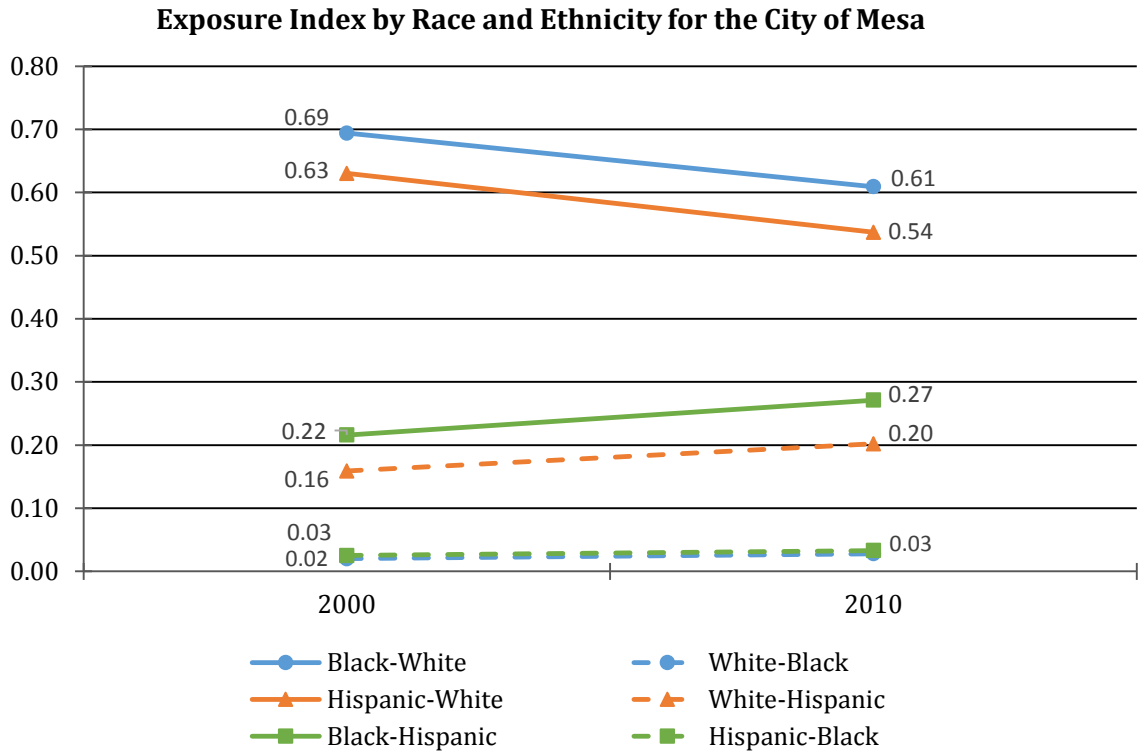
Sources: 2000 U.S. Census SF1 Table P008 and 2010 U.S. Census SF1 Table P5

For Hispanic Mesa residents, the typical probability of interacting with a White resident in their census tract was 54% in 2010, down from 63% in 2000. Exposure to Hispanics increased for both White and Black residents from 2000 to 2010, reflecting their growth as

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

a share of total population. In 2000, Whites had a 16% chance of interacting with a Hispanic resident in their census tract, growing to 20% by 2010. Exposure for Blacks was higher at 22% in 2000 and moving to 27% by 2010.

The following graph "Exposure Index by Race and Ethnicity" shows two downward sloping lines indicating a decline in exposure of each minority group (Black and Hispanic) to Whites. Exposure to Hispanics increased, while exposure to Blacks remained low and relatively constant over the ten year period.



Isolation Index

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

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

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

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

where:

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

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Tot_i = Total population of census tract i

n = Total number of census tracts in the region.

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

The Isolation Index values for Mesa (see the table and graph on the following pages) show Whites are moderately isolated, in effect segregated, from other racial and ethnic groups. In 2000, the average White resident lived in a tract that was 78% White, dropping to 71% by 2010.[32]

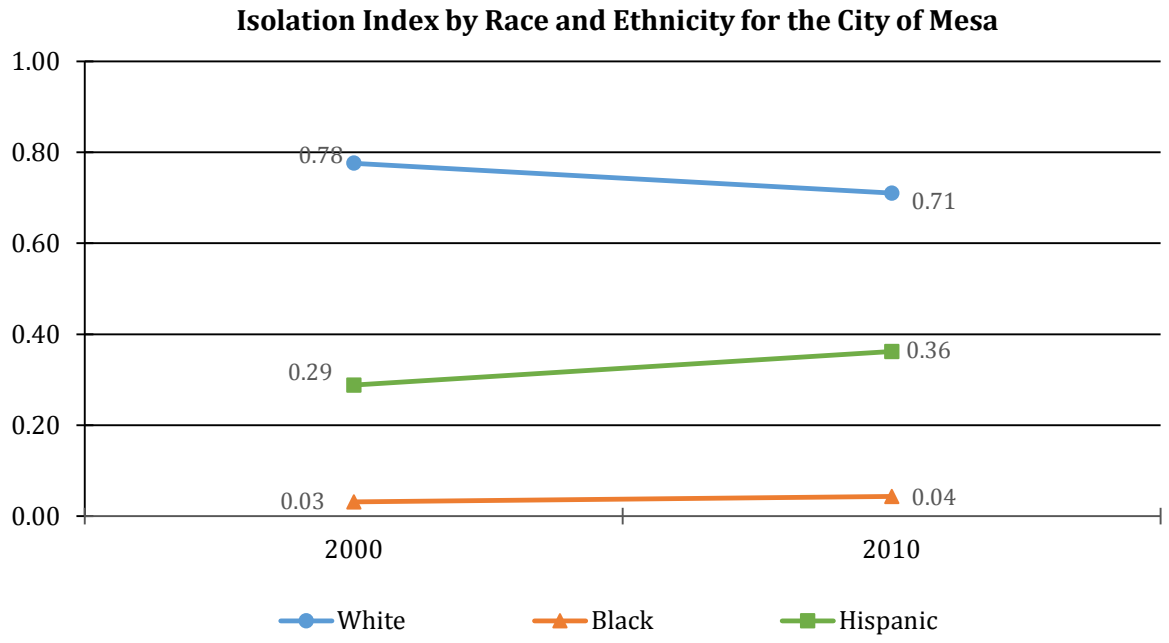
Isolation for Hispanics is lower, but showed an increase from an index value of 29% in 2000 to 36% in 2010. Hispanic population growth over that time period likely resulted in settlement patterns that created enclaves, even as it increased other population segments' exposure to Hispanics.

Isolation index values for Blacks are considerably smaller than those of Whites and Hispanics in both years, largely due to their relatively small share of the city's population.

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

Isolation Index for the City of Mesa		
Group	**2000**	**2010**
White	0.78	0.71
Black	0.03	0.04
Hispanic	0.29	0.36

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



Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a geographical area.[33] Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other, but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

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

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

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

where:

k = Number of groups

p_{ij}= Proportion of population of jth group in census tract i (= n_{ij}/n_i)

n_{ij}= Number of population of j^{th}group in tract i

n_i = Total population in tract i.

The higher the calculated value for h, the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm (ln) of the number of groups used in the calculations (Iceland 2004). The maximum score occurs when all groups have equal representation in the geographic area. In this case k = 4 (non-Hispanic Whites, non-Hispanic Blacks, and Hispanics) so the maximum value for h is ln(4) = 1.38. A tract with h = 1.10 would have equal proportions of all groups (high diversity) and a tract with h = 0.0 would contain only a single group (low diversity).

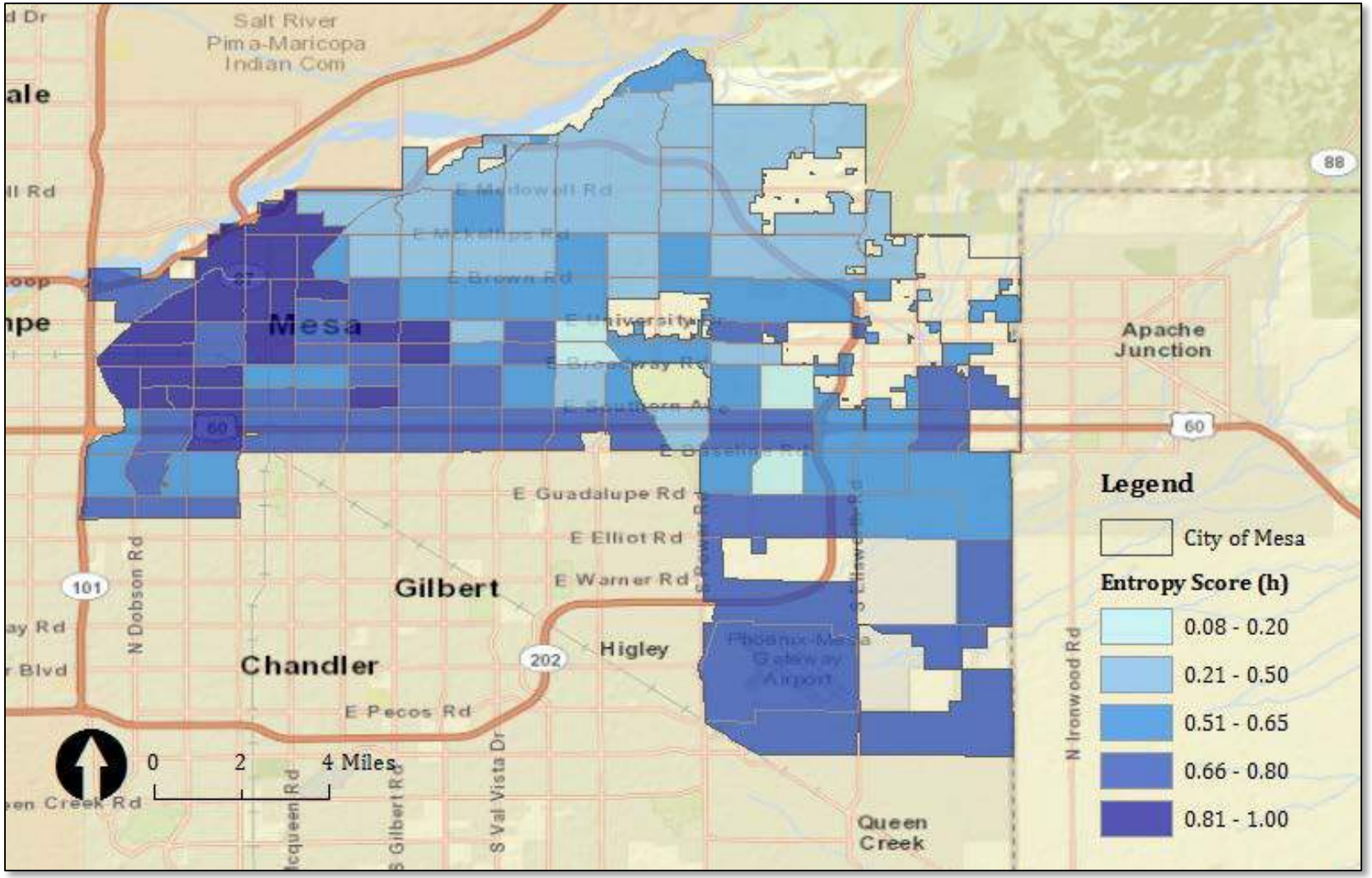
The Diversity Index map on the following page shows the results of the region-wide tract-level calculations of the Entropy Score as a measure of diversity in 2010. Visually, it can be seen that high diversity census tracts (those with highest h values) are in the western portion of the city, north of US-60 and west of Mesa Road.

Diversity was lowest in the part northern of Mesa, east of Stapley Drive and north of Brown Road.

The Entropy Score is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However, Entropy Scores, measures of tract-level diversity, can be used to calculate the Entropy Index[34] (EI) which measures the distribution of multi-group diversity across tracts and an entire region, which coincides with the largest concentration of Hispanic residents.

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

Diversity Index by Census Tract in the City of Mesa: 2010



Source: 2010 U.S. Census SF1 Table P5

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

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

where:

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

$\overline{H}$ = Average of the individual census tracts' values of h weighted by the population

H = Entropy Index for the region.

The EI ranges between H = 0.0 when all tracts have the same composition as the entire region (minimum segregation) to a maximum of H = 1.0 when all tracts contain one group only (maximum segregation).[35]Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

The below Entropy Index table gives the result of an entropy calculation for Mesa. Over the 2000-2010 decade the EI remained relatively constant, moving from 0.11 to 0.12. This method of entropy analysis indicates that across the major racial and ethnic groups (Whites, Blacks, and Hispanics), regional diversity changed little over the 2000 to 2010 period.

Entropy Index for the City of Mesa	
2000	**2010**
0.11	0.12

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

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

Public Investment & Infrastructure

Transportation

Public transportation plays an increasing role in the supply of affordable housing to groups in need and others protected under fair housing laws. The issue at hand regarding transportation and fair housing choice revolves around the ease with which a citizen can travel from home to work if he/she lives in a lower income area or an area of minority concentration. If public transportation from a lower cost neighborhood is inefficient in providing access to employment centers, that neighborhood becomes inaccessible to those without dependable means of transportation, particularly very low-income residents, the elderly, and persons with disabilities.

Public Transit Use for Workers 16 and older Commuting to Work					
	2008-2012 Census Estimates	**%**	**2000 Census**	**%**	**Percent Change from 2006-2009**
City of Mesa	3,661	1.9%	2,558	1.4%	43%

Source: 2008-2012 American Community Survey Estimates, http://factfinder2.census.gov/

Commuting in Mesa

Mesa offers an array of transportation services for local residents and individuals who may be commuting inside and outside of the City. The 2012 American Community Survey estimates that 1.9% of workers in the City of Mesa utilized public transit. Although a number of transportation modes exist, such as driving, carpooling, public transportation, biking and walking, the most common choice for commuting to work is driving alone. According to the 2012 ACS estimates, the percentage of workers using public transportation daily for access to work in the City has increased 43% since the 2000 Census.

As depicted in the following table, 76.2% of Mesa residents commute to work using a car, truck, or van and drove alone; 13.5% commute to work by carpooling; 1.9% commute to work by public transportation; 1.6% commute to work by walking; 2.6% commute by other means; and 4.3% of residents worked from home.

City of Mesa Means of Transportation to Work	
Public Transit Use for Workers 16 and older Commuting to Work	
Car, truck, or van -- drove alone	76.2%
Car, truck, or van -- carpooled	13.5%
Public transportation (excluding taxicab)	1.9%
Walked	1.6%
Other means	2.6%
Worked at home	4.3%

Source: 2008-2012 American Community Survey Estimates, http://factfinder2.census.gov/

Bus Services

Valley Metro operates the public transit system in Mesa where it provides transportation to the residents and workforce of Mesa, as well as the Greater Phoenix area. Valley Metro currently operates 24 bus routes in the Mesa area, which run seven days per week.
The following tables provide the Valley Metro rates and fares.

Valley Metro General Fares	
Adult	$2.00
Adult (Reduced Fare)	$1.00
Senior Citizen/Disabled	$1.00
Child (Ages 6-18)	$1.00
Dial-A-Ride	$4.00
Child (Taller than fare box in arms)	Free

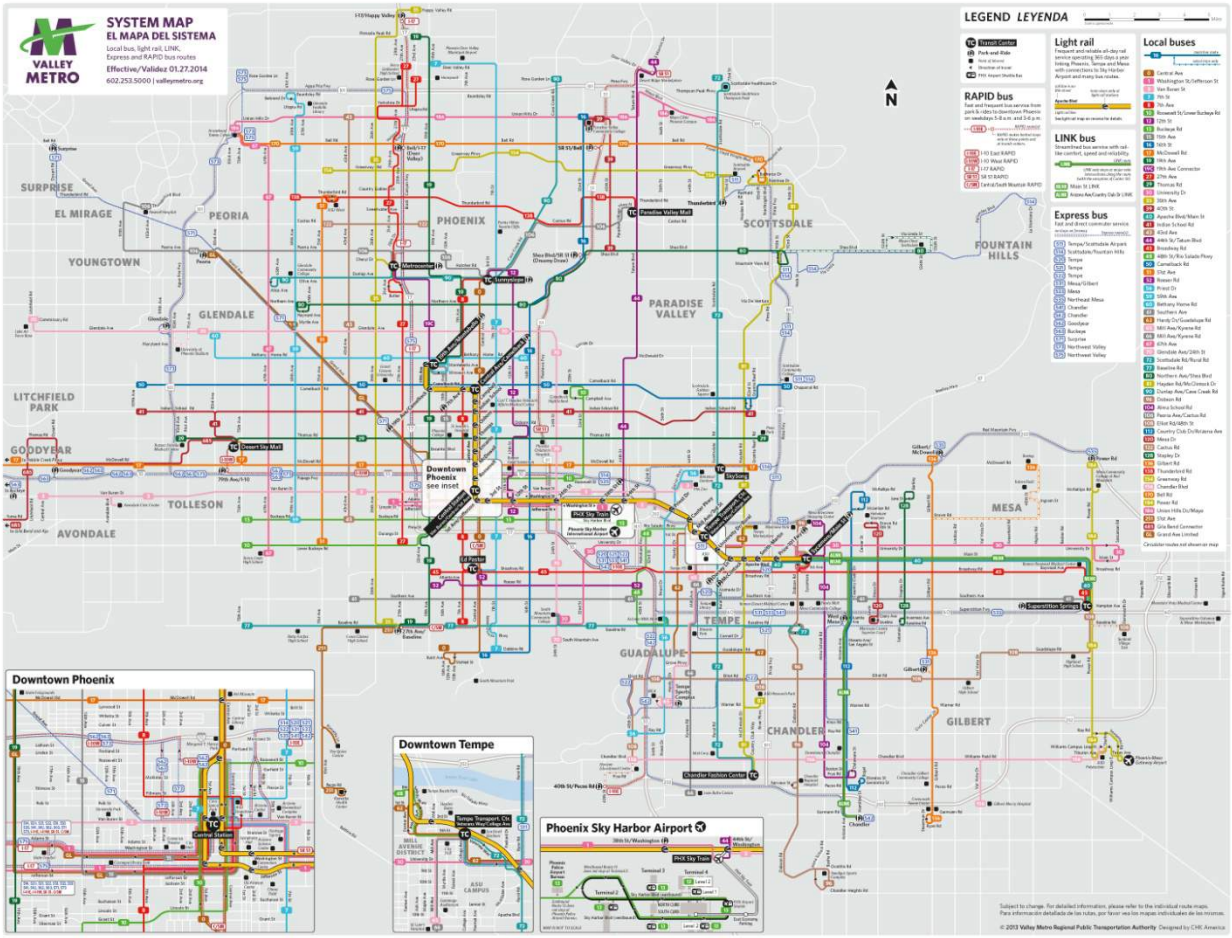
Valley Metro Tickets/Passes			
	Adult	**Reduced Fare**	**Student**
Student Trip Card (ASU- U Card Per Year)	N/A	N/A	$200.00
Semester Pass (Spring, Fall)	N/A	N/A	$230.00
Semester Pass (Summer)	N/A	N/A	$154.00
Unlimited 7- Day Ride	$20.00	$10.00	N/A
Unlimited 15-Day Ride	$33.00	$16.50	N/A
Unlimited 31-Day Ride	$64.00	$32.00	

Source: Mesa Valley Metro Fares, http://www.valleymetro.org/paying_your_fare/fare_options/

Valley Metro offers a variety of bus and light rail options for travel in Mesa. The routes include local service and uptown express limited stops. As shown in Figure 12.1, these routes are disbursed through the Mesa area and consistently serve all sectors of the City. Several routes connect these areas and link to key sites such as employment centers, major shopping districts, and central business and employment districts.

Valley Metro provides ADA Dial-A-Ride Services to eligible persons with disabilities who are, because of their disability, unable to board, ride or disembark from an accessible vehicle in Valley Metro's light rail and bus service. Wheelchair lifts are available on all buses and all paratransit vehicles are available for persons with disabilities.

Valley Metro System Map



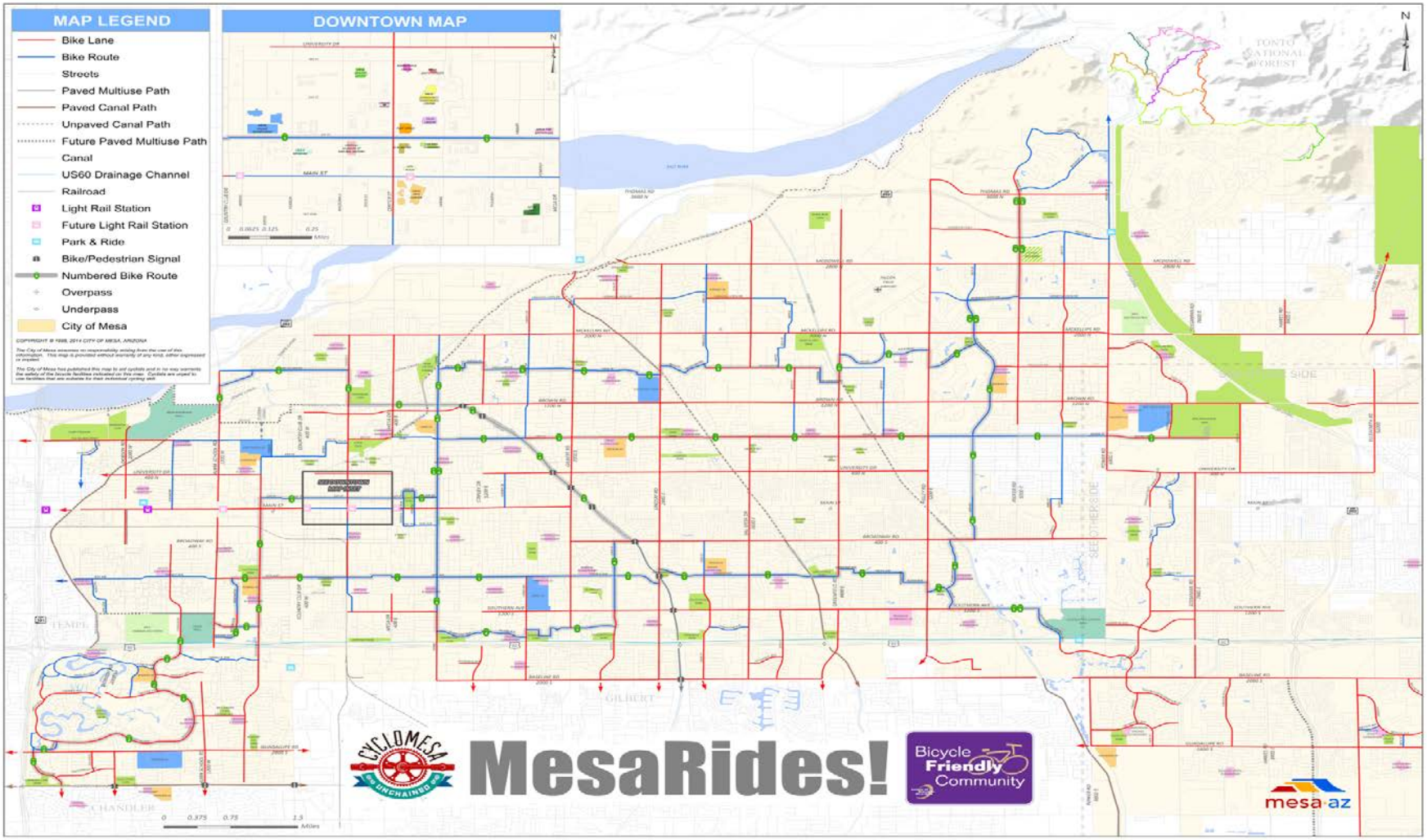
Source: Valley Metro System Map: http://www.valleymetro.org/images/uploads/sysmap_011414.pdf

In 2013, the Valley Metro system 73,409,805 boardings occurred throughout the system. Out of these total riders, 9.37%, or 6,877,934, took place within Mesa and generated 10.13% of the revenue miles that were generated through the system.

Valley Metro Mesa Annual Ridership for 2013		
Category	**Number**	**% of Total Valley Metro**
Total Annual Boardings (Mesa)	6,877,934	9.4%
Revenue Miles	3,111,283	10.1%
Boardings Per Mile	2.2	-

Source: Valley Metro 2013 Annual Report: http://www.valleymetro.org/images/uploads/ridership_reports/Copy_of_FY_2013_Valley_Metro_Annual_Ridership_Report.pdf

Mesa Bicycle and Pedestrian Map



Source: Mesa Bike and Pedestrian Map, http://www.mesaaz.gov/transportation/pdf/bikemap.pdf

Roads

The City encompasses several major roadways for commuting in and around both Mesa and the Valley area as a whole. The City of Mesa's Transportation Department maintains all public roadways and continuously monitors road conditions.

Major thoroughfares in Mesa include:

- Highway 60 "Superstition Highway"
- Highway 202 "Red Mountain Freeway"
- Highway 101 "Price Freeway"
- South Alma School Road
- Main Street
- Rio Salado
- University Drive
- Baseline Road
- Southern Avenue
- Broadway Road
- McKellips Road
- Gilbert Road.

While there are no interstates that directly cross through the boundaries of Mesa, the highways mentioned above are part of a freeway network that allows residents and workers to move through the City in several facets. The City has several major roads that provides commuters with access to the Valley Metro and light rail area and many other areas in the City (such as the roads listed above).

Education

A city's public school system plays a vital role in furthering fair housing choice as it relates to residents having a sound education and basic knowledge regarding their personal rights and protections when it comes to finding a home. A good education allows children the opportunity to gain the basic knowledge and life skills that they will need in order to succeed through school and once they enter adulthood. The basic skills that children pick up in their primary education create a foundation for them understanding more complex laws and

procedures like signing a lease on their first apartment or a contract on their first home that they experience with age. It is also very important that children are provided with equal access to a quality education. The test scores, high school dropout rates, and graduation rates of a school system reflect the education level of residents living in the jurisdiction. If lower income or minority residents are highly concentrated in certain schools while other schools in the district have low numbers of diversity then there is potential for inequality of educational services being provided. Jurisdictions must be vigilant in making sure that all children in the community are provided with a fair chance to receive a quality public education.

The Mesa Unified Public School System is the largest in the state of Arizona and the 44th largest school system in the U.S.[36] It is also the second top employer for the city with over 8,700 employees.[37] Similar to other large metropolitan cities, Mesa has its own public school system that is a separate entity from school systems established in Phoenix, Glendale, and other neighboring communities located in the Phoenix-Metropolitan area. Each school system has its own board of education and superintendent. For the purpose of this analysis, the city's unified school system will be compared to the Phoenix, Tempe, and Scottsdale School Districts as well as overall state reported averages in terms of performance.

Arizona's school performance scale, known as Arizona's Instrument to Measure Standards (AIMS) tracks yearly progress and achievement toward annual goals set by the state. These annual goals are based on factors such as test scores, student performance, graduation rates, dropout rates, past year performance, and annual improvements. The table below displays the student population numbers (K-12) for the Mesa Unified Public School District as well as their AIMS score and graduation rates in comparison to the Phoenix, Tempe, and Scottsdale Unified School Districts. The state of Arizona's College and Career Ready Standards (AZCCRS) was implemented during the 2013-2014 school year and should be used in future assessments as the scale for educational performance.

Mesa Unified School District Population and Performance

School District	Student Population	AIMS Score	State Rank	Graduation Rate	Dropout Rate
Mesa Unified District (K-12)	67,679	B	195	87%	3%

[36] Mesa Education Summary (2010). http://www.mesaaz.gov/economic/
[37] USA, MAG Employer Database, City of Mesa, Phoenix Business Journal, December 2013

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

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

The City of Mesa School System has the highest enrollment in the state of Arizona at 67,679 students from Kindergarten to 12th grade and is ranked 195 out of 489 school districts and school systems by the Arizona Department of Education. Compared to other schools districts located in the Phoenix-Metropolitan area, the Phoenix school system has less than half of Mesa's enrollment with 33,338 students, Tempe at 25,840 and Scottsdale following closely with 25,762 students. Mesa scored a B on the AIMS which is lower than Scottsdale Unified score of A, but a higher score than Phoenix who received a C. Tempe high schools received an A while their elementary schools scored an A. Even with large enrollment numbers that double the size of the Phoenix School District, Mesa manages to maintain an 87% graduation rate according the 2008-2012 ACS. The Mesa Public School system has been named number 1 out of the 50 largest cities in the nation by America's Promise Alliance for maintaining high graduation rates among a large student enrollment. The Mesa City School District has 67 elementary schools, 11 junior high schools and 6 comprehensive high schools. In addition, 11 alternative schools offer non-traditional curriculum classes for students that require advanced preparatory courses, small classroom or home school environments, computer-based online learning courses, or curriculum for students that require special needs or behavior monitoring. A total of nine schools in the Mesa Unified District qualified for Title I funding in 2013. The seven elementary schools are Johnson Elementary, O'Connor Elementary, Bush Elementary, Entz Elementary, Highland Elementary, Mendoza Elementary, and Sousa Elementary. The two junior high schools that qualified were Fremont Junior High and Shepherd Junior High.[38] A Title I school is defined as a school that meets criteria to

[38] Arizona Department of Education.2013 Reward Schools. http://www.azed.gov/no-child-left-behind/title-i/

receive federal funds due to having a high percentage of low-income students who are at risk of not meeting the state academic standards.

Mesa School District & State of Arizona Student Demographics

Student Demographics									
	White	**African American**	**Asian**	**Native American**	**Hispanic**	**Other**	**Graduation Rate**	**Drop out Rate**	**Economically Disadvantaged**
Mesa Unified School District (K-12)	47%	4%	2%	4%	41%	2%	87%	3%	55%
State of Arizona (K-12)	40.5%	5%	3%	5%	44%	2.5%	85.4%	3.5%	45%

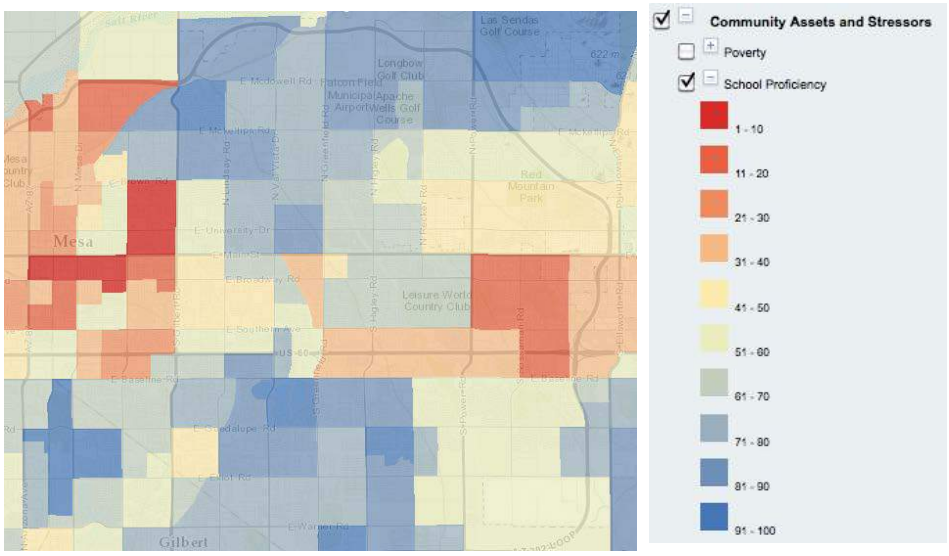
Source: 2008-2012 American Community Survey 5- Year Estimates, www.census.gov.
Mesa Public School Demographics. Mesa Public Schools.
http://www.mpsaz.org/research/parents/demographics/
Arizona Department of Education. October 2013 Enrollment. http://www.azed.gov/

The above table displays a breakdown of the Mesa Unified School District demographics compared to those of the overall State of Arizona. This data suggests that there are no large demographic differences present in Mesa Public School System than numbers that you would find on average in other state school districts. The largest demographic difference present between the Mesa School District and the State of Arizona is that Mesa Public Schools has a 6.5% higher concentration of white students (47%) in their total enrollment than the overall state of Arizona (40.5%). Mesa Public Schools also has an estimated 1% less in demographic concentration of African-Americans, Asians, and Native Americans. Lastly, Mesa Public Schools have 3% less Hispanic or Latino student enrollment at 41% than the total state percentage of Hispanic or Latino students at 44%.

While the 2008-2012 American Community Survey reported higher graduation rates for both Scottsdale and Tempe at 95.7% and 90.7% respectively, the City of Mesa reported a graduation rate at 87%, which is just over 1.5 percentage points higher than the overall graduation rate for the state of Arizona. In a similar manner, Mesa also reported slightly higher dropout rates compared to Scottsdale and Tempe School Districts but almost a 2 percentage point lower dropout rate than the Phoenix Unified District which is the next largest in enrollment included in this study. Mesa also had a lower dropout rate than the overall state of Arizona dropout rate. The Mesa Unified School District reported a higher percentage of economically disadvantaged students (55%) than the cumulative state percentage at 45%. At a 10 percentage point difference, this means that the Mesa School

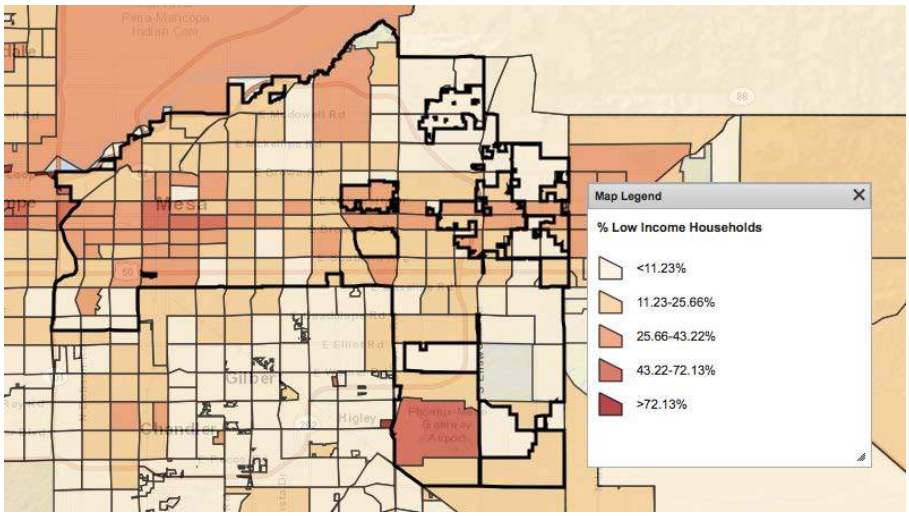
District has a higher number of students per capita that may be considered low-income. An economically disadvantaged student is defined as a student who is a member of a household that meets income eligibility guidelines for free or reduced-priced meals (less than or equal to 185% of Federal Poverty Guidelines) under the National School Lunch Program. The population of economically disadvantaged students is also a factor in determining whether a school may qualify as Title I.

School Proficiency



Source: U.S. Department of Housing & Urban Development, AFFH GIS Tool. http://egis.hud.gov/affht_pt/

Low Income Households



Source: U.S. Department of Housing & Urban Development, CPD Mapping Tool. % Low Income Households. http://egis.hud.gov/cpdmaps/#

Comparing the preceding maps, suggests that there is a higher concentration of schools that scored higher in proficiency ratings (71-100) located in the Northern part of Mesa where low-income households range from <11.23% - 43.22% per census tract. These figures also suggest that there is a higher volume of schools in the Western part of the City of Mesa which scored lower in proficiency ratings (1-60) where low-income households range from 11.23% - 72.13% per census tract. This suggests that some low-income students may not be receiving a quality education that they could receive in other parts of the city.

Land Use & Zoning

The use of a particular piece of property has consequences not only for the occupants of that property, but affects a myriad of other issues and properties as well. For example, a decision to use a parcel of land for development of a shopping mall (a land use decision) will alter the values and uses of surrounding property. The same decision also may impact traffic patterns or increase environmental concerns by increasing impervious areas and runoff. For this reason, "(t)he land-use decisions made by a community shape its very character – what it's like to walk through, what it's like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive or an ugly one." [39] By extension, decisions regarding land use and zoning have direct and profound impacts on affordable housing and fair housing choice, as will be discussed within this section.

From a regulatory standpoint, local government measures to control land use through zoning often define the scope and density of housing resources available to residents, developers, and other organizations within certain areas. Examples of zoning provisions that most commonly result in impediments to fair housing choice include the following:

- Restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, or that require large lot sizes that deter affordable housing development.
- Restrictive definitions of "family" that impede unrelated individuals from sharing a dwelling unit.
- Placing administrative and siting constraints on group homes for persons with disabilities.

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

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the Mesa Zoning Ordinance, as amended through March 8, 2012, was reviewed and evaluated against a list of 18 common fair housing issues. The ordinance was assigned a risk score of either 1, 2, or 3 for each issue and was then given an aggregate score calculated by averaging the individual scores, with the possible scores defined as follows:

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

1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice;
2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread;
3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice.

The following chart lists the 18 issues reviewed and Mesa's score for each issue. A complete report, including citations to relevant code sections and explanatory comments, is included as an appendix to this document.

Zoning Code Risk Scores	
ISSUE	**RISK SCORE**
1. Does the jurisdiction's definition of "family" have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?	1
2. Does the definition of family discriminate against unrelated individuals with disabilities (or members of any other protected class) who reside together in a congregate or group living arrangement?	1
3a. Does the zoning ordinance require a use permit to locate housing for individuals with disabilities in certain residential districts? 3b. Is housing for individuals with disabilities allowed as of right only in a few residential zones?	1
4. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services?	1
5. Does the jurisdiction's policies, regulations, and/or zoning ordinance allow persons with disabilities to make reasonable modifications or provide reasonable accommodation to specific zoning or regulatory requirements?	2
6a. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? 6b. Is the hearing only for applicants with disabilities rather than for all applicants?	2
7. Does the ordinance impose spacing or dispersion requirements on certain housing types, creating a disparate impact on certain populations?	2

8a. Are there any restrictions for Senior Housing in the zoning ordinance? 8b.If yes, do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people)?	2
9. Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a special or conditional use permit?	2
10. Does the jurisdiction restrict any inherently residential uses (such as shelters or residential treatment facilities) only to non-residential zones?	2
11. Does the ordinance include residential zones with high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights, effectively preventing affordable or multi-family housing?	1
12. Are unreasonable restrictions placed on the construction, rental, or occupancy of accessory structures (i.e. carriage house, guest house, basement unit) within residential districts?	1
13a. Does the ordinance fail to provide zones where multi-family housing is permitted as of right? 13b. Do multi-family districts restrict development only to low-density housing types?	1
14. Does the ordinance unreasonably restrict the siting of mobile, manufactured, and modular homes	1
15a. Is the process by which a use permit (CUP, SUP, SLUP) is obtained unreasonably lengthy, complex and costly, effectively discouraging applicants? 15b. Is there a clear procedure by which denials may be appealed?	1
16. Does the zoning ordinance include an inclusionary zoning provision?	2
17. Does the zoning ordinance include a discussion of fair housing?	1
18a. Do the jurisdiction's codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? 18b. Are the jurisdiction's accessibility standards (as contained in the zoning ordinance or building code) congruent with the requirements of the Fair Housing Act? 18c. Is there any provision for monitoring compliance?	1

Aggregate Risk Score	**1.39**

Mesa's total risk score (calculated by taking the average of the 18 individual issue scores) is **1.39**, indicating that overall there is low risk of Mesa's Zoning Ordinance contributing to discriminatory housing treatment or impeding fair housing choice. In most cases, Mesa's Zoning Ordinance is reasonably permissive and allows for flexibility as to the most common fair housing issues. Remarkably, Mesa did not receive a "3" (high risk) score on any of the 18 issues evaluated. However, the City received a "2" (medium risk) score on certain issues where the Zoning Ordinance still has the potential to negatively impact fair housing and improvements to the rules and policies could be made to more fully protect the fair housing rights of its residents.

The following table provides a comprehensive list of Mesa's residential zoning districts as established and regulated through the code:

Established Residential Zoning Districts By Type	
RS-6, 7, 9, 15, 35, 43, and 90	Residential Single Dwelling Districts 6, 7, 9, 15, 35, 43, and 90
RSL-2.5, 3, and 4	Residential Small Lot Single Dwelling Districts 2.5, 3, and 4
RM-2, 3, 4, and 5	Residential Multiple Dwelling Districts 2, 3, 4, and 5

In general the zoning ordinance's lot and building requirements would not unreasonably impact the feasibility of developing affordable housing in the three residential districts (Issue # 11 and 13). The Zoning Ordinance and Map break the three primarily residential districts into sub-districts with differing development standards, but provide for lot sizes and densities that could accommodate affordable housing somewhere in each main district. For example, in the RS district, minimum lot sizes range from 90,000 sq. ft. to 6,000 sq. ft. The minimum lot size in the RSL district is 4,500 sq. ft. for subdivisions and 4,000 sq. ft. for individual lots. The minimum lot area may be reduced with Site Plan Review and approval if

at least a minimum number of design elements are provided based on the average lot size in the subdivision. In the RM district, the minimum lot size per unit ranges from 2,900 to 1,000 sq. ft. A reduced lot size may be approved with a PAD overlay. In the RM district, the maximum density ranges from 15 u/a to 43 u/a. The maximum height ranges from 30 ft. to 50 ft. Multifamily housing also is permitted by right in two of the three Downtown Residential (DR) districts, with maximum densities of 12 u/a in DR-2 and 40 u/a in DR-3, and in the NC, LC, GC, and MX districts for density ranges between a minimum 15 du/ac to a maximum 25 du/ac.

As is common among municipal zoning codes, in Mesa "use classifications not listed are prohibited." (*See* Section 11-4-2.) Therefore, it is important that the ordinance address specific housing types for persons with disabilities and other protected classes. Often one of the most scrutinized provisions of a municipality's zoning code is its definition of "family". Ideally, the definition does not unreasonably restrict the number of unrelated individuals permitted to live together in a single dwelling. Mesa's Zoning Ordinance does not expressly define "family" at all and does not expressly limit the number of unrelated persons residing together in permanent (as opposed to transient) housing for housing types that are excluded from regulation under the County Health Department's definition of boarding home. The ordinance's definition of "boarding house" expressly excludes "group homes for the handicapped" and dwellings occupied by persons living together "as a single housekeeping unit."

The ordinance protects the siting of housing for persons with disabilities by permitting as of right group homes of up to ten residents in each of the three primarily residential districts, in the Mixed Use district, and in the three Downtown Residential districts. (State regulations limit the number of residents per facility to six.) Based on interviews with stakeholders, providers of non-profit group homes in Mesa have a positive view of the City's zoning laws in terms of the treatment of housing for persons with disabilities, and on these issues (Issue #1 – 4), Mesa scored a "1" (low risk).

Mesa's Zoning Ordinance also received a "1" (low risk) score for its regulation of the siting of mobile, manufactured, and modular homes (Issue #14), potentially important sources of affordable housing. The "single residence" classification expressly includes individual manufactured housing units and individual recreational vehicles when used as residences in RV parks and subdivisions, and single residences are permitted by right in all three residential districts. Manufactured Home Parks are permitted by right in the RSL and RM districts, except that in the RM-4 district only with approval of a Planned Area Development. Manufactured Home Subdivisions are permitted by right in each of the three residential districts, but each requires a Planned Area Development Overlay.

Mesa has adopted a Fair Housing policy as part of Title 6 (Police Regulations) of the City Code, recognizing that "it is among the civil rights of the people of the City to be free from discrimination in the occupancy and provision of housing. Accordingly, it shall be contrary to the policy of the City and unlawful to discriminate against individuals or families because of race, color, sex, religion, ancestry, national origin, familial status, or handicap in the purchase, lease, rental, exchange, advertising, display, promotion, or financing of housing within the City." (Mesa City Code § 6-14-1.) While the foregoing is a picture of the City's strengths in terms of how its code protects fair housing choice, the following analysis illustrates concrete actions the City could make in terms of its zoning and land use regulations to uphold its declared commitment to furthering fair housing for all of its citizens. These issues highlighted below show where the Zoning Ordinance could go further to protect fair housing choice and still fulfill the City's objective of protecting the public's health, safety, and general welfare.

One area for improvement would be for Mesa to adopt a reasonable accommodation ordinance for making requests for reasonable accommodation/modification in land use, zoning and building regulations, policies, practices and procedures (Issue #5 & 6). Federal and state fair housing laws require that municipalities provide individuals with disabilities or developers of housing for people with disabilities flexibility in the application of land use and zoning and building regulations, practices and procedures or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. Currently, the City's code does not provide a clear and objective process by which persons with disabilities may request a reasonable accommodation to zoning, land use, and other regulatory requirements. Often cities and counties handle the mandate to provide a reasonable accommodation through their variance or conditional use permit procedures. However, the purpose of a variance is not congruent with the purpose of requesting a reasonable accommodation. To obtain a variance, an applicant must show special circumstances or conditions applying to the land, building, or use that are preexisting and not owing to the applicant. In contrast, a reasonable accommodation is to allow individuals with disabilities to have equal access to use and enjoy housing. The jurisdiction does not comply with its duty to provide reasonable accommodation if it applies a standard based on the physical characteristics of the property rather than considering the need for modification based on the disabilities of the residents of the housing. Furthermore, the variance and conditional use permit procedures often subject the applicant to the public hearing process where there is the potential that community opposition based on stereotypical assumptions about people with disabilities may impact the outcome. Adopting a reasonable accommodation ordinance is one specific way to address barriers in land use and zoning procedures and would help Mesa more fully comply with the intent and purpose of fair housing laws.

There also is potential risk of fair housing discrimination under Issue #7. Mesa's Zoning Ordinance requires a separation between group homes for the handicapped (GHH) of 1200-feet or by the presence of significant intervening physical features between an existing GHH and the proposed GHH, such as arterial streets, canals, parks, or similar buffering features or developments. (*See* Section 11-31-14(A)(4).) Spacing requirements are generally inconsistent with the FHA, unless the jurisdiction could make a showing that the ordinance was passed to protect a compelling governmental interest (e.g. over-concentration of GHH's could adversely affect individuals with disabilities and would be inconsistent with the goal of integrating persons with disabilities into the wider community) and that the spacing requirement is the least restrictive means of protecting that interest. Where this issue has been litigated under fair housing laws, courts have often invalidated such spacing requirements as discriminatory. *See, e.g.*, *Horizon House Developmental Serv., Inc. v. Township of Upper Southampton*, 804 F.Supp. 683, 693 (E.D.Pa. 1992) (invalidating 1,000 feet separation requirement), aff'd without opinion, 995 F.2d 217 (3rd Cir. 1993). Research did not indicate that a similar spacing requirement has been adjudicated in Arizona or the 9th Circuit that would provide precedent for the constitutionality of Mesa's ordinance. Accordingly, Mesa is given a score of 2 for this category, and it is noted that there is a strong likelihood that the regulation could be challenged under the federal FHA or the AFHA.

Another area for improvement is the ordinance's treatment of age-restricted/senior housing (Issues #8 and 9). Other than the Age Specific Overlay District intended for parcels of 40 or more contiguous acres, the zoning ordinance does not specifically regulate senior housing. According to the City's planning director, senior housing is treated the same as regular multi-family construction projects. If other services are offered on-site, administrative form based code review would be required. However, because of the ordinance's provision that uses not specifically allowed are prohibited, amending the Zoning Ordinance to expressly define and allow for age-restricted housing in accordance with fair housing regulations (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people) would remove any possible ambiguity and ensure consistent and fair treatment of this housing type.

The ordinance also received a "2" (medium risk) score for Issue #10 for restricting certain types of inherently residential uses (such as shelters or residential treatment facilities) only to non-residential zones. The ordinance distinguishes "social service facilities" (which expressly include homeless shelters and substance abuse treatment facilities) from "transitional housing facilities that provide living accommodations for a longer term," which is included as part of the Zoning Ordinance's "group housing" classification. With an approved CUP, social service facilities may locate in the RM district (excluding the RM-5 sub-district) as well as the NC, LC, GC, DB-1, DB-2 districts, but not any of the other residential districts. Because the ordinance's definition of "group housing" contemplates 6 or more residents, it is ambiguous whether permanent housing for

5 or fewer persons recovering from substance abuse would be permitted by right in any residential district. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. FHA, ADA, Rehabilitation Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems.

Mesa also could bolster how it affirmatively furthers fair housing by adopting an inclusionary zoning provision that provides incentives for the development of affordable housing such as higher density allowances and a waiver or modification of other development standards. The zoning ordinance includes a Bonus Intensity Zone Overlay District. However, the purpose of the BIZ is to allow greater intensity of development for "unique, innovative developments of superior quality" and not expressly to provide an incentive to develop affordable housing or housing for protected persons.

Housing Profile

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

Characteristics of Housing Stock

The City of Mesa's housing stock was comprised of 97,625 housing units in 2000. Since then, a total of 103,195 housing units were added to the housing inventory between 2000 and 2012. As noted in the 2012 ACS estimates, the City had a total of 200,820 housing units. Of these, 108,123 or 53.8% were single-family detached housing units and 26,446 or 13.2% ranged from two to nine units. Comparatively, a total of 28,187 of the City's housing structures contained 10 to 20 units or 14.0% of the housing inventory. In 2012, the City also had 25,712 or 12.8% of mobile home structures in its inventory while boats, RVs, and vans had the lowest number of structures in units at 1,124 or 0.6%. The following table shows the inventory of all housing units in Mesa.

Trends in Housing Units						
	2012		2010		2000	
Type of Unit	**#**	**%**	**#**	**%**	**#**	**%**
Total housing units	***200,820***	***100.0%***	***197,039***	***100.0%***	***97,625***	***100.0%***
1-unit, detached	108,123	53.8%	102,169	51.9%	72,521	74.3%
1-unit, attached	11,228	5.6%	10,989	5.6%	6,926	7.1%
2 units	2,752	1.4%	2,791	1.4%	215	0.2%
3 or 4 units	10,851	5.4%	8,722	4.4%	752	0.8%
5 to 9 units	12,843	6.4%	14,270	7.2%	2,112	2.2%
10 to 19 units	13,486	6.7%	16,588	8.4%	n/a	n/a
20 or more units	14,701	7.3%	13,981	7.1%	n/a	n/a
Mobile home	25,712	12.8%	26,487	13.4%	14,480	14.8%
Boat, RV, van, etc.	1,124	0.6%	1,042	0.5%	619	0.6%

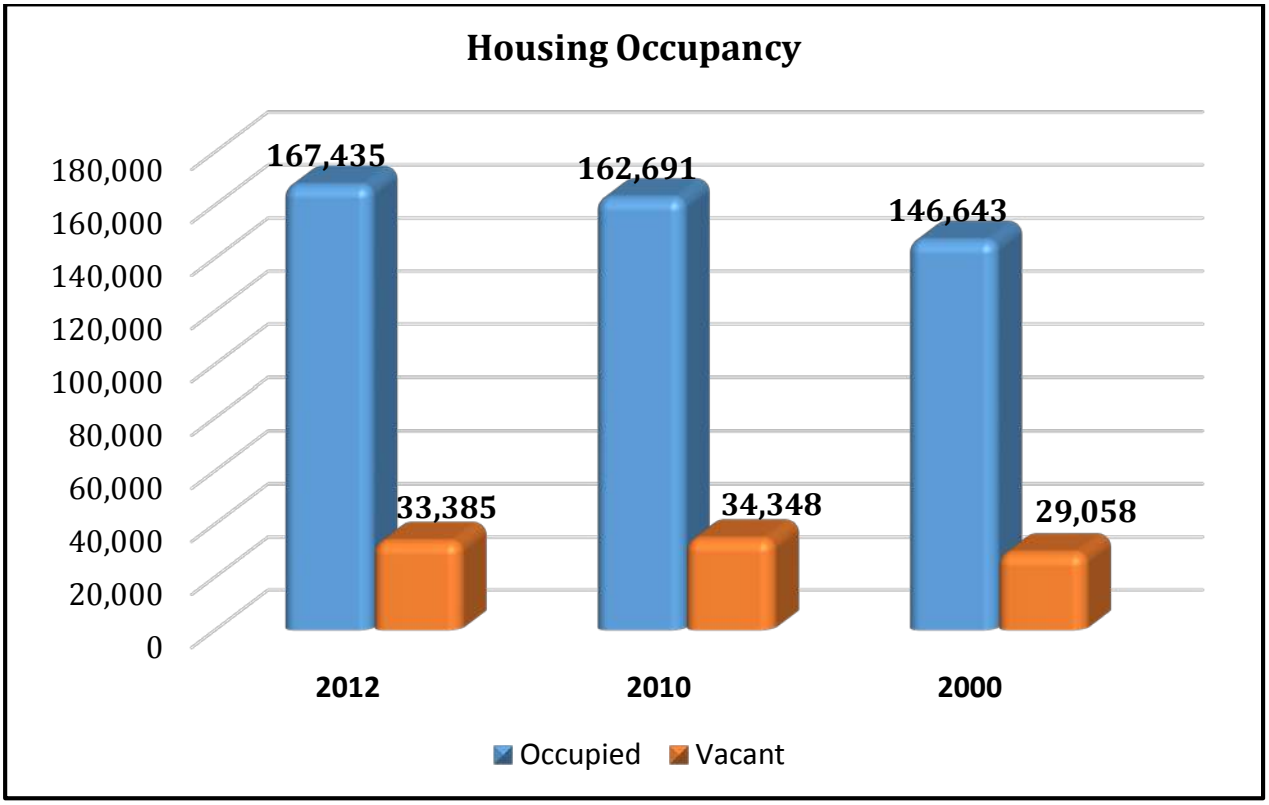
Source: U.S. Census Bureau, American Community Survey Decennial & 1-Year Estimates

The rate of housing vacancy has varied in Mesa since 2000 with the lowest housing vacancy rates noted in 2011 at 15.2%. The highest rate of vacancy was recorded in 2010 at 17.8%. It is important to note that the economy was in the midst of the national recession during this time period. According to the 2011-2012 ACS estimates, Mesa experienced a 9.2% increase in vacancy rates from 2011 to 2012.

Vacancy Rates			
2000	**2010**	**2011**	**2012**
16.5%	17.8%	15.2%	16.6%

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

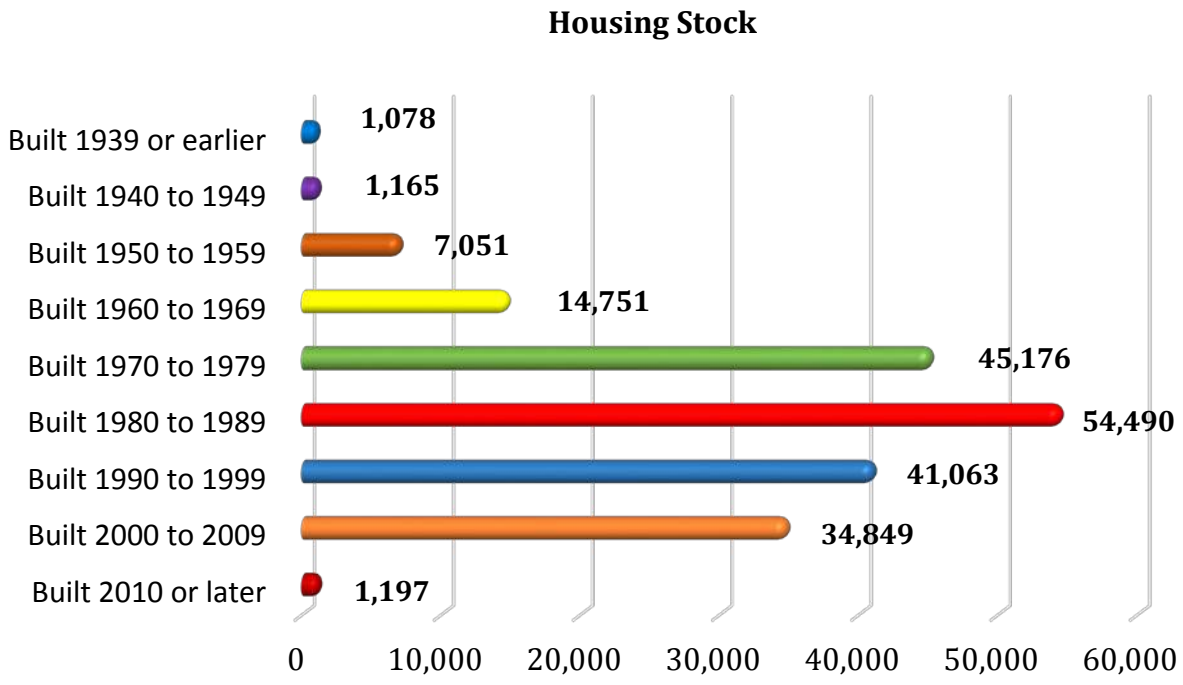
Of the total 200,820 housing units in 2012, 33,385 (16.6%) were vacant, which is a slight decrease from the vacancy rates in 2010 at 34,384 (17.8%). As indicated in the 2000 Census, the City of Mesa only had 97,625 housing units, of which 29,058 (16.5%) were vacant.



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

Housing Conditions

The age of the housing stock in Mesa has a significant impact on the housing conditions in the area. Much of the housing stock in Mesa has aged, as evidenced by the 140,729 (70.0%) of the housing units being built between 1970 and 1999. As housing ages, maintenance costs also rise which can present significant cost issues for low and moderate homeowners.

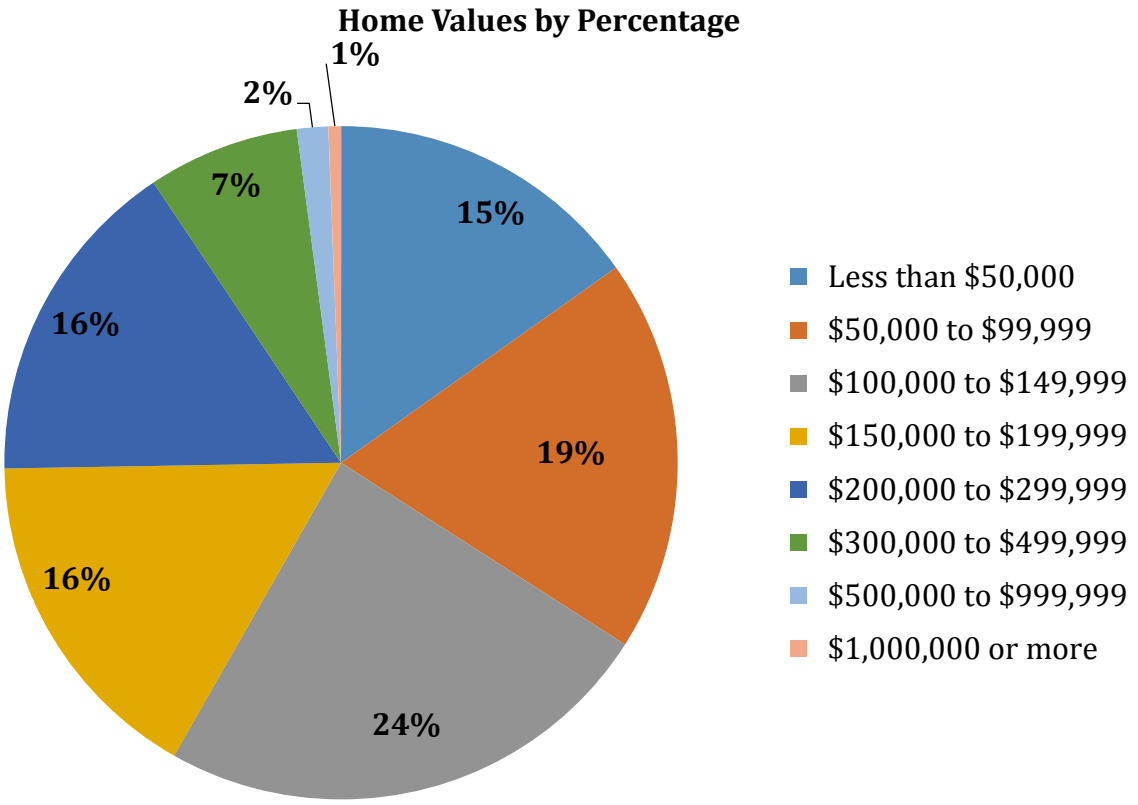


Source: U.S. Census Bureau, American Community Survey 2012 1-Year Estimates

According to the 2012 ACS, the median value for a home in Mesa was $129,400. In terms of value, 24,380 (24.2%) of the homes ranged between $100,000 and $149,999 and 19,037 (18.9%) fell within a range of $50,000 to $99,999. As noted in the following table, approximately 24,864 or 24.7% of all homes located in Mesa cost over $200,000 and up.

Home Values		
Home Values	**Number of Units**	**Percentage of Units**
Less than $50,000	15,379	15.2%
$50,000 to $99,999	19,037	18.9%
$100,000 to $149,999	24,380	24.2%
$150,000 to $199,999	16,695	16.5%
$200,000 to $299,999	16,049	15.9%
$300,000 to $499,999	7,338	7.3%
$500,000 to $999,999	1,477	1.5%
$1,000,000 or more	580	0.6%
Total Owner-Occupied Units	**100,935**	**100.0%**

Source: U.S. Census Bureau, 2012 American Community Survey



Source: U.S. Census Bureau, 2012 American Community Survey

Housing Market Sales

A five year comparison of the median sales price of homes sold in Mesa reflects a continuing decrease in home values in the area. In 2006, 8,795 homes were sold in Mesa with a median sales price of $221,000. As of 2012, 16,401 homes were sold with a median sales price of $120,000.

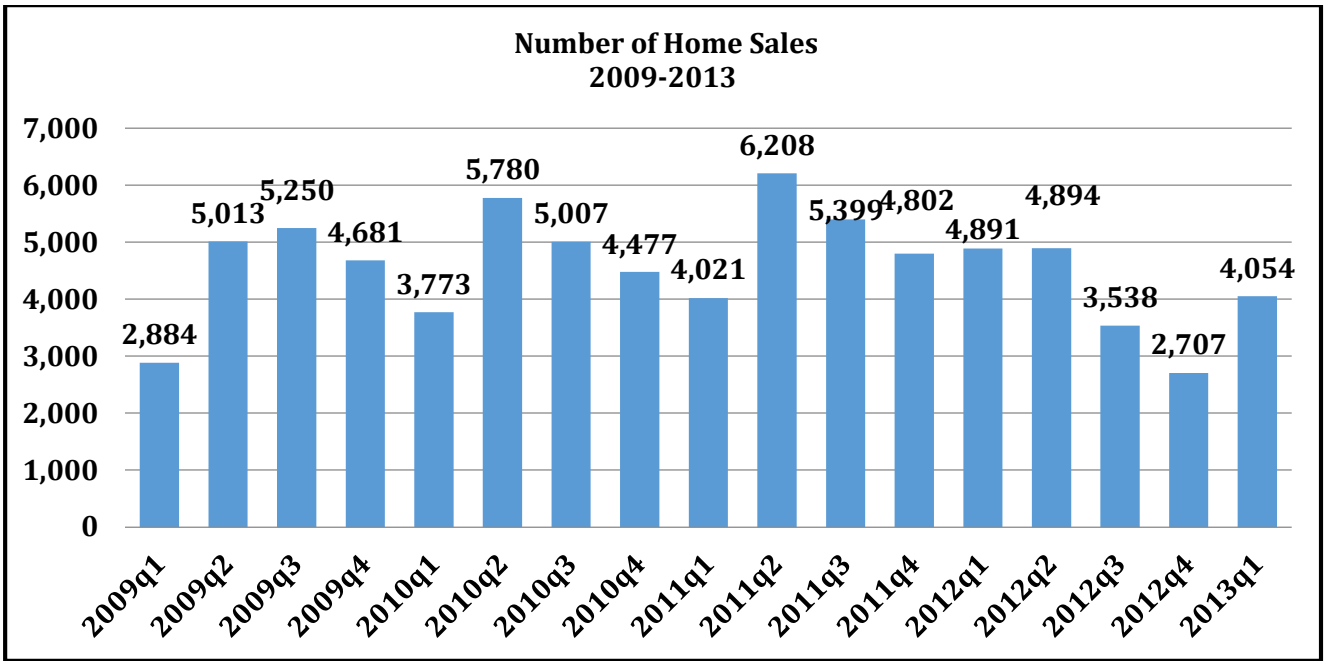
Median Sales and Price Comparison by Year							
Number of Home Sales	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Number of Sales	8,795	6,666	9,551	14,122	14,489	16,192	16,401
Median Price	$221,000	$210,000	$160,000	$120,000	$113,583	$99,000	$120,000

Source: Policy Map, www.policymap.com

According to HUD's 2013 Comprehensive Housing Market Analysis as prepared by the Office of Policy, Development and Research (PD&R), the Phoenix-Mesa-Glendale Housing Market Area (HMA) has a 3.7 percent vacancy rate, down from 4.3 percent in 2010[40]. It should be noted the Phoenix-Mesa-Glendale Housing Market Area (HMA) consists of Maricopa and Pinal Counties and is coterminous with HUD's definition of the Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area.

The number of home sales from 2009 to 2013 in Mesa reflects a varying number of sales per quarter. While the median number of home sales in the first quarter of 2013 rose by 49.7 percent, the Market Statistics reflect that in the first quarter of 2013, 1347 more homes had been sold.

[40]U.S. Housing & Urban Development, Office of Policy, Development & Research, 2013 Comprehensive Housing Market Analysis. Source: http://www.huduser.org/portal/publications/PhoenixAZ_comp_2013.pdf



Source: Policy Map, www.policymap.com

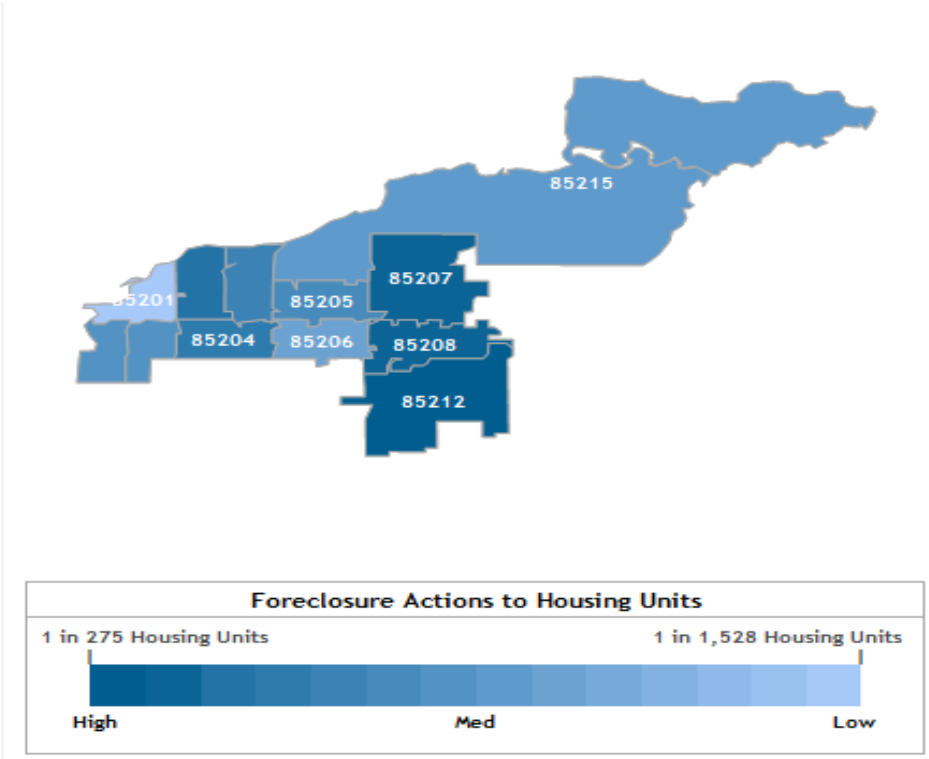
Foreclosure Data

According to the 2012 ACS estimates, the number of housing units in Mesa consisted of a total of 200,820 units, of which 2,537 were in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale was 1,855 as stated in Realty Trac's November 2013 foreclosure data. In December 2013, the number of properties that received a foreclosure filing in Mesa, AZ was 71% higher than the previous month and 5% lower than the same time last year.[41]

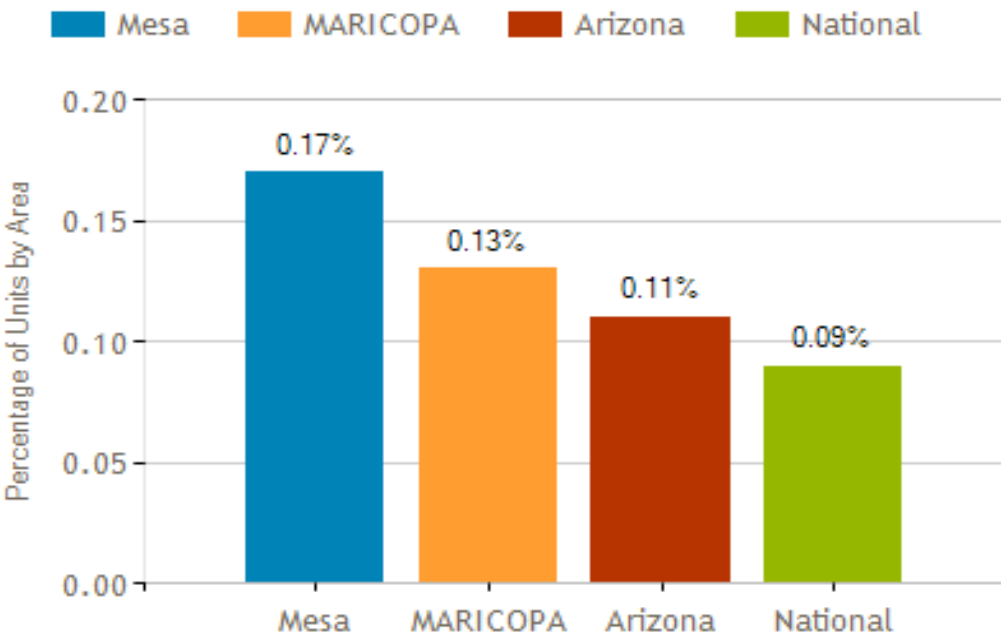
As noted in Realty Trac's December 2013 foreclosure status distribution map, the highest number of foreclosures was located in the following zip codes: 85207, 85208, and 85212. Each of these zip codes had 1 in 275 housing units in foreclosure. Based on Realty Trac's geographical foreclosure comparison Mesa has a higher percentage of foreclosures units than the County of Maricopa, State of Arizona and the national average of foreclosures.

[41]Realty Trac, Mesa Real Estate Statistics & Foreclosure Trends Summary, www.realtytrac.com

Mesa Foreclosure Status Distribution by Zip Code



Mesa Foreclosure Comparison



Source: Realty Trac, December 2013 Real Estate Trends,www.realtytrac.com

Household Cost Burdens

Affordability is an important aspect to fair housing choice and to individuals being able to obtain secure, safe, and decent housing. It is also a significant factor for residents attempting to select housing that meets their family needs. HUD considers housing affordable if it costs less than 30% of a family's income.[42] Households that spend over that threshold are considered by HUD to be "cost burdened" and may have difficulty affording the other basic household necessities such as food, clothing, and transportation. Yet, according to HUD, 12 million renters and homeowners in the United States spend more than 50% of their income on housing. Cost burden occurs when a household has gross housing costs that range from 30 to 49.9% of gross household income.

While severe cost burden occurs when gross housing costs represent 50% or more of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent plus utility charges, but does not include the costs of home maintenance. Given the age variation of housing stock in the region, the home maintenance and repair costs associated with older construction can add significant additional housing cost burden.

As indicated in the following Affordability Snapshot table, Mesa has a significant percentage of homeowners and renters spending more than 30% of their annual household income on housing-related costs. According to 2012 American Community Survey (ACS), 32.9% of homeowners with a mortgage spend more than 30 % of their income on monthly housing costs. Conversely, only 15.1% of homeowners without a mortgage expended more than 30% of their income on monthly housing costs. While 33,803 or 53.2% of renter households in Mesa expended 30% or more of their income on rent. Owners and renters with a severe cost burden are at risk of homelessness. Cost-burdened households that experience a financial setback often must choose between rent and food or rent and health care for their families or face eviction or foreclosure.

[42] U.S. Department of Housing and Urban Development, http://www.hud.gov/offices/cpd/affordablehousing/index.cfm

Mesa, AZ Affordability Snapshot		
Value	**Estimate**	**Percent**
Median (dollars)	129,400	-
MORTGAGE STATUS		
Owner-occupied units	**100,935**	**100%**
Housing units with a mortgage	65,505	64.9%
Housing units without a mortgage	35,430	35.1%
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME		
Housing units with a mortgage	**64,970**	**100%**
Less than 20.0 percent	25,445	39.2%
20.0 to 24.9 percent	11,422	17.6%
25.0 to 29.9 percent	6,739	10.4%
30.0 to 34.9 percent	4,788	7.4%
35.0 percent or more	16,576	25.5%
Housing unit without a mortgage	**34,974**	**100.0%**
Less than 10.0 percent	16,632	47.6%
10.0 to 14.9 percent	5,917	16.9%
15.0 to 19.9 percent	2,951	8.4%
20.0 to 24.9 percent	2,679	7.7%
25.0 to 29.9 percent	1,515	4.3%
30.0 to 34.9 percent	1,326	3.8%
35.0 percent or more	3,954	11.3%
GROSS RENT		
Occupied units paying rent	**64,643**	**100%**
Less than $200	176	0.3%
$200 to $299	370	0.6%
$300 to $499	2,093	3.2%
$500 to $749	20,331	31.5%
$750 to $999	18,552	28.7%
$1,000 to $1,499	16,945	26.2%
$1,500 or more	6,176	9.6%
Median (dollars)	850	-
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME		
Occupied units paying rent	**63,492**	**100%**
Less than 15.0 percent	6,649	10.5%
15.0 to 19.9 percent	8,612	13.6%
20.0 to 24.9 percent	7,868	12.4%
25.0 to 29.9 percent	6,560	10.3%
30.0 to 34.9 percent	5,399	8.5%
35.0 percent or more	28,404	44.7%

Source: U.S. Census Bureau, 2012 American Community Survey

The National Low Income Housing Coalition's "Out of Reach" 2013 Annual Report calculates the amount of money a household must earn in order to afford a rental unit based on the number of bedrooms in a rental unit at the Fair Market Rent (FMR), consistent with HUD's affordability standard of paying no more than 30% of income for housing costs. Data is presented in the Renter Affordability table for the Phoenix-Mesa-Scottsdale Metro Statistical Area (MSA). As noted in the 2013 Out of Reach Report, the NLIHC estimates that the median income for a renter in the Phoenix-Mesa-Scottsdale MSA is $62,200. The Area's Fair Market Rent (FMR) for a two-bedroom apartment is $850 and in order to afford this level of rent and utilities, without paying more than 30% of income on housing. In order to afford a two bedroom housing unit without spending more than 30 percent of one's income on rent, one would need to work at a minimum of 91 hours per week or maintain at least 2.3 full-time jobs in Mesa.

Phoenix-Mesa-Scottsdale MSA Renter Affordability	
Number of households (2007-2011)	
Total	1,515,297
Renters	514,133
% of Renters	34%
Minimum wage, Mean Renter Wage, SSI Monthly Payment	
Minimum wage	$7.80
Estimated mean renter wage	$15.00
SSI monthly payment	$710
2013 Fair Market Rent (FMR)	
One bedroom	$748
Two bedroom	$925
Three bedroom	$1,363
Four bedroom	$1,592
Annual Area Median Income	
Annual AMI	$62,200
30% of AMI	$18,660
Estimated Renter Median Income	$33,993
Rent Affordable at Renter Median Income	$850
Maximum Affordable Monthly Housing Costs by % of AMI	
30% of AMI	$467
50% of AMI	$778
80% of AMI	$1,244
Rent Affordable at Median Income	$1,555
Rent affordable with Full Time Job Paying Min Wage	$406
Rent affordable with Full Time Job Paying Mean Renter Wage	$780
Rent Affordable to SSI recipient	$213
Hours Per Week to Afford FMR	
One bedroom	74
Two bedroom	91
Three bedroom	134
Four bedroom	157
Full Time Jobs at Min Wage to Afford FMR	
One bedroom	1.8
Two bedroom	2.3
Three bedroom	3.4
Four bedroom	3.9

Source: National Low Income Housing Coalition, "Out of Reach" 2013 Annual Data, http://www.nlihc.org/

Housing Problems

The physical condition of housing units can exacerbate housing affordability problems for low income residents. An examination of housing problems can reveal data related to overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. A householder with one or more of these problems is considered to have all of which can be considered as a housing problem. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. The term of overcrowding occurs when a housing unit has more than one person per room but less than 1.5 with severe overcrowding occurring with 1.5 persons per room or more.

According to the 2012 ACS estimates, Mesa had a total of 131 households who lacked complete plumbing facilities and 531 households which is less than one percent of the population lacking complete plumbing and kitchen facilities. Additionally, only 1,372 households or 0.8% were categorized as overcrowded.

Overcrowding and Severe Overcrowding		
SELECTED CHARACTERISTICS	**Estimate Number of Persons**	**Percent**
Occupied housing units	167,435	100%
Lacking complete plumbing facilities	131	0.1%
Lacking complete kitchen facilities	531	0.3%
No telephone service available	3,559	2.1%
OCCUPANTS PER ROOM		
Occupied housing units	167,435	100%
1.00 or less	160,775	96.%
1.01 to 1.50	5,288	3.2%
1.51 or more	1,372	0.8%

Source: U.S. Census Bureau, 2012 American Community Survey

Subsided Housing

The subsidized housing choice voucher rental assistance program enables a jurisdiction to provide affordable housing options for very low-income households. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Rental units are required to meet HUD minimum housing standards, as determined by the public housing agency (PHA). In many cases the housing subsidy is paid directly to the landlord by the PHA on behalf of the participating family. The family will then pay the difference between the actual rent charged by the landlord and the amount subsidized by the program each month. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home. Since the demand for housing assistance often exceeds the limited resources available local housing authorities, long waiting list periods are common.

The City of Mesa Housing Authority portfolio is managed by the City's Housing and Community Development Division which oversees a variety of programs that assist Mesa's low and/or moderate income residents. The Housing and Community Development Division administers the Section 8 Voucher Program, Tenant-Based Rental Assistance Program, Project-Based Voucher Program, HUD VASH Program and the Shelter + Care Program.

As of 2012, there were 111 public housing units (owned and managed by the Maricopa County Housing Authority) in Mesa and 1,608 families enrolled in the housing assistance program funded through Housing Choice Vouchers from HUD. According to HUD's 2012 Picture of Subsidized Households, a total of 1,719 low income residents were served through these subsidized housing programs.

Subsidized Housing Inventory		
	Public Housing	**Housing Choice Vouchers**
Total Units	111	1608
% Occupied	98%	96%
% Disabled	6%	25%
% Minority	75%	51%
% Black	22%	23%
% Hispanic	51%	25%
Total Persons Housed	221	3,709
Months Since Move-In	26	86
Average Months on Waiting List	11	32

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

Other subsided housing options within the City of Mesa, include low income housing tax credit multifamily developments. According to HUD's Low Income Housing Tax Credit (LIHTC) database, the City of Mesa has 2,884 low income units located throughout the City. As shown in the table below 93% of the units in the tax credit projects are dedicated to increasing affordable housing in Mesa.

MESA, AZ LOW INCOME TAX CREDIT PROJECTS

HUD ID Number:	Project Name:	Project Address:	Project City:	Project State:	Project ZIP Code:	Total Number of Units:	Total Low-Income Units:
AZA0000095	Mesa Park Apartments	604 W 8th Ave	Mesa	AZ	85210	140	98
AZA0000115	Algarve	950 W Main St	Mesa	AZ	85201	76	76
AZA0000120	Palm Cove II	118 N Extension Rd	Mesa	AZ	85201	122	116
AZA0000160	Sonora Vista I	9736 E Balsam Ave	Mesa	AZ	85208	96	95
AZA0000165	Sonora Vista II	9736 E Balsam Ave	Mesa	AZ	85208	88	86
AZA0000185	The Groves	2990 S Power Rd	Mesa	AZ	85212	267	267
AZA0000190	Tierra Antigua	339 N 75th St	Mesa	AZ	85207	174	174
AZA1989015	CRISMON COVE	9936 E BIRCHWOOD AVE	MESA	AZ	85208	16	16
AZA1989045	PECAN TREE MANOR	102 W 9TH PL	MESA	AZ	85201	4	4
AZA1993052	Temple Square	324 S Horne	Mesa	AZ	85204	146	140
AZA1995015	Desert Palms	210 E Brown Rd	Mesa	AZ	85201	96	92
AZA1995020	Discovery Point Retirement Apartments	6210 E Arbor Ave	Mesa	AZ	85206	183	181
AZA2000085	Villas De Merced / Mercy Housing Arizona I	520 N Mesa Dr	Mesa	AZ	85201	95	95
AZA2002087	The Village at Sun Valley	7520 E Billings St	Mesa	AZ	85207	276	276
AZA2002090	Ventana Estates	9422 E Broadway Rd	Mesa	AZ	85208	140	78
AZA2004070	San Miguel	8915 E Guadalupe Rd	Mesa	AZ	85212	300	275
AZA2005085	San Angelin Apartments	1935 S Sunnyvale	Mesa	AZ	85206	312	282
AZA2005090	San Fernando Apartments	4150 E Main St	Mesa	AZ	85205	265	241
	Encore I	25 W First St	Mesa	AZ	85210	81	
	Encore II		Mesa	AZ			
	El Rancho	719 E Main St	Mesa	AZ	85203	66	
	Escobedo I	435 N Hibbert	Mesa	AZ	85201	70	
	Escobedo II	125 E University Dr	Mesa	AZ	85201	62	
	La Mesita	2254 W Main St	Mesa	AZ	85201	80	
TOTAL UNITS						***TBD***	***TBD***

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

Persons with Disabilities & Elderly

According to HUD's Inventory of Survey of Units for the Elderly and Disabled persons, the City of Mesa has several multi-family housing units that serve the elderly population and persons with disabilities. This inventory database is designed to assist prospective applicants with locating units in HUD-insured and HUD-subsidized multifamily properties that serve the elderly and/or persons with disabilities. These units tend to offer rental assistance and housing credit programs funded through various federally sources. The properties, listed below, have combined 396 federally-assisted units available. Out of the total number of assisted units, 260 or 64.8% are designated for elderly and only three (less than 1%) are designated for disabled persons.

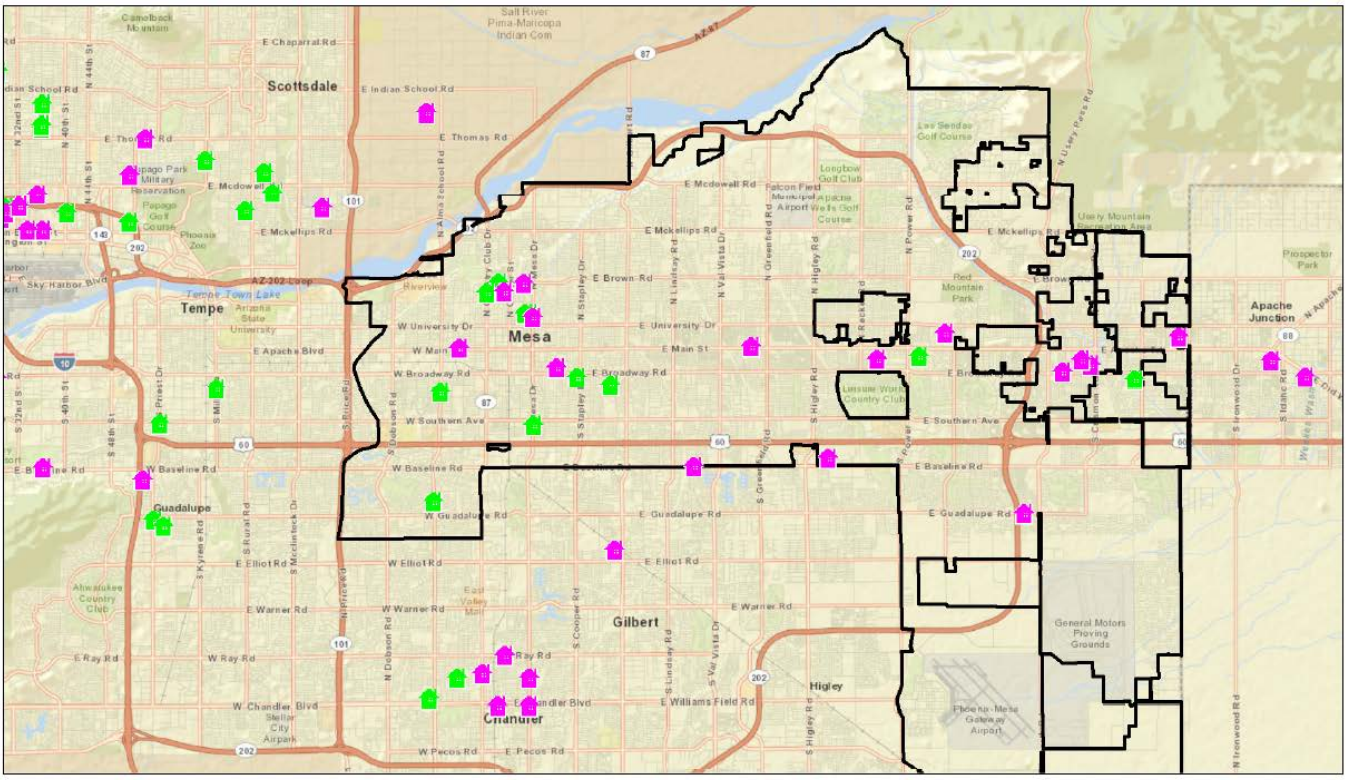
Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for the Disabled	Total Units with Accessible Features	Available Bedroom Size	Survey Date
CENTENNIAL VILLAGE	130 W BROWN RD MESA, AZ 85201-3445	Elderly and Disabled	153	153	153	0	18	0-BR, 1-BR, 2-BR, 3-BR, 4-BR, 5-BR, 6-BR	1/20/2009
CHRISTIAN CARE MANOR IV	118 S 70th St Mesa, AZ 85208-1007	Elderly	65	64	64	0	65	1-BR, 2-BR	6/18/2008
MESA SENIOR MEADOWS	333 E 6th St Mesa, AZ 85201-5102	Elderly	41	40	40	0	4	1-BR, 2-BR	6/18/2008
MESA SILVERCREST	255 E 6TH ST MESA, AZ 85201-5100	Elderly	81	80	0	0	9	0-BR, 1-BR	11/12/2008
WESTERN SUN APARTMENTS	615 S WILLIAMS MESA, AZ 85204-3648	Family	60	59	0	3	3	2-BR, 3-BR, 4-BR	8/10/2009
TOTAL UNITS			***400***	***396***	***257***	***3***	***99***		

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

The map below displays Mesa's concentration of HUD Multifamily properties, Low-income Housing Tax Credit Properties (LIHTC) and public housing developments.

Mesa Concentration of HUD Assisted Housing Properties

CPD Maps - Consolidated Plan and Continuum of Care Planning Tool



Source: HUD eCon Planning Suite, http://egis.hud.gov/cpdmaps

Public Housing Policies

The Mesa Housing Authority is the lead entity overseeing public housing vouchers in the City of Mesa. The housing authority is part of the City's Housing and Community Development Division, which administers a variety of programs designed to assist Mesa's low and/or moderate income individuals and families. The City of Mesa does not directly own or operate any HUD public housing units within its corporate limits but provides housing vouchers to help address affordable housing needs.

The City has a number of housing programs available including rental assistance, homeownership programs, and a homeowner emergency repair assistance program. Its rental assistance programs include: Housing Choice Voucher program (Section 8); security deposit assistance under the Tenant Based Rental Assistance (TBRA) program; Project Based Vouchers; HUD Veterans Affairs Supportive Housing (VASH) program; and the Shelter Plus Care program. Homeowner programs include the Neighborhood Stabilization Program (NSP) and HOME Investment Partnership Program (HOME).

Rental Assistance Programs

Housing Choice Voucher (HCV)

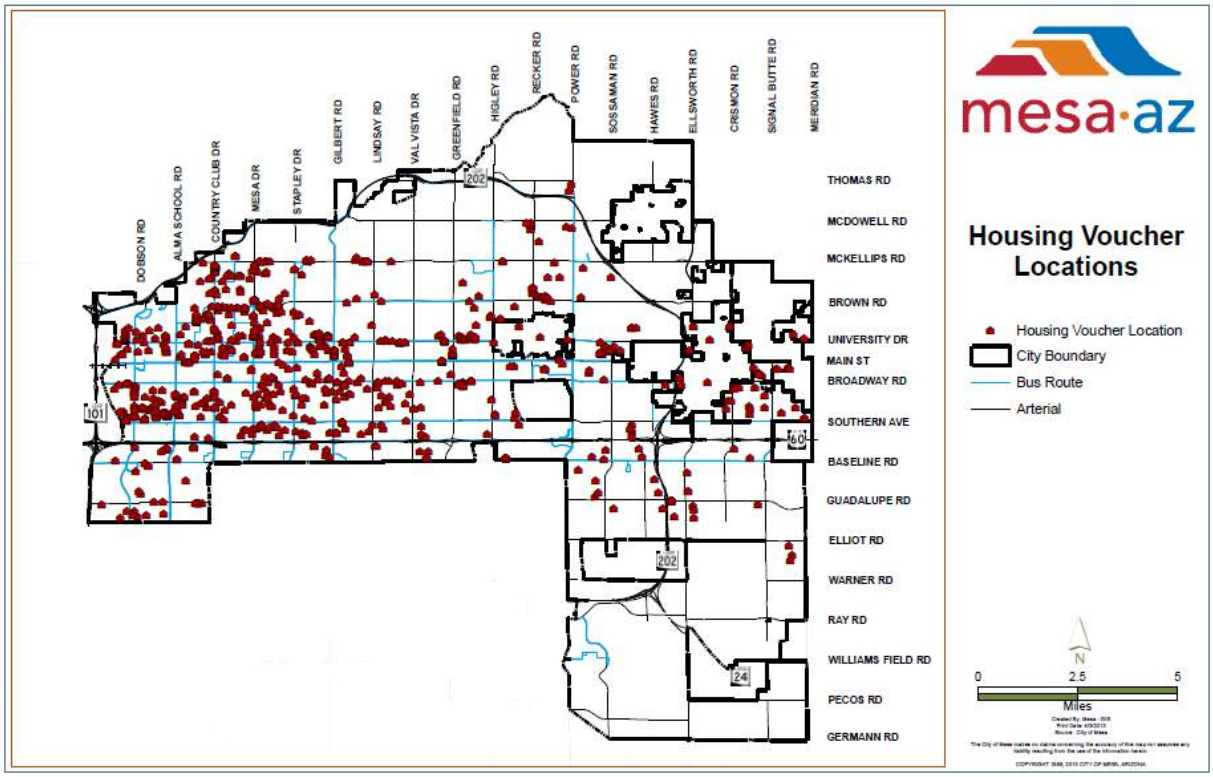
The HUD funded program provides rental assistance to low-income families for decent, safe, and sanitary housing by contracting with private owners and subsidizing a portion of the family's monthly rent. Mesa provides 1,424 Housing Choice Vouchers, of which 150 vouchers are dedicated to non-elderly disabled, 100 are dedicated for mainstream (disabled), 191 are dedicated to the VASH program, and 90 are anticipated to be project-based vouchers. Each year the Housing Authority experiences a turnover of families receiving assistance, however the lease-up rate continues to be at 98%. The current wait list is approximately 3,900 applicants and is closed.

Eligibility policies for the City of Mesa Housing Authority can be found in the City of Mesa's HCV Administrative Plan. Policies include the definition of a family, income limit requirements, citizenship qualifications and the eligible immigrant status of family members, social security number requirements, and the PHA's collection and use of family information as provided in the consent forms. Eligibility policies also discuss the factors relating to an applicant's past or current conduct including criminal activity that could cause the PHA to deny assistance to the applicant. Tenant selection and admission to the program policies can also be found in the Administrative Plan. These policies include the application process, management of the waiting list, and how applicants are selected for the voucher program.

Current HCV preferences include:

1) A chronically homeless person as defined by the U.S. Department of Housing and Urban Development (HUD) as "either (A) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (B) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years." HUD defines the term "homeless" as a person sleeping in a place not meant for human habitation (e.g. living on the streets, for example) OR living in a homeless emergency shelter.
2) Current resident of Mesa or a person who is currently working or hired to work in the City of Mesa; and
3) Date and time order.

The City of Mesa Housing Authority operates an HCV waiting list and a PBV waiting list (for La Mesita) that contains the following information for each applicant: applicant name; family unit size; date and time of application; qualification for any local preferences; and racial or ethnic designation of the head of household. Each year the City of Mesa looks at the demographics of the schools in the high poverty, low income areas of the City to determine the de-concentration factor for the City. The PHA does outreach to owners/landlords to encourage HCV Program participation within all areas of the jurisdiction.



Tenant-Based Rental Assistance (TBRA)

Mesa provides assistance with security deposits under the TBRA program. To qualify, it must be the first time requesting security deposit assistance and income must be at or below 60% of the median income limits as determined by HUD.

Project-Based Vouchers (PBV)

The City anticipates providing project based voucher assistance at two properties. The City anticipates, upon HUD approval, up to 90 project-based vouchers to be available. The housing authority will establish and maintain separate wait list for individual projects or buildings that are receiving project based voucher assistance. Project based properties include:

- La Mesita
  2254 W. Main Street
- Escobedo at Verde Vista Phase II
  125 East University Drive

Before selecting a PBV proposal, the Department will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing under PBV regulations, that it complies with the cap on the

number of PBV units per building, and meets PBV site selection standards. The PHA will comply with regulations when occupancy exceeds 25% cap on the number of PBV units.

As allowed by PBV regulations, the Department may select PBV proposals from time to time by either of the following two methods.

1) Request for PBV Proposals. The Department may from time to time issue a request for PBV proposals. The Department will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites. When The Department selects proposals for PBV assistance under this method, The Department will employ procedures that provide broad public notice of the opportunity to offer PBV proposals for consideration. The public notice procedures are described further below.

2) Selection of a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded Low-Income Housing Tax Credits (LIHTCs) or funds such as Capital Fund Recovery Competition (CFRC) have been allocated). The Department may provide PBV assistance to owners whose housing has been selected in accordance with such programs' competitive selection requirements within three years of the PBV proposal selection date, provided that the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

Veterans Affairs Supportive Housing (VASH)

The City of Mesa Housing Authority operates the HUD-VASH program, which provides rental assistance for chronically homeless veterans and their families, while the Veterans Administration in Phoenix provides case management and clinic services at its medical centers and community clinics. Mesa currently provides 191 VASH vouchers. The VASH voucher program mirrors Section 8 guidelines. Veterans are referred to the City of Mesa Housing Authority by the Veterans Administration (VA) in Phoenix.

Shelter Plus Care

The City of Mesa Housing Authority was awarded a 5-year grant for the Shelter Plus Care program along with Save the Family as the sub-recipient. The Shelter Plus Care program provides rental assistance that local grantees must match with an equal value of supportive services appropriate to the target population. The purpose of the program is to provide permanent housing in connection with supportive services to homeless people with disabilities and their families. The goals of the Shelter Plus Care program are to increase their

housing stability, increase their skills and/or income and obtain a greater self-sufficiency. Applicants are referred to the City of Mesa Housing Authority by Save the Family.

Homeownership Programs

Neighborhood Stabilization Program (NSP)

The City of Mesa is currently using funds from the U.S. Department of Housing and Urban Development (HUD) to revitalize housing in specific areas of the City to sell to qualified residents. The City of Mesa is purchasing and rehabilitating homes located in Mesa west of Gilbert Road. These properties will be rehabilitated to HUD and City of Mesa housing standards and specifications for habitability. The rehabilitation may include: roof replacement, new HVAC unit(s), new water heater, new windows (dual pane) with sun screens, insulated exterior doors, new appliances, new flooring, interior and exterior paint, new front yard landscaping, baseboards, additional attic and wall insulation, smoke detectors, and new plumbing, new electrical, and fire sprinklers. All units will undergo an inspection for termites and lead based paint. Once rehabilitated, these properties will be sold to eligible homebuyers for the appraised market value of the property after rehabilitation.

HOME Program

The primary purpose of the HOME Program is to help communities expand the supply of decent, safe, sanitary and affordable housing, with primary attention to housing for low income families. The City became their own Participating Jurisdiction (PJ) in July 2009. Fifteen percent is set aside as required for specific types of nonprofit organizations known as Community Housing Development Organizations (CHDO's).

Emergency Repair Program / Housing Rehabilitation

This is a federally funded loan/grant program from the Department of Housing and Urban Development (HUD) that is administered through the City of Mesa Housing Services Division. The funds are used on various projects for the development and revitalization of targeted areas of the city. This program is funded through the Community Development Block Grant (CDBG) and HOME programs. The purpose of the Housing Rehabilitation Program is to improve the livability of a home, to extend its life for a minimum of 10 years, and to meet the current minimum building codes, whenever possible. Major emphasis is given to housing problems affecting safety and health (such as gas leaks, outdated and hazardous electrical wiring, and plumbing). The actual amount of repairs needed will be determined from an inspection and evaluation of the home. This type of assistance can vary depending on the needs in a home; however, not all homes can be repaired. If the home has too many major problems, it may not qualify for our regular housing rehab/repair program, but we may be able to help with emergency repair(s) for safety reasons.

Housing Services

Mesa offers several housing services to help low income individuals and families meet their housing needs, including the Family Self-Sufficiency Program (FSS). The Self-Sufficiency Program is a HUD program that encourages communities to develop local strategies to help families obtain employment that will lead to economic independence and self-sufficiency. The housing authority helps low income residents make a plan and connect with supportive services, such as career advisors, employment services, and training/educational opportunities, grants and scholarships. When a residents earned income increases (and their portion of the rent goes up) FSS puts money aside each month in an FSS escrow account. This money becomes theirs when they complete the goals in their plan. The FSS Success/Homebuyers Club and other partner services help residents understand how to become a homeowner, increase their credit rating, and learn about opportunities that will allow them to buy. The Family Self Sufficiency program is available to housing choice voucher participants. Currently there are 68 FSS participants enrolled.

The City also participates in 2-1-1, which serves as a source of integrated information that brings people and services together to meet vital needs and easily connects people to available health and human services in their communities.

The City also provides information on its website for optional listings for available rental units, new landlord information and inspections, and moving with continued voucher assistance (Section 8).

Affordable Housing

There are several properties within the City of Mesa that offer affordable housing units, of which 3 provide occupancy for the elderly/disabled and 9 have affordable units available for families. Additionally, there are scattered housing sites that also accept vouchers. Some affordable housing properties include:

Property	Occupancy
Greenfield Retirement	Elderly/Disabled
Orchard Apartments	Elderly/Disabled
Ventana Estates	Elderly/Disabled
ARM of Save the Family	Family
Desert Palms	Family

Mesa Park Apartments	Family
Palm Cove Apartments	Family
San Angelin	Family
San Fernando Apartment Homes	Family
Sam Miguel	Family
Village at Sun Valley	Family
Villas De Merced	Family

Public Housing Strategy

Based on affordable housing needs in the community, Mesa has developed a public housing strategy to serve the needs of extremely low, low, and moderate income families residing in the jurisdiction and served by the public housing agency. Mesa has determined the following as priorities in executing the public housing strategy:

Expand the supply of assisted housing and decent, safe, and sanitary housing by:

- Procuring more rental vouchers when available;
- Keeping housing vacancies at low levels;
- Leverage private or other public funds to create additional housing opportunities;
- Foster the development of special needs housing.

Enhance assisted housing choice in Mesa by:

- Continuing to render voucher lease-up support;
- Continuing to strengthen outreach efforts to potential voucher landlords;
- Continuing to expand new homeownership programs.

Foster self-sufficiency and asset development of assisted households by:

- Fostering the provision of supportive services to improve client employability;
- Fostering the provision of supportive services to increase independence for the elderly or families with disabilities;
- Continuing to aid resident organizations in strengthening their viability;
- Fostering voluntary moves of families from assisted to unassisted housing;
- Continuing to increase the volume of TANF residents that are working or engaged in job training.

Foster the number of assisted units available for clients in need by:

- Continuing to provide expeditious Housing Choice Voucher Program lease-up rates;

- Continuing to increase Housing Choice Voucher Program lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration.

Focus assisted housing support in response to community needs by:

- Continuing to emphasize support for individuals and families earning at or below 30% AMI as well as from 31-50% AMI. Focus available assistance to families at or below 30% AMI;
- Continuing to employ admissions preferences aimed at families who are working;
- Sustaining rent policies to support and encourage work;
- Targeting available assistance to the elderly;
- Applying for special purpose vouchers targeted to the elderly, should they become available.

Continue to render assistance for families with disabilities by:

- Pursuing special purpose vouchers targeted to families with disabilities, as they become available;
- Affirmatively marketing ADA compliant housing to local non-profit agencies that assist families with disabilities.

Grievance Procedures

Chapter 16 of the City of Mesa HCV Administrative Plan describes the informal review process for an HCV participant. When the PHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review. For participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing. Once requested, the review or hearing is scheduled within ten (10) business days. After the proceeding a decision is rendered and notice is given to the applicant or participant within ten (10) business days. MHA has contracted with HOM, Inc. to conduct all informal hearings.

Violence Against Women Act

The City of Mesa Housing Authority has implemented policies and procedures that will enable us to address the needs of all victims of domestic violence, dating violence, sexual assault or stalking. All participants are briefed annually and applicants are briefed before admission of their rights under VAWA. Staff has been trained regarding VAWA and the Department's policies and procedures.

Civil Rights Certification

The City of Mesa Housing Authority examines its programs each year to identify any impediments to fair housing choice within their programs. The PHA offers to each prospective and current participant a list of units offered by local owners throughout the jurisdiction. The PHA also does outreach to owners throughout the community by offering informational meetings to prospective and current owners regarding Fair Housing of all tenants. The PHA supports the Consolidated Plan Antipoverty Strategy by increasing the effectiveness of existing programs through better collaboration, reduced duplication of services, and increased efficiency of implementation. One way this is accomplished is through the Family Self-Sufficiency program by increasing the number of participants in the program and increasing the amount of escrow for families and informing them of the companion program, the Housing Choice Voucher Homeownership Program.

Sale of Subsidized Housing and Possible Displacement

The City of Mesa, in carrying out its responsibility for CDBG and HOME program administration will uses staff and consultants as necessary to comply with the requirements of the Uniform Acquisition and Relocation Act of 1970 (PL 91-646), as amended.

Residential Anti-Displacement and Relocation Assistance Policies

The City of Mesa, in accordance with Federal Regulations for Displacement, 24 CFR 570.606(b), hereby issues this statement of policy regarding the displacement of persons by CDBG or HOME Program funded activities.

Any entity receiving CDBG or HOME Program funds will replace all occupied and vacant units that will be demolished or converted to a use other than as low/moderate income housing.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. This includes any property obtained through a public undertaking. Before obligating or expending funds that will directly result in such demolition or conversion, the entity will make public and submit to the HUD Field Office the following information in writing.

- A description of the proposed assisted activity;
- The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for low/moderate income dwelling units as a direct result of the assisted activity;
- A time schedule for the commencement and completion of the demolition or conversion;
- The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;

- The source of funding and a time schedule for the provision of replacement dwelling units, and
- The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy (i.e.: Deed of Trust, Deed Restriction, etc.).

The entity will provide relocation assistance, as described in 570.606(b)(2), to each low/ moderate income household displaced by the demolition of housing or by the conversion of a low/moderate income dwelling to another use. Benefits will be provided to relocatees and displacees according to the calculation of benefits derived pursuant to requirements of regulations promulgated under the Uniform Property Acquisition and Relocation Act of 1970, as amended.

Assistance To Aliens

An alien who is not lawfully present in the United States is prohibited from receiving assistance under the Uniform Relocation Act, per 49 CFR 24.208, and assisted housing programs. Circumstances may dictate that determination that an alien is ineligible would result in exceptional and extremely unusual hardship to a spouse, parent, child who is a United States citizen. A final determination on the eligibility of the request will be made by HUD before any assistance is provided.

Permanent Displacement

Displacement is defined as follows: Permanent movement of person(s) or other entities from a dwelling unit or business location resulting from CDBG or HOME funded code inspection, rehabilitation, demolition, or acquisition.

In order to minimize displacement and mitigate adverse effects, the policy shall consist of the following steps, in the event displacement is caused by current or future CDBG or HOME Program funded projects:

- Avoid or minimize permanent displacement whenever possible and only take such action when no other viable alternative exists.
- The impact on existing persons and properties will be considered in the development of CDBG and HOME Program funded projects.
- Citizens shall be informed of CDBG or HOME Program project area(s) through information made available as part of the annual proposed and final statements on use of CDBG and HOME Program funds.
- Current regulations, HUD notices and policies will be followed when preparing informational statements and notices.

- Written notification of intent will be given to eligible property owners who may be displaced and/or relocated due to an approved project activity.
- Assist those displaced in locating affordable, safe, decent and comparable replacement housing.
- Ensure that "just compensation" for CDBG or HOME Program acquired property (as determined by appraised fair market value) is paid with relocation benefits, if applicable.
- Provide for reasonable benefits to any person permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property.

Reasonable benefits will follow established policies set forth in applicable federal, state and local regulations.

- Provision of information about equal opportunity and fair housing laws in order to ensure that the relocation process does not result in different or separate treatment on account of race, color, religion, national origin, sex, or source of income.
- Displaced families will be given a preference through the Housing Choice Voucher Program, Conventional Public Housing or any other federally funded program for which they might qualify. This priority is contingent upon availability of certificates, vouchers or placement coupons by the agency certified to handle assistance in the jurisdiction.

Temporary Displacement

CDBG or HOME Program funded activities may involve temporary displacement. While strict adherence to provisions of the Uniform Relocation Act is not specified, it is the policy of the City of Mesa that all sub-recipients shall take steps to mitigate the impact of CDBG or HOME Program funded code inspections, rehabilitation, demolition or acquisition that results only in temporary movement of person(s) from a dwelling unit. Such temporary displacement primarily involves demolition and reconstruction of a single-family owner-occupied home. Accordingly, the citizens involved in a temporary movement shall be fully informed of the below matters and appropriate steps shall be taken to insure that fair and equitable provisions are made to:

- Insure that owners receive compensation for the value of their existing house prior to demolition.
- Receive temporary living accommodations while their CDBG or HOME Program funded unit is being demolished and reconstructed.
- Move and temporarily store household goods and effects during the demolition and reconstruction evolution.

- Reimburse all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving costs and any increased rent and utility costs.

Home Mortgage Disclosure Act (HMDA) Analysis

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

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

The national 2012 HMDA data consists of information for 15.3 million home loan applications reported by 7,400 home lenders, including banks, savings associations, credit unions, and mortgage companies.[43] HMDA data, which is provided by the Federal Financial Institutions Examination Council (FFIEC), includes the type, purpose, and characteristics of each home mortgage application that lenders receive during the calendar year. It also includes additional data related to those applications including loan pricing information, action taken, property location (by census tract), and additional information about loan applicants including sex, race, ethnicity, and income.

The primary data source for this analysis was the 2012 HMDA dataset assembled from tract-level data for City of Mesa census tracts, which included a total of 12,713 loan application or loan purchase records. Within each HMDA record some of the data variables are 100% reported: "Loan Type," "Loan Amount," "Action Taken," for example, but other data fields are less complete. For example, for the 2012 Mesa data, 17.7% of the records contained no race-related data. Applicant information may be missing because it was not provided by the applicant or, in the cases of loans purchased by an institution, because reporting was optional. There is no requirement for reporting reasons for a loan denial, and this information was not provided for 28.4% of loan denials in Mesa.

Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. The reasons for incomplete data are not explained in the HMDA documentation so it is impossible to assess the biases that could arise from analyzing the data. It is possible that the reasons for the omitted data were systematic and therefore may

[43] Federal Financial Institutions Examination Council, "Federal Financial Examination Council Announces Availability of 2012 Data on Mortgage Lending," September 18, 2013.

have had a significant but unknown effect on the analytical results. Ideally, any missing data for a specific data variable would affect a small proportion of the total number of loan records and therefore would have only a minimal effect on the analytical results.

The HMDA data does not include a borrower's total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio or loan product choices. Research has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data.[44] Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use the HMDA price data in conjunction with information from loan files to assess an institution's compliance with the fair lending laws.

Loan Approvals and Denials by Applicant Sex

The 2012 HMDA data for Mesa included complete information about applicant sex and household income for 10,708 of the total 12,713 microdata records. Looking at the 7,945 records that represent a loan application (versus 2,763 loan purchases), 2,605 were by male applicants, 1,831 by female applicants, and 3,509 by male and female co-applicants. The table on the following page presents a snapshot of loan approval rates and denial rates calculated for low, moderate, and upper income applicants by sex.[45] Note that denial rates are not simply the complement of approval rates because the "Loan Action" variable allows other outcomes including application withdrawal by the applicant and file closure for incompleteness.

Overall, the table shows that approval rates were from three to eight times higher than denial rates. Approval rates ranged from 64.2% for low income males to 78.0% for high income male/female co-applicants. Female applicants had higher approval rates and lower denial rates than males regardless of income, with the largest difference being a 5.2 percentage point gap in the low-income category.

Compared to male/female co-applicants, female applicants had roughly similar approval and denial rates in the moderate income band. High income male/female co-applicants had slightly higher loan approval rates (1.6 percentage points) and lower denial rates (2.3 percentage points). The biggest rate gap between these two groups was in the low-income

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

[45] The low-income category includes applicants with a household income below 50% of the 2012 median family income for the Phoenix-Mesa-Glendale MSA. The moderate income category includes applicants with household incomes from 50% to 120% MFI, and the upper income category consists of applicants with household incomes above 120% MFI. Based on the 2012 metro MFI of $66,400, the 50% income threshold is $33,200 and the 120% threshold is $79,680.

category, where female applicants had an approval rate 5.1 percentage points above male/female co-applicants.

Loan Approval and Denial Rates by Sex City of Mesa, 2012			
Income Range	**Female Applicant(s)***	**Male Applicant(s)***	**Male/Female Co-Applicants**
Low Income			
Total Applications	539	508	196
Approval Rate	69.4%	64.2%	64.3%
Denial Rate	15.8%	20.3%	16.3%
Moderate Income			
Total Applications	1,008	1,304	1,390
Approval Rate	77.8%	74.6%	77.0%
Denial Rate	9.5%	10.8%	10.1%
High Income			
Total Applications	284	793	1,923
Approval Rate	76.4%	72.5%	78.0%
Denial Rate	11.6%	12.1%	9.4%

*Includes applications with a single male or female applicant and applications with male/male or female/female co-applicants.
Source: FFIEC 2012 Home Mortgage Disclosure Act Data

Under the provisions of the HMDA, reporting institutions may choose to report the reasons they deny loans to consumers, although there is no requirement to do so. Of the 906 loan denials examined here, reasons are provided in 71.5% of cases, and reporting rates are similar regardless of applicant sex.

The table that follows breaks down the reasons for loan denials by sex. The four most common denial reasons, regardless of applicant sex, are collateral, credit history, incomplete credit application, and debt-to-income ratio. For female applicants, credit history was the top inhibitor for loan approval, affecting 19.6% of denials, compared to 16.4% for males and 11.6% for male/female co-applicants. Females and males were more likely to be denied loans based on debt-to-income ratio (cited in 14.5% and 17.9% of cases, respectively) than were male/female co-applicants (11.1%), reflecting the possible influence of lower incomes (and/or higher debt loads) in one-income versus two-income households.

Insufficient cash and reasons listed as "other" were more likely to be barriers to loan approval for female applicants than for males or for male/female co-applicants. Female

applicants were denied due to insufficient cash 1.2 times as often as male applicants and 1.6 times as often as male/female co-applicants; they were denied loans for "other" reasons 1.3 times as frequently as males and 1.4 times as frequently as male/female co-applicants.

Denial rates based on collateral were similar for females and males, and both fared better than male/female co-applicants by about 4-5 percentage points.

In summary, the reasons for denial mostly relate to the applicant's (and co-applicant, if any) long-term ability to repay the loan such as debt-to-income ratio and credit history or their ability to pay the short-terms costs of originating a mortgage (down payment and closing). Females were denied mortgage loans more frequently than males due to credit history and "other" reasons, but were less likely to be denied due to income, employment or unverifiable information. When compared to male/female co-applicants, females were more likely to be denied due to credit history, income, and "other" reasons, but less so for collateral, employment or unverifiable information.

Reasons for Loan Denial by Applicant Sex
City of Mesa, 2012

Reasons for Denial	Female Applicant(s)*		Male Applicant(s)*		Male/Female Co-Applicants	
	Count	Share	Count	Share	Count	Share
Total Denials	214	100.0%	340	100.0%	352	100.0%
Reason provided	156	72.9%	240	70.6%	252	71.6%
Collateral	40	18.7%	62	18.2%	83	23.6%
Credit application incomplete	22	10.3%	39	11.5%	39	11.1%
Credit history	42	19.6%	56	16.5%	41	11.6%
Debt-to-income ratio	31	14.5%	61	17.9%	39	11.1%
Employment history	3	1.4%	11	3.2%	14	4.0%
Insufficient cash	13	6.1%	17	5.0%	13	3.7%
Mortgage insurance denied	2	0.9%	2	0.6%	4	1.1%
Unverifiable information	7	3.3%	6	1.8%	25	7.1%
Other	37	17.3%	46	13.5%	45	12.8%
Reason not provided	58	27.1%	100	29.4%	100	28.4%

*Includes applications with a single male or female applicant and applications with male/male or female/female co-applicants.
Source: FFIEC 2012 Home Mortgage Disclosure Act Data

Loan Approvals & Denials by Applicant Race & Ethnicity

The below table disaggregates loan approval rates into racial and ethnic categories for different levels of income. Complete race, ethnicity, and income data was available for 10,268 loan records, or 80.8% of the 12,713 total records for Mesa in 2012. Looking at the 7,676 records that represent a loan application (versus 2,592 loan purchases), over four-fifths (82.2%) were by a non-Hispanic White applicant and 11.7% were by a Hispanic applicant. Taken together, non-Hispanic Black, Asian, and other races constituted 6.1% of applicants.

For low-income applicants, loan approval rates ranged from 56.5% for Asians to 78.6% for Blacks. Denial rates were highest for Asians (26.4%) and lowest for Blacks (14.3%). White, Hispanic and "other" applicants had similar rates of approval (65%-68%) and denial (16%-18%). Note, however, that rates for Black and "other" applicants are based on a very small number of applications (14 and 11, respectively).

Moderate income applicants had higher loan approval rates for all population groups except Black applicants; denial rates were lower for all groups. In this income band, White, Black and Asian applicants have comparable approval rates from 77%-79%; Hispanic and "other" applicants' rates were 7-9 percentage points lower. Denial rates show greater variation, from a low of 6.1% for Asian applicants to a high of 17.0% for applicants in the "other" category.

Loan Approval and Denial Rates by Applicant Race and Ethnicity
City of Mesa, 2012

Income Range	Non-Hispanic				Hispanic
	White	Black	Asian	Other*	
Low Income					
Total Applications	810	14	53	11	330
Approval Rate	67.7%	78.6%	56.5%	64.7%	65.8%
Denial Rate	16.2%	14.3%	26.4%	17.6%	17.9%
Moderate Income					
Total Applications	2,989	54	99	27	379
Approval Rate	77.2%	77.8%	78.8%	69.8%	69.4%
Denial Rate	9.6%	13.0%	6.1%	17.0%	13.2%
High Income					
Total Applications	2,511	34	103	24	188
Approval Rate	77.3%	64.7%	79.6%	64.3%	73.9%
Denial Rate	9.9%	20.6%	10.7%	19.0%	12.2%

*Includes American Indians and Alaskan Natives, Native Hawaiians and Pacific Islanders, and persons of other or multiple races.

Note: Analysis is based on applicants only and does not include co-applicants.

Source: FFIEC 2012 Home Mortgage Disclosure Act Data

Approval and denial rates for White applicants with high income levels show little variation from those of moderate income applicants. Loan approval rates for Hispanics increased to 73.9% (3.4 percentage points below Whites), and denial rates fell to 12.2% (2.3 percentage points above Whites). Approval rates for Black and "other" applicants were substantially below Whites and denial rates about twice as high, but again the sample size was relatively small.

This analysis indicates that loan outcomes for Whites were consistently better than for Hispanics regardless of income. In the low income category, Whites fared better than Asians, but this disparity was gone in moderate and high income bands. There was a limited number of observations for Black and other racial groups, but at low income levels the minority groups had rates on par or better than Whites. In the high income bracket, substantial disparities existed between minority and White approval and denial rates.

The table on the following page identifies reasons for loan denials by race and ethnicity. For each minority group, the distribution of loan denial reasons is compared to that of White applicants (as a reference group). Note that the small number observations for Black, Asian and other applicants (16 to 20 denials each) significantly limits the conclusions that can be drawn from this data. Findings are summarized below:

- Denial reasons were not provided for 27.2% of White applicants, compared to 31.3% of Black applicants, 45.2% of Asian applicants, and 35.0% of applicants of other races. For Hispanics, the share of denials reported without a reason was lower than that of Whites at 26.5%.
- For Whites and Hispanic the top reason for loan denials was collateral (20% of denials). Credit history, incomplete credit applications, and debt-to-income ratio were 1.2 times more likely to be reasons for denial for Hispanic applicants than Whites. While they made up a small share of overall denials, insufficient cash and denial of mortgage insurance were more likely to affect Hispanic applicants than Whites by rates of 1.44 and 1.68, respectively. Hispanics were less likely to be denied based due to unverifiable information or other reasons.
- Black applicants were considerably more likely than Whites to be denied based on insufficient cash (4.45 times) and slightly more so due to unverifiable information (1.39 times) and incomplete credit applications (1.14 times). Collateral, credit history, and debt-to-income ratio were less likely to be impediments to obtaining mortgages for Blacks than for Whites.
- In comparison to Whites, Asian applicants were more likely to be denied loans due to insufficient cash (1.53 times) and incomplete credit applications (1.18 times). Collateral, credit history, and debt-to-income ratio were less likely to be barriers.

- For applicants of other or multiple races, employment history was 3.33 times more likely to impact mortgage denial than for Whites. Credit history and collateral were also more frequent barriers by rates of 1.73 and 1.21, respectively. Incomplete credit applications and debt-to-income ratios were less likely to be reasons for loan denial for other/multiple races than for Whites.

Reasons for Loan Denial by Applicant Race and Ethnicity City of Mesa, 2012									
Reasons for Denial	**Non-Hispanic**							**Hispanic**	
	White	**Black**		**Asian**		**Other/Multiple Races**			
	Share	**Share**	**Ratio to Whites**	**Share**	**Ratio to Whites**	**Share**	**Ratio to Whites**	**Share**	**Ratio to Whites**
Total Number of Denials	665	16		17		20		132	
Total Denials	100.0%	100.0%		100.0%		100.0%		100.0%	
Reason provided	72.8%	68.8%	0.94	54.8%	0.75	65.0%	0.89	73.5%	1.01
Collateral	20.6%	12.5%	0.61	12.9%	0.63	25.0%	1.21	19.7%	0.96
Credit application incomplete	11.0%	12.5%	1.14	12.9%	1.18	5.0%	0.46	12.9%	1.17
Credit history	14.4%	12.5%	0.87	3.2%	0.22	25.0%	1.73	17.4%	1.21
Debt-to-income ratio	14.6%	6.3%	0.43	12.9%	0.88	10.0%	0.69	17.4%	1.19
Employment history	3.0%	0.0%	------	3.2%	1.07	10.0%	3.33	3.0%	1.01
Insufficient cash	4.2%	18.8%	4.45	6.5%	1.53	0.0%	------	6.1%	1.44
Mortgage insurance denied	0.9%	0.0%	------	0.0%	------	0.0%	------	1.5%	1.68
Unverifiable information	4.5%	6.3%	1.39	3.2%	0.72	0.0%	------	2.3%	0.50
Other	15.0%	12.5%	0.83	12.9%	0.86	5.0%	0.33	10.6%	0.71
Reason not provided	27.2%	31.3%	1.15	45.2%	1.66	35.0%	1.29	26.5%	0.97

Source: FFIEC 2012 Home Mortgage Disclosure Act Data

Loan Actions by Census Tract Minority Percentage

Census tracts often approximate neighborhoods and can provide a convenient measure of the small area effects of loan discrimination. The following table (HMDA Loan actions by Census Tract Minority Percentage) provides the counts and rates of loan actions[46] for City of Mesa census tracts by level of minority population.

The categories shaded in green show loans that were approved by a HMDA-reporting loan institution. Many loans were approved resulting in a mortgage (Loan Originated) but in some cases an application was approved but the applicant decided not to finalize the loan and so were categorized as "Approved But Not Accepted."

The largest minority percentage category of approved loans was for census tracts with less than 10% minority population. Sixty percent (59.7%) of loans in these tracts were approved, and 4.1% of total approvals in Mesa were in these tracts (compared to 3.5% of all loan actions). In most instances, loan approval rates fell as minority residents as a share of tract population increased. For tracts that were 50% to 80% minority, loan approval rates were in the 40s, with a low of 41.1% in tracts with a minority percentage from 70% to 80%. Notably, however, the approval rate jumped ten percentage points to 51.3% for tract with an 80%-90% minority population share.

For total loans, the rate of denials (shaded in red in the table) was 15.5% that of approvals and 7.9% of total actions. Tracts with minority populations of 10-50% and from 80-90% all had denial rates in the 7-8% range. Highest denial rates (from 11.3% to 13.0%) occurred in tracts with a 50-80% minority population share.

[46] Loan approvals include "Loan Originated" and "Approved but Not Accepted." "Application Denials by the Financial Institution" was the single category used to calculate Denial Rates. Other loan action categories included "Application Withdrawn by Client," "File Closed for Incompleteness," and "Loan Purchased by the Institution."

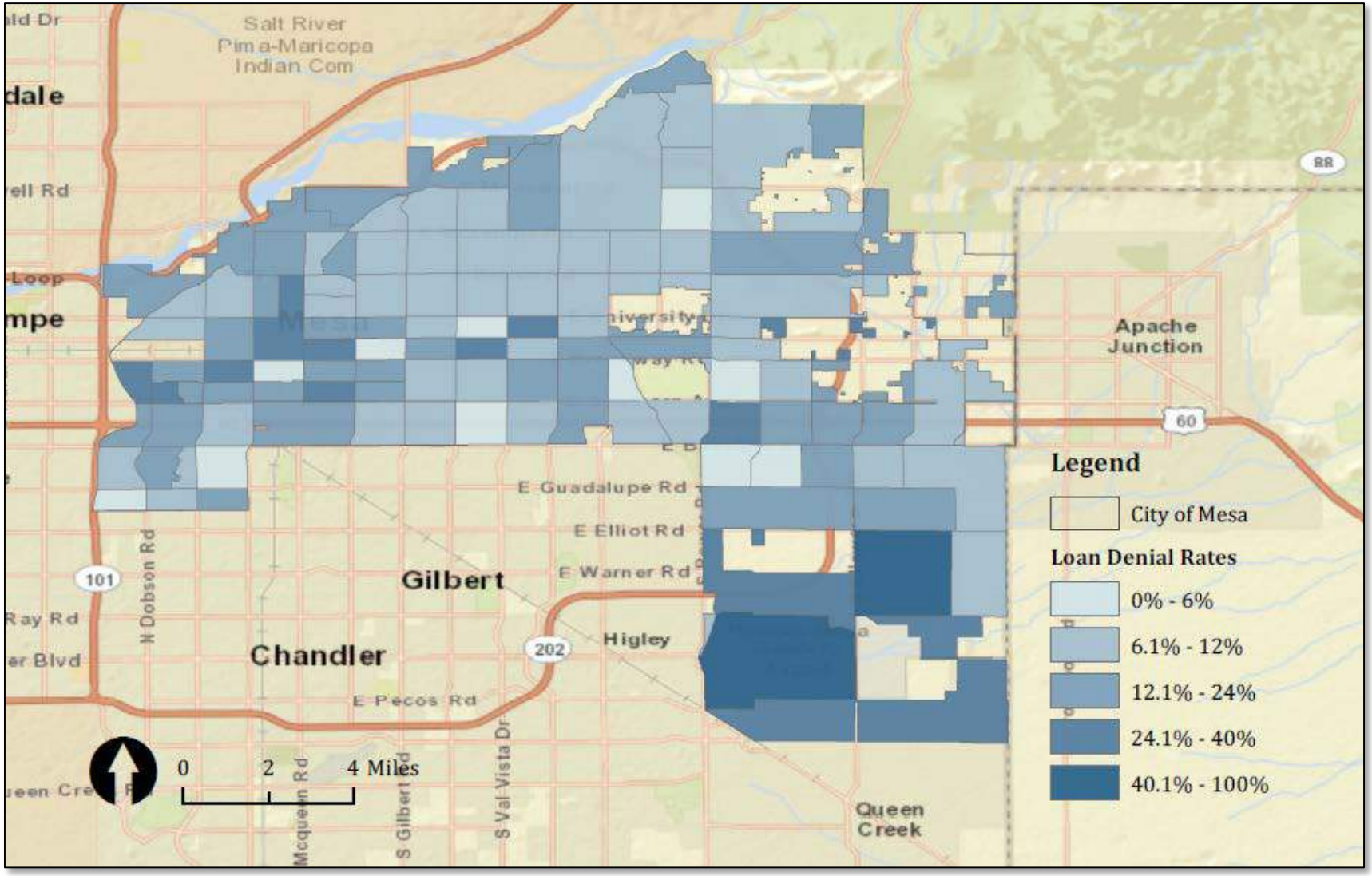
HMDA Loan Actions by Census Tract Minority Percentage City of Mesa, 2012							
Tract Minority Percentage	**Loan Originated**	**Approved, Not Accepted**	**Denied by Financial Institution**	**Withdrawn by Applicant**	**Closed Incomplete**	**Purchased by Institution**	**Total**
Loan Action (Counts)							
0.0%-9.9%	257	7	38	30	4	106	442
10%-19.9%	1,457	70	206	243	28	851	2,855
20%-29.9%	2,373	119	369	440	42	1,589	4,932
30%-39.9%	1,210	50	194	198	30	767	2,449
40%-49.9%	466	23	73	96	7	298	963
50%-59.9%	132	9	40	29	3	100	313
60%-69.9%	212	11	56	46	8	161	494
70%-79.9%	72	4	24	19	2	64	185
80%-89.9%	38	3	7	9	2	21	80
Total	6,217	296	1,007	1,110	126	3,957	12,713
Loan Action (Rates)							
0.0%-9.9%	58.1%	1.6%	8.6%	6.8%	0.9%	24.0%	100.0%
10%-19.9%	51.0%	2.5%	7.2%	8.5%	1.0%	29.8%	100.0%
20%-29.9%	48.1%	2.4%	7.5%	8.9%	0.9%	32.2%	100.0%
30%-39.9%	49.4%	2.0%	7.9%	8.1%	1.2%	31.3%	100.0%
40%-49.9%	48.4%	2.4%	7.6%	10.0%	0.7%	30.9%	100.0%
50%-59.9%	42.2%	2.9%	12.8%	9.3%	1.0%	31.9%	100.0%
60%-69.9%	42.9%	2.2%	11.3%	9.3%	1.6%	32.6%	100.0%
70%-79.9%	38.9%	2.2%	13.0%	10.3%	1.1%	34.6%	100.0%
80%-89.9%	47.5%	3.8%	8.8%	11.3%	2.5%	26.3%	100.0%
Total	48.9%	2.3%	7.9%	8.7%	1.0%	31.1%	100.0%

Source: FFIEC 2012 Home Mortgage Disclosure Act Data

The map (Home Mortgage Loan Denial Rate) shows the geography of loan denial rates for Mesa census tracts, indicating that loan denial rates are highest in tracts around the Phoenix-Mesa airport in southern Mesa. However, two of these tracts – 9806 and 5228 – had only one loan application each, which was denied. Other tracts with higher denial rates are scattered throughout the city along the Southern Drive, Broadway Road, and University Avenue corridors. Most tracts with lowest denial

rates are also scattered throughout the city along these roads, often directly adjacent to a high-denial-rate tract.

Home Mortgage Loan Denial Rates by Census Tract in the City of Mesa: 2012



Source: FFIEC 2012 Home Mortgage Disclosure Act Data

Fair Housing Organizations & Activities

Fair Housing Education

Having educational resources available to local residents when it comes to fair housing is critical to reducing fair housing violations and impediments. These resources and services are normally provided to the community by local non-profits and private institutions that have been certified by HUD as housing counseling agencies. When low-income and minority residents have access to these resources, such as financial and budget management training, credit counseling and assistance opportunities, they are made more aware of their rights in fair housing and are better educated when looking for a home.

The baseline measurement regarding public awareness of fair housing issues comes from a national survey conducted in 2000 by HUD.[47] This survey revealed that "majorities of the adult public were knowledgeable about and approved of most aspects of the [fair housing] law, although the size of the majorities varies across these aspects." In addition, only a very small percentage of survey respondents who asserted their fair housing rights had been violated took action. In 2005, a follow up survey was conducted by HUD to measure the national increase in public awareness of fair housing rights and the survey revealed very little change in public awareness overall, however public support for fair housing had dramatically increased.

Mesa's Consolidated Plan and Analysis of Impediments for FY 2010-2014 identified several priority actions that the city should take to improve its housing market that had been devastated with subprime mortgages and foreclosures. According to HUD, out of the 76,100 mortgages originations that took place between 2004-2006, 30% were considered sub-prime.[48] These mortgages caused many residents to lose their homes, increasing the vacancy rate. Being approved for an affordable rate mortgage loan is just one example of what residents need to be educated on to improve fair housing. Public awareness and education of fair housing issues and laws is critical to reducing fair housing violations and is a means to ending housing discrimination. The City of Mesa Housing Authority is the local entity designated to educate local residents and organizations on fair housing rights and collect information on potential fair housing complaints. Mesa's Housing Authority operates out of the Housing and Community Development Department. This offers residents and potential grant fund recipients a centralized location to go to with fair housing concerns. Complaints received by Mesa are forwarded to the Arizona Attorney General's office for review.

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[47] Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*. U.S. Department of Housing and Urban Development. (February 2006). Source: http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf

[48] FY 2010-2014 Consolidated Plan for City of Mesa, Version 2.0. *CrystalCompany.*

In addition to collecting fair housing complaints and concerns, The City of Mesa Housing Authority also performs annual evaluations of fair housing requirements being implemented into their Public Housing Agency (PHA) Annual Plans and housing program objectives. The Mesa Housing Authority encourages fair housing trainings and informational meetings for developers, property management firms, landlords, and other community organizations involved in real-estate or rental housing. Property managers are made aware of landlord-tenant relationship practices that may be classified as discriminatory, such as refusing to rent or provide services, establishing different terms for different customers, giving preferential treatment because of race, excluding families or steering renters or buyers to a particular area.

In addition to providing training for landlords and property management firms, eligible recipient homebuyers and renters are also made aware that they have protected housing rights which make it illegal for anyone that is looking to sell or rent out a home to discriminate based on the following categories which HUD defines as a *'protected class'*: race, color, religion, sex, national origin, disability or family status.

In addition to the public services offered to residents by the Mesa Housing Authority, certified housing counseling agencies in the city also offer educational courses on credit counseling, landlord-tenant relations, financial literacy, and homeownership preparation for homebuyers and renters. Fair housing rights are incorporated into training courses so that homebuyers and renters are made aware of their rights while being given the knowledge and tools they need to determine their financial capacity to maintain their home.

HUD Approved Housing Counseling Agencies in Mesa, Az.

Agency	Services
Housing Counseling & Education Services -English & Spanish	- Mortgage Delinquency and Default Resolution Counseling - Pre-purchase Counseling - Pre-purchase Homebuyer Education Workshops - Rental Housing Counseling - Post-purchase Counseling
Chicanos Por La Causa, Phoenix Money Management Intl. -English & Spanish	- Financial Management/Budget Counseling - Mortgage Delinquency and Default Resolution Counseling - Non-Delinquency Post Purchase Workshops - Pre-purchase Counseling - Pre-purchase Homebuyer Education Workshops - Rental Housing Counseling

Agency	Services
Money Management International Inc. Springboard- Mesa -English, Spanish, & Other	- Financial Management/Budget Counseling - Mortgage Delinquency and Default Resolution Counseling - Pre-purchase Counseling - Rental Housing Counseling

Source: HUD Approved Housing Counseling Agencies. http://www.hud.gov/offices/hsg/sfh/hcc/

Results of the survey conducted in conjunction with this Analysis of Impediments to Fair Housing shows that less than half (48.6%) of Mesa residents were knowledgeable of their fair housing rights. The majority (50.7%) do not know where to file a complaint if they feel their rights have been violated. Of the 15.9% of respondents who reported having faced housing discrimination, only one in seven filed a formal complaint.

Housing Discrimination Complaints

The Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can choose to file a fair housing complaint through the respective Regional FHEO. Typically, when a complaint is filed with the agency, a case is opened and an investigation of the allegations of housing discrimination is reviewed.

If the complaint is not successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a "Determination", as well as a "Charge of Discrimination", and a hearing is scheduled before a HUD administrative law judge. Either party (complainant or respondent) may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court.

"How Much Do We Know" published by HUD in 2002, reports that only half of the public could correctly identify as "unlawful" six out of eight scenarios describing illegal fair housing conduct. Less than one-fourth of the public knows the law in two or fewer of the eight cases.

In addition, 14% of the adult population claims to have experienced some form of housing discrimination at one point or another in their lives. Of those who thought they had been discriminated against, 83% indicated they had done nothing about it, while 17% say they did pursue a complaint. In HUD's follow-up study *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law* (published in 2006) "41% of the former survey respondents said it was "very likely" they would do something about future discrimination compared to only 20% in the 2005 survey of which African Americans are even somewhat more prone to say they would be likely to respond."[49] The survey revealed that 46% of those who reported having experienced discrimination in the past and done nothing about it said they would very likely do something about future discrimination.

Individuals with more knowledge are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral

[49] Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, U.S. Department of Housing and Urban Development, February 2006. Source: http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf

assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

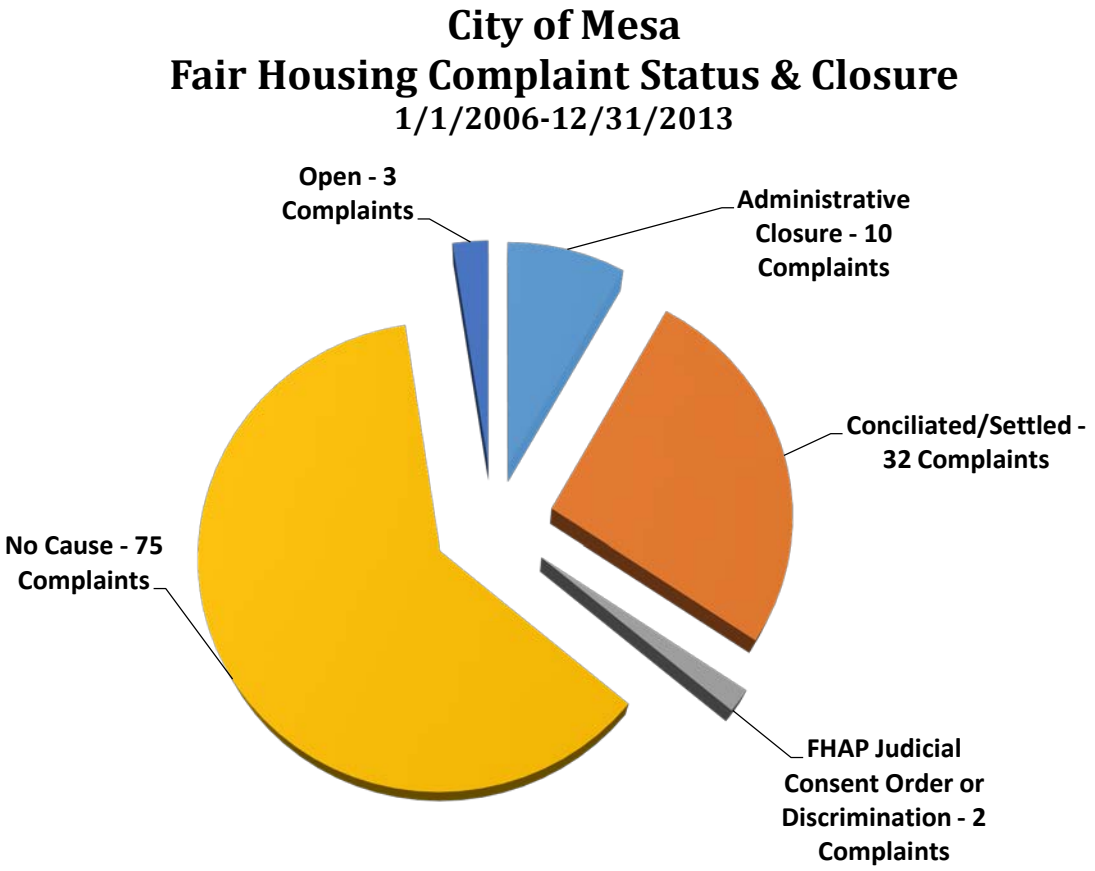
Each year National Fair Housing Alliance (NFHA) collects data from both private, non-profit fair housing organizations and government entities to present an annual snapshot of fair housing enforcement in the United States.[50] According NFHA in 2012, there were 28,519 complaints of housing discrimination, compared to 27,092 in 2011. As noted in the NFHA 2013 Fair Housing Trends Report, more disability complaints have been filed than any other type of fair housing complaints. NFHA suggest that this may be contributed to the apartment owner's direct refusal to make reasonable accommodations or modifications for people with disabilities. Architects and developers continue to design and construct obviously inaccessible apartment buildings and condominium complexes that do not meet the Fair Housing Act's standards, despite HUD's 10 year "Fair Housing Accessibility FIRST" education campaign educating architects and builders about their fair housing responsibilities although, HUD has devoted an office solely to disability issues.

Complaints Filed With HUD

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

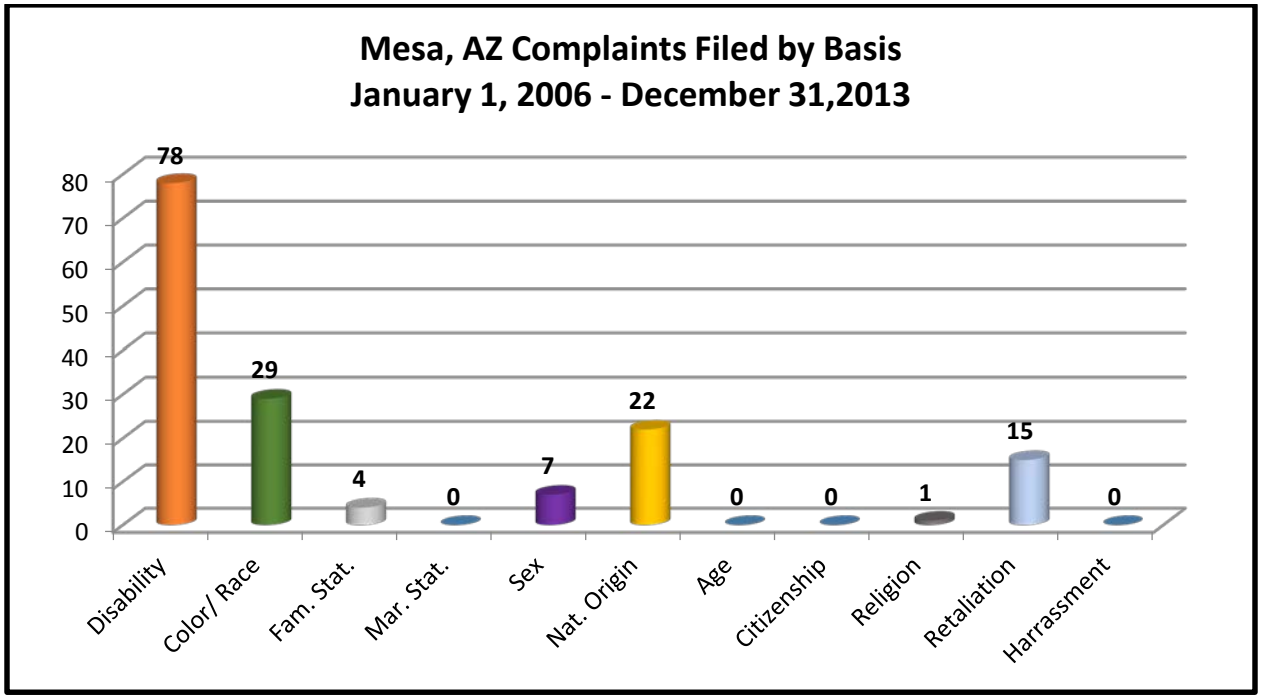
From January 1, 2006 and December 31, 2013 there were 122 housing complaints filed with HUD FHEO for the City of Mesa. Of these complaints, 34 were determined to have cause and were settled through conciliation or judicial consent order. A total of $8,624 in settlement compensation was paid regarding the "with cause" claims. A total of 75 complaints were withdrawn for no cause with only 3 cases currently open.

[50] National Fair Housing Alliance 2013 Fair Housing Trends Report
http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=rJOodoEJhG4%3d&tabid=3917&mid=5321



This review of complaints shows that the overwhelming majority of complaints investigated by the San Francisco FHEO Office for the City of Mesa were based on disability status and color or race, respectively at 50% and 18.5% of the total types of Protected Class complaint filings with national origin and retaliation as the next largest complaints at 14.1% and 9%. A lack of filed complaints does not indicate that a problem does not exist. It should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

Mesa, AZ Complaints Filed by Basis January 1, 2006 - December 31,2013											
Disability	Color/ Race	Fam. Stat.	Mar. Stat.	Sex	Nat. Origin	Age	Citizen - ship	Religion	Retalia - tion	Harrass - ment	TOTAL COMPLAINTS FILED
78	29	4	0	7	22	0	0	1	15	0	156



As noted in the following table, a review of fair housing complaints filed by issue corresponds with the national trend, in which 48 or 26.9% of the 178 complaints noted resulted from failure to make reasonable accommodations for disabled persons residing in the City of Mesa. Other issues, such as discrimination in terms, conditions, privileges of services or facilities and related to rental housing also had significant number of cases filed at 33 and 25 of the total cases filed in Mesa. The complaints as presented from the FHEO are found in full in the Appendix of this document.

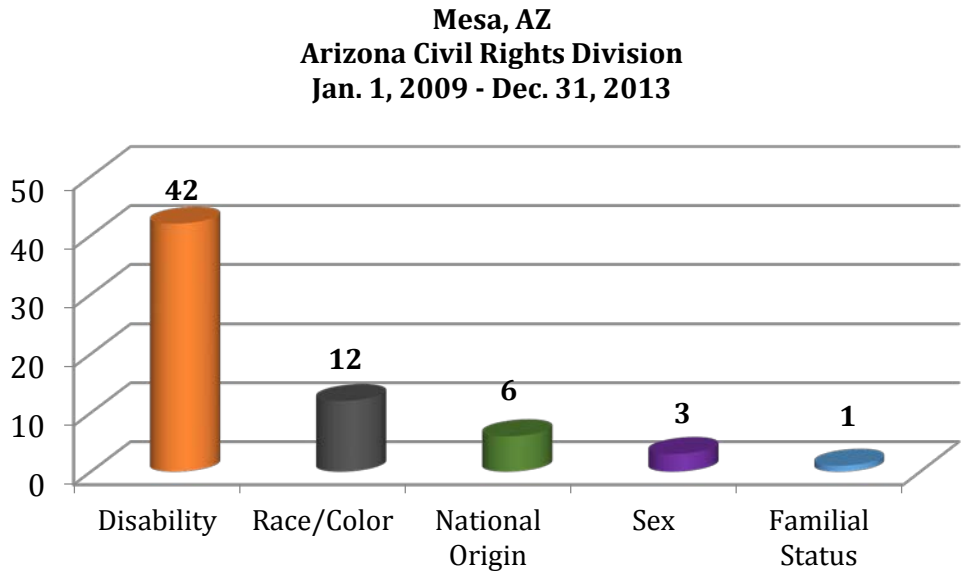
Mesa, AZ Complaints by Issue January 1, 2006 - December 31,2013	
ISSUES	**FILED CASES**
Complaints by Issue	1
Discriminatory Refusal to Sell	21
Discriminatory Refusal to Rent	2
Discriminatory Refusal to Rent and Negotiate for Rental	8
Discriminatory Advertising, Statements, and Notices	1
False Denial or Representation of Availability - Rental	1
Discriminatory Financing (Includes Real Estate Transactions)	1
Discrimination in the Making of Loans	1
Discrimination in the Selling of Residential Real Property	1
Discrimination in the Terms and Conditions of Membership	1
Discrimination in the Terms, Conditions, Privileges, or Services and Facilities	33
Discrimination in Terms/Conditions/Privileges Relating to Sale	2
Discrimination in Terms/Conditions/Privileges Relating to Rental	25
Discrimination in Services and Facilities Related to Rental	2
Other Discriminatory Acts	4
Discriminatory Acts under Section 818 (Coercion, etc.)	24
Failure to Permit Reasonable Modification	2
Failure to Make Reasonable Accommodation	48
TOTAL NUMBER OF COMPLAINTS	***178***
TOTAL CASES	***122***

Arizona Civil Rights Division: Arizona Attorney General Office

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

Between January 1, 2009 and December 31, 2013 there were 63 complaints of housing discrimination alleged to have occurred within the City of Mesa, AZ. Of these complaints, 42 were determined not to have reasonable cause for discrimination and 11 of the complaints were settled through mediation or conciliation. A total of 5 of the "with cause" complaints were withdrawn after resolution and 5 complainants failed to cooperate with the Attorney

General's Office. The complaints as presented from the Arizona Civil Rights Division are found in full in the Appendix.



Similar to FHEO data for Mesa, the review of fair housing complaints filed by issue with the Arizona Civil Rights Division reflect the most common type of discriminatory complaints resulted from failure to make reasonable accommodations for disabled persons residing in the City of Mesa. Of the total number of complaints filed 30 cases or 36.1% of the complaints were related to accommodation for disabled adults. Other notable complaints included discrimination in terms and conditions of rental or residency at 33.1% of the total complaints and harassment, intimidation, or retaliation at 14.5% of the total complaints. Again, it should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

Mesa, AZ Complaints by Issue January 1, 2009 - December 31, 2013	
ISSUES	**FILED CASES**
Failure to Make Reasonable Accommodation	30
Discriminatory Refusal to Rent	10
Discrimination in the Selling of Residential Real Property	1
Harassment, intimidation, or retaliation	12
Discrimination in terms and conditions of rental or residency	28
Discrimination in financing	2
TOTAL NUMBER OF COMPLAINTS	***83***
TOTAL CASES	***63***

Housing Discrimination Lawsuits

Over the past 10 years in Mesa, AZ, very few lawsuits of broad impact have been filed alleging housing discrimination within Mesa, as compared to municipalities of similar size. Below is a summary of the nature, extent, and disposition of three housing discrimination lawsuits filed and/or adjudicated between 2005 and 2013 involving Mesa litigants, which may impact fair housing choice within Mesa, Arizona. All three cases were filed in state superior court under the Arizona Fair Housing Act ("AFHA"), rather than in federal district court under the Federal Fair Housing Act ("FHA"). Two of these three cases were brought by the State Attorney General's Civil Rights Division of the Arizona Department of Law. Cases brought in state superior court generally proceed more quickly and are less costly in terms of litigation expenses than cases adjudicated in federal district court, which provides a strong incentive for complainants to seek relief under state fair housing laws. While the complainants in each case could have filed in federal district court for alleged violations of the FHA, the AFHA is substantially similar in terms of its protections. The cases brought by the Attorney General are highlighted because they demonstrate the State's interest in protecting fair housing choice and redressing housing discrimination even on a small, localized scale.

Background:

The Civil Rights Division of the Arizona Department of Law is an administrative agency established by AR.S. § 41-1401 to enforce the provisions of the Arizona Civil Rights Act, A.R.S. § 41-1401, *et seq.,* including the AFHA. After an aggrieved party files a charge of discrimination, the Division will investigate and determine whether or not there is reasonable cause to believe an unlawful discriminatory practice or act has occurred. If the Division makes a reasonable cause determination, it may attempt conciliation between the parties, and if no resolution can be reached, the State may bring an action on behalf of the aggrieved party in state superior court. Notwithstanding the Division's determination of whether or not an unlawful practice or act has occurred, aggrieved persons retain the right to bring their own civil action within the statute of limitations under either the federal Fair Housing Act or the AFHA.

1. **State of Arizona v. Mesa Village Mobile Home Park, Civil Action No. C20087703 (Sup. Ct. of Maricopa County).**

Issue:

In November 2008, the State of Arizona represented by the Attorney General and the Civil Rights Division of the Department of Law, filed an action in Maricopa County Superior Court

under the Arizona Fair Housing Act (A.R.S. § 41-1491 et seq.) on behalf of two married tenants of the Mesa Village Mobile Home Park ("Mesa Village") located at 2701 East Allred, Mesa. The complaint alleged that the mobile home community, its owner/operator, and the management company discriminated against the aggrieved persons, Mr. and Mrs. Boyd, in violation of the AFHA by failing to provide a reasonable accommodation for Mrs. Boyd's disability. The Boyds had resided at Mesa Village since 2001. Mrs. Boyd is an individual with a disability within the meaning of A.R.S. § 41-1491(5) because she has a mental impairment that substantially limits one or more major life activities.

Analysis:

In March 2008, Mrs. Boyd had stopped taking her psychiatric medication, and on March 25, 2008, at her family's request, the Mesa Police Department removed her from her home for inpatient treatment. That same day, the Boyds received a Notice of Termination of Rental Agreement for immediate termination on the basis that Mrs. Boyd had threatened the park's manager and attempted to break into the home of another tenant. Defendants also filed a Forcible/Special Detainer (eviction) action against the Boyds. Through their attorney, the Boyds informed Defendants of Mrs. Boyd's disability and requested that they dismiss or continue the eviction action as a reasonable accommodation for Mrs. Boyd's disability. Defendants refused.

Conclusion:

To avoid further expense and the uncertainty of litigation, the parties settled and the Court entered a Consent Decree on December 18, 2009. Under the terms of the settlement, the Boyds received full rent concessions for 20 months and a new lease. Mrs. Boyd was required to provide, on a semi-annual basis, a statement from her case manager affirming that she has been compliant with her psychiatric treatment plan.

Defendants were required to create a policy prohibiting all forms of discrimination under the AFHA and to advise its residents of the procedure by which to request a reasoanble accommodation/modification. The Consent Decree also instructed Defendants in how to create a policy for assessment of safety risk to be completed prior to proceeding with an eviction against individuals with disabilities that the management believes to pose a risk to the health and safety of other tenants. Defendants were required to provide an interactive training for all of its property managers with a qualified trainer on the provisions of the federal Fair Housing Act and the AFHA.

2. **<u>State of Arizona v. Sunland Village East Assoc.</u>, Civil Action No. 2006-003935 (Sup. Ct. of Maricopa County).**

<u>Issue:</u>

On March 13, 2006, the State of Arizona, represented by the Attorney General and the Civil Rights Division of the Department of Law, filed an action in Maricopa County Superior Court under the Arizona Fair Housing Act (A.R.S. § 41-1491 et seq.) against the operator/manager of a senior retirement housing development known as Sunland Village East located in Mesa. After investigating the allegations of an administrative complaint, the State found reasonable cause to believe that Defendant had a facially discriminatory policy that excluded certain resident groups from using community facilities because of religious affiliation and had subjected members of a religious group to different treatment and conditions because of religious affiliation. The complainants were the LDS Family Home Evening Group ("LDS Group"), an unincorporated association, and its chairpersons and members, most of whom were members of the Church of Jesus Christ of Latter Day Saints ("LDS Church").

<u>Analysis:</u>

For the previous 12 years, the LDS Group—consisting of about 60 residents—had met once a month in Defendant's community rooms for social activities. In January 2005, the chairwoman of the LDS Group made a room reservation request for the June 2005 through May 2006 cycle using the existing procedures. However, under a new policy adopted by the Defendant, Defendant notified the LDS Group that going forward it would be charged a fee for each room use because it was a not a board sanctioned group. Defendant also denied the requested room and moved the LDS Group's meeting location to a less desirable room. In June 2005, the Defendant passed a revised room use policy stating in part:

> "We can no longer accommodate any specific religious groups, and room usage is not available. Our Village Chapel, Chapel board meetings, choir practice and Bible classes which are non-denomination are accepted as long as participation is available to all SVE residents."

On July 28, 2005, Defendant notified the LSD Group that in light of its new policy, the LDS Group would no longer be allowed use of any of its community facilities. On September 13, 2005, the LDS Group filed an administrative complaint with the State's Civil Rights Division, and when a conciliation agreement could not be reached the State filed this action on behalf of the aggrieved persons. The State alleged that Defendant restricted the use and availability and imposed different terms and conditions under which the community facilities at Sunland Village East could be used by the LDS Group for social activities because of religions discrimination and also denied the use of the community facilities, in violation of the AFHA.

Conclusion:

In an effort to avoid further costs and the uncertainty of litigation, Defendant settled the fair housing lawsuit via a Consent Decree approved by the Court on April 12, 2006. The settlement requires the Sunland Village East Homeowners Association to adopt a court-approved written policy entitled "Room Usage Policy and Procedure," which eliminates religion or religious activity as a criterion for accommodating room usage requests and determining charges for room usage; substitutes religion-neutral criteria; and outlines non-discriminatory rules of conduct for room usage. The LDS Group was entitled to reserve their preferred room at no cost as long as its meetings were open to all residents and excluded non-residents other than invited speakers.

Defendant also agreed to reimburse the complainants for their costs and to pay attorney fees and a fee to the Civil Rights Division. The Defendant was required to provide fair housing training to each of its employees, officers, and board members. Defendant also agreed to report to the Civil Rights Division when it had completed each of the requirements under the Consent Decree and to report any changes in the terms and conditions of the LDS Group's use of its facilities. The Court retained jurisdiction for two years to oversee compliance with the Consent Decree.

3. **Venture Out at Mesa, Inc. v. Osburn, Civil Action No. 1 CA-CV 07-0486, 2008 Ariz. App. Unpub. LEXIS 784 (Ariz. Ct. App. April 10, 2008).**

Issue:

Plaintiff Venture Out serves as the owners' association for a condominium development in Mesa. The condominium's land use declarations were amended to restrict housing occupancy to seniors, i.e. by at least one person fifty-five years of age or older. Defendant Piney, who was over the age of 55, owned and occupied a lot in the condominium. In 2005, she and her daughter, Defendant Osburn, jointly purchased another lot. Defendant Osburn, who was at all relevant times less than 55 years of age, subsequently began occupying a residence on the lot in violation of the condominium's age restriction. A lawsuit followed in Maricopa County Superior Court.

Analysis:

The trial court found for Plaintiff and issued a permanent injunction enjoining Defendant Osburn from occupying the lot in violation of the age restriction, and also awarded Plaintiff attorney's fees and costs. The Defendants then appealed the court's denial of a request for a new trial. However, in an unpublished opinion, the Court of Appeals affirmed the trial court

finding that the Arizona Fair Housing Act does not prohibit discrimination based upon age, but rather restricts and regulates the nature of covenants containing age guidelines or prerequisites. Like the federal Fair Housing Act, the AFHA exempts "housing for older persons" from the prohibition against discrimination based on familial status. *A.R.S. §41-1491.04(A).* Under the plain language of *A.R.S. §41-1491.04*, the requirement that to qualify as "housing for older persons" eighty percent of housing be occupied by persons fifty-five years of age or more applies only to exempt the housing community from the prohibition against familial discrimination.

Conclusion:

Osburn's "familial status" was not at issue as she never alleged that she was either pregnant, domiciled with a person younger than eighteen years of age, or in the process of obtaining legal custody of a person younger than eighteen years of age. Therefore familial status discrimination did not apply, and Osburn failed to provide evidence that she was otherwise part of a protected class.

Hate Crime Data

The Hate Crime Statistics Act of 1990 (28 U.S.C. § 534), defines hate crimes as "crimes that manifest evidence of prejudice based on race, gender or gender identity, religion, disability, sexual orientation, or ethnicity." Any criminal activity, including murder, arson, or acts of vandalism, can be classified as a hate crime if the activity is motivated by a bias against the victim because of perceived race, religion, disability, ethnic origin, or sexual orientation. Because these protected classes significantly overlap with classes that are protected under the Fair Housing Act, an examination of data on hate crimes is conducted as part of this Analysis of Impediments to Fair Housing.

Additionally, the U.S. Department of Justice (DOJ) reports that hate crimes place cities and towns at-risk of serious social and economic consequences, by increasing the strain on police, fire, and medical personnel resources. The continued presence of hate crimes may result in lower business and residential property values, which in turn may lower tax revenues. Moreover, the prevalence of hate crimes and the community's response in terms of prosecuting (or rehabilitating) offenders and providing services for victims, may have an impact on fair housing choice. The targeting of a protected class for criminal action may make other members of that class feel unwelcome, vulnerable, or even threatened. The DOJ describes hate crimes as intended to hurt and intimidate protected classes through target criminal acts against members of that class.[51] Feelings of fear, intimation, and vulnerability increase the likelihood that members of the targeted class will, when possible, chose to live in other areas- thus, impeding housing choice.

The Federal Bureau of Investigation (FBI) maintains a Uniform Crime Reporting Program, under which more than 18,000 federal, state, and local law enforcement agencies voluntarily report incidences of crime in their jurisdictions for nationwide statistical assessment and monitoring purposes. Hate crime statistics have been monitored and published annually under the FBI's Uniform Crime Reporting Program since 1992.[52] For this analysis, hate crime statistics for the most recently available six-year period (2006-2012) were reviewed for trends that would indicate pervasive discriminatory attitudes in the City of Mesa.

Mesa's hate crime index (14.86), an indicator of regional hate crimes in which higher index values indicate more crime, is lower than both the United States hate crime index (25.14) and Arizona's hate crime index (29.86). As the table below depicts, Mesa has a low rate of reported hate crimes. Between 2006 and 2012, a total of 50 hate crimes were reported. These numbers indicate a low level of reported hate crimes in Mesa. However, it should be noted that 25, or half, of the reported cases of hate crimes were hate crimes based on race.

[51] http://www.justice.gov/crs/hate-crime
[52] FBI.gov. http://www.fbi.gov/about-us/cjis/ucr/hate-crime/2011/resources/about-hate-crime-statistics

Moreover, with the exception of 2012, race was the leading bases for reported in hate crimes for each of the other 5 years. Religion, with 10 cases, was the second highest reported reason for hate crimes, followed by ethnicity with 8 cases, and sexual orientation with 6 cases. There were no reported hate crimes based on disability.

Mesa, AZ Reported Hate Crimes 2006-2012

Year	Total	Race	Religion	Sexual Orientation	Ethnicity	Disability
2012	2	0	2	0	0	0
2011	8	4	3	1	0	0
2010	7	6	1	0	0	0
2009	8	4	1	2	1	0
2008	13	4	3	1	5	0
2007	9	4	0	2	3	0
2006	3	3	0	0	0	0

Sources: http://www.fbi.gov/stats-services/crimestats and http://www.usa.com/mesa-az-crime-and-crime-rate.htm

The Community Relations Service (CRS), which is part the DOJ, is a specialized Federal conciliation service available to State and local officials to help resolve and prevent racial and ethnic conflict, violence, and civil disorder. The CRS may be contacted about implementing certain "best practices" and strategies to prevent hate crimes.

Impediments & Recommendations

In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.[53] Throughout this assessment various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the quality of jobs available) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute impediments. Even some affordable housing-related issues (e.g. low credit scores leading to denial of apartment rental applications) fall short of classification as impediments to fair housing choice.

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

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

Impediment #1: Lack of Fair Housing Education

Data from multiple sources reviewed in this analysis indicates a lack of knowledge of fair housing rights and responsibilities. Results of the Fair Housing Survey conducted in conjunction with this study show that less than half (48.6%) of Mesa residents were knowledgeable of their fair housing rights and a majority (50.7%) do not know where to file a complaint if they feel their rights have been violated. Of the 15.9% of respondents who reported having faced housing discrimination, only one in seven filed a formal complaint.

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

Not only is education needed for the general public concerning fair housing rights, but professionals working within the housing sector also need education on their responsibilities under the laws. Returning to the survey data, of those respondents who said they had faced housing discrimination, 70% said it was a city or county staff person who had discriminated against them. Fifty percent said the discrimination was by a landlord or property manager, followed by mortgage lenders (30%) and real estate agents (20%). Further, the Home Mortgage Disclosure Act (HMDA) data reviewed in this analysis showed disparities in loan approvals and denials that followed racial and ethnic trends. That data alone was not sufficient to determine whether these disparities are due to discrimination or to legitimate underwriting standards, however, the presence of the disparate rates could potentially be reduced through increased lender education.

Finally, several stakeholders and community members cited NIMBY (Not In My Backyard) sentiments as being present among some Mesa residents, indicating a need for greater knowledge of fair housing principles.

Recommendations

The City should consider annually reserving a portion of its CDBG public service funds to be awarded as a competitive Fair Housing Grant to an organization that will carry out a focused fair housing education program in the area. As a component of the Fair Housing Grant, the successful applicant should collaborate with the assigned HUD Office of Fair Housing and Equal Opportunity and/or with other local fair housing advocacy organizations to develop an appropriate fair housing training curriculum and education program. Training should be made mandatory for City staff, subrecipients, and any other entities the City may contract with under its CDBG program. Over time, the training program should be expanded and offered to the public, by holding workshops or by sending speakers to club meetings and other gatherings. The program could also be tailored to the needs of landlords, property managers, lenders, and real estate agents and offered periodically at their respective association meetings.

Impediment #2: Uneven Distribution of Community Resources

Housing choice necessarily involves trade-offs, as not every neighborhood can be equally served by every available resource. But, to the extent that distribution of community resources can become more homogenous, the range of housing choices available to certain protected classes will be expanded.

In public meetings and interviews conducted as part of this analysis, researchers frequently heard from residents that bus service in North and East Mesa was inadequate, that bus schedules are not convenient, and that the buses do not run on schedule. A new light rail line connecting Mesa to Phoenix is currently under construction, but is not

anticipated to significantly expand access to public transit beyond the current service area. Tellingly, in the public survey, more than two-thirds of respondents (64.9%) responded that public transportation was available in their neighborhood and 57.5% said that public transportation to major employers was available; however, only 23.3% of respondents believed that available transit service corresponded with their work schedules.

A different set of survey questions asked respondents about the equitable distribution of community resources. Responses indicated public transportation, parks, code enforcement, and schools as being the least-equally distributed public services in the City. Other data supports these perceptions: stakeholders told researchers in interviews that parks in North and East Mesa tended to be in better condition, and schools data shows lower-performing schools located primarily in lower-income communities.

Recommendations

Staff in Mesa's Housing and Community Development Department should routinely review and monitor local and regional planning efforts (such as the Comprehensive Plan, Capital Improvement Plan, and master plans related to transportation, parks, and school facilities) for opportunities to advocate public infrastructure improvements that align with the goal of expanding housing choice. The City should develop and implement an evaluation tool to be used when evaluating new projects that considers factors such as the proximity to public transportation, schools, and public parks. Use of the evaluation tool should ensure that city-funded developments create new housing opportunities in locations with optimum access to community resources.

Impediment #3: Limited Supply of Decent Affordable Housing

Home values in Mesa are remarkably affordable. According to 2012 ACS estimates, well over half of the City's owner-occupied housing units (58.3%) were valued under $150,000. However, the affordability of rental units presents a different story. The fair market rent for a 2-bedroom unit in the area (as determined by HUD) is $925, however, rent at this amount is out of reach for many of the City's renters. According to data from the National Low Income Housing Coalition, a full-time minimum wage worker can afford no more than $406 in rent; even working full-time at the mean renter wage of $15 per hour, the maximum affordable rent would be $780. Accordingly, 53% of rental households are housing cost burdened, spending in excess of 30% of their income on housing expenses.

Even though some housing units may be affordable, they may not be in standard condition. More than a third of Mesa's housing stock was constructed prior to 1980. As housing ages, it becomes more costly to maintain and can fall into disrepair and substandard condition. Participants in meetings and interviews often stated that West Mesa was particularly

affected by issues of substandard housing, absentee landlords, and a need for greater code enforcement.

Recommendations

Mesa must actively work to address the need for more decent and affordable housing by continuing to prioritize investment of HOME and CDBG funds in programs that produce new affordable housing or improve existing units. Additionally, the City should consider opportunities to support Low Income Housing Tax Credit (LIHTC) projects proposed by developers in the area, either through letters of endorsement or the investment of CDBG and/or HOME funds, to the extent a nominal investment of these resources may make a project application more competitive. Finally, Mesa should continue to supplement the City's existing code enforcement staff with additional CDBG-funded officers who can work to improve the conditions of substandard housing in low- and moderate-income neighborhoods.

Conclusion

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

The recommendations proposed in this document address impediments relative to a lack of fair housing education, the uneven distribution of community resources, and a limited supply of decent affordable housing. Implementation of the recommendations can assist Mesa in achieving the reality of an open and inclusive city that truly embraces fair housing choice for all its residents.