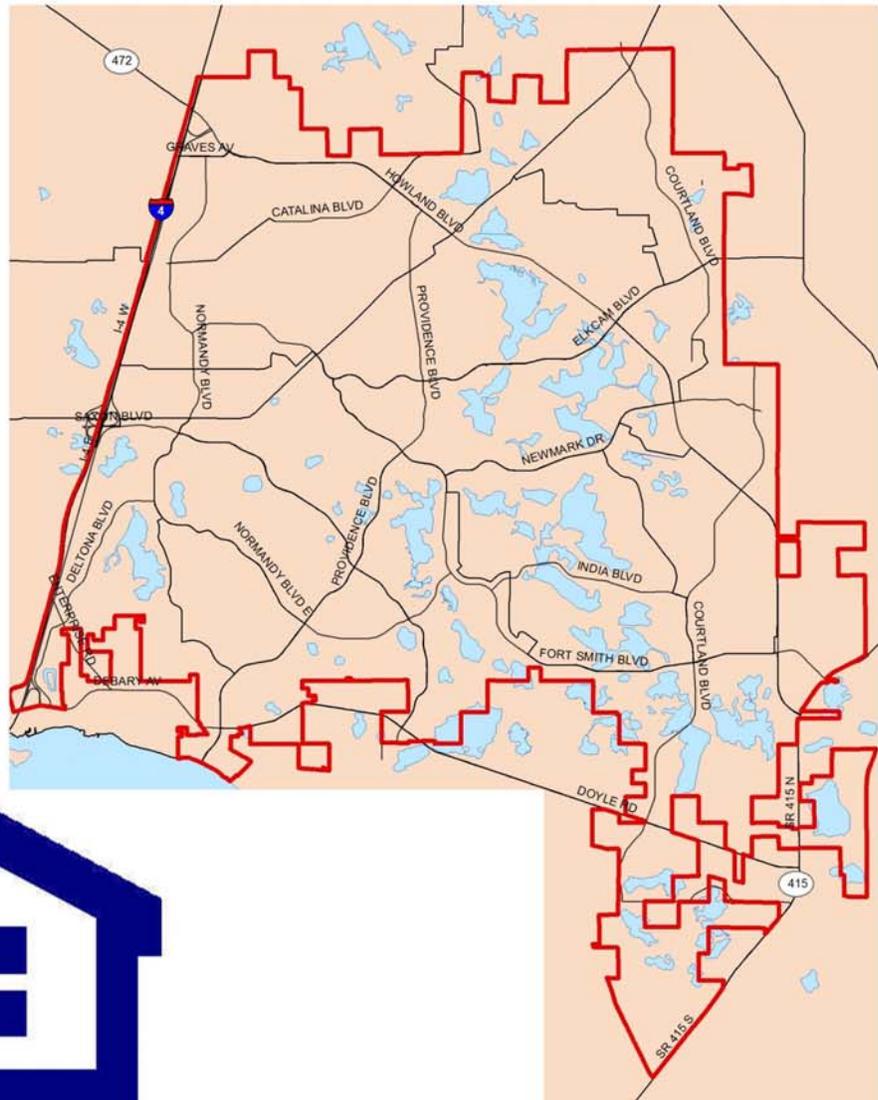
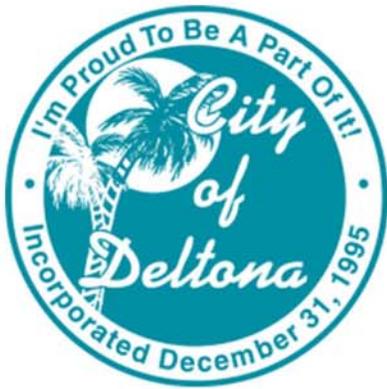


City of Deltona, Florida

Analysis of Impediments to Fair Housing



**EQUAL HOUSING
OPPORTUNITY**

April 2013



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CITY OF DELTONA, FLORIDA
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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June 2013 Final REPORT

Introduction and Acknowledgements

Introduction

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

- Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Lead and Participating Agencies

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

Acknowledgements

Data collected in preparing the AI relied in part on input from the public. The process included information gathered from three citizen focus groups, key person interviews, and data provided by the City of Deltona. We also acknowledge the participation of the City government officials, development community, non-profit, social services, business and real estate industries. Special thanks to all focus group participants and their contributions toward making the AI process a success.

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Executive Summary

Introduction

In 1995 the U.S. Department of Housing and Urban Development (HUD) announced that entitlement communities - communities receiving direct federal funding from Community Development Block Grant, HOME Investment Partnership and Emergency Shelter Grant programs – must conduct a study of existing barriers to housing choice. This required study is referred to as the "Analysis of Impediments (AI) and is part of entitlement communities' consolidated planning process.

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

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

- Conduct an analysis of impediments to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

The City of Deltona's commitment to furthering fair housing and affordable housing through planning and CDBG program design and implementation is noteworthy. A major impediment is the small amount of Entitlement funding received makes it difficult for the city to have measurable impact on removing or lessening the impact of some fair housing impediments. Despite limited funds, their efforts will continue to improve and help maintain stability, and strengthen its older and lower income areas. The impediments identified in Section Six can be directly linked to and supported by data and analysis from the previous sections. In some instances, footnotes have provided information should the reader need to refer to other sections for more details.

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

The analysis of fair housing choice in the City of Deltona has resulted in the identification of impediments, identified through a study methodology that included conducting focus group sessions, the construction of a demographic analysis resulting in a community profile and fair housing index, analysis of the Home Mortgage Disclosure Act (HMDA) data for the City of Deltona and a fair housing law and public policy analysis including a court litigation, legislation, regulatory, fair housing complaint and entitlement grant program review. The following narrative provides a summary of those sections.

Community Profiles

According to the 2010 Census estimates, the total population of Deltona was 85,182, a 22.5 percent increase between 2000 and 2010. The White population increased by 11.4 percent however their percentage of the total population decreased from 84.3 percent to 76.7 percent between 2000 and 2010. African-Americans increased by 4,423 persons or 91.2 percent, and made up 10.9 percent of total population in 2010. Asian and Pacific Islanders increased by 437 persons or 63.7 percent, and made up 1.3 percent of total population in 2010. Deltona experienced a 101.9 percent increase in the Hispanic population between 2000 and 2010. The percentage of Hispanic population of the total population increased from 18.3 percent in 2000 to 30.2 percent in 2010, an 11.9 percentage point increase.

The percentage of female-headed households with children among White households was 5.7 percent, compared to 10.2 percent in Hispanic households, 19.6 percent in African-American households between 2007 and 2011. When considering all family types with children present, the data show that 30.2 percent of all White households, 50.0 percent of all Hispanic households, and 44.0 percent of all African-American households, were in this category. Non-family households among Whites made up 27.0 percent of all White households in Deltona. Non-family households among Hispanics accounted for 13.3 percent of all Hispanic households. Non-family households among African-Americans accounted for 18.8 percent of all African-American households.

Employment opportunities in the area and educational levels of the employees can have a significant impact on housing affordability and the location choice of residents. Table 1.5 in the Community Profile presents our analysis of occupation data, and indicates that there has been some shift in the distribution of occupations between 2000 and 2010. The Public administration sector had the largest increase, up 1.1 percentage points to 5.6 percent. Manufacturing realized the largest reduction of 1.6 percentage points to 6.9 percent of the workforce. All

other occupations had less than one percent point change between 2000 and 2011. The top three occupations in the city between 2007 and 2011 include educational, health, and social services at 18 percent of the total workforce, retail trade at 15.1 percent of the total workforce, and professional, scientific, management, administrative services at 13.3 percent of the total workforce.

According to the information provided by Team Volusia Economic Development Corporation, the major employers in Deltona include the Volusia County Public Schools with 1,530 employees, Publix Super Markets with 300 workers, City of Deltona with 295 employees, Daytona State College (Deltona Campus) with 100 workers, Deltona Health Care Association with 99 workers, and Four Townes Family YMCA with 50 employees.

Our analysis of the distribution of unemployment by Race and Ethnicity indicates some disparities in unemployment rates among Hispanics and African-Americans compared to Whites. Between 2007 and 2011, 8.6 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 15.2 percent unemployment rate and Hispanic reported a 10.8 percent rate. As a comparison, the citywide unemployment rate was 9.9 percent during the period.

Overall, the income distribution data show a higher proportion of low-income households within minority communities. This is an impactful disparity because in general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The data shows that 3.4 percent of White households, 8.1 percent of Hispanic households, and 12.1 percent of African-American households earned income less than \$10,000. Over 30 percent of White households, 43.5 percent of Hispanic households, and 32.6 percent of African-American households earned income less than \$35,000.

The modal income class, the income classes with the highest number of households, for Whites, African-Americans, and Hispanics was the \$50,000 to \$74,999 range with 24.9 percent of Whites, 20.9 percent of Hispanics, and 27.7 percent of African-Americans in this income range. According to the 2007-2011 ACS estimates, the median household income was \$53,844 for White households, \$41,226 for Hispanic households, and \$48,191 for African-American households, compared to \$50,420 for the overall city.

According to the 2007-2011 ACS data, the homeownership rate among Whites was 86.7 percent, compared to 82.6 percent among Hispanics, and 76 percent among African-Americans.

The poverty data shows major disparities for Hispanics and African-Americans compared to that of Whites and citywide poverty totals. The incidence of poverty among Hispanics was reported to be 17.2 percent and 15.8 percent for African-Americans between 2007 and 2011. Among White persons, the data reported 7.4 percent lived in poverty. In comparison, the poverty rate for the city was 11.4 percent during the period.

In Deltona, the difference in income among racial and ethnic groups can, to some extent, be attributed to educational attainment. According to the 2007-2011 ACS estimates (5-year average), 24.7 percent of Hispanics age 25 and above reported less than a high school education compared to 10.6 percent of Whites and 22.9 percent for African-Americans in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 21.7 percent during the period.

The availability of jobs, consistent with the skill levels and educational levels of low-income persons, is largely dependent on the geographic location of the jobs and the workforces' ability to get to and from the employment centers where those jobs are located. If jobs are far removed from the areas where lower income persons live, their ability to get to and from work may be difficult, without public

transportation. To further examine the impact of employment proximity relative to housing choice for low- and moderate-income persons, we analyzed the use and availability of public transportation and the extent to which public transportation provides flexible routes, affordable rates, time efficient commutes with direct route and limited transfers, and routes and schedules that provide access to major employment centers for peak and off-peak work shifts.

Voltran is a public transportation system provided by Volusia County Government in the county. Voltran provides transportation to all urban areas of the county with a fleet of 55 fixed route buses, four trackless trolleys, and 44 paratransit vehicles. Additional service is provided through contracts with private agencies.

Voltran provides public transportation service in Deltona and connects the city to other cities in the county. The service operates through routes 21 and 22 in Deltona and connects various locations in the city, including the City Hall, Deltona Library, Deltona Healthcare Rehab Center, Deltona Christian and Middle Schools, Deltona Plaza, and other destinations. The service operates between 6:30 am to 7:30 pm in the city. This service also transfers to other routes connecting DeBary, Orange City, Deland, Spring Garden, and DeLeon Springs. Based on the bus schedules provided by Voltran for Deltona, the headway time is two hours at each station, and lower headway times such as 15-30 minutes can improve access and ridership. Voltran also provides paratransit, a curb-to-curb service.

SunRail is a 61-mile commuter rail transit service from DeLand, through Orlando and downtown Kissimmee to Poinciana, being built in two phases. Phase 1 is 31 miles and will connect DeBary to Sand Lake Road in Orange County. SunRail trains will operate every 30 minutes during peak hours and at two-hour intervals during non-peak hours. Construction on Phase 1 began in January 2012. Phase 2 will be built in two sections, the north section from DeBary to DeLand, and the south section from Sand Lake Road through Kissimmee to Poinciana. Phase 2 construction is expected to begin in 2014.

According to the 2010 Census, the total number of housing units in the city was 34,089 with 3,866 or 11.3 percent vacant units. There were 26,417 housing units in Deltona in 2000. According to the 2010 Census, of the total number of housing units in the city, 72.3 percent were owner-occupied, 16.4 percent were renter-occupied, and the remaining 11.3 percent were vacant. The median housing value in the city was \$166,000 and the median contract rent was \$881 between 2007 and 2011.

Fair Housing Law, Municipal Policies and Complaint Analysis

The City of Deltona has not enacted substantially equivalent fair housing law. The State of Florida has enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The City of Deltona Housing and Community Development Department directs fair housing complaints to and makes referrals to HUD for enforcement. This agency is also responsible for conducting public education, training and outreach of fair housing rights and remedies in Deltona.

The Regional HUD Office in Atlanta conducts investigations of fair housing complaints that are reported directly to their office. Florida is part of HUD's Region VI that includes Alabama, Georgia, Mississippi, Tennessee, South Carolina, and North Carolina. When HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. Fair housing complaint information was requested and received from the Atlanta, Georgia FHEO Division of the Regional Office of the U.S. Department of HUD. The data provides a breakdown of complaints filed for Volusia County. We were unable to obtain data specifically for Deltona as requested. Therefore we were unable to provide an assessment of complaints for the City of Deltona.

The 2011 Consolidated Annual Performance and Evaluation Report submitted to HUD indicated that the City of Deltona received approximately \$450,000 in Community Development Block Grant (CDBG) funding for FY 2011.

- Public Services: 15%
- Storm Water and Drainage: 50%
- Program Administration and Planning: 20%
- Housing and Economic Development: 15%

The city zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result.

Focus Groups, Fair Housing Index, Home Mortgage Disclosure Act Analysis

Fair housing choice within the City of Deltona encounters a number of impediments, as identified through the construction of a fair housing index and analysis of the Home Mortgage Disclosure Act (HMDA) data for Deltona.

Focus Groups - Data collected in preparing the AI relied in part on input from the public. The process included information gathered from three focus group sessions, key persons interviews, and data provided by the City of Deltona. We also acknowledge the participation of representatives from the banking and mortgage institutions, housing development, non-profit, social services, business and real estate industries. Participants attending the focus groups, voiced their concerns relating to fair housing choice actions or policy they perceive as impediments. Section Three of this report details the input received during the community participation process.

Home Mortgage Disclosure Act Analysis - In Volusia County, the highest success in loan originations was in the home improvement loans and the least success was in refinance loans. In Deltona, the highest success in loan origination was

found in the home improvement loan sector and the least success was in the home purchase loan sector.

Overall, the origination rates among Whites were higher than minorities in home purchase, home improvement, and refinance loans. Refinance loans were the most frequent loan type in the county and the city. The loan applications and originations were significantly lower compared to their percentage in population for Hispanics, Asians, and African-Americans in the county and the city. The analysis reveals two issues, the lack of applications from minorities and the disproportionate loan denials rates between Whites and some minority populations. One possible explanation for lower loan originations among minorities could be lack of credit history, poor credit history, or higher debt-to-income ratio. During the period between 2004 and 2009, the majority of loan denials for all applicants were related to the applicants' credit history.

Section Five of the report, the Fair Housing Index, highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. The City of Deltona does not have census tracts designated as having high risk of fair housing related problems. The census tracts with likelihood of having moderate risk of fair housing problems are located in the southwestern areas of the city. The census tracts having low risk of fair housing problems are located in the southern areas of the city.

Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section Six of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed look at fair housing impediments in Deltona. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial

actions are suggested to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. These actions will require further research, analysis, and final program design by the City of Deltona for implementation.

The Analysis of Impediments to Fair Housing Choice identified fair housing impediments related to **real estate market conditions as impediments**: a lack of affordability and insufficient Income; **public policy related impediments**: a lack of public awareness of fair housing rights; **banking, finance, insurance and other industry related impediments**: large numbers of foreclosures in the real estate market; predatory lending; **socio-economic impediments**: poverty and low-income; and **neighborhood conditions related impediments**: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Review of City development regulations and practices revealed no significant policy barriers to affordable housing. These policies include land use controls, zoning ordinances, building codes, fees and charges, and tax policies. No excessive, exclusionary, discriminatory or duplicatory policies, rules or regulations were found that constitute barriers to affordability.

Remedial Activities Designed To Address Impediments

The major focus of the recommended remedial actions is centered on creating partnerships, identifying new federal resources and leveraging private funding needed to enhance the jurisdiction's ability to increase its supply of affordable housing and better meet the needs of low-income and moderate-income households. The details of the identified impediments and remedial actions are presented in Section Six of the report.

Section 1: Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Deltona, Florida, gathered from the 2010 Census estimates, 2007-2011 American Community Survey (ACS) 5-Year estimates, 2000 and 2010 U.S. Census, City of Deltona, West Volusia Chamber of Commerce, and other sources. The following sections provide a look at the current status of the community in Deltona:

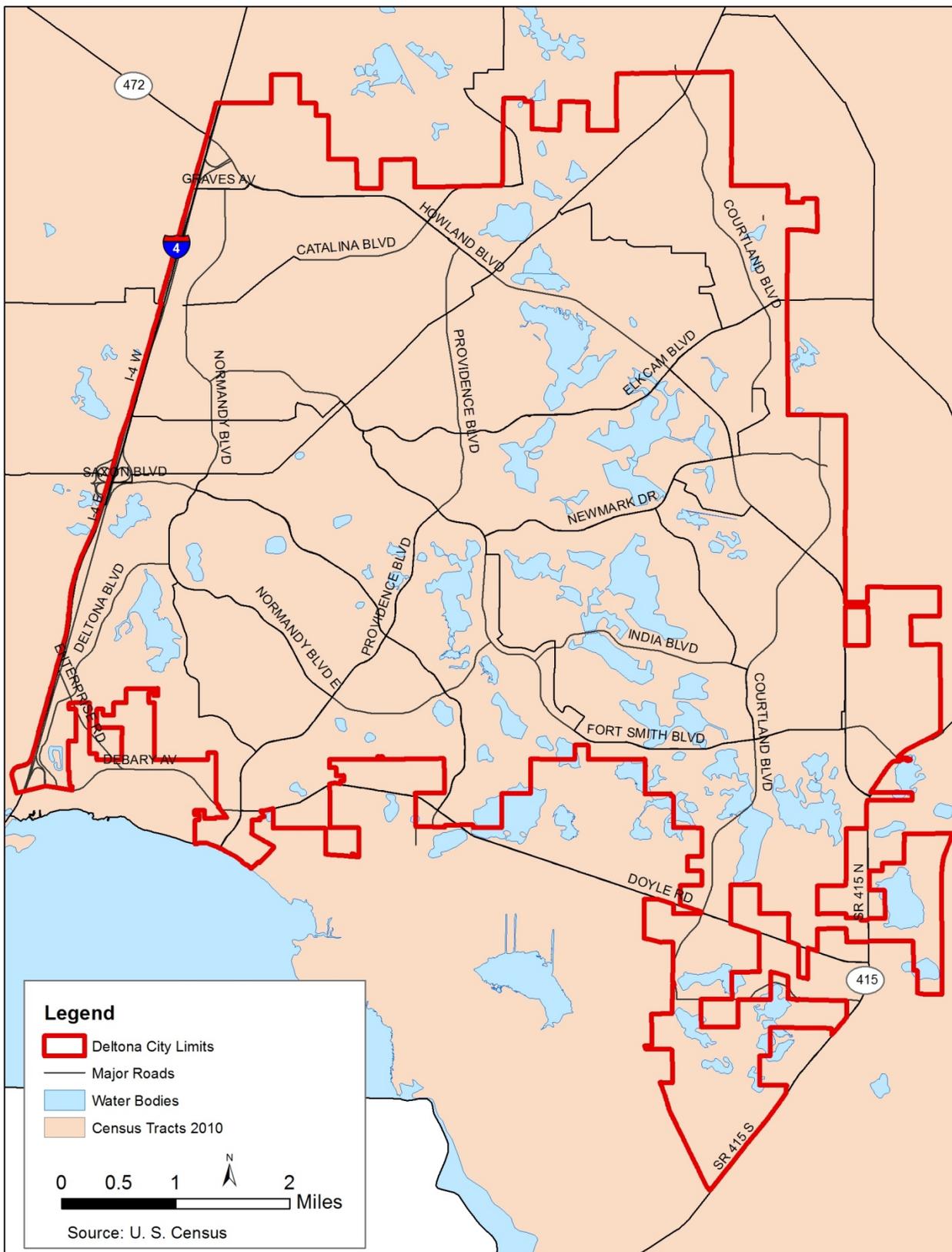
- Demographics - analyzes the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major employers.
- Public Transportation – analyzes access and availability of public transit system.
- Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on the four major ethnic groups in Deltona: White, Hispanics, African-Americans and Asians and Pacific Islanders. All other ethnic groups are smaller in number and percentage and, therefore, the results of their analysis will not be presented in detail. The analysis is supported with tables and maps provided as reference materials. Most of the data presented in the tables and maps are directly referenced in the text. There may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

1.1. Demographics

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

Map 1.1: Deltona, Florida



According to the 2010 Census estimates, the total population of Deltona was 85,182, a 22.5 percent increase between 2000 and 2010. Table 1.1, below, shows the distribution of population by race and ethnicity in the city. The White population increased by 11.4 percent however their percentage of the total population decreased from 84.3 percent to 76.7 percent between 2000 and 2010. African-Americans increased by 4,423 persons or 91.2 percent, and made up 10.9 percent of total population in 2010. Asian and Pacific Islanders increased by 437 persons or 63.7 percent, and made up 1.3 percent of total population in 2010. Deltona experienced a 101.9 percent increase in the Hispanic population between 2000 and 2010. The percentage of Hispanic population of the total population increased from 18.3 percent in 2000 to 30.2 percent in 2010, an 11.9 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity, this may account for the high increase of 76.8 percent in the “Other” category between 2000 and 2010. It is a common misidentification for ethnic Hispanics to choose the ‘other’ category on the Census for race rather than White or African-American.

Other populations had significant percentage increases in population between 2000 and 2010, a 69.0 percent increase in the American Indian and Eskimo population and 76.8 percent Other Race.

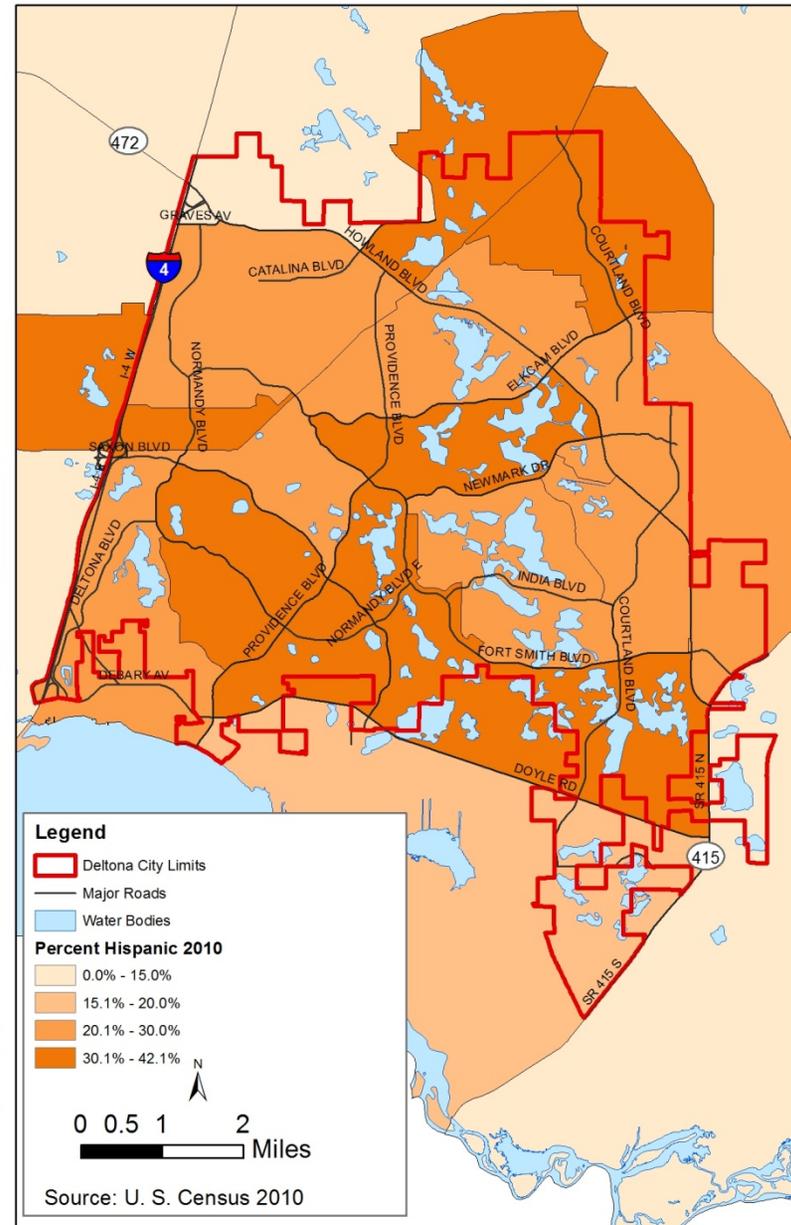
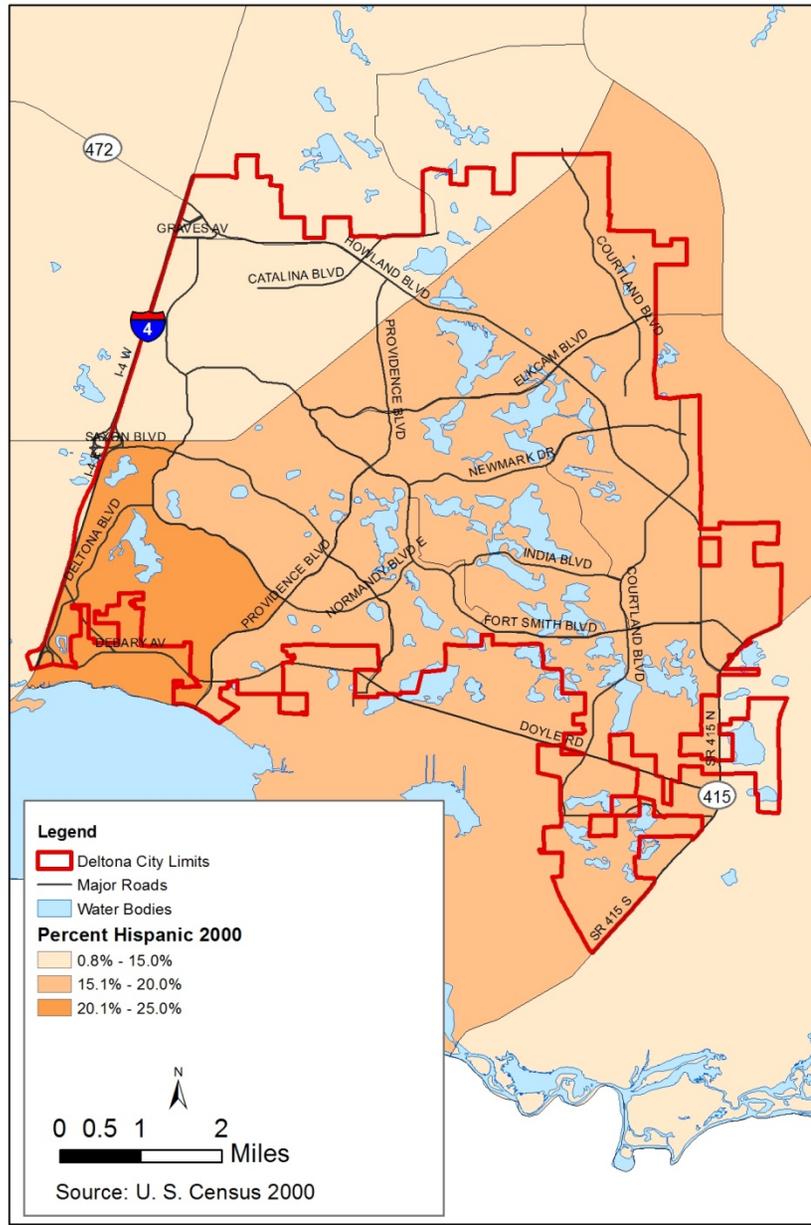
Table 1.1
Total population by race and ethnicity for Deltona, 2000 and 2010

Race	2000		2010		%Change 2000-2010
	#	%	#	%	
White	58,659	84.3%	65,348	76.7%	11.4%
African-American	4,848	7.0%	9,271	10.9%	91.2%
Asian or Pacific Islander	686	1.0%	1,123	1.3%	63.7%
American Indian and Eskimo	245	0.4%	414	0.5%	69.0%
Other race	5,105	7.3%	9,026	10.6%	76.8%
Total	69,543	100.0%	85,182	100.0%	22.5%
Hispanic (ethnicity)	12,747	18.3%	25,734	30.2%	101.9%

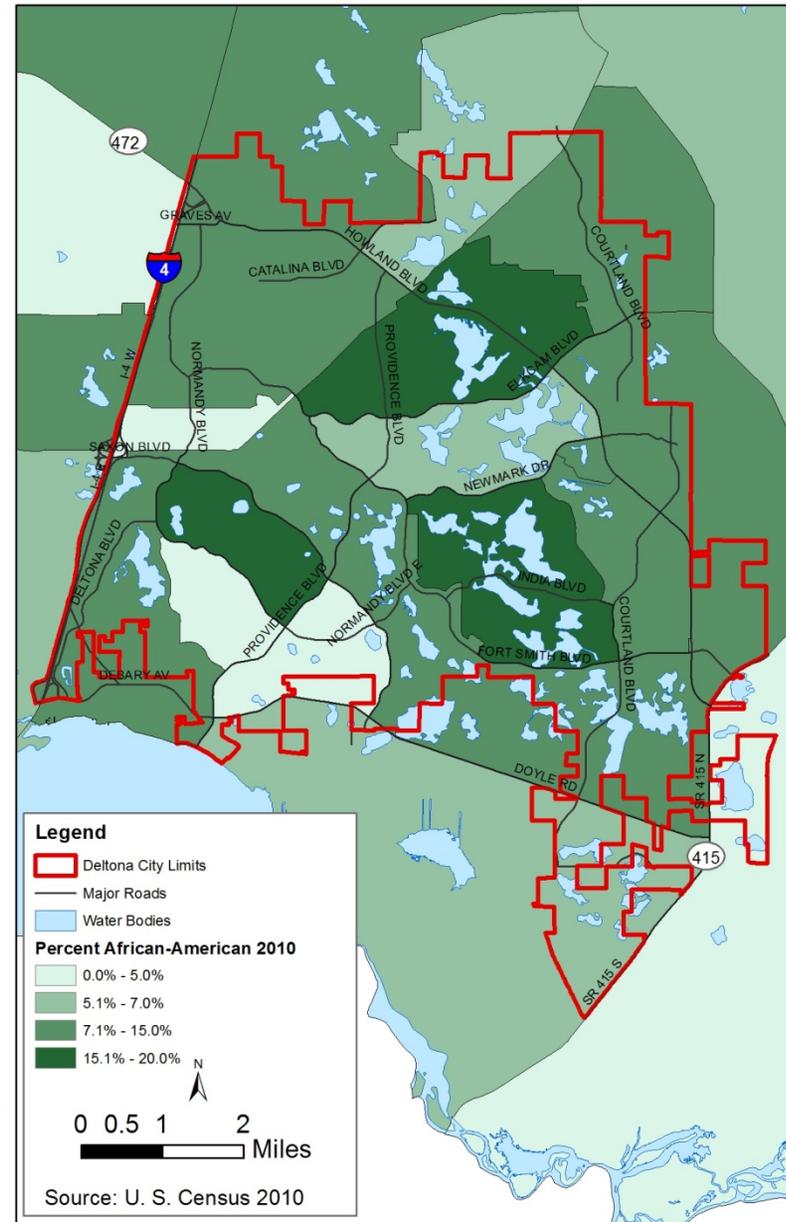
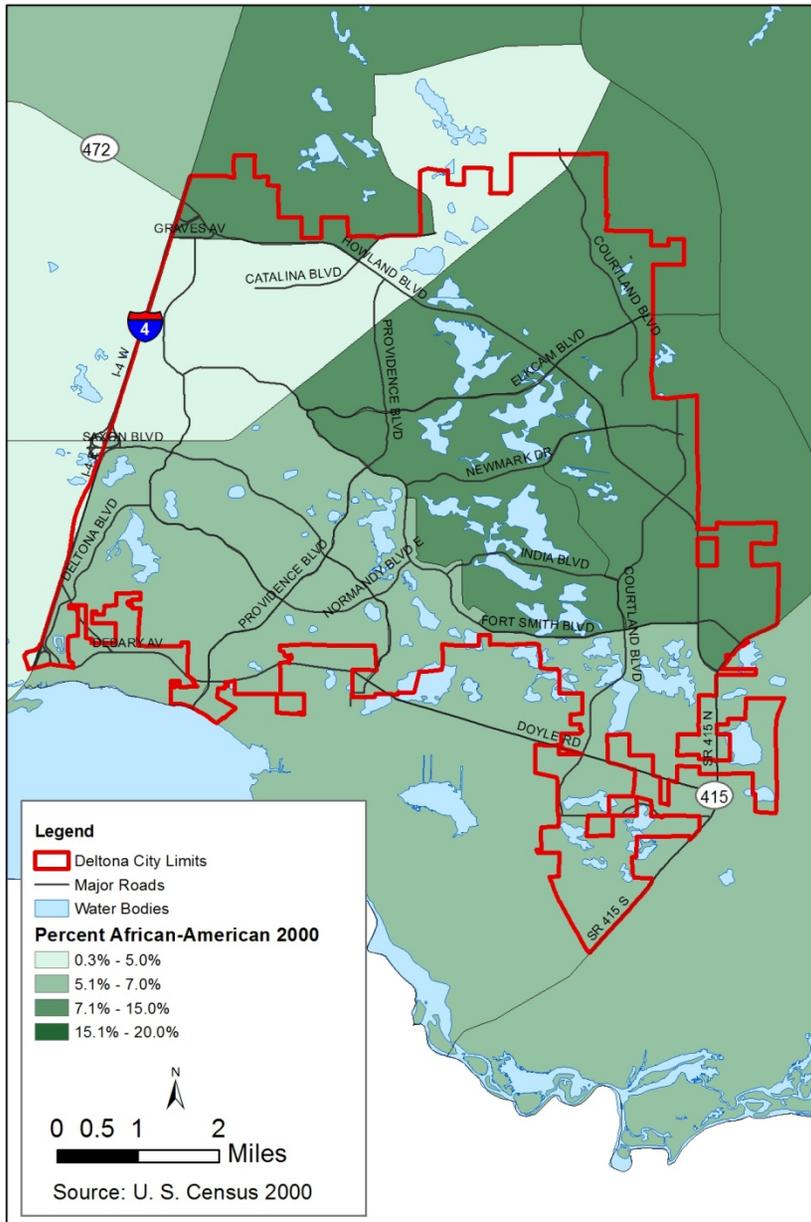
Source: US Census 2000 and 2010

On the following pages are a series of Maps, 1.2 through 1.5, depicting spatial concentrations of the various racial and ethnic groups within Deltona.

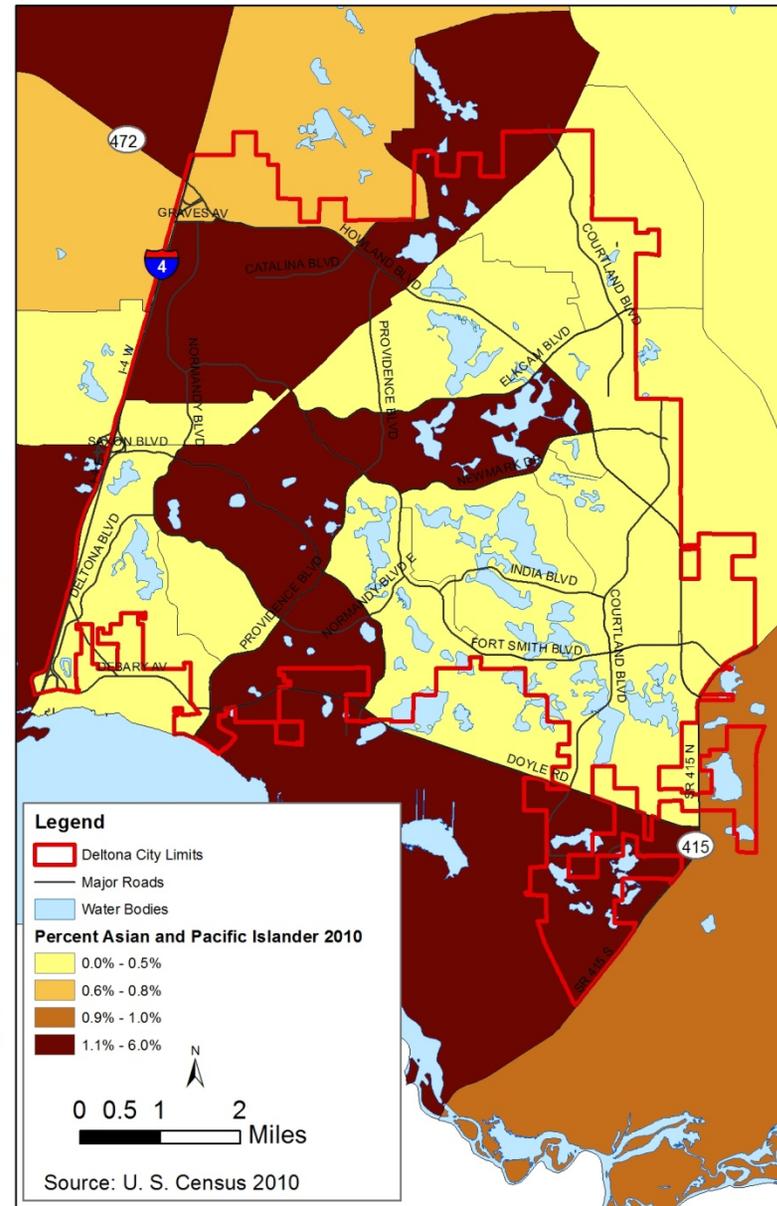
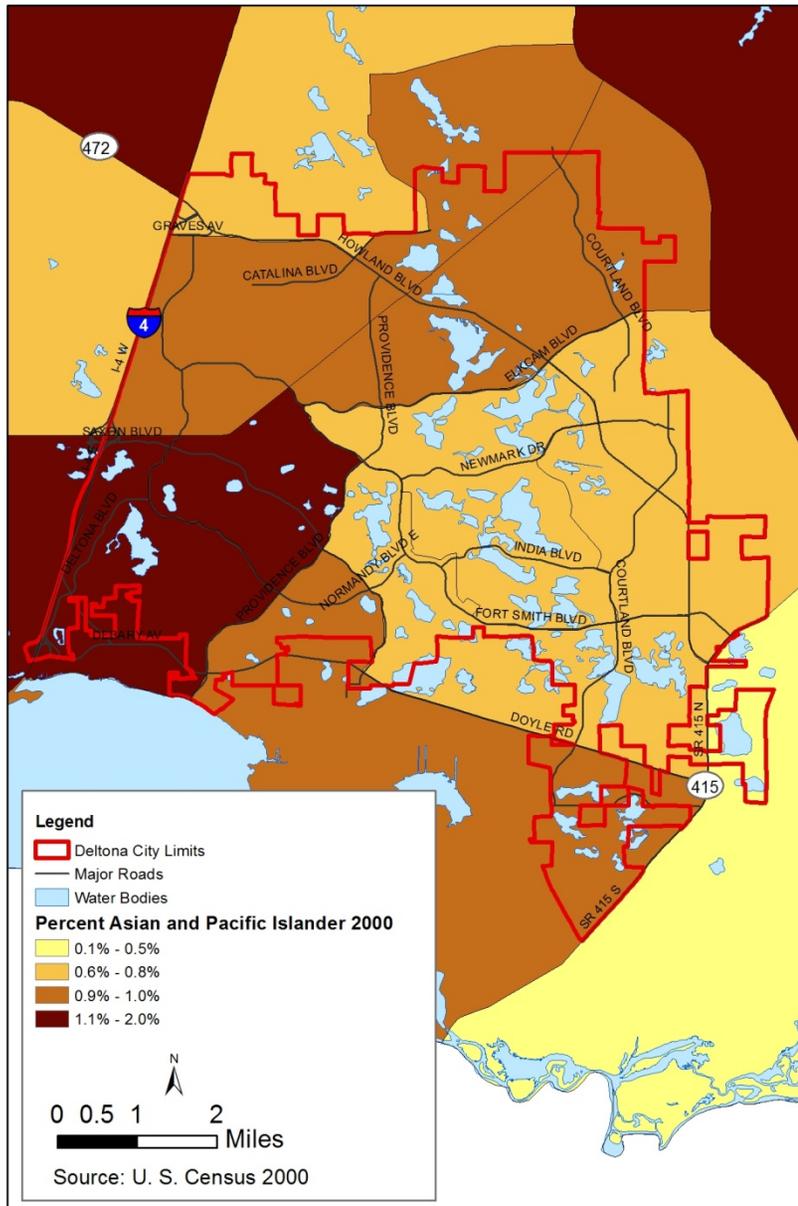
Map 1.2: Percent Hispanic 2000 and 2010



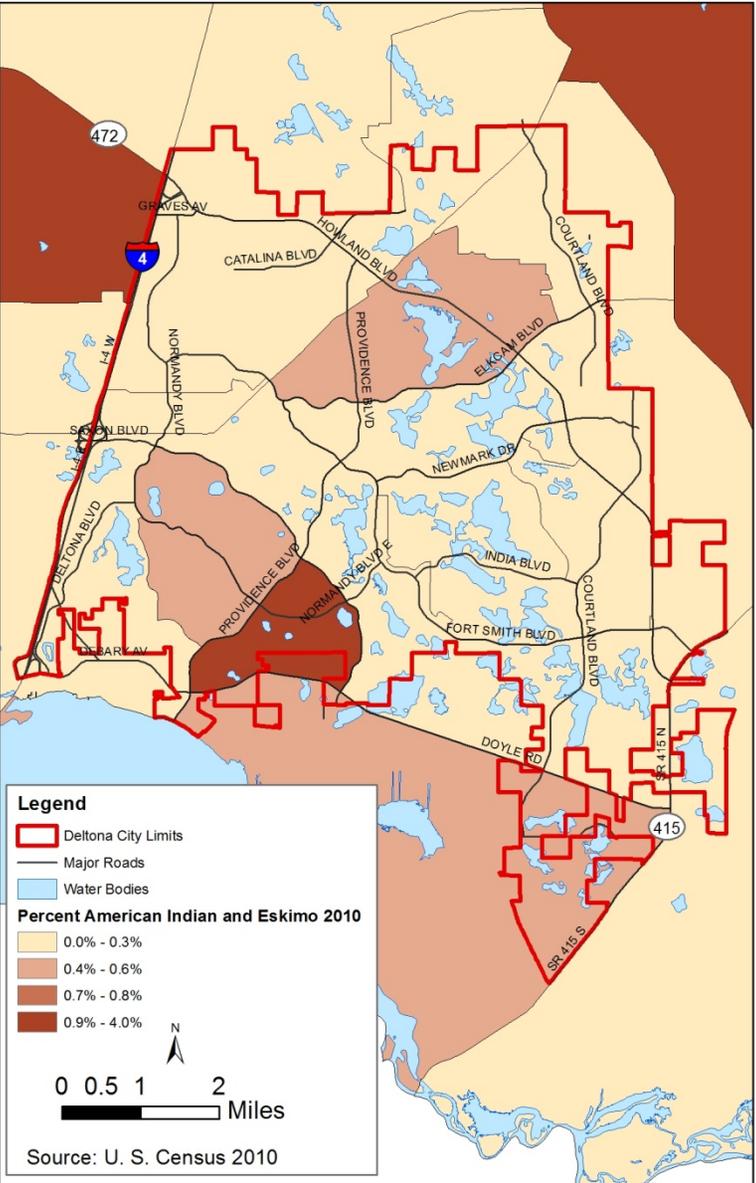
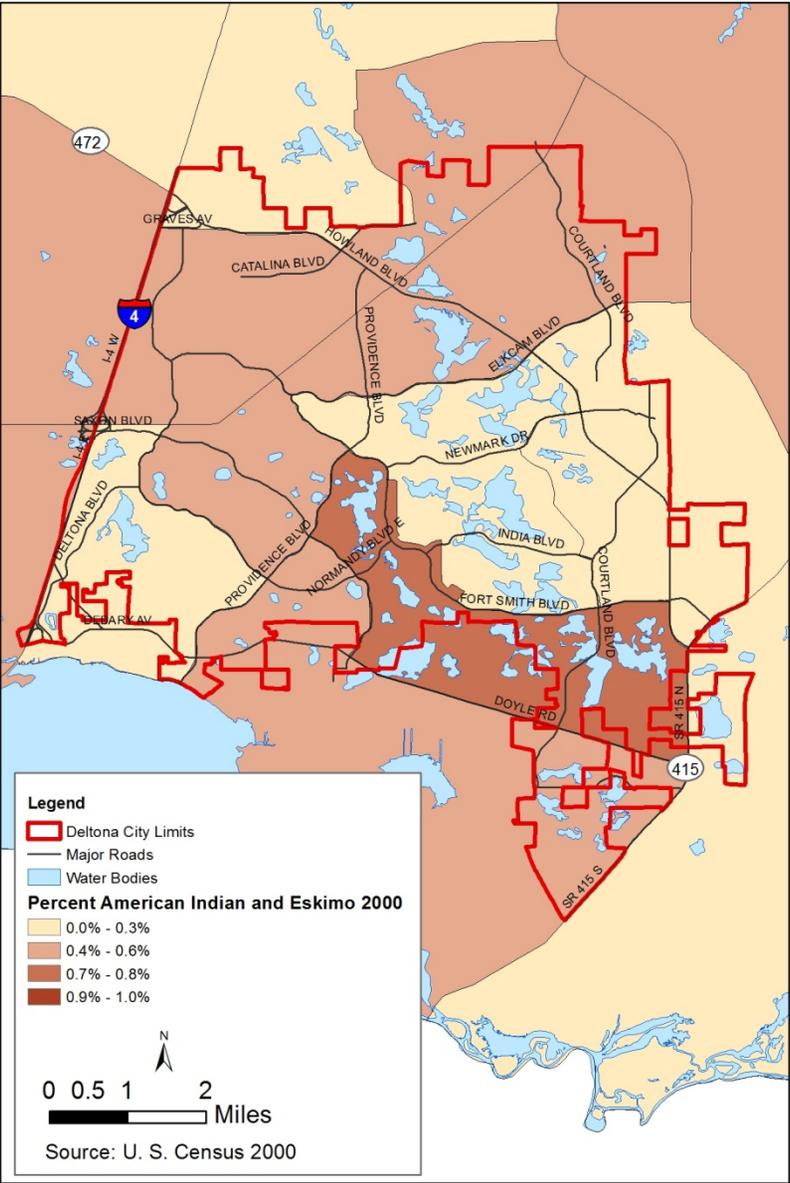
Map 1.3: Percent African-American 2000 and 2010



Map 1.4: Percent Asian and Pacific Islander 2000 and 2010



Map 1.5: Percent American Indian and Eskimo 2000 and 2010



In many communities, female-headed households and female-headed households with children face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18 sometimes correlate to increased incidents of reported rental property owners' refusal to rent to tenants with children. Table 1.2, below, shows the family structure of White, Hispanic, and African-American households between 2007 and 2011. The percentage of female-headed households with children among White households was 5.7 percent, compared to 10.2 percent in Hispanic households, 19.6 percent in African-American households between 2007 and 2011.

When considering all family types with children present, the data show that 30.2 percent of all White households, 50.0 percent of all Hispanic households, and 44.0 percent of all African-American households, were in this category.

Table 1.2
Household structure by race for Deltona, 2007-2011 (5-Year Average)

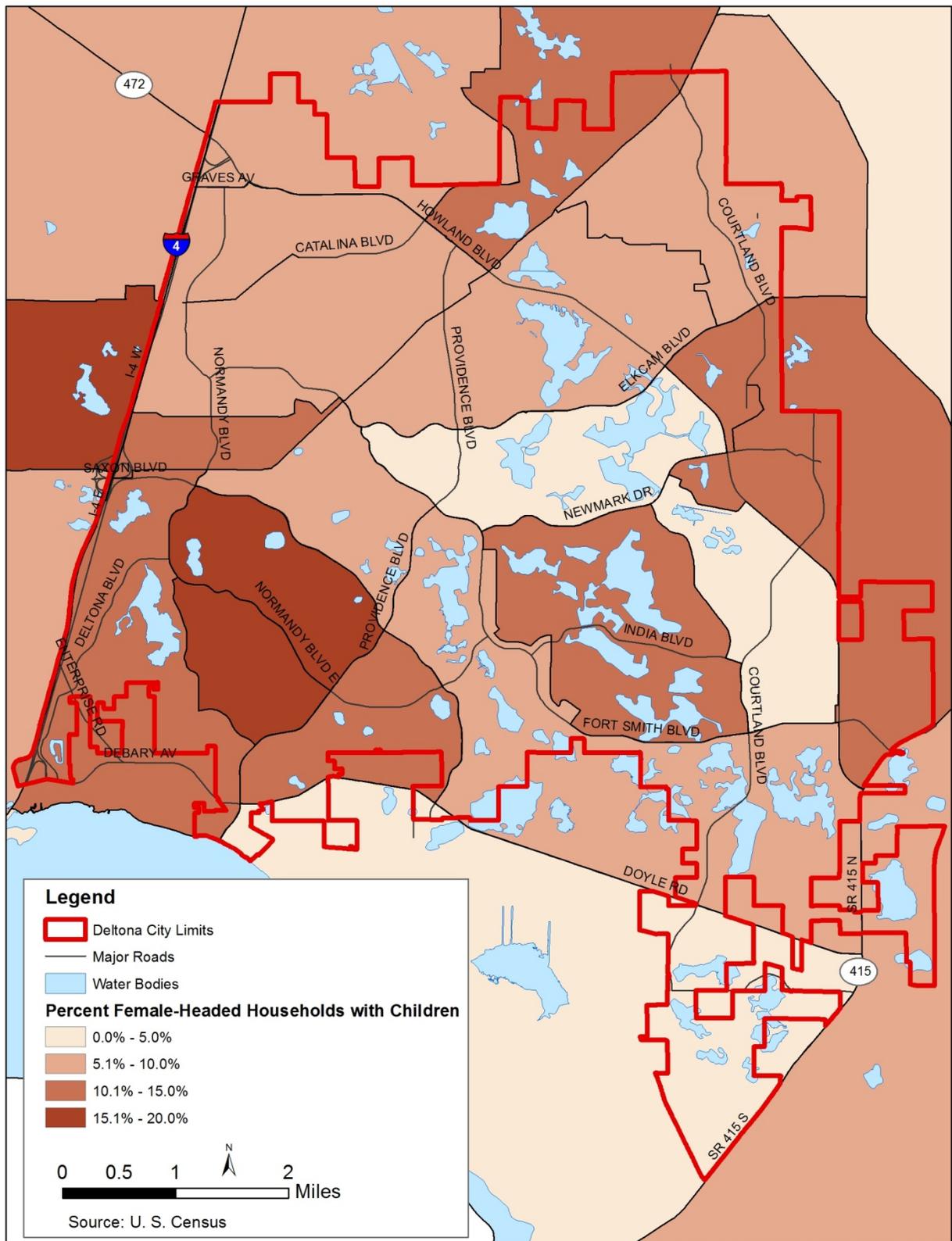
Household Type	White		Hispanic		African-American	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Family Households	13,434	73.0%	6,282	86.7%	2,098	81.2%
Married-couple	11,097	60.3%	4,798	66.3%	1,203	46.6%
Married-couple with children	4,124	22.4%	2,560	35.3%	514	19.9%
Male householder, no wife present	611	3.3%	411	5.7%	168	6.5%
Male Householder with children	394	2.1%	323	4.5%	117	4.5%
Female householder	1,726	9.4%	1,073	14.8%	727	28.1%
Female-Headed with children	1,054	5.7%	742	10.2%	506	19.6%
Non-Family Households	4,979	27.0%	960	13.3%	485	18.8%
Total Households	18,413	100.0%	7,242	100.0%	2,583	100.0%

Source: 2007-2011 American Community Survey

Non-family households among Whites made up 27.0 percent of all White households in Deltona. Non-family households among Hispanics accounted for 13.3 percent of all Hispanic households. Non-family households among African-Americans accounted for 18.8 percent of all African-American households.

The spatial distribution of female-headed households with children is shown in Map 1.6, on the following page.

Map 1.6: Percent Female-Headed Households with Children, 2007-2011



1.2. Income

Low-income households tend to be housed in less desirable housing stock and in less desirable areas in the city. Income limitations often prevent those households from moving to areas where local amenities raise the value of the housing. Income plays a very important part in securing and maintaining housing.

The data in Table 1.3 and Chart 1.1, on the following page, show the distribution of income across income classes among Whites, Hispanics, and African-Americans. Overall, the income distribution data show a higher proportion of low-income households within minority communities. This is an impactful disparity because in general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. Table 1.1 shows that 3.4 percent of White households, 8.1 percent of Hispanic households, and 12.1 percent of African-American households earned income less than \$10,000. Over 30 percent of White households, 43.5 percent of Hispanic households, and 32.6 percent of African-American households earned income less than \$35,000.

Chart 1.1 shows that the modal income class, the income classes with the highest number of households, for Whites, African-Americans, and Hispanics was the \$50,000 to \$74,999 range with 24.9 percent of Whites, 20.9 percent of Hispanics, and 27.7 percent of African-Americans in this income range.

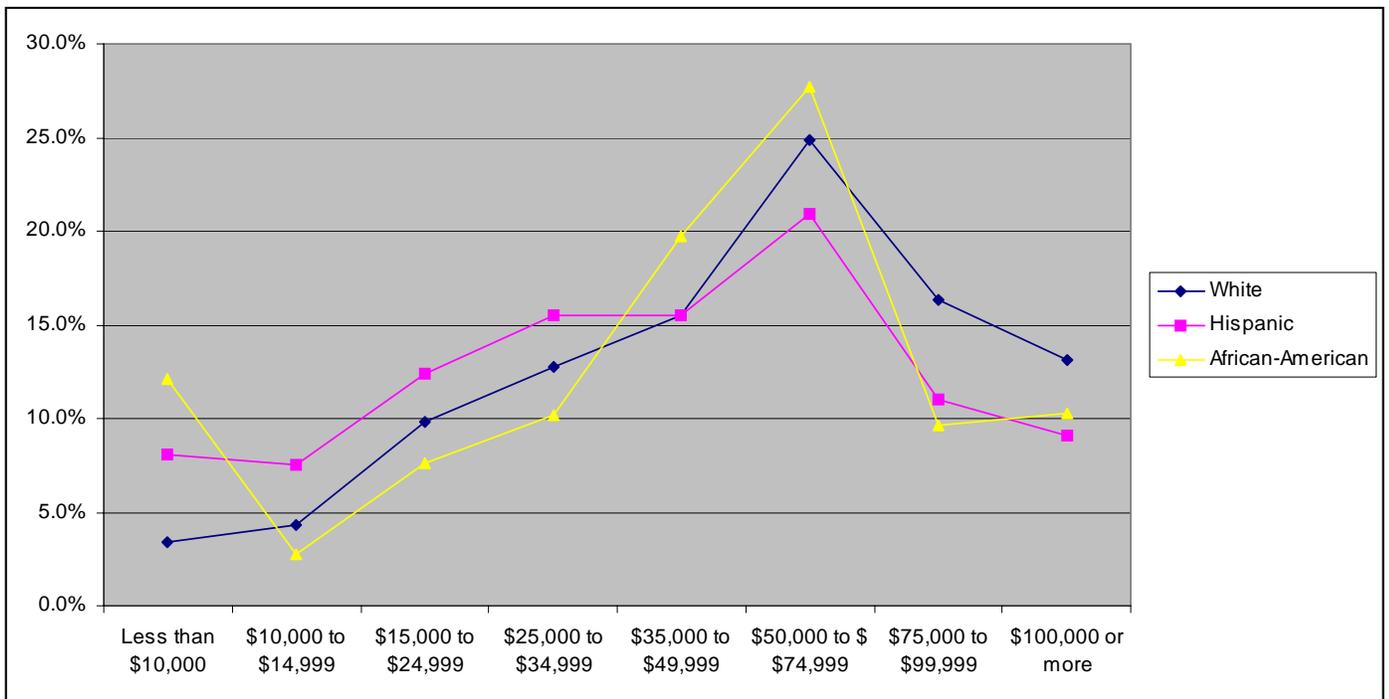
According to the 2007-2011 ACS estimates, the median household income was \$53,844 for White households, \$41,226 for Hispanic households, and \$48,191 for African-American households, compared to \$50,420 for the overall city. Map 1.7, on page 14, shows the median household income by census tract between 2007 and 2011.

Table 1.3
Households by race by income for Deltona, 2007-2011 (5-Year Average)

Household Type	White		Hispanic		African-American	
	# of households	% of Households	# of households	% of Households	# of households	% of Households
Less than \$10,000	618	3.4%	604	8.1%	313	12.1%
\$10,000 to \$14,999	791	4.3%	563	7.5%	70	2.7%
\$15,000 to \$24,999	1,809	9.8%	927	12.4%	197	7.6%
\$25,000 to \$34,999	2,348	12.8%	1,164	15.5%	263	10.2%
\$35,000 to \$49,999	2,848	15.5%	1,158	15.5%	510	19.7%
\$50,000 to \$74,999	4,582	24.9%	1,566	20.9%	715	27.7%
\$75,000 to \$99,999	3,003	16.3%	822	11.0%	249	9.6%
\$100,000 or more	2,414	13.1%	683	9.1%	266	10.3%
Total:	18,413	100.0%	7,487	100.0%	2,583	100.0%

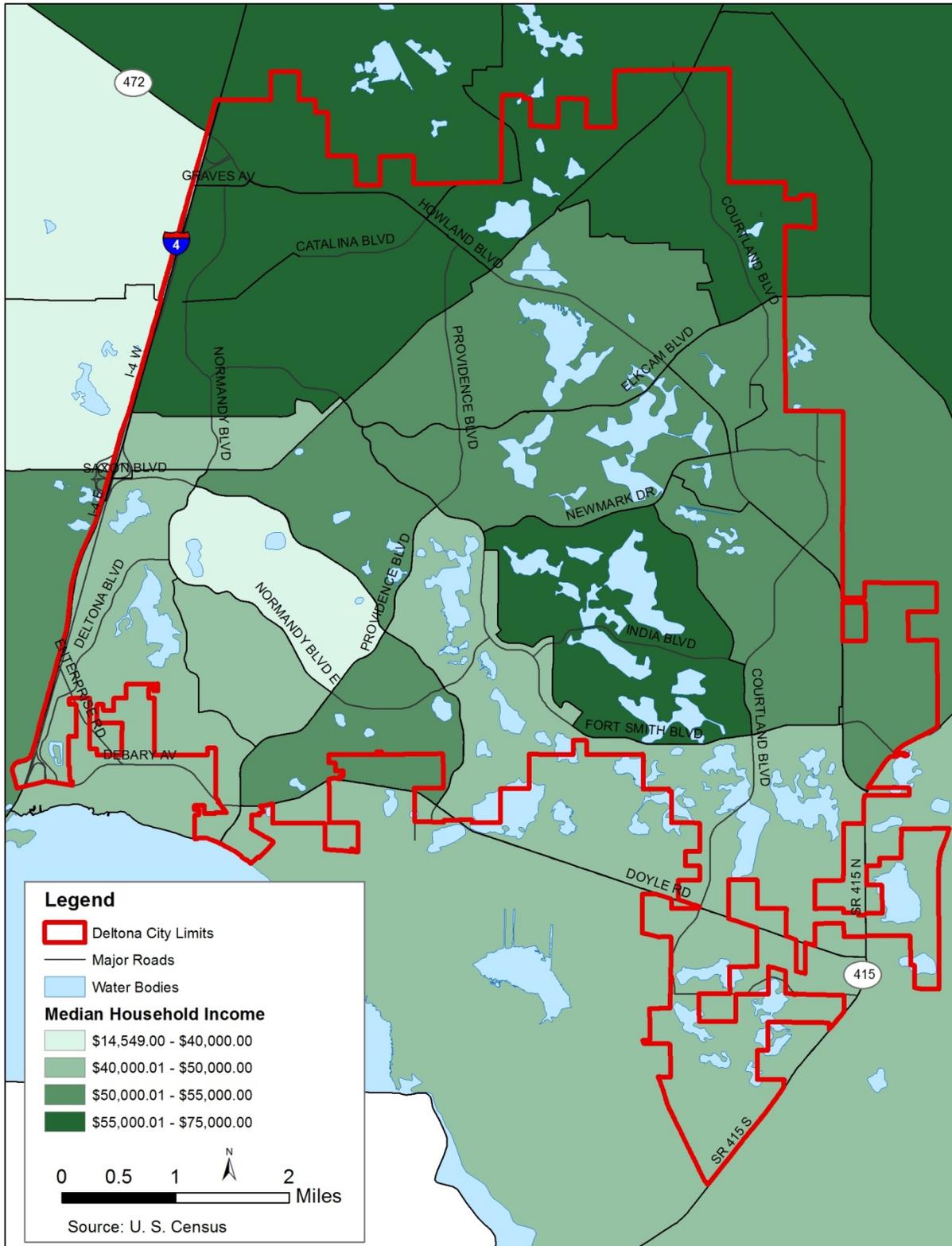
Source: 2007-2011 American Community Survey

Chart 1.1: Percent of Households by income class by race for Deltona, 2007-2011



Source: 2007-2011 American Community Survey

Map 1.7: Median Household Income, 2007-2011



The poverty data in Table 1.4, below shows major disparities for Hispanics and African-Americans compared to that of Whites and citywide poverty totals. The incidence of poverty among Hispanics was reported to be 17.2 percent and African-Americans were 15.8 percent of the total population between 2007 and 2011. Among White persons, the data reported 7.4 percent lived in poverty. In comparison, the poverty rate for the city was 11.4 percent during the period.

Table 1.4
Poverty Status by race Deltona, 2007-2011

Age Group	White		Hispanic		African-American	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Under 5 years	238	9.9%	624	32.4%	59	24.1%
5 years	8	1.7%	43	10.3%	25	45.5%
6 to 11 years	471	14.6%	512	21.7%	246	28.8%
12 to 17 years	143	4.0%	520	16.4%	288	24.0%
18 to 64 years	2,268	7.2%	2,254	14.9%	596	12.8%
65 to 74 years	249	7.0%	220	11.5%	52	7.4%
75 years and over	204	5.9%	281	27.5%	25	5.7%
Total	3,581	7.4%	4,454	17.2%	1,291	15.8%

Source: 2007-2011 American Community Survey

1.3. Employment

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5, below, provides a summary of our occupation data analysis, which indicate that the distribution of occupations had marginal changes between 2000 and 2011. Public administration sector had the largest increase, up 1.1 percentage points to 5.6 percent. Manufacturing realized the largest reduction of 1.6 percentage points to 6.9 percent of the workforce. All other occupations had less than one percent point change between 2000 and 2011. The top three occupations in the city between 2007 and 2011 include educational, health, and social services at 18 percent of the total workforce, retail trade at 15.1 percent of the total workforce, and professional, scientific, management, administrative services at 13.3 percent of the total workforce.

Table 1.5
Occupation of employed persons for Deltona, 2000 and 2007-2011 (5-Year Average)

Occupation	2000	2007-2011 Average	Percent Point Change
Agriculture, forestry, fishing, hunting, and mining	0.2%	0.5%	0.3%
Construction	10.2%	9.3%	-0.9%
Manufacturing	8.5%	6.9%	-1.6%
Wholesale trade	3.3%	2.8%	-0.5%
Retail trade	14.8%	15.1%	0.3%
Transportation, warehousing, and utilities	5.2%	5.7%	0.5%
Finance, insurance, real estate, and rental and leasing	7.3%	7.4%	0.1%
Professional, scientific, management, administrative services	13.3%	13.3%	0.0%
Educational, health, and social services	17.3%	18.0%	0.7%
Arts, entertainment, recreation, accommodation and food services	9.8%	10.5%	0.7%
Other services (except public administration)	5.5%	4.9%	-0.6%
Public administration	4.5%	5.6%	1.1%

Source: US Census 2000 & 2007-2011 American Community Survey

The data presented in Table 1.6, provide a portrait of the distribution of the unemployed. Our analysis of the distribution of unemployment by Race and Ethnicity indicates some disparities in unemployment rates among Hispanics and African-Americans compared to Whites. Between 2007 and 2011, 8.6 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 15.2 percent unemployment rate and Hispanic reported a 10.8 percent rate. As a comparison, the citywide unemployment rate was 9.9 percent during the period.

Table 1.6
Employment Status by Race for Deltona, 2007-2011

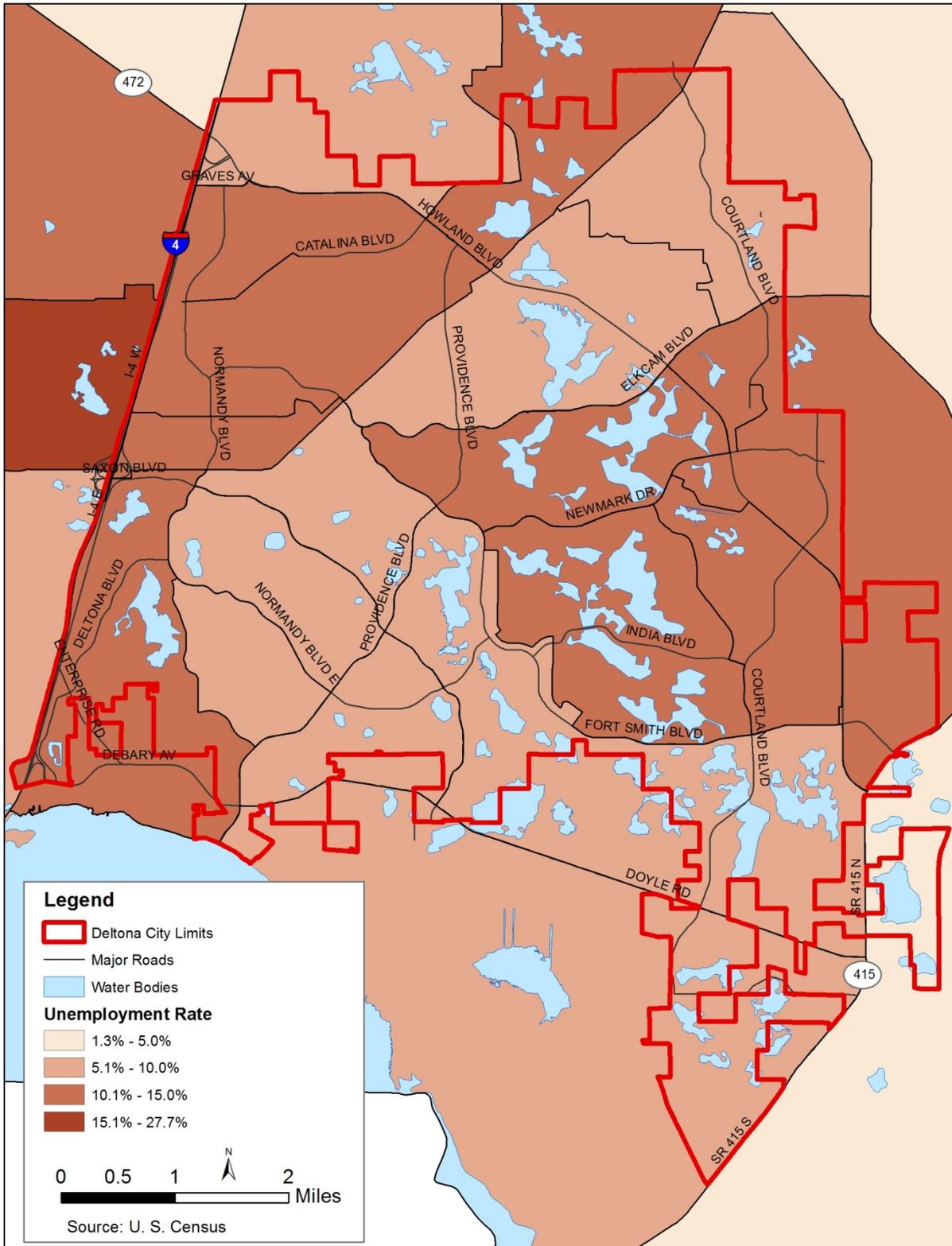
Employment Status	White		Hispanic		African-American	
	Number	Percent	Number	Percent	Number	Percent
In Labor Force:	25,998		11,090		3,985	
In Armed Forces	47	0.2%	39	0.4%	0	0.0%
Civilian:	25,951		11,051		3,985	
Employed	23,710	91.2%	9,856	88.9%	3,379	84.8%
Unemployed	2,241	8.6%	1,195	10.8%	606	15.2%
Not in labor force	13,785		8,236		2,255	
Total	39,783		19,326		6,240	

Source: 2007-2011 American Community Survey

According to the Bureau of Labor Statistics, the unemployment rate for Volusia County has decreased by two percentage points from 10.8 percent in 2011 to 8.9 percent in 2012.

Map 1.8, on the following page, shows the distribution of unemployed in Deltona.

Map 1.8: Unemployment Rate, 2007-2011



According to the information provided by Team Volusia Economic Development Corporation, the major employers in Deltona include the Volusia County Public Schools with 1,530 employees, Publix Super Markets with 300 workers, City of Deltona with 295 employees, Daytona State College (Deltona Campus) with 100 workers, Deltona Health Care Association with 99 workers, and Four Townes Family YMCA with 50 employees.

In Deltona, the difference in income among racial and ethnic groups can, to some extent, be attributed to educational attainment. According to the 2007-2011 ACS estimates (5-year average), 24.7 percent of Hispanics age 25 and above reported less than a high school education compared to 10.6 percent of Whites and 22.9 percent for African-Americans in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 21.7 percent during the period.

The availability of jobs, consistent with the skill levels and educational levels of low-income persons, is largely dependent on the geographic location of the jobs and the workforces' ability to get to and from the employment centers where those jobs are located. If jobs are concentrated in largely upper income areas, far removed from the areas where lower income persons live, their ability to get to and from work may be difficult, without public transportation, sometimes causing hardships on employees or potential employees that cannot afford their own private automobile.

To further examine the impact of employment proximity relative to housing choice for low- and moderate-income persons, we analyzed the use and availability of public transportation and the extent to which public transportation provides flexible routes, affordable rates, time efficient commutes with direct route and limited transfers, and routes and schedules that provide access to major employment centers for peak and off-peak work shifts.

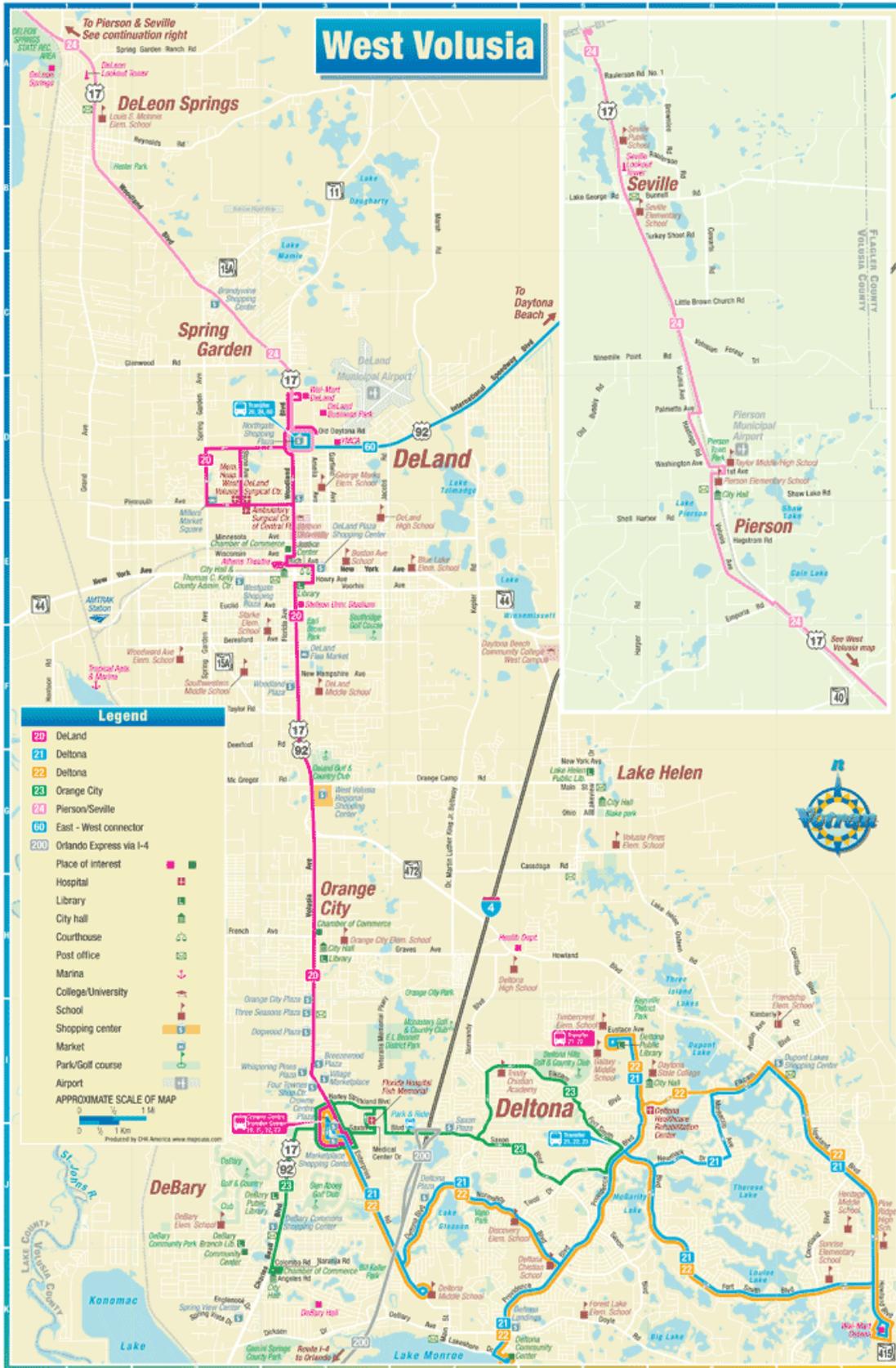
1.4. Public Transportation

Voltran is a public transportation system provided by Volusia County Government in the county. Voltran provides transportation to all urban areas of the county with a fleet of 55 fixed route buses, four trackless trolleys, and 44 paratransit vehicles. Additional service is provided through contracts with private agencies.

Voltran provides public transportation service in Deltona and connects the city to other cities in the county. The service operates through routes 21 and 22 in Deltona and connects various locations in the city, including the City Hall, Deltona Library, Deltona Healthcare Rehab Center, Deltona Christian and Middle Schools, Deltona Plaza, and other destinations. The service operates between 6:30 am to 7:30 pm in the city. This service also transfers to other routes connecting DeBary, Orange City, Deland, Spring Garden, and DeLeon Springs. Based on the bus schedules provided by Voltran for Deltona, the headway time is two hours at each station, and lower headway times such as 15-30 minutes can improve access and ridership. Voltran also provides paratransit, a curb-to-curb service. Map 1.9 on the following page illustrates bus routes and stops in West Volusia area and Deltona.

SunRail is a 61-mile commuter rail transit service from DeLand, through Orlando and downtown Kissimmee to Poinciana, being built in two phases. Phase 1 is 31 miles and will connect DeBary to Sand Lake Road in Orange County. SunRail trains will operate every 30 minutes during peak hours and at two-hour intervals during non-peak hours. Construction on Phase 1 began in January 2012. Phase 2 will be built in two sections, the north section from DeBary to DeLand, and the south section from Sand Lake Road through Kissimmee to Poinciana. Phase 2 construction is expected to begin in 2014.

Map 1.9: Public Transportation Routes



Source: <http://votran.org/wvmap.htm>

1.5. Housing

According to the 2010 Census, the total number of housing units in the city was 34,089 with 3,866 or 11.3 percent vacant units. As shown in Table 1.7, to the right, there were 26,417 housing units in Deltona in 2000. The total number of housing units in the city increased by 29.0 percent between 2000 and 2010. According to the 2010 Census, of the total number of housing units in the city, 72.3 percent were owner-occupied, 16.4 percent were renter-occupied, and the remaining 11.3 percent were vacant. The median housing value in the city was \$166,000 and the median contract rent was \$881 between 2007 and 2011.

Table 1.8, to the right, shows that of all housing units, 95.2 percent were categorized as single-family detached housing units, 0.6 percent as single-family attached units, 2.7 percent contained two to four units, 1.1 percent were multifamily, and 0.4 percent mobile home or other.

As shown on Table 1.9, on the following page, 0.7 percent of all housing units were built prior to 1950, 0.8 percent were built between 1950 and 1959, 5.4 percent were built between 1960 and 1969, 13.7 percent were built between 1970 and 1979, and 79.5 percent were built after 1979. About two percent of the housing stock is more than 50 years old, built prior to 1960. About seven percent of the housing stock was built prior to 1970 and based on national standards these units may contain lead-based paint or likely be in need of repairs and maintenance.

Table 1.7
Tenure for housing in Deltona, 2000 and 2010

Tenure	2000		2010	
	Number	Percent	Number	Percent
Owner-occupied	21,680	82.0%	24,623	72.3%
Renter-occupied	3,216	12.2%	5,600	16.4%
Vacant	1,521	5.8%	3,866	11.3%
Total:	26,417	100.0%	34,089	100.0%

Source: US Census 2000 and 2010

Table 1.8
Housing type for Deltona, 2007-2011 (5-Year Average)

Units in Structure	Number	Percent
Single-Family detached	31,819	95.2%
Single-Family attached	191	0.6%
2-4 units	903	2.7%
Multifamily	370	1.1%
Mobile home or Other	129	0.4%
Total	33,412	100.0%

Source: 2007-2011 American Community Survey

Table 1.9
Age of Housing Stock in Deltona, 2007-2011 (5-Year Average)

Year Built	Number	Percent
Built 2005 or later	1,771	5.3%
Built 2000 to 2004	5,440	16.3%
Built 1990 to 1999	6,890	20.6%
Built 1980 to 1989	12,456	37.3%
Built 1970 to 1979	4,564	13.7%
Built 1960 to 1969	1,791	5.4%
Built 1950 to 1959	261	0.8%
Built 1940 to 1949	108	0.3%
Built 1939 or earlier	131	0.4%
Total:	33,412	100.0%

Source: 2007-2011 American Community Survey

According to the 2007-2011 ACS data shown in Table 1.10, homeownership rate among Whites was 86.7 percent, compared to 82.6 percent among Hispanics, and 76 percent among African-Americans.

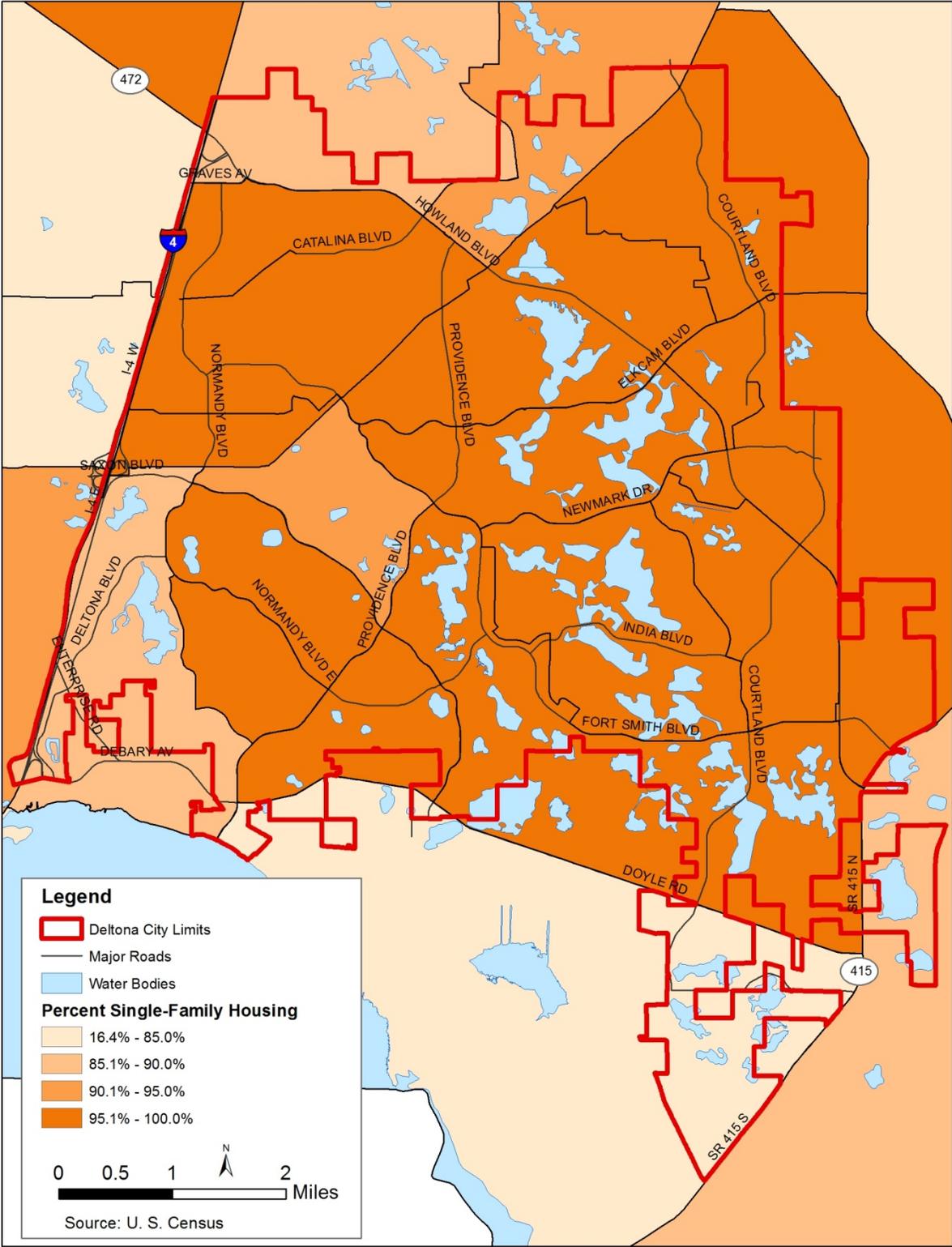
Table 1.10
Tenure by Race in Deltona, 2007-2011 (5-Year Average)

Tenure by Race	Owner-occupied		Renter-occupied	
	#	%	#	%
White	15,971	86.7%	2,442	13.3%
Hispanic	6,185	82.6%	1,302	17.4%
African-American	1,962	76.0%	621	24.0%

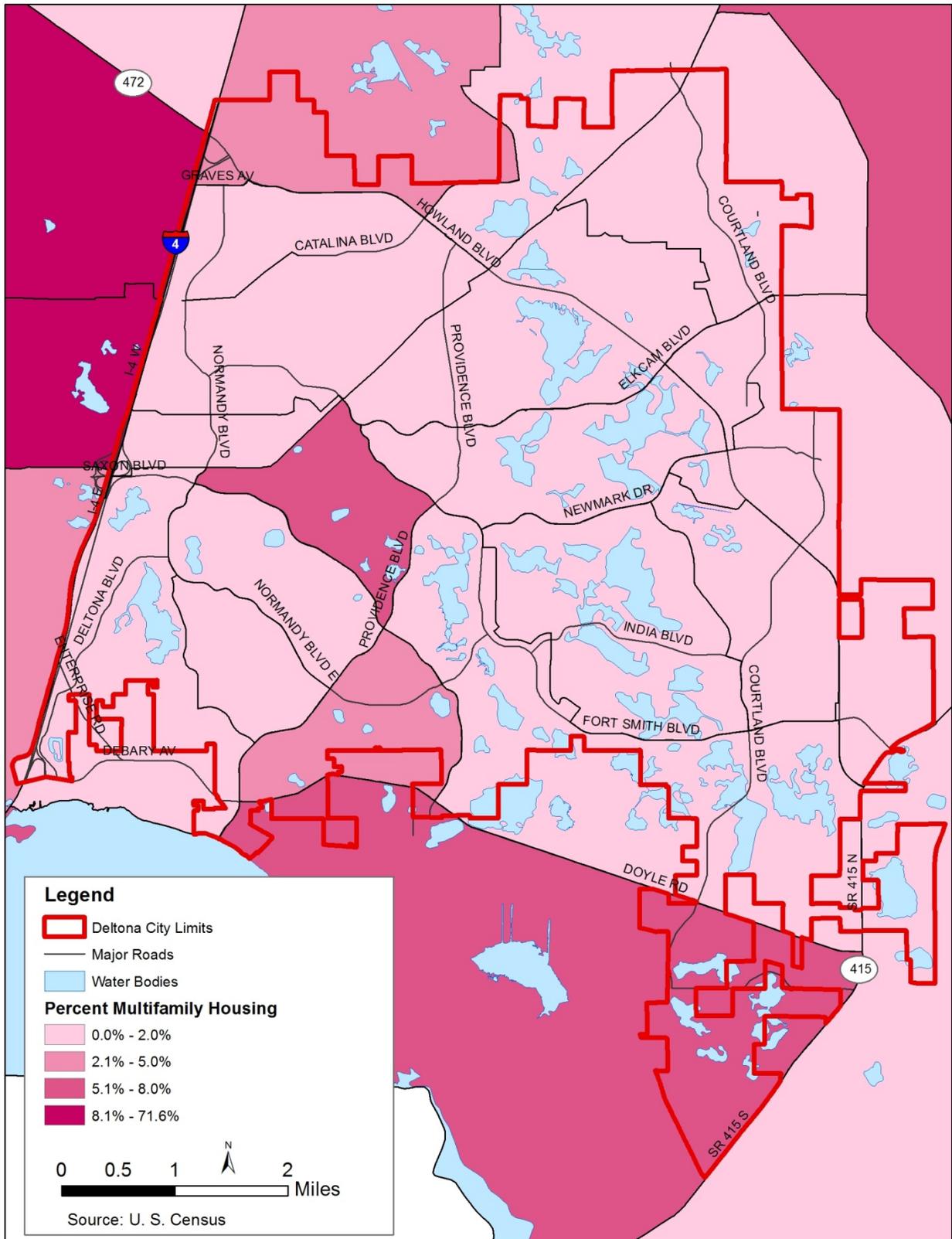
Source: 2007-2011 American Community Survey

Maps 1.10, on following page, and Map 1.11, on page 24, indicate the distribution of single-family and multifamily housing across the city. Map 1.12, on page 25, provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 1.13 and 1.14, on pages 26 and 27, provide a geographic depiction of the distribution of housing values and rents across the city.

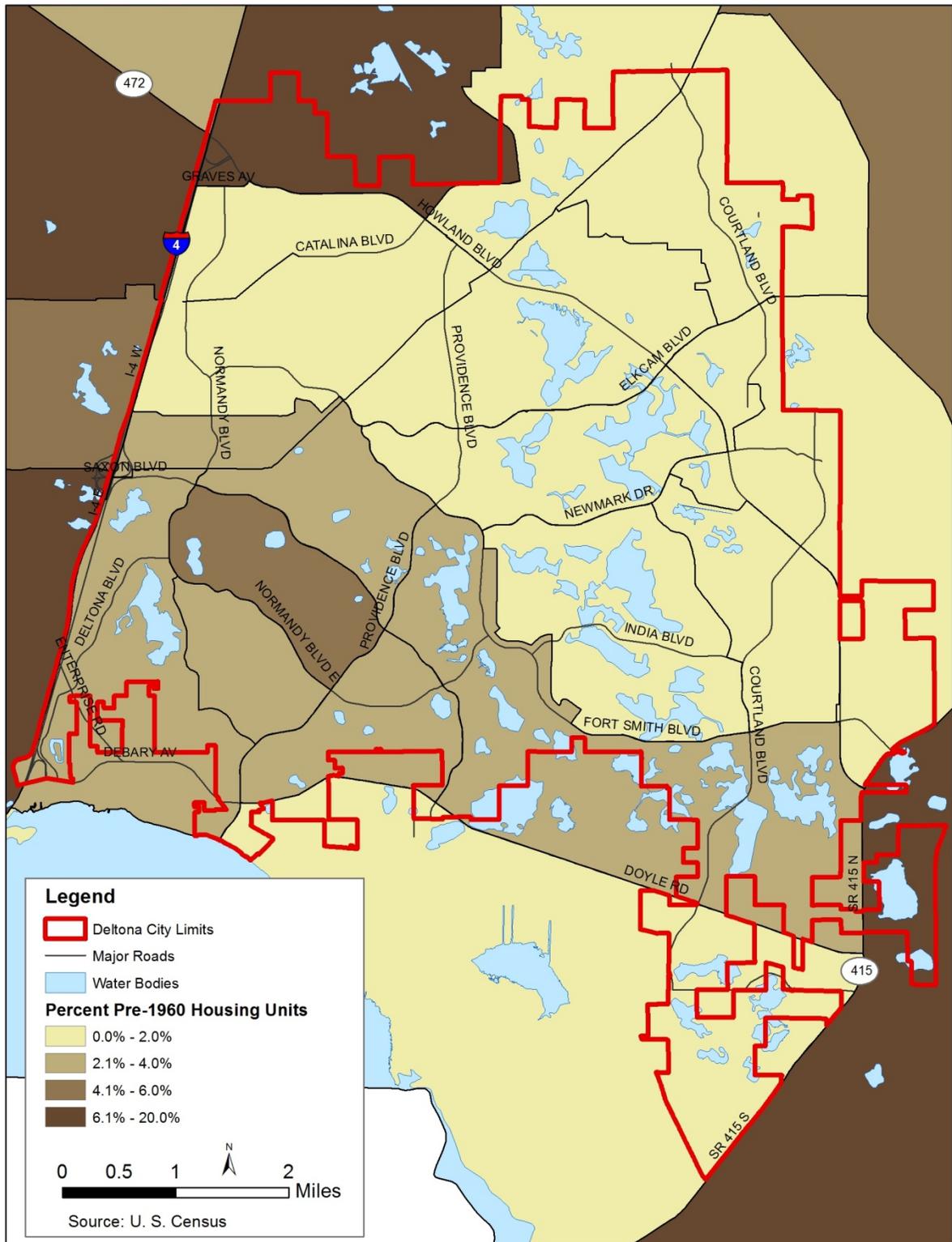
Map 1.10: Percent Single-Family Housing Units, 2007-2011



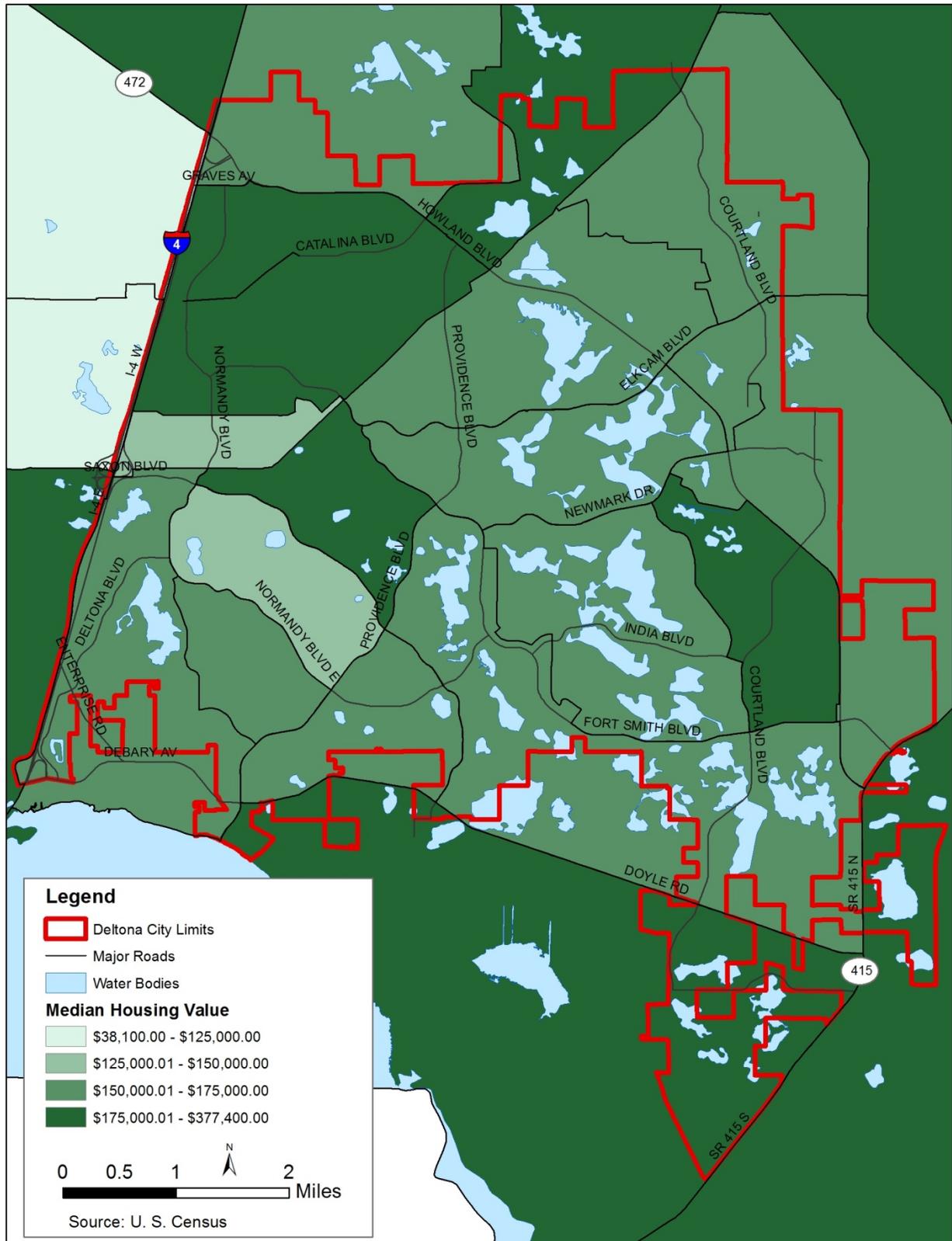
Map 1.11: Percent Multifamily Housing Units, 2007-2011



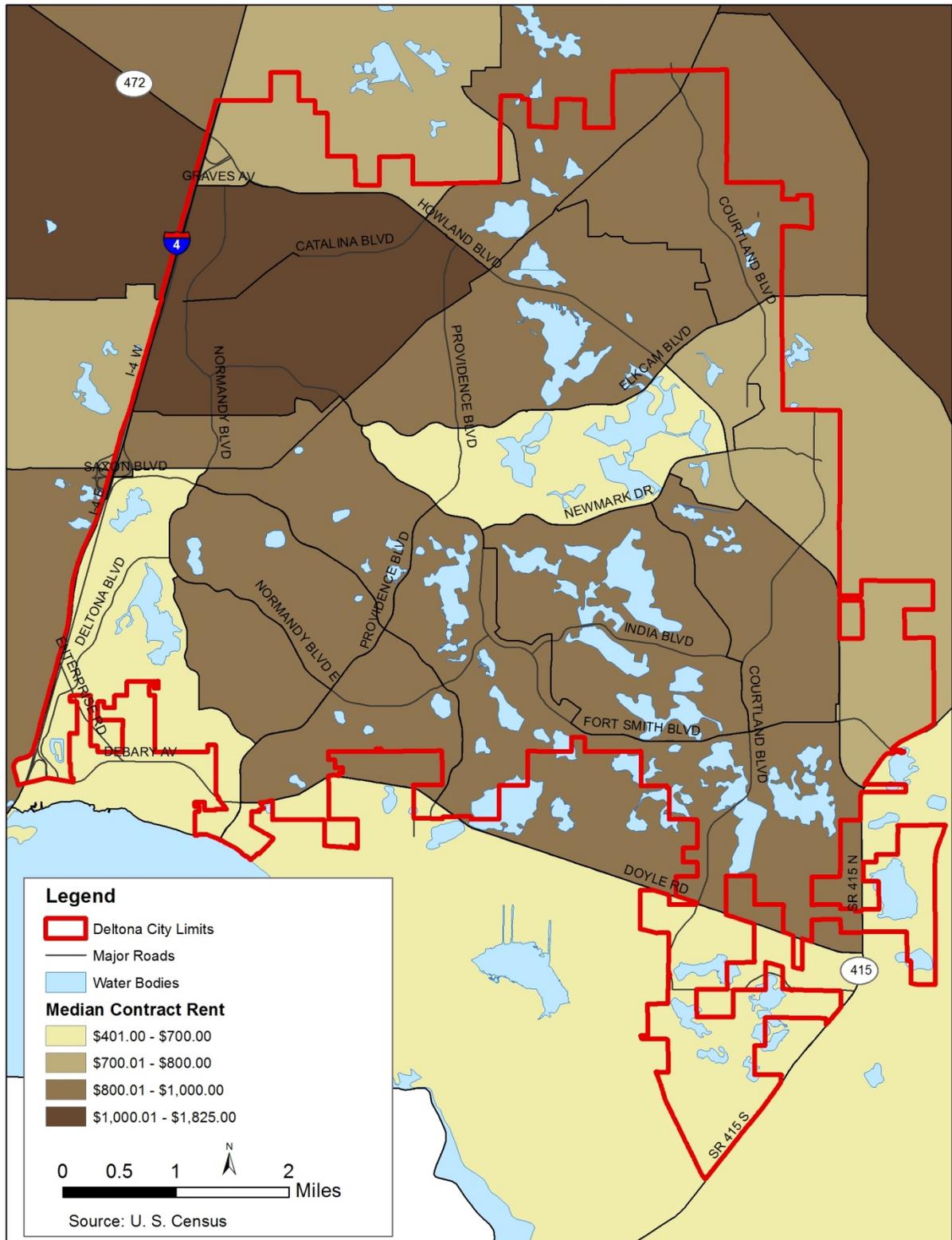
Map 1.12: Percent Pre-1960 Housing Stock



Map 1.13: Median Housing Value, 2007-2011



Map 1.14: Median Contract Rent, 2007-2011



Data contained in the Comprehensive Housing Affordability Strategy (CHAS) Table for the year 2000, duplicated in Table 1.11, on the following page, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households. The table shows that 72.0 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 76.9 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses. Furthermore, 68.2 percent of very low-income renters and 64.9 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses in 2000.

Looking at the “Other Low-Income” households (those earning between 31 percent and 50 percent of the median family income), 98.8 percent of low-income renters and 61.0 percent of low-income homeowners paid more than 30 percent on housing expenses in 2000. Also, 65.4 percent of renters and 32.5 percent of homeowners paid more than 50 percent on housing expenses.

In 2000, the moderate-income category (those earning between 51 percent and 80 percent of the median family income), shows 56.6 percent of renters and 51.0 percent of homeowners had rent burdens in excess of 30 percent, and 9.3 percent renters and 11.0 percent of homeowners paid more than 50 percent on housing expenses.

Table 1.11
Cost Burden by income and tenure, 2000

Very Low-Income (Household income <=30% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	46.2	46.2
Small Related	75.6	67.2
Large Related	100	100
Other	77.8	77.8
Total Renters	72	68.2
Owners		
Elderly	66.6	50.1
Small Related	84.5	74.6
Large Related	100	100
Other	74.3	62.9
Total Owners	76.9	64.9
Total Households	75.8	65.6

Other Low-Income (Household income >30 to <=50% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	100	80
Small Related	97.5	72.3
Large Related	100	55.6
Other	100	44.4
Total Renters	98.8	65.4
Owners		
Elderly	47.3	21.7
Small Related	78.3	49.4
Large Related	92.9	35.7
Other	75	52.8
Total Owners	61	32.5
Total Households	67.2	37.8

Moderate Income (Household income >50% to <=80% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	30.8	15.4
Small Related	59.3	4.4
Large Related	16.7	0
Other	85.7	28.6
Total Renters	56.6	9.3
Owners		
Elderly	33	9.2
Small Related	58.3	11.9
Large Related	70.4	10.7
Other	74.3	15.1
Total Owners	51	11
Total Households	51.9	10.7

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2000

According to the 2007-2011 ACS estimates, as shown in Table 1.12 to the right, 50.7 percent of renter households paid more than 30 percent of their household income towards rent. About 83 percent of the renter households with household income of less than \$10,000, 86.1 percent of the renter households that earned between \$10,000 to \$19,999, 80.3 percent of the renter households that earned between \$20,000 to \$34,999, and 52.7 percent of the renter households that earned between \$35,000 to \$49,999 spent more than 30 percent of their households income towards rent during the five-year period.

As shown in Table 1.13, to the right, 41.2 percent of owner households were under 30 percent cost burden and 19.7 percent of the owner households were under 50 percent cost burden during the same period.

Hispanics and African Americans face a number of demographic concerns such as lower income levels that typically impact housing choice and affordability negatively.

Table 1.12
Gross Rent as a Percent of Household Income in Deltona, 2007-2011 (5-Year Average)

Gross Rent as a Percent of Household Income	Number of Households	Cost Burden 30%
Less than \$10,000	392	
Less than 30.0 percent	0	
30.0 percent or more	327	83.4%
Not computed	65	
\$10,000 to \$19,999	705	
Less than 30.0 percent	0	
30.0 percent or more	607	86.1%
Not computed	98	
\$20,000 to \$34,999	975	
Less than 30.0 percent	145	
30.0 percent or more	783	80.3%
Not computed	47	
\$35,000 to \$49,999	731	
Less than 30.0 percent	270	
30.0 percent or more	385	52.7%
Not computed	76	
\$50,000 or more	1,588	
Less than 30.0 percent	1,453	
30.0 percent or more	123	7.7%
Not computed	12	
Total Renter Households	4,391	
Less than 30.0 percent	1,868	
30.0 percent or more	2,225	50.7%
Not computed	298	

Source: 2007-2011 American Community Survey

Table 1.13
Owner Housing Costs as a Percent of Household Income in Deltona, 2007-2011 (5-Year Average)

Housing Cost as a Percent of Household Income	Number of Owner Households	Percent
Less than 30.0 percent	14,237	58.2%
30.0 percent or more	10,087	41.2%
50.0 percent or more	4,810	19.7%
Not computed	147	0.6%
Total Owner-Occupied households	24,471	100.0%

Source: 2007-2011 American Community Survey

However, the homeownership rates among the three groups were relatively high and there is no disparate impact based on race or ethnicity. The homeownership rate for Whites was 84.8 percent, 4.1 percentage points higher than Hispanics at 82.6 percent, and 8.8 percentage points higher than African-Americans at 76.0 percent between 2007 and 2011.

Overall, there were disparities in the demographic characteristics for minorities compared to that of Whites in most all categories, including income, poverty, unemployment, educational attainment and household characteristics. These demographic characteristics likely influenced minorities' choices in the geographical location and condition of housing and neighborhoods, housing type, cost of housing, decisions to become or remain a renter versus a homeowner, and unduly contributed the housing of their choice being a cost burden or creating overcrowded conditions for their household.

According to the 2010 Census estimates, the total population of Deltona was 85,182, a 22.5 percent increase between 2000 and 2010. The distribution of population, based on the race and ethnicity of the City's population, is becoming increasingly more diverse as well. The White population increased by 11.4 percent, and their percentage of the total population decreased from 84.3 percent to 76.7 percent between 2000 and 2010. African-Americans increased by 4,423 persons or 91.2 percent, and made up 10.9 percent of total population in 2010. Asian and Pacific Islanders increased by 437 persons or 63.7 percent, and made up 1.3 percent of total population in 2010. Deltona experienced a 101.9 percent increase in the Hispanic population between 2000 and 2010, and Hispanics made up 30.2 percent in 2010. Given the aforementioned disparities in the demographic characteristics of minorities, Hispanics and African Americans in particular, as minority populations continue to increase, impediments to fair housing and their impacts relative to these disparities in demographics for minorities and their households, will likely increase as well.

Section 2: Fair Housing Law, Court Case, Policies, Regulatory and Complaint Analysis

Introduction

It is important to examine how the City of Deltona's laws, regulations, policies and procedures will ultimately affect fair housing choice. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Relevant judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

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

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

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by Deltona City Council and advisory boards and commissions.

Section 2.5 provides an analysis of fair housing complaints filed with HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Atlanta, Georgia Regional Fair Housing and Equal Opportunity (FHEO) Office has responsibility for fair housing enforcement in Deltona. Official compliant date was received from the HUD Atlanta, Georgia Regional Office, Fair Housing Equal Opportunity Division.

2.1. Fair Housing Law

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

It is illegal to do the following based on a person's membership in a protected class:

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

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

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

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

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

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from January 2013 was conducted. These types of advertisements cover an area larger than just Deltona, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;
- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and

- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in the greater Deltona area were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

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

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHAP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In 2009 a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State

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

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

“Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination.”- was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather

than in a segregated setting. This case, known as the Olmstead case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with “the most integrated setting” provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the Anti-Discrimination Center (ADC) against Westchester County, NY. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had “utterly failed” to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will “affirmatively further fair housing.” Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order’s desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals

injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded

garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is pending appeal.

Homelessness and the Fair Housing Act

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

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

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

Unfair Lending Practices

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

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

principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

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

The Department of Housing and Urban Development enforces federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status. The Regional HUD Office in Atlanta conducts investigations of fair housing complaints that are reported directly to their office. Florida is part of HUD's Region VI that includes Alabama, Georgia, Mississippi, Tennessee, South Carolina, and North Carolina. When HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5.

When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act and or Texas Ordinance has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

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

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

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

An assessment of characteristics affecting housing production, availability, and affordability in Deltona and utilization of CDBG grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG Entitlement funding by the City of Deltona. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2012. The City of Deltona's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation provided by the city were utilized.

The 2011 Consolidated Annual Performance and Evaluation Report submitted to HUD indicated that the City of Deltona received approximately \$450,000 in Community Development Block Grant (CDBG) funding for FY 2011.

- Public Services: 15%
- Storm Water and Drainage: 50%
- Program Administration and Planning: 20%
- Housing and Economic Development: 15%

2.4. Regulatory and Public Policy Review

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

The city zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Deltona's land

development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was requested and received from the Atlanta, Georgia FHEO Division of the Regional Office of the U.S. Department of HUD. The data provides a breakdown of complaints filed for Volusia County. We were unable to obtain data specifically for Deltona as requested from January 1, 2007 through December 31, 2012. Therefore we were unable to provide an assessment of complaints for the City of Deltona.

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The City of Deltona has not enacted local fair housing law. The State of Florida has enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The City of Deltona Housing and Community Development Department provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights and remedies in Deltona.

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

The 2011 Consolidated Annual Performance and Evaluation Report submitted to HUD indicated that the City of Deltona received approximately \$450,000 in Community Development Block Grant (CDBG) funding for FY 2011.

- Public Services: 15%
- Storm Water and Drainage: 50%
- Program Administration and Planning: 20%
- Housing and Economic Development: 15%

The city zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result.

Section 3: Focus Group Sessions and Community Engagement

Introduction

This section will report on the results from three focus group sessions held on February 28, 2013 at the City of Deltona City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725. Participants in the focus groups sessions and supplemental interviews included city staff, Council Members and other government representatives; administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; and the general public and other community representatives.

Attendees were gathered through invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notice published in the local newspaper. At each focus group session, general issues related to the housing market, neighborhoods and concerns pertaining to fair housing choice in Deltona were discussed. Supplemental interviews were conducted with various community, professional and industry representatives to obtain information from those unable to attend the sessions on February 28th. The Focus Group sessions were hosted by the City of Deltona Community Development Department.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants and those participating in supplemental interviews. JQUAD has made every effort to document all comments as a matter of record, and to ensure that the comments, as presented on the following pages, have not been altered to reflect our analysis, investigation or substantiation of information obtained during these sessions. Focus Group comments and information obtained during interviews were later analyzed and to the extent substantiated or collaborated by the data and

analysis, included in Section Six: Impediments and Remedial Actions. Comments from Focus Group participants included the following.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

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

Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the evolving demographics in the city and specific problems faced by residents and the working poor relative to foreclosure and elderly residents on fixed incomes. Participants also felt that increased housing counseling-both pre-purchase and post purchase support was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs.

Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. Homebuyers will need assistance with providing greater down payments and equity investments when buying a home, to replace the loss of private mortgage insurance. Participants emphasized the need for increased funding for project based rental assistance due to limitations in the Section 8 Vouchers program. HUD established Section 8 fair market rents are often times inadequate to acquire quality multifamily rental housing in the city.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants' desired greater emphasis is placed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. Participants recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure to support new housing development and emergency repair funding for owner occupied housing. Increased funding for drainage, sidewalks, and increased emphasis on code enforcement were also cited as needs.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite programs funded by the city, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. For example, attendees and persons interviewed felt that in some instances, people do not register fair housing complaints for fear of retaliation by their landlords, or if they report violations such as housing code, enforcement will result in higher rents or evictions actions by their landlords.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental

housing and tenant's rights counseling and advocacy for renters. They were concerned that first-time home buyers often do not know where to go for help or how to start the process of purchasing a home. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system.

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

Predatory lending practices were identified as an issue. Perception were that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and fast becoming lenders of choice in some low income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment. Attendees and persons interviewed were concerned that a growing number of people have fallen prey to sub prime loans because they have a poor credit rating or limited to no credit history.

Lending, Foreclosures and the Mortgage Industry

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

be given to preventing damage to one's credit history and providing a solid foundation that could prevent future financial problems. Persons with a criminal felony record and those convicted of sex crimes are having particular problems finding housing to rent as well as qualifying for mortgages.

Special Needs Housing

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

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services. Public transportation was deemed inadequate, for persons commuting to major employment centers. Participants indicated that based on the bus schedules provided by Voltran for Deltona, the headway time is two hours at each station, and lower headway times such as 15-30 minutes were desired.

3.2. Other Issues and Solutions

Attendees indicated a need for increased emphasis on mitigating the impacts of increased incidents of discrimination or impediments to housing for persons with disabilities, renters with past criminal records or prior convictions for sexual abuse related crimes, those in need of special needs housing or facing evictions, foreclosures and homelessness.

Participants voiced support for a greater emphasis on credit education and housing consumer counseling. Increased financial literacy courses taught in high schools was a best practice identified by the facilitator for the focus group session and well received by participants.

Participants cited the need for additional funding for fair housing outreach, education and enforcement, fair housing training for landlords and homeowner associations and other at risk of violating fair housing law.

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

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the Home Mortgage Disclosure Act (HMDA) databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 2004 through 2009.

The data reported here are summarized by a variety of methods. Tables 4.1 and Tables 4.2 provide information for the City of Deltona and Volusia County. Table 4.4 provides information for Volusia County. Tables 4.3 and the charts present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tracts for Volusia County.

4.1. Analysis

Table 4.1 examines home loan activities in Deltona and Volusia County. The data are presented by loan type, ethnicity, income, and loan purpose. In Volusia County, White applicants represented the largest number of loan applicants at 78,528. Origination rates, the percentage of applications that result in loans being made, for Whites were about 69 percent. Hispanics were the next largest applicant group with 6,420 applications submitted and an origination rate of over 52 percent. African-Americans submitted 5,568 applications and had an origination rate of about 44 percent. Asian origination rates were about 58 percent, and there were 1,468 applications reported. High-income applicants showed both the highest number of applications at 56,120, and the highest

origination rate, about 78 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 10,448 applications from middle-income applicants and an origination rate of over 63 percent. Conventional loans account for the largest number of applications for loan type at 95,756, and an origination rate of over 57 percent. Refinance loans show the highest number of applications for loan purpose, at 51,040 and the origination rate of over 53 percent. Home improvement loans had an origination rate of about 62 percent with 16,996 loan applications. Home purchase loans had about 58 percent origination rate with 42,600 applications.

Isolating the census tracts within Deltona, for Loan Type, “Conventional” shows the highest number of loan applications at 22,520, and an origination rate of 52 percent. The origination rate for FHA loans was about 87 percent. An evaluation of loan purpose reveals that home purchase loan applications were at 12,645 with an origination rate of 52 percent. Home Improvement loans had 2,735 applications with an origination rate of 63 percent. For refinance loans, the origination rate was about over 59 percent with 10,695 applications. In Deltona, White applicants had the highest origination rate at 63 percent and the highest number of loan applications, about 19,690. Hispanics had 2,505 applications and an origination rate of over 48 percent. The origination rate for Asians was 52 percent with 160 applications. The origination rate for African-Americans was about 54 percent with 1,100 applications. The origination rate for the very low-income group was 17 percent compared to about 89 percent among high-income applicants.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For example, the first percentage in the “% of Originations” column indicates that 87.8 percent of originations in the county were for conventional loans compared to 57.3 percent origination rate from Table 4.1. For comparison, ethnic percentages were included under the “% Pop.”

column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the “Loan Type” category, “Conventional” shows the highest percentage, about 88 percent of all originations in Volusia County. FHA loans, which are government insured and have more stringent lending criteria, were about eight percent of all originations. Referring back to Table 4.1, the origination rates were about 46 percent for FHA versus approximately 57 percent for conventional.

For Ethnicity, “White” shows the highest percentage of origination at 86 percent of the total originations in the county. The percentage of Whites in the population was over 85 percent. Hispanic applicants represented over five percent of originations with over 11 percent of the total population in the county. Asian applicants accounted for over one percent of all originations, with over two percent of the total population in the county. African-American applicants accounted for about four percent of all originations, with about 11 percent of the total population in the county.

The highest income group (>120% median) displays the highest percentage of originations, at about 70 percent of all originations. In contrast, the very low-income group accounts for less than two percent of all originations.

The loan purpose data for the county shows that refinance loans were the most frequent purpose at over 43 percent. Home purchase loans accounted for over 39 percent of the originations. Home improvement loans accounted for about 17 percent of all originations.

In Deltona, over 79 percent of all originations were from conventional loans. FHA loans were over 17 percent of all originations. In the city, Whites had the highest percentage of origination, about 84 percent of the total. The percentage of Whites in the population was about 77 percent. Hispanic applicants accounted for over eight percent of originations, while their presence in the population was over 30 percent of all residents. Asian applicants represented 0.6 percent of

originations with over one percent of the total population. African-American applicants accounted for four percent of all originations, about 11 percent of the total population. Native American applicants represented 0.4 percent of originations with 0.5 percent of the total population. The highest income group (>120% median) displays the highest percentage of originations, over 65 percent of all originations in the city. In contrast, the very low-income group accounts for less than three percent of all originations. The loan purpose data show that home purchase loans were the most frequent purpose, over 45 percent of all originations in the city. Refinance loans accounted for 43 percent of the originations. Home improvement loans accounted for about 12 percent of all originations in the city.

Table 4.3, examines the HMDA data more closely with respect to the possibility of redlining within Volusia County census tracts. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area.

Origination rates for Deltona indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 17.0 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 24.0 times per 100 submissions, Moderate-Income (81-95% median income) had an origination success ratio of 24.4 percent, Middle-Income applicants (96-120% median income) had an origination success ratio of 52.2 percent, and High-Income applicants (>120% median income) had a 88.7 percent success ratio. When isolating the Low-Income census tracts, the origination rates are lower than the overall city origination rates. In Low-Income tracts, Very Low-Income applicants generated originations 13.7 percent of the time, 3.3 percentage point decrease from their overall success in the city. Similar differences in origination rates are noted in the other income groups. Moderate-Income applicants in low-income tracts had a 33.0 percent origination rate, 19.2 percentage points lower than in the city overall. High-Income applicants in low-

income tracts had a 43.5 percent origination rate, 45.2 percentage points lower than in the city overall.

Comparing Low-Income tracts to High-Income tracts, moderate to high differences are noted between origination rates. Within High-Income tracts, Very Low-Income applicants generated a 36.4 percent origination rate, 22.7 percentage points higher than Very Low-Income applicants in the Low-Income tracts. High-Income applicants generated a 57.9 percent origination rate within High-Income tracts, 14.4 percentage points higher than in Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 18.5 percentage points higher than in the Low-Income tracts. While this analysis does not provide conclusive proof that redlining exists, it is reasonable to expect that higher-income applicants would have relatively equal origination rates across all census tracts. The relatively small number of applications in the lower income tracts, however, makes any conclusions about redlining impossible.

Table 4.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were 47 percent for Whites and about 34 percent for minorities, a difference of 13 percentage points. White applicants for home improvement loans are successful almost 26 percentage points more often than minorities. The rates for refinance loans show a 24 percentage point difference.

Looking at the income group comparison, minorities actually had relatively close origination rates to Whites in the two lowest income groups. With Moderate Income applicants (81-95% MFI), White origination rates start to show an advantage of 11 percentage points. In the High Income group (>120% MFI), White origination rates are almost 17 percentage points higher. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Chart 4.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. Conventional loans have higher origination rates in all income groups than FHA loans and VA loans were had the highest origination rate in all income group of tracts.

Chart 4.2 shows origination rates by ethnicity and income of the census tract. Whites show the highest origination rates of all races in all income groups of tracts. Hispanics showed higher origination rates than African-Americans with the exception of Low Income tracts.

Chart 4.3 looks at origination rates by the income of the applicant and the income of the census tract of the property for which the loan would be applied. Ideally, origination rates should be similar among same income groups regardless of the income for the census tract where the subject property is located. The origination rates of all the income groups increase as the tract income increases. This indicates that families with similar income are more likely to originate a loan for property in a higher income census tract. Therefore, again some characteristics of redlining may be present in lower income tracts in the community. The relatively small number of applications in the lower income tracts, however, does not support any conclusive determination of redlining.

Chart 4.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, including home improvement loans, peaking at 70 percent for the High-Income tracts. Refinance loans have the lowest origination rates and home improvement loans show the highest origination rates in all income tracts.

Map 4.1 and maps 4.3 through 4.7 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 75 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 50 and 75 applications

are denied for every 100 applications originated. The mauve areas show 25 to 50 applications denied for every 100 applications originated. The pink areas show 0 to 25 applications denied for every 100 applications originated.

Map 4.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial in the city showed that the majority related to the applicants' credit history or their debt-to-income ratio. Over 1,150 (54.7%) denials were related to the applicants' credit history in the ten years of the study. Nearly 440 (26.1%) denials were related to the applicants' debt-to-income ratio and over 330 (18.0%) denials were due to inadequate collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down-payment and/or closing costs.

4.2. Conclusions

In Volusia County, the highest success in loan originations was in the home improvement loans and the least success was in refinance loans. In Deltona, the highest success in loan origination was found in the home improvement loan sector and the least success was in the home purchase loan sector.

Overall, the origination rates among Whites were higher than minorities in home purchase, home improvement, and refinance loans. Refinance loans were the most frequent loan type in the county and the city. The loan applications and originations were significantly lower compared to their percentage in population for Hispanics, Asians, and African-Americans in the county and the city. The analysis reveals two issues, the lack of applications from minorities and the disproportionate loan denials rates between Whites and some minority populations. One possible explanation for lower loan originations among minorities could be lack of credit history, poor credit history, or higher debt-to-income ratio. During the period between 2004 and 2009, the majority of loan denials for all applicants were related to the applicants' credit history.

While our analysis does not provide conclusive evidence of redlining, the data tend to suggest that some characteristics of redlining may exist and therefore impacting lending decisions and higher denial rates in some of the very low-income census tracts in Volusia County and Deltona. While it is expected that very low-income applicants would not have a very high success rate in their loan applications, within the very low-income census tracts, even high-income applicants showed a poor success rate. Due to very low number of applications in the lower income census tracts, any conclusive determination of redlining is impossible for the city.

The higher denial rates for lower income groups, coupled with the possibility that characteristics of redlining may be adversely impacting originations in lower income concentrated census tracts, are indicative of impediments to fair housing.

Table 4.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
City of Deltona and Volusia County
2004 - 2009**

	Deltona		Volusia County	
	Number of App.s	Origin. Rate	Number of App.s	Origin. Rate
Loan Type:				
Conventional	22,520	51.6%	95,756	57.3%
FHA	2,900	86.9%	11,300	45.9%
VA & Other	710	71.6%	3,908	60.7%
Ethnicity:				
Native	155	41.1%	392	47.7%
Asian	160	52.0%	1,468	57.6%
Black	1,100	53.9%	5,568	44.1%
Hispanic	2,505	48.3%	6,420	52.3%
White	19,690	62.6%	78,528	68.7%
Other	990	22.4%	2,004	32.3%
Not Provided	965	12.0%	6,988	8.3%
Unknown	565	7.6%	9,600	2.4%
Income:				
<51% median (very low)	2,135	17.0%	3,724	30.2%
51-80% median (low)	3,110	24.0%	9,180	36.3%
81-95% median (moderate)	3,920	24.4%	10,076	55.0%
96-120% median (middle)	5,685	52.2%	10,448	63.4%
>120% median (high)	10,770	88.7%	56,120	77.7%
Unknown	505	12.8%	21,420	10.5%
Loan Purpose:				
Home Purchase	12,645	52.4%	42,600	57.9%
Home Improvement	2,735	62.7%	16,996	61.7%
Refinance	10,695	58.8%	51,040	53.1%
Multifamily	50	47.1%	332	56.5%
Totals	26,125	56.1%	110,968	56.3%

Table 4.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
City of Deltona and Volusia County
2004 - 2009**

	# of Originations	Deltona % of Originations	%Pop.	# of Originations	Volusia County % of Originations	%Pop.
Loan Type:						
Conventional	11,620	79.3%		54,868	87.8%	
FHA	2,520	17.2%		5,187	8.3%	
VA & Other	505	3.5%		2,372	3.8%	
Ethnicity:						
Native	64	0.4%	0.5%	187	0.3%	0.4%
Asian	83	0.6%	1.3%	846	1.4%	1.7%
Black	593	4.0%	10.9%	2,455	3.9%	10.9%
Hispanic	1,210	8.3%	30.2%	3,358	5.4%	11.5%
White	12,326	84.1%	76.7%	53,949	86.4%	85.2%
Other	222	1.5%	10.6%	747	1.0%	1.8%
Not Provided	116	0.8%		680	0.9%	
Unknown	43	0.3%		227	0.4%	
Income:						
<51% median	365	2.5%		1,125	1.8%	
51-80% median	745	5.1%		3,332	5.3%	
81-95% median	955	6.5%		5,542	8.9%	
96-120% median	2,965	20.2%		6,624	10.6%	
>120% median	9,555	65.2%		43,605	69.8%	
Unknown	65	0.4%		2,249	3.6%	
Loan Purpose:						
Home Purchase	6,626	45.2%		24,665	39.5%	
Home Improvement	1,715	11.7%		10,487	16.8%	
Refinance	6,289	42.9%		27,102	43.4%	
Multifamily	24	0.2%		188	0.3%	
Totals	14,655	100.0%		62,475	100.0%	

Table 4.3

**Analysis of Home Mortgage Disclosure Act Data, 2004-2009
Analysis of Redlining in Low-Income Census Tracts**

	Volusia County Number of Applications	Origination Rate
Low-Income Tracts		
<51% median	2,056	13.7%
51-80% median	4,908	19.9%
81-95% median	1,400	19.4%
96-120% median	2,444	33.0%
>120% median	4,472	43.5%
High-Income Tracts		
<51% median	6,068	36.4%
51-80% median	12,664	36.1%
81-95% median	18,176	39.7%
96-120% median	22,032	51.5%
>120% median	74,240	57.9%
Difference Between High and Low Tracts (percentage point difference)		
<51% median		22.7%
51-80% median		16.2%
81-95% median		20.3%
96-120% median		18.5%
>120% median		14.4%
Origination Rates for Deltona		
<51% median		17.0%
51-80% median		24.0%
81-95% median		24.4%
96-120% median		52.2%
>120% median		88.7%
Unknown		

Table 4.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for Volusia County, 2004-2009

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	14,328	33.6%	42.8%	33.6%
White	25,173	59.1%	23.7%	47.0%
Not Provided	3,102	7.3%	17.8%	15.0%
Home Improvement Loans				
Minorities	4,782	28.1%	39.9%	36.0%
White	8,504	50.0%	25.1%	61.9%
Not Provided	3,710	21.8%	44.6%	19.5%
	16,996			
Refinance Loans				
Minorities	9,452	18.5%	25.6%	39.8%
White	30,008	58.8%	19.2%	64.1%
Not Provided	11,580	22.7%	29.9%	9.1%
	51,040			
Income Groups				
<51% MFI				
Minorities	1,007	27.0%	49.4%	31.0%
White	2,346	63.0%	42.4%	36.2%
Not Provided	372	10.0%	54.6%	8.8%
51 to 80% MFI				
Minorities	2,620	28.5%	40.3%	38.3%
White	5,500	59.9%	33.2%	42.6%
Not Provided	1,060	11.5%	53.6%	13.4%
81 to 95% MFI				
Minorities	3,631	36.0%	35.6%	39.0%
White	5,433	53.9%	27.5%	50.0%
Not Provided	1,012	10.0%	35.6%	16.3%
96 to 120% MFI				
Minorities	3,280	31.4%	44.0%	43.5%
White	6,638	63.5%	26.9%	54.0%
Not Provided	530	5.1%	44.7%	19.1%
>120% MFI				
Minorities	22,194	39.5%	26.1%	49.4%
White	32,486	57.9%	14.6%	66.2%
Not Provided	1,440	2.6%	37.5%	27.1%

Chart 4.1: Origination Rates by Loan Types by Income of Census Tracts

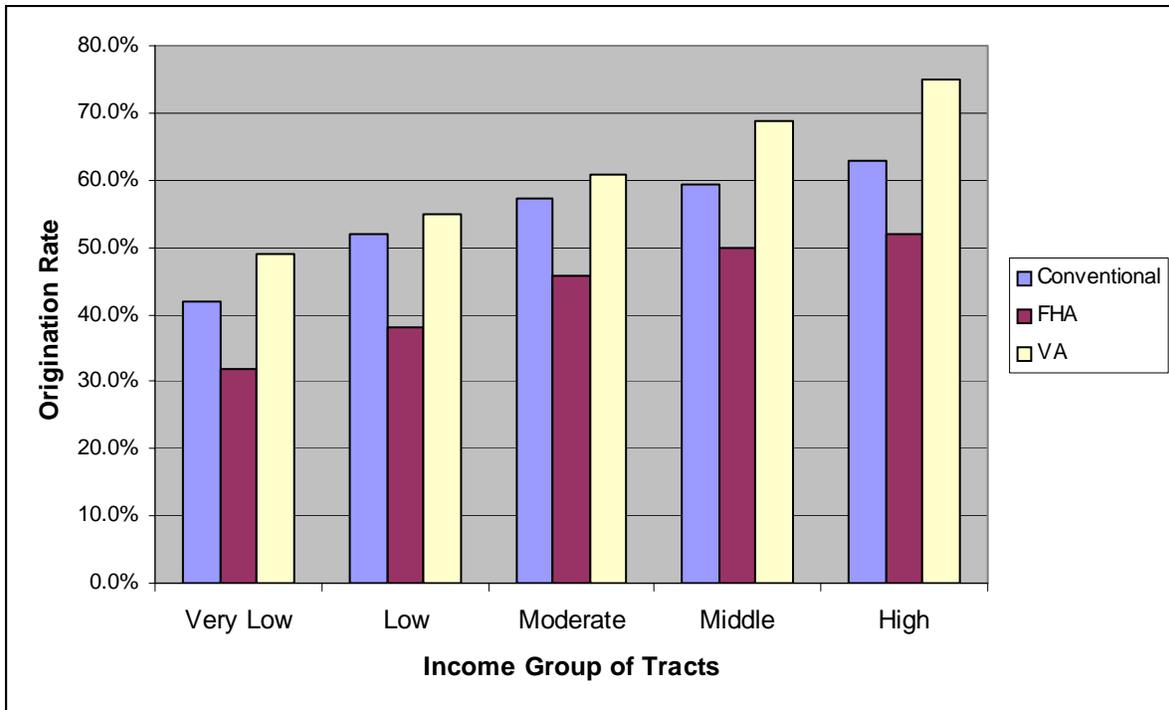


Chart 4.2: Origination Rates by Ethnicity by Income of Census Tracts

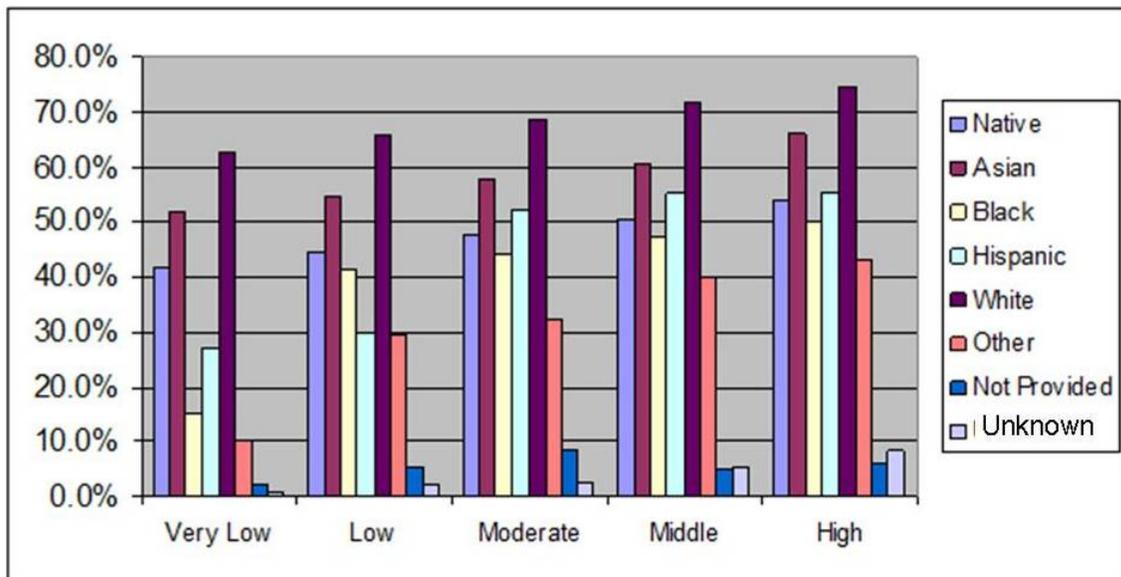


Chart 4.3: Origination Rates by Applicant Income by Income of Census Tracts

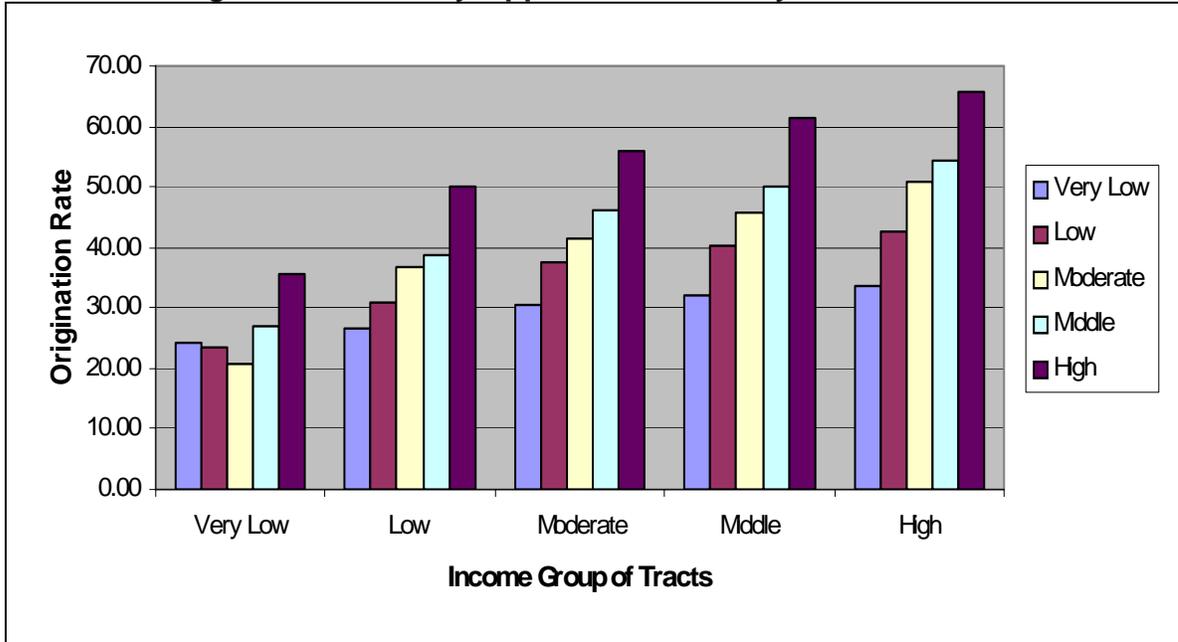
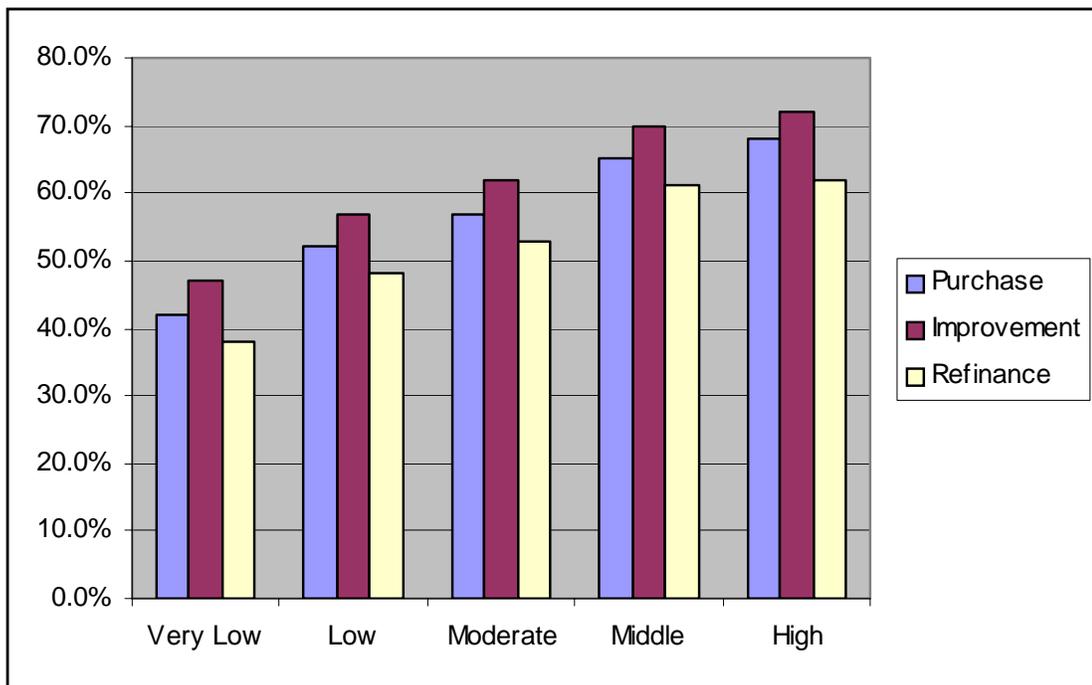
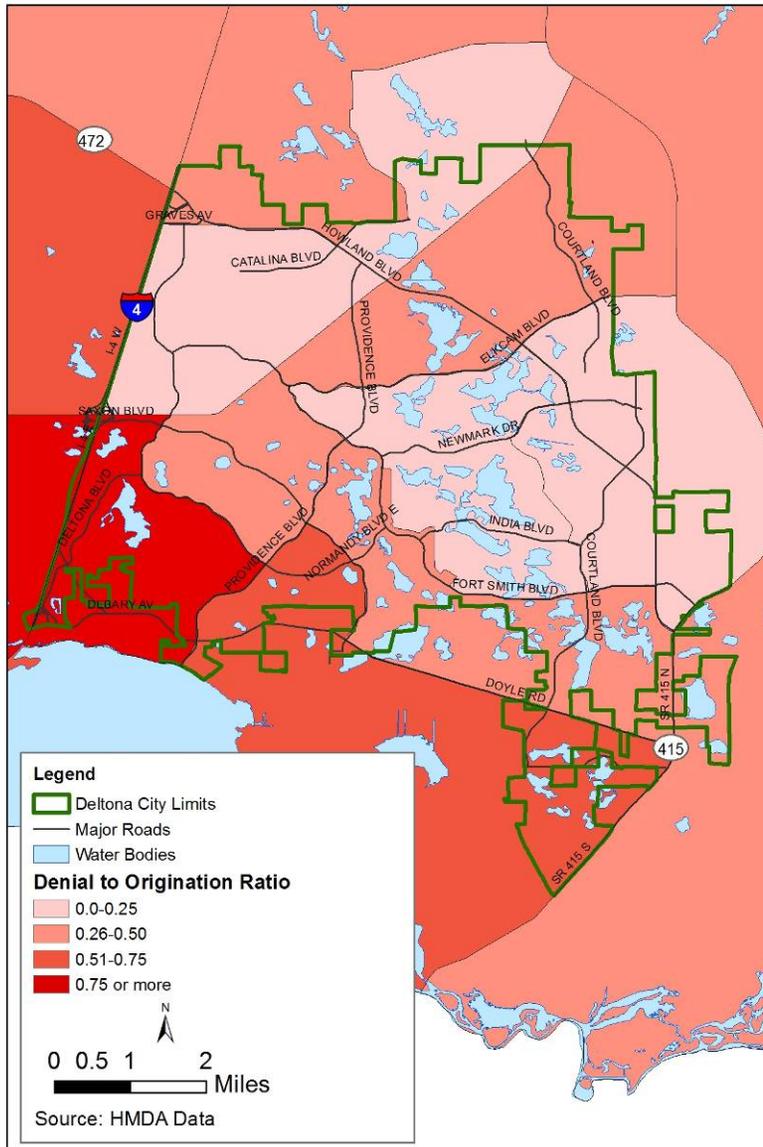


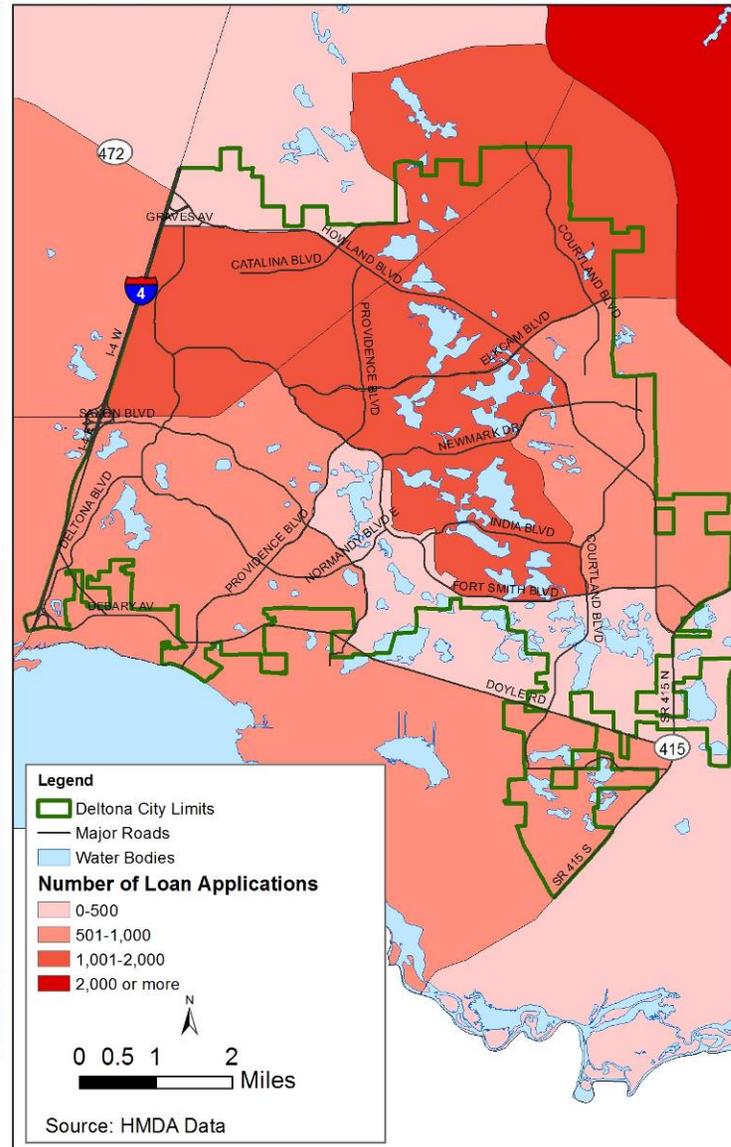
Chart 4.4: Origination Rates by Loan Purpose by Income of Census Tracts



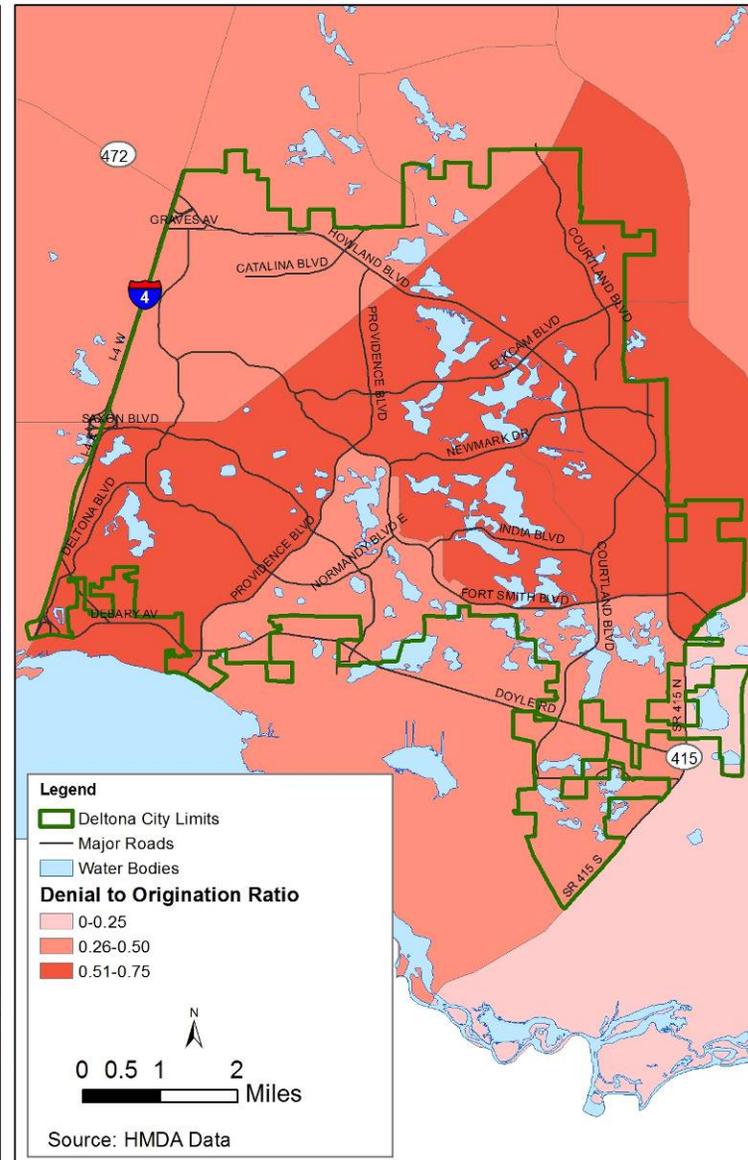
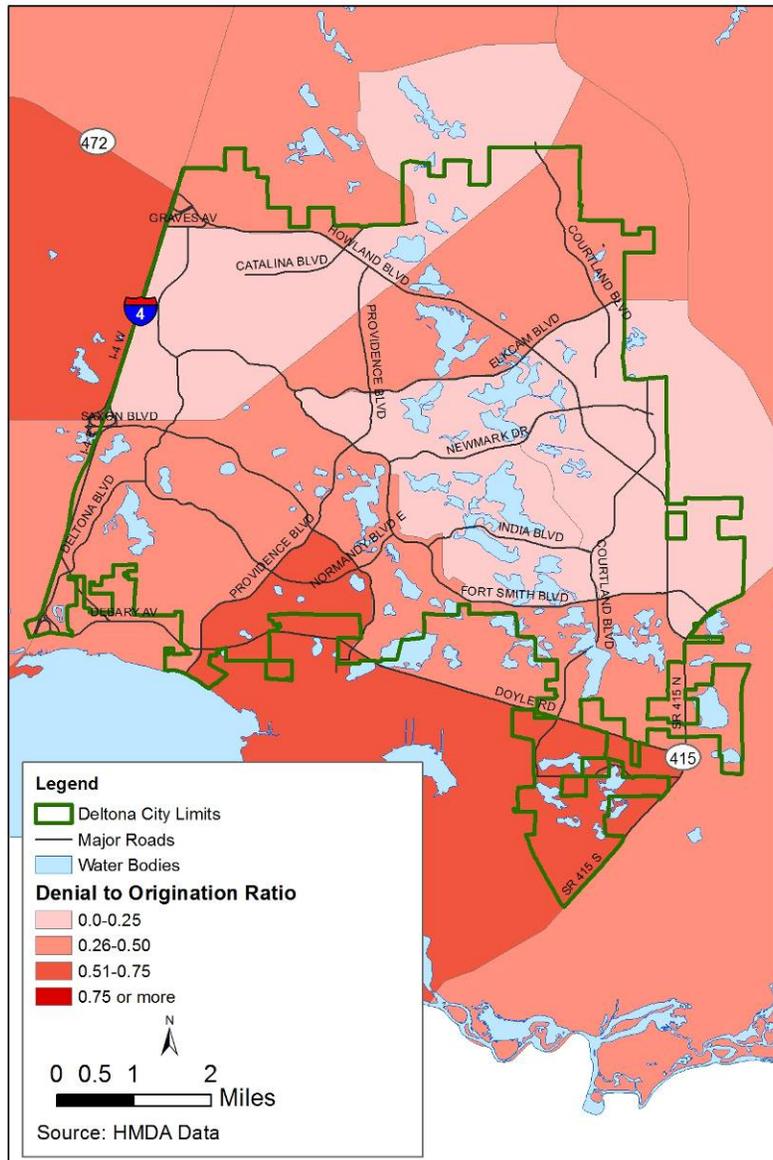
Map 4.1: Ratio of All Loan Denials to Originations, 2004-2009



Map 4.2: Total Number of Loan Applications, 2004-2009

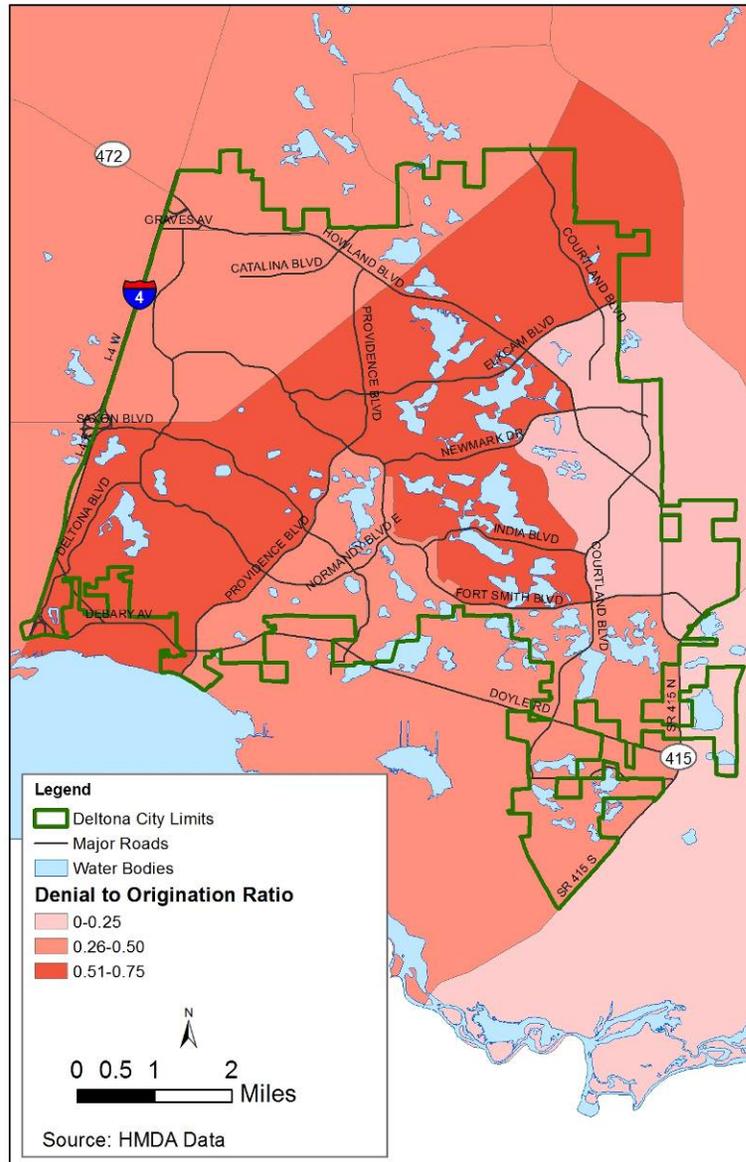
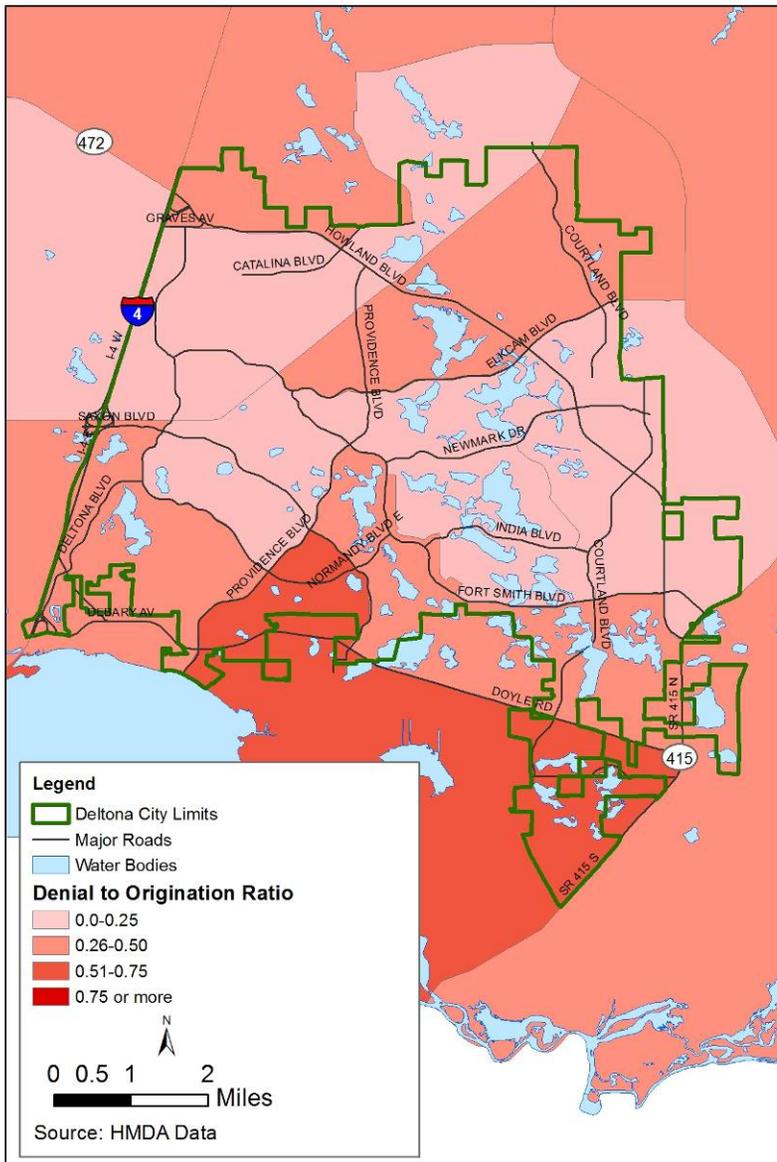


Map 4.3: Ratio of Conventional Loan Denials to Originations, 2004-2009 Map 4.4: Ratio of Government Backed Loan Denials to Originations, 2004-2009



Map 4.5: Ratio of Home Purchase Loan Denials to Originations, 2004-2009

Map 4.6: Ratio of Home Improvement Loan Denials to Originations, 2004-2009



Section 5: Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table are standardized and added to classify the conditions in various census tracts in Volusia County into degree of problems that may cause impediments to fair housing choice. The map provides a general indication of geographic regions within Deltona where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing. The discussion is highly technical and contains statistical techniques that may be beyond the statistical experience of some readers.

5.1. Methodology

Data for ten variables for all census tracts in Volusia County were gathered for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2004 through 2009 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2007-2011 American Community Survey (ACS) 5-Year estimates of Population and Housing. Each variable contained data for every census tract in the city as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.7980.

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

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the current residents are likely not having problems with fair housing choice. High housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High Risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

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

Included following the map is the correlation table (Table 5.1). MedValue is the median home value according to the 2007-2011 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2004 to 2009.

5.2. Findings

Looking first at the correlation table (Table 5.1), the percentage not graduating from high school has a strong negative correlation to median household income (-0.7980). The percentage not graduating from high school has a strong negative correlation to housing value (-0.7056), which indicates that non-high school graduates live in much lower value housing. The median income has a high negative correlation with unemployment rate (-0.6999) and has a moderate positive correlation with median value (0.6754) and median rent (0.7212). These correlations indicate that lower income groups and unemployed persons are more likely to live in housing with lower values and rents in the city.

The correlation between percentage minority and percentage female-headed households with children is high and positive (0.7015); this correlation indicates that the minority community has a higher rate of female-headed households with children than the non-minority community. The percentage of female-headed households has a moderate negative correlation with median housing value (-0.6871), which indicates that single mothers are more likely to live in housing with lower values. The percentage of minorities had a moderate negative correlation with median household income (-0.5441) and median housing value (-0.6131). This indicates that minorities tend to earn lower incomes and are more likely to live in housing with lower values.

The ratio of home loan denials to originations had a moderate negative correlation with median household income (-0.7001). This correlation indicates that lower income groups are less likely to receive a home loan approval than higher income groups. The ratio of home loan denials to originations had moderate positive correlations with the percentage of minority (0.6980), and percentage of less than high school education (0.5989). These correlations indicate that minorities and persons with no high school degree have lower likelihood of receiving loan originations.

The percentage of population using public transportation has a moderate negative correlation with income (-0.6898) which indicated that lower income groups are more likely to use public transportation.

As indicated on Map 5.1, the City of Deltona does not have census tracts designated as having high risk of fair housing related problems. The census tracts with likelihood of having moderate risk of fair housing problems are located in the southwestern areas of the city. The census tracts having low risk of fair housing problems are located in the southern areas of the city.

These areas of greatest concern contain the housing stock, most likely in poor condition, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. There is a higher than average unemployment rate and lower than average level of educational attainment.

Map 5.1: Fair Housing Index

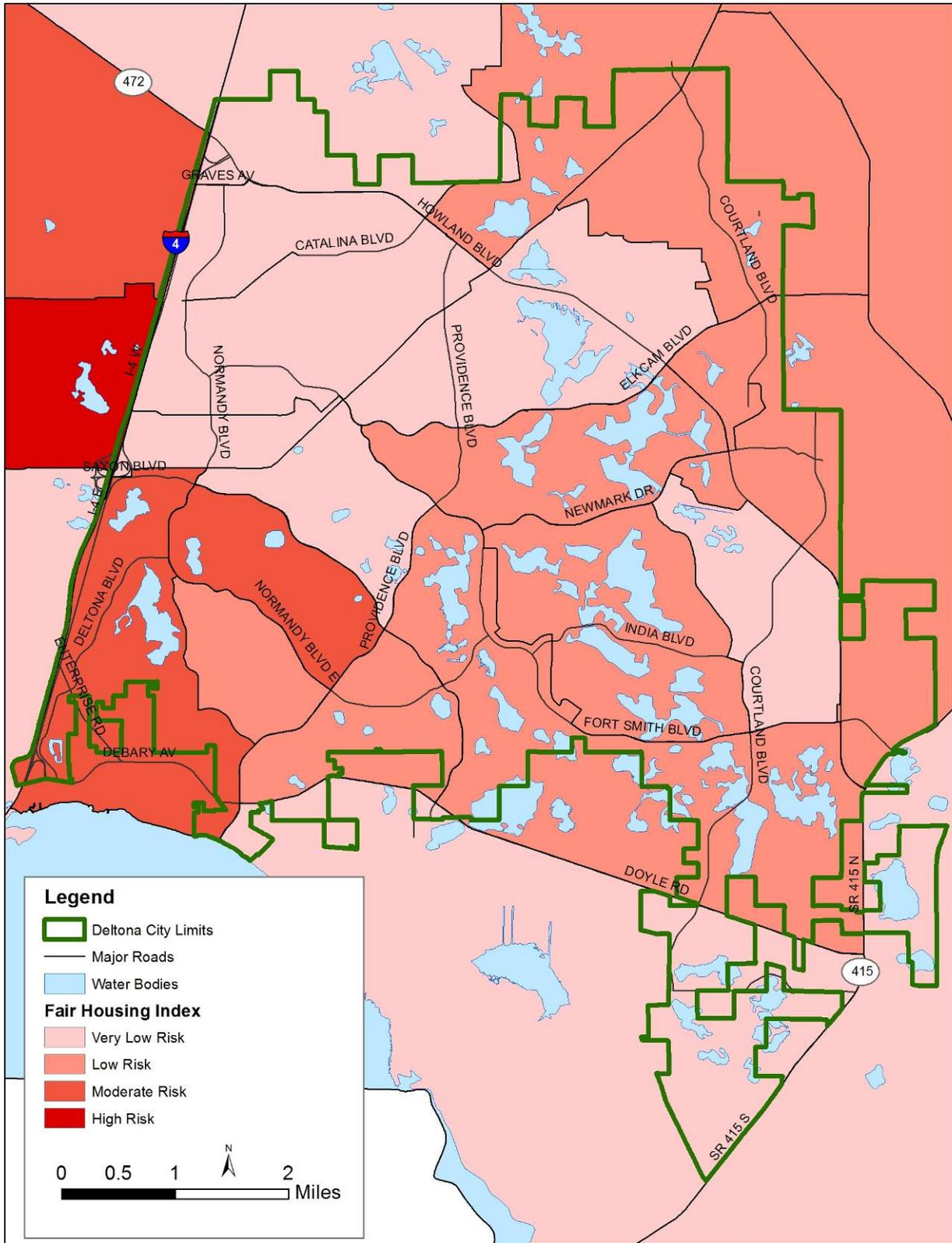


Table 5.1

Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
AllRat	1.0000									
XPubTrans	0.6556	1.0000								
XLessHS	0.5989	0.3765	1.0000							
XUnemp	0.4332	0.2244	0.2233	1.0000						
MedHHI	-0.7001	-0.6898	-0.7980	-0.6999	1.0000					
XPre60	0.3234	0.3441	0.6767	0.2233	-0.3758	1.0000				
MedRent	-0.6754	-0.2435	-0.3335	-0.3058	0.7212	-0.2465	1.0000			
MedValue	-0.4377	-0.3428	-0.7056	-0.4274	0.6754	-0.3934	0.5431	1.0000		
XMinority	0.6980	0.2549	0.2582	0.3545	-0.5441	0.2133	-0.3109	-0.6131	1.0000	
XFemHH	0.4286	0.3006	0.3588	0.4447	-0.3223	0.3656	-0.2948	-0.6871	0.7015	1.0000

Variable	Definition
XFemHH	% Female-Headed Households, 2007-2011
XMinority	% Minority, 2007-2011
MedValue	Median Home Value, 2007-2011
MedRent	Median Contract Rent, 2007-2011
XPre60	% of Housing Built Prior to 1960, 2007-2011
MedHHI	Median Household Income, 2007-2011
XLessHS	% Less than High School Degree, 2007-2011
XUnemp	% Unemployed, 2007-2011
XPubTrans	% Taking Public Transportation to Work, 2007-2011
AllRat	Ratio of Denials to Originations, All Loan Types, 2004-2009

Section 6: Impediments to Fair Housing and Remedial Actions

Introduction

This section draws on the information collected and analyzed in previous sections to provide detailed analyses of fair housing impediments in Deltona. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are suggested to address impediment. Some remedial actions recommended in this section are conceptual frameworks for addressing the impediments. These remedial actions may require further research, analysis, and final program design by the city for implementation.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important factors to consider when examining fair housing. The effects on persons of a particular race, ethnicity, or members of the protected classes under fair housing law are comparatively analyzed to determine any disparities. Deltona has relatively few impediments to fair housing. However, some issues were identified.

The City of Deltona's commitment to furthering community development, planning and CDBG funded service program is noteworthy. These efforts will continue to improve and help maintain stability, and strengthen its neighborhoods. The city and its nonprofit partners are encouraged to expand these efforts as a primary means of expanding fair housing choice. The impediments identified in this section can be directly linked to and supported by data and analysis from the previous sections. In some instances, footnotes have provided links to the corresponding sections should the reader need to refer to those sections for more details.

6.1 Real Estate Impediments

Impediment: Housing Affordability and Insufficient Income.

Housing Affordability

Lack of Affordability and Financing for Affordable Housing is Limited. According to local affordable housing developers, the availability of financing presents a primary barrier to producing new subsidized housing. Although the cost of land and construction have declined, the tightened credit market, and decline in State and local subsidies, have made it challenging for affordable housing developers to take advantage of lower costs.

Although recent declines in home values have improved housing affordability, many lower income households still encounter difficulty buying a home. This AI analysis indicates that current market prices remain an obstacle to homeownership, particularly for lower-income households. Following the national decline in home values, single-family homes have become more affordable. It is important to note, however, that credit markets have tightened in tandem with the decline in home values. As a result, although homes have become more affordable, lender requirements for a minimum down payment or credit score may present a greater obstacle for buyers today.

While declining home values have helped many households enter the ownership market, credit access remains a real challenge for potential homebuyers. In addition, affordable FHA loans and municipally-sponsored first-time homebuyer programs can be difficult to access for buyers, as many loan officers and realtors prefer to focus on conventional mortgages due to the time and effort associated with affordable loan products. Entitlement Jurisdictions and homeownership counselors have responded

to these challenges by developing relationships with area lenders who have specific products that focus on this market.

Issues: Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in Deltona. The median housing value in the city was \$166,000 and the median contract rent was \$881 between 2007 and 2011.¹ The average income required to qualify for a mortgage based on the median home price of \$166,000 is approximately \$45,000 to \$60,000 in household income and the average income to qualify for a contract rent of \$881 is \$30,000 to \$35,000. When you factor in housing related expenses other than mortgage or rent payments such as taxes, insurance, and utilities, home ownership and rental housing is not attainable to many in the city. In fact, an estimated 30.3 percent of White households, 43.5 percent of Hispanic households, and 32.6 percent of African-American households earned income less than \$35,000.

For persons and households earning at or above the area median income, affordability increases. According to the 2007-2011 ACS estimates, the median household income was \$53,844 for White households, \$41,226 for Hispanic households, and \$48,191 for African-American households, compared to \$50,420 for the overall city.

The modal income class, the income classes with the highest number of households, for Whites, African-Americans, and Hispanics was the \$50,000 to \$74,999 range with 24.9 percent of Whites, 20.9 percent of Hispanics, and 27.7 percent of African-Americans in this income range.

We do acknowledge that median and modal income are not the only factors to be considered in an assessment of persons ability to qualify for mortgages and that other indicators and underwriting criteria are important. It is noteworthy that we found no significant disparate impacts

relative to modal and median income for minority households and protected class members. However the incomes of lower income persons for all three major racial/ethnic groups and for the city as a whole underscores that many earn incomes that are insufficient to acquire housing in the current market regardless of race or ethnicity, and resulting in a significant cost burden for others.

Despite the challenges of affordability and income limitations faced by a number of households, Deltona's homeownership rate is well above the national average for all races and ethnicities. According to the 2007-2011 ACS data homeownership rate among Whites was 86.7 percent, compared to 82.6 percent among Hispanics, and 76 percent among African-Americans.

However, cost burden is a major concern as the 2007-2011 ACS estimates reveal a significant percentage of the population at all income levels are paying more than 30 percent of their income for rent and home ownership. The data shows 50.7 percent of renter households paid more than 30 percent of their household income towards rent. About 83 percent of the renter households with household income of less than \$10,000, 86.1 percent of the renter households that earned between \$10,000 to \$19,999, 80.3 percent of the renter households that earned between \$20,000 to \$34,999, and 52.7 percent of the renter households that earned between \$35,000 to \$49,999 spent more than 30 percent of their households income towards rent during the five-year period. In the homeowner category, 58.2 percent of homeowners earning less than 30 percent of median income, 41.2 percent of those earning 30 percent of median or more, and 19.7 percent of those earning 50 percent or more of median were cost burden at least 30 percent.

We therefore have identified cost of housing, cost burden, and a shortage of affordable housing as a primary impediments to fair housing in Deltona.

In addition to insufficient income, other wide ranging and interconnected issues influence the development, pricing and affordability of housing. These issues include the rapidly rising cost of land; development fees; or the investment needed to rehabilitate substandard housing. Focus group participants voiced particular concern that the supply of affordable housing for working families was in short supply which is only adding to the overall affordable housing shortage.

Market rents are generally affordable to median-income households, but not for low, very low- and extremely-low income households.

With a few exceptions, market rate rents are roughly comparable to the maximum affordable rents for households earning median income across the Entitlement Jurisdictions. In contrast, the average market rate rent far exceeds the maximum affordable rent for most low, very low- and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing.

Development Constraints

Supply of Available Land. In many Entitlement Jurisdictions, the limited availability of land for housing development constrains new housing production. As a result, new residential production will largely occur as infill projects, often a more challenging and costly development type. It is worth noting, however, that infill development offers the benefits of greater transit accessibility, the redevelopment of underused sites, and the preservation of open space. Additionally, locating housing next to job centers, amenities, and transit has the benefit of lowering total housing cost by decreasing automobile transportation costs.

Land Costs. Due to the limited supply and high demand, land costs are high and not cost effective in some instances when developing affordable housing. Local developers indicate that land prices are slowly adjusting during this economic downturn. At the same time, developers generally report that the market is not efficient and that land owners' expectations of what their land is worth has declined less than one would expect given the severity of the housing downturn. Unless land owners are compelled to sell their property, many will wait for the market to recover, thereby perpetuating the restricting land supply and increasing land costs.

Construction Cost. Some cost associated with construction (materials and labor) have fallen nationally in conjunction with the declining residential real estate market according to the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price and cost of materials for specific commodities and products. Thus, construction costs do not appear to be a development constraint in the current economy.

Impacts: Housing affordability impacts the structure and stability of neighborhoods. Income diversified neighborhoods and neighborhoods that are accessible to a mix of incomes have shown a greater potential to maintain themselves as a viable community. That is, people are most likely to maintain housing they own or when it is their housing of choice. While the data supports our concerns relative to affordability and cost burden, based on the 2007-2011 ACS estimates, homeownership rates for Deltona remain healthy and well above the national average². Most important, cost burden and the lack of income to acquire housing limit housing choice and increase the probability of households will lack the income to maintain their homes or to afford utility and other basic living expenses. To the extent that household income correlates to housing

¹ Community Profiles page 20.

² 2007 – 2011 ACS Census homeownership rates for the City of Deltona, page 21 of the Community Profiles.

value and conditions, this limitation is even greater³. The Census data reveals significant percentages of the city's overall population are cost burdened and or have incomes that are insufficient to qualify for the purchase or rental of housing in Deltona at the median home price⁴. An analysis of household income and cost burden suggests that there is a strong need for additional affordable housing to meet the needs of lower-income households in the city in particular.

Without adequate affordable housing, Deltona households have also shown higher incidents of cost burdened with regard to their monthly mortgage (principal, interest, taxes, insurance, and utilities) or rent payments for all income groups⁵. The good news is that cost burden is trending better in 2011 compared to 2000. Based on 2007 – 2011 ACS cost burden has significantly decreased since 2000. New housing units are being added with a significant increase in housing units between 2000 and 2011. In Deltona, the total number of housing units increased by 29.0 percent between 2000 and 2010. According to the 2010 Census, of the total number of housing units in the city, 72.3 percent were owner-occupied, 16.4 percent were renter-occupied, and the remaining 11.3 percent were vacant.

Remedial Actions:

Action #1: Support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits. The City of Deltona will continue to work with local banks, developers and non-profit organizations to expand the stock of affordable housing. A continuation of these efforts should increase the production of new affordable housing units and assistance toward the

³ Fair Housing Index Table 5.1 on page 79, shows a strong correlation between lower income groups relative to housing values and rents and the condition of housing they can afford.

⁴ 2007 – 2011 ACS Census, Table 1.3 on page 11.

⁵ Comprehensive Affordability Strategy (CHAS) data presented in Table 1.11 on page 28 of the Community Profile in year 2010.

purchase and renovation of housing in existing neighborhoods. Greater emphasis should also be placed on capacity building and technical assistance initiatives aimed at expanding non-profit, faith based organizations and private developers' production activities in the city. Alternative resources for city housing programs and to leverage increased capacity among the public and private sector should be sought from Fannie Mae, U.S. Department of Treasury Community Development Funding Institution (CDFI) program, Federal Home Loan Bank and other state and federal sources.

Action #2: Facilitate access to below-market-rate units. City of Deltona will assist affordable housing developers by advertising the availability of below-market-rate units via the jurisdictions' websites, referral phone service, and other media outlets. The city will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have fair access to available units. The City of Deltona will also work with the affordable housing developers and nonprofit agencies receiving entitlement funds to revise their housing applications to reduce the obstacles that persons with limited English proficiency, and those who are disabled, elderly or homeless may have in submitting completed paperwork within the allowable time.

Action #3: Maintain a list of partner lenders. The City of Deltona will maintain a list of lenders that can help buyers' access below-market-rate loans and locally-sponsored down-payment and mortgage assistance programs.

Action #4: Identify and seek additional sources of funds for affordable housing. The city will seek State and other non entitlement grant resources in an effort to increase funding for first time homebuyer mortgage assistance program. This would support eligible person in the

market in acquiring affordable housing within the community and support those responsible for providing financing and engaged in affordable housing development.

Action #5: Encourage private sector support for affordable housing initiatives. The city, in coordination with the Chamber of Commerce, will encourage major employers and lenders to consider Employer-Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing. In some instances, the city and the Chamber will have to help raise the awareness among local employers and increase their understanding that not all wage levels permit ready entry into homeownership, without some sort of subsidy. This is important in that the private sector and employment community often view the use of subsidies to help low to moderate income households achieve homeownership as a public responsibility. In reality, with limited resources, the city government can only assist a small percentage of those in need. The Chamber can play a critical role in researching this issues and encouraging local businesses, local school districts, universities and local hospitals to consider implementing such programs for their employees. Employer-Assisted Housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into home-ownership. Ultimately, communities benefit through investment in the neighborhoods where the employers and employees are located. The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs use a combination of some of the benefits listed above. One program that has met with success was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's own EAH

program has made it possible for 2,200 of its employees to become homeowners. The City of Waco, Texas has implemented an EAH program and made it eligible to all city employees.

6.2 Public Policy Impediments

Impediment: Increased public awareness of fair housing rights

Issues: The City of Deltona has not enacted local Fair Housing legislation that is substantially equivalent to federal fair housing law. Our analysis of applicable fair housing laws also included the State of Florida Fair Housing Act. In the analysis the state statutes were compared to the Federal Fair Housing Act. Our Analysis determined that state statute offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. The City of Deltona is part of the enforcement geography afforded enforcement coverage by the Atlanta Regional HUD FHEO Office. While the current system of enforcement provides an acceptable process for filing and investigating fair housing complaints, increased local fair housing outreach, education and training would be an important step toward raising local awareness and establishing more effective local Fair Housing Policy.

Fair housing complaint information was received from the Atlanta, Florida FHEO Division of the Regional Office of the U.S. Department of HUD. The data provides a breakdown of complaints filed for Volusia County. We were unable to obtain data specifically for Deltona as requested from January 1, 2007 through December 31, 2012. Therefore we were unable to provide an assessment of complaints for the City of Deltona.

While we were unable to determine the number of complaints filed over the past 5 years, we are concerned that the public's awareness relative to their fair housing rights may be a major contributing factor. We believe that local fair housing outreach, education and training must be increased,

as an important step toward raising local awareness and establishing more effective local Fair Housing Policy.

Lack of Public Awareness of Fair Housing. Participants in the focus group sessions and key person interviews including representatives of fair housing organizations indicate that general public education and awareness of fair housing issues is limited. Of particular concern is that tenants often do not completely understand their fair housing rights. To address this issue, the City of Deltona and fair housing organizations operating in this jurisdiction should provide additional fair housing education and outreach programs to both housing providers and the general public. In addition, the city and fair housing organizations outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements have proved effective in increasing awareness. Fair housing organizations also indicate that outreach to immigrant and populations that are primarily Spanish speaking and other protected classes should be targeted for such outreach.

Fair Housing Services Needed. The AI finds that fair housing is an ongoing concern in Deltona. In particular, interviews and focus group participants, and fair housing service providers indicate that many the general public, protected class members, home seekers and landlords all have limited awareness of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and protected classes.

Impacts: Most communities benefit greatly from having local fair housing legislation, effective outreach, education and training, and local enforcement. Most jurisdictions also have benefited from enforcement and outreach through a state or city having received FHAP and FHIP funding from HUD to enhance its fair housing education and outreach programs,

enforcement and activities. With limited knowledge of their rights, the general public and potential buyers or tenants may not realize that their rights have been violated or how to seek remedies offered by federal and state enforcement agencies.

Remedial Actions:

Action #6: Increase fair housing education and outreach. The City of Deltona will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of its local fair housing ordinances. The city will target funding to fair housing education and outreach to the rapidly growing Hispanic and other immigrant populations. The city will also continue organizing fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage. Other alternatives for increasing awareness and effectiveness of fair housing include providing local enforcement. However, community development resources are limited and therefore local enforcement would necessitate additional funds for investigation and enforcement and expansion of outreach and education. We do not recommend this approach at the current time assuming HUD continues its' enforcement services in the local jurisdiction.

Future consideration should be given to a regional approach to local enforcement, perhaps through a partnership of other local jurisdictions and the City of Deltona, and a joint application for FHAP and FHIP funding being submitted to HUD.

Action #7: Target outreach and training toward housing industry organizations and general public. The City of Deltona will partner with fair housing service providers to conduct ongoing outreach and education

regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include fair housing organizations providing training sessions, public events, city website and other media outlets, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #8: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. The City of Deltona will encourage Fair Housing Agencies to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, the Fair Housing Agency will be asked to submit findings to the city and to conduct educational outreach to landlords that showed differential treatment during the test.

Impediment: Increased efficiency of Public Transportation and Mobility.

Issues: Voltran is a public transportation system provided by Volusia County Government in the county. Voltran provides transportation to all urban areas of the county with a fleet of 55 fixed route buses, four trackless trolleys, and 44 paratransit vehicles. Additional service is provided through contracts with private agencies. Voltran provides public transportation service in Deltona and connects the city to other cities in the county. The service operates through routes 21 and 22 in Deltona and connects various locations in the city, including the City Hall, Deltona Library, Deltona Healthcare Rehab Center, Deltona Christian and Middle Schools, Deltona Plaza, and other destinations. The service operates between 6:30 am to 7:30 pm in the city. This service also transfers to other routes connecting DeBary, Orange City, Deland, Spring Garden, and DeLeon Springs.

Impacts: Based on the bus schedules provided by Voltran for Deltona, the headway time is two hours at each station, and lower headway times such as 15-30 minutes can improve access and ridership. Voltran also provides paratransit, a curb-to-curb service. These headway times create a disincentive to increased ridership and utilization of public transportation.

Remedial Actions:

Action #9: Increased efficiency of Public Transportation and Mobility.

The city will encourage the County to continue to explore alternative methods of providing increased funding for public transportation and to provide more extensive routes and schedule reduce headway times to acceptable levels. We noted during the focus group sessions that the city officials have continued their discussions with the county and continue to seek solutions for public transportation and strategy for addressing the issue.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Issues: The housing foreclosure rates across the country continue to soar and the impacts are being felt in Florida as well. Numerous web sites are providing numerical counts and locations for homes with foreclosure filings across the country and for jurisdictions in the State of Florida. RealtyTrac.com shows 3,991 filings for Volusia County and 329,285 properties foreclosure for the State of Florida in February 2013.

The rise in foreclosures may relate to the rise and fall of subprime lending market. Subprime lenders offer loans to less-creditworthy borrowers, borrowers that lack sufficient down-payments to afford the property, and

risk based borrowers that speculate on the real estate market by acquiring real estate with no equity investment/down-payment in hopes that the property will appreciate in value over a short period of time. These loans are generally offered at higher interest rates or through products involving adjustable interest rates and balloon payments. When the borrower cannot meet the increased mortgage payment they default and the property goes into foreclosure.

Neighborhood Housing Services, NHS, and Neighbor Works America are two national housing intermediaries that have created innovated programs in Chicago, Baltimore, and New York City designed to reduce the impacts of foreclosures and subprime lending in those affordable housing markets.

Remedial Actions:

Action #10: Apply for competitive and non entitlement State and Federal funding and assistance from nonprofit intermediaries. The City of Deltona will pursue CDBG and State HOME and Neighborhood Stabilization Program (NSP) funding if it becomes available to provide home buyer assistance and subsidies to homebuyers to acquire foreclosure property and get it back into commerce. Some of the buyers that have already acquired housing in Deltona will likely face the issues of foreclosure. The city, if successful in obtaining additional funding, should consider expanding its program goals to consider initiatives that reduce mortgage defaults and foreclosure rates among low and moderate income home buyers.

The city will work with the State, National Non-Profit Housing Intermediaries and HUD to identify funding that can help reduce the mortgage default rate and foreclosure rates among low and moderate income home buyers and existing home owners. These programs offer initiatives such as loan default prevention programs based on providing

counseling to affected borrowers, assistance with identifying alternative products that helps borrowers avoid subprime lending, and assistance with re-negotiation for more favorable terms for borrowers with subprime loans. These programs identify government assistance programs that also serve to assist distressed borrowers and are currently evaluating the feasibility of creating a maintenance and replacement reserve account for affordable home buyers assisted with the entitlement and other federal funds to insure that funds are escrowed to help cover the cost of major repairs. Other alternatives being evaluated include the feasibility of creating a mortgage default and foreclosure prevention account for affordable home buyers assisted with federal funds to insure that funds are escrowed to help cover the cost of unexpected income/job loss and to write down interest rates.

Impediment: Predatory lending and other industry practices.

Issue: Predatory lending is a concern in Deltona. Several incidents were cited, by person interviewed and those attending the focus group sessions, suggesting unfavorable lending practices⁶. For some persons in the city, traditional banking and lending relationships have been replaced or relegated to pay-day loan, check-cashing, and title-loan stores. Focus Group participants also complained of extremely high interest rates being charged by not only neighborhood predatory lenders, but traditional banks and financial institutions for credit cards, auto loans, and other consumer loans. In some instances, the low-income population may be subject to predatory lending because they have a poor credit rating and limited credit history. Participants were concerned that the influences of the foreclosure rates and sub-prime lending would have a negative impact on mortgage approvals and higher private mortgage insurance for small loans.

⁶ Focus Group Sessions page 54.

Impact: Predatory lending practices often result in a lower-income household losing their home, automobile or other collateral. In some cases, Focus Group participants cited instances where homeowners who had already paid off their original mortgage were losing their home when used as collateral on a loan for a small fraction of the home's value. With low approval rates when submitting loan applications to traditional lenders, residents are more likely to utilize the services of subprime lenders and check-cashing stores that may charge exorbitant interest rates and have severe default penalties. Predatory lending may further impair an individual's credit and monopolize more of a low-income person's monthly income with high interest rates and finance charges, leaving less money for housing and necessities. Consumers felt that they had little recourse to address adverse industry practices that impact their housing choice.

Remedial Actions:

Action #11: Encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders. The city will encourage lending institutions to provide greater outreach to the low income and minority households. Greater emphasis on establishing or reestablishing checking, saving, and credit accounts for residents that commonly utilize check-cashing services is desired. This may require traditional lenders and banks to establish "fresh start programs" for those with poor credit and previous non-compliant bank account practices. Lending institutions should therefore be encouraged to tailor products to better accommodate the past financial deficiencies of low income applicants with credit issues.

city Officials should help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encourage to perform comparability studies to

identify real estate comparables that more realistically reflect the values of homes being built in low income areas.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations

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

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

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

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

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

Female Headed, Female Headed with Children and large Family households. In many communities, female-headed households, female-headed households with children and large families face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18 sometimes correlate to increased

incidents of reported rental property owners' refusal to rent to tenants with children. The percentage of female-headed households with children among White households was 5.7 percent, compared to 10.2 percent in Hispanic households, 19.6 percent in African-American households between 2007 and 2011. When considering all family types with children present, the data show that 30.2 percent of all White households, 50.0 percent of all Hispanic households, and 44.0 percent of all African-American households, were in this category.

Unemployed Persons. The data presented in Table 1.6 of the Community Profile provide a portrait of the distribution of the unemployed. Our analysis of the distribution of unemployment by Race and Ethnicity indicates some disparities in unemployment rates among Hispanics and African-Americans compared to Whites. Between 2007 and 2011, 8.6 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 15.2 percent unemployment rate and Hispanic reported a 10.8 percent rate. As a comparison, the citywide unemployment rate was 9.9 percent during the period. Loss of income due to unemployment increases their cost burden and risk of becoming homeless.

Issues: Special needs populations face a disproportionate rate of barriers to fair housing choice than that of mainstream populations. A shared disadvantage faced by many special needs households are the impacts of living in poverty, lost wages and living on lower, fixed or no income. These limitations are major factors preventing their exercise of housing choice. Minority special needs populations are hardest hit by poverty and lower income. The poverty data shows major disparities for Hispanics and African-Americans compared to that of Whites and citywide poverty totals. The incidence of poverty among Hispanics was reported to be 17.2 percent and African-Americans were 15.8 percent of the total population between 2007 and 2011. Among White persons, the data reported 7.4

percent lived in poverty. In comparison, the poverty rate for the city was 11.4 percent during the period.

Impacts: Households experiencing a severe lack of income and those unemployed typically must accept housing in the lowest income census tracts or rely on public assistance and public and assisted housing wherever it is available. Housing tends to be segregated by income class and sometimes by race or ethnicity, where the housing stock is most likely in poor condition, there are higher reported incidents of criminal activity, and opportunities for improving a person's quality of life are low. Children from these households grow up in an environment that sometimes dooms them to replicate their community's living standards, continuing the cycle of poverty for generations to come. Focus group participants voiced a perception that certain areas of the city are home to a disproportionate number of low-income persons, living in substandard and crime ridden multifamily housing developments. Participants indicated that the concentration of poverty is not only a concern with regard to social equity and the plight of renters, but poverty and low / limited income is also having an impact on the condition and quality of single family housing in the neighborhoods where there are high concentrations of lower income and elderly home owners. In areas where a majority of homeowners cannot afford routine maintenance, poor housing conditions may quickly become the prevalent state of affairs. Lack of job opportunities and lack of sufficient income to afford decent housing were cited as concerns. Both crime and perception of crime were discussed as critical issues that are hindering some residents in various areas of Deltona.

Remedial Actions:

Action #12: Provide language assistance to persons with limited English proficiency. Many individuals living in Deltona for whom English is not their primary language may speak English with limited proficiency

or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The City of Deltona and its entitlement grant-funded agencies shall implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #13: Continue to Implement an Affirmative Fair Housing Marketing Plan (AFHMP) to create fair and open access to affordable housing. The City of Deltona will include provisions in Affirmative Fair Housing Marketing Plans insuring that individuals of similar economic levels in the same housing market areas have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The City of Deltona entitlement-funded agencies shall follow the plan and insure that it is consistent with federal guidelines to promote fair access to affordable housing for all persons. The city will also provide outreach to private landlords not receiving entitlement funding encouraging landlords to facilitate and embrace the city's AFHMP provision of providing housing to persons protected under the Fair Housing Act and those with imperfect credit histories, limited rental histories or other issues in their backgrounds.

Action #14: Continue to encourage recruitment of industry and job creation. The city and business interest will continue to work on expanding job opportunities through the recruitment of corporations, the provision of incentives for local corporations seeking expansion opportunities, assistance with the preparation of small business loan applications, and other activities whose aim is to reduce unemployment and expand the base of higher income jobs. A particular emphasis should be to recruit jobs that best mirror the job skills and education levels of those populations most in need of jobs. For Deltona, this means jobs that

support person with high school education, GED's and in some instances, community college or technical training. These persons are evident in the workforce demographics and in need of jobs paying minimum wage to moderate hourly wages. The city should also continue to support agencies that provide workforce development programs and continuing education courses to increase the educational level and job skills of residents. The goal should be to increase the GED, high school graduation, technical training, and college matriculation rates among residents. This will help in the recruitment of industry such as "call centers", clerical and manufacturing jobs. Call centers and customer service centers where employees are recruited to process sales or provide customer service support for various industries, have become more and more attracted to areas with similar demographics to that of Deltona.

The Aflac Insurance Company is a great example of a "call center operation" that relocated to a smaller city, and is making a difference by dramatically expanding employment in Columbus, Georgia for persons from similar demographic groups to those most in need of jobs in Deltona. In 1998, Aflac opened its Computer Service Center housing 600 employees. In 2001, the company opened its Corporate Ridge office, a 104-acre development housing the company's claim processing and call center operations. Aflac recently opened a new phase of the expansion in 2007, which added 90,000 square feet to the existing Paul S. Amos Corporate Ridge campus building located in Columbus. The City of Columbus provided an incentive package including tax abatement and land assembly and acquisition subsidies in part through the use of their federal grant funds.

We recommend that the city, in conjunction with local business interest, continue to focus on actively recruiting industries that match the demographics of the populations most unemployed, as a means of improving poverty rates, incomes and home ownership rates in the city.

The city should continue providing incentives similar to those the city has used in the past and incentives programs structured by other communities to achieve this goal. Recruiting such industries can assist in increasing the city's tax base and while serving to provide the necessary income for more person to achieve home ownership.

6.5 Neighborhood Conditions Related Impediments

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

Issue: The potential for neighborhood decline and increasing instability in Deltona' older neighborhoods is a growing concern. Neighborhoods relatively stable today with most of its housing stock in good condition will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic needs. This increase in elderly households coupled with the steady rise in the cost of housing and the cost of maintaining housing means that many residents will not be able to limit their housing related cost to 30 percent of household income and still maintain their property. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The City of Deltona receives approximately \$450,000 in CDBG entitlement annually and no allocation of HOME HUD funding. These resources are used in largely for infrastructure improvements and do not directly impact large segments of the population in need of housing assistance. Increased support from volunteers and community resources will be needed to close the gap between those in need of housing related assistance and resources available.

Impact: Neighborhoods and homeowners and renters must devise a means for residents and landlords to keep pace with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood “Image and Identity” and help attract new residents and retain existing residents and businesses. An essential component of this recommendation will include becoming healthier, sustainable neighborhoods, able to meet the essential quality of life needs of its residents and to improve the physical character of the neighborhood. In some neighborhoods, these attributes are viewed as negative and uninviting both internally by its residents and externally by the community at large. Some neighborhoods are viewed as unsafe and a haven for criminal activities. Whether this is reality or a perception, it has a detrimental effect on the image of the neighborhood either way.

Neighborhood assets must be protected and improved. Structures should be strategically removed if found to no longer contribute to the well being of the community. Maintaining vacant lots, including clearing weed, litter, and junk, and maintaining tree growth, would immediately improve the appearance of neighborhoods. Existing regulatory efforts need to be expanded and additional resources allocated to support enhanced code enforcement throughout the city. Other amenities such as providing streetscape enhancements in the medians and pedestrian areas along residential streets, adding street lighting, sidewalks, shrubs, and new development on vacant lots, would significantly improve the neighborhoods. Most of all, there is a need to revive the “sense of community and trust” and encourage participation and cooperation from residents to maintain their homes, yards, and surroundings and to actively participate in community empowerment activities such as Crime Watch, neighborhood associations and self help initiatives.

Remedial Actions:

Action #15: Design and implement a centralized program of self help initiatives. The city will evaluate the design and implement a Centralized Program of Self Help Initiatives based on volunteers providing housing assistance to designated elderly and indigent property owners and assist them in complying with municipal housing codes. This will require an organized recruiting effort to gain greater involvement from volunteers, community organizations, religious organizations/institutions and businesses as a means of supplementing available financial resources for housing repair and neighborhood cleanups.

While there have been successful initiatives of this nature in the City of Deltona sponsored by nonprofit agencies, a more comprehensive effort, perhaps coordinated by the city, needs to be designed and implemented that fully utilizes the resources of the community and area businesses. The program will be based on a case management system where the select needs of area property owners are matched with volunteer resource teams capable of solving the city code violations and other needed exterior repairs for select properties. Requests for assistance would be received from code enforcement officials, housing program administrators, social service agencies, community institutions, and homeowners. Priority will be given to those owners immediately affected by an active code compliance case, a targeted block or area project, and those with life threatening or uninhabitable conditions.

Eligibility for assistance will require verification of income or status as elderly or disabled. Levels of assistance would be based on the specific needs to be addressed and the ability of the property owners and their family to assist in the effort. The city could possibly fund or seek funding from the private sector for a part-time Program Coordinator designated to conduct home visits of each program participant, evaluate the

appropriateness for volunteers to perform the work, and determine and advise the homeowner of their responsibilities in support of the effort. The Program Coordinator, upon securing a match between volunteers and property owner, will coordinate project dates, materials, supplies, and project support for the day of the project. Again, some of these activities may have been initiated in the past, so in some instances, our recommendations are that activities be continued, offer an enhanced level of programming, or that the city apply for funds as they become available. Activities that could be considered for the centralized self-help initiatives program include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.
- **Implement a Youth Build and Repair Program in conjunction with the local school district or the Deltona Housing Authority.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.
- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in

self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.

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

- **Creating Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme, coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The City Assessor can provide information on the ownership of the property, including a mailing address. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the city or expropriated, ownership of the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

Section 7: Oversight, Monitoring and Maintenance of Records

Introduction

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

Oversight and Monitoring

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Deltona Housing and Community Development Department (HCDD) with the support of an independent consultant.

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

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

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

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

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

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

■The HCDD will continue to receive fair housing complaints and or direct person persons desiring information or filing complaints with the HUD FHEO Regional Office in Atlanta, Georgia.

Maintenance of Records

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

■A copy of the 2013 Analysis of Impediments to Fair Housing Choice and any updates will be maintained and made available upon request.

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

■An update of the city's progress in implementing the FY 2013 AI will be submitted to HUD at the end of each program year, as part of the City of Deltona's Consolidated Annual Performance and Evaluation Report (CAPERS).