

CITY OF TOLEDO ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING 2010

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GENERAL SUMMARY

This Analysis of Impediments to Fair Housing was developed by the Fair Housing Center in conjunction with the City of Toledo and Poggemeyer Design Group.

Jurisdictions that receive federal dollars, directly or indirectly, are required by the Department of Housing and Urban Development to complete an Analysis of Impediments to Fair Housing Choice. The Analysis of Impediments process is prescribed and monitored by the Department of Housing and Urban Development. The state of Ohio's Department of Development has some monitoring responsibilities as well, especially in relation to small cities and municipalities.

The analysis is a comprehensive review of barriers in the community that inhibit consumers from acquiring the housing of their choice based on race, color, ancestry, national origin, religion, sex, familial status, or disability. The process of identifying impediments was diverse in its approach, including a series of community forums to solicit public comments and feedback; research of local zoning codes and ordinances; review of foreclosure records; an analysis of Home Mortgage Disclosure Act and other pertinent data; interviews with housing providers, compliance agencies, consumers and public officials; and document reviews.

The Analysis of Impediments will be used as a catalyst for the City to develop and implement a Fair Housing Plan. The Fair Housing Plan lists action items that will be implemented in order to curtail and eliminate the impediments identified in the Analysis.

The Analysis is arranged according to the factors that impact open housing choice, and discussions of the identified impediments throughout the text furnish insight pertaining to the local experience. Conclusions and recommendations for addressing the impediments follow these evaluations.

The examination identifies numerous impediments that may be categorized into several, relevant fields. These groupings are assembled with regard to their relation to areas of: Economic and Employment Conditions, Demographics, Housing Types, Insurance and Lending, Assisted Housing and Housing for Persons with Disabilities, Real Estate Sales and Rental, Foreclosure Issues and Restoring the Dream, Zoning Regulations and Occupancy Standards, and Appraisal Practices, among others.

This study reveals the emergence and worsening of three major areas regarding impediments to fair housing: the persisting effects of predatory lending, foreclosure issues, and concerns regarding the inability to obtain financing.

The amount of lending in the sub-prime market rose substantially, causing concerns because, while predatory lending practices are not restricted to the sub-prime market, predatory lending is much more prevalent in the sub-prime market than it is in the prime or conventional lending market. Moreover, foreclosure rates are far higher in the sub-prime market than in the prime market. Additionally, the sub-prime market is highly unregulated, whereas the prime lending industry is regulated by federal and state agencies.

The effects of the higher rates of sub-prime and predatory lending have been witnessed in the increasing numbers of foreclosures in Toledo and Lucas County. Foreclosure rates have more than tripled since 1998.

Toledo is experiencing an increase in the number of new immigrants relocating to the area. New immigrant groups are a welcome site, as their presences helps to buttress population levels. Housing providers need to be sensitive to the needs of this community however, and advocacy and law enforcement groups need to strengthen enforcement measures, as these groups are often targeted for exploitation.

The Analysis includes a summary of responses from community leaders and housing providers regarding fair housing issues. Respondents stated time and again that the most significant barriers to fair housing in Toledo appear to be the adverse effects generated and exacerbated by the severe economic downturn. While participants cited an assortment of consequences of the economic decline, other impediments also receiving frequent mention included the insufficiency of the transportation system, a lack of education and information sharing, inaccurate public perceptions, and the need for locally-driven solutions and more sincere efforts at collaboration.

Lucas County has suffered as a result of the area's inelasticity and fragmentation. The isolated evolution of the suburban communities surrounding Toledo has resulted in the concentration of racial minorities and the poor in the urban center. Such migratory and economic circumstances have also exacerbated negative social conditions in the urban core. There are, consequently, significant disparities in housing access and quality of life issues between Toledo and the surrounding communities. Although, the recent economic downturn may have begun to close the gap of inequality between city and suburb, it has unfortunately only done so via the comprehensive worsening of conditions throughout Lucas County. The problems of the "city" are no longer necessarily confined to the urban areas residing near the center of the municipal boundaries.

What's more, the growth in the suburban districts has not occurred according to a comprehensive regional plan, but rather, has happened in a more piecemeal fashion. In fact, a portion of the growth and parallel economic and residential loss in the City of Toledo occurs due to racial considerations. Long-held beliefs that the most stable community is one that is racially homogenous persist among members of the housing industry, government, and the general public and have spurred much of the flight from Toledo into surrounding districts. As a result, northwest Ohio is extremely segregated, and housing choices continue to be limited and impacted by those segregation patterns.

Over the past several decades, the City of Toledo has suffered a decline in population, while adjacent communities have experienced a rise in population. However, the adjoining jurisdictions did not absorb all of Toledo's loss. The entire region has experienced a drop in population. Indeed, the overall population of Lucas County has also diminished.

In spite of these circumstances, the City of Toledo maintains a diverse population of Asians, Hispanics and African Americans. A number of these individuals dwell in neighborhoods of higher socioeconomic value and/or live in adjacent suburban jurisdictions. However, segregation remains severe. Segregation does more than divide white from minority populations. Careful and systematic examination of the numerous issues affecting fair housing choice demonstrates that minorities are also isolated from one another.

In addition, the disparity of income between white households and Hispanic, African-American, and Asian households is a significant factor contributing to residential segregation. However, this report will demonstrate that public and private sector policies bear a main share of responsibility.

Poor planning has contributed to the fractured growth as well. Many racial and ethnic minorities argue that their concerns are not considered to be significant in the development planning of local jurisdictions and that some districts have adopted zoning codes that purposefully exclude them. They argue that exclusions are camouflaged under the guise of economic stability, progress, and the maintenance of family/neighborhood and property values.

Consumers are also concerned that urban localities have lost a substantial amount of amenities and services necessary to the healthy functioning of neighborhoods. Consistent appeals for the provision of nearby grocery stores, access to adequate, efficient, affordable public transportation, and less auto-dependent communities reveal the shortcomings of economic development and land use planning in Toledo respective to the actual desires and needs of residents. Such situations only emphasize additional disincentives to locating in the city.

In order to address segregation and alleviate the extreme social tax on the City of Toledo, all of the jurisdictions in the Lucas/Wood County region need to operate with an increasingly regional focus and better coordinate goals and resources.

Finally, this report concludes with a series of recommendations that correspond to each of the impediment categories identified in the document.

INTRODUCTION

Since 1968, the Department of Housing and Urban Development has been under a federally mandated obligation to affirmatively further fair housing and to ensure that the entitlements and jurisdictions who receive HUD dollars comply with the same requirement.

In order to cause jurisdictions to meet their fair housing obligations, both HUD and the state of Ohio have stipulated that communities complete an Analysis of Impediments to fair housing as a part of the fair housing planning process. The Analysis of Impediments identifies barriers that preclude residents in the community from having equal and fair access to housing.

An Analysis of Impediments is a comprehensive review of a community's laws, regulations, administrative policies, housing market, and housing practices to determine whether any barriers to fair and equal access to housing are present. The assessment entails an evaluation of how local laws, market conditions, and housing practices affect the location, availability, and accessibility of housing. The AI is an examination of the private and public conditions that have an impact on fair housing choice.

“Impediments” are defined as any actions, omissions, or decisions that would inhibit a person's access to housing because of race, color, religion, sex, disability, familial status, national origin, ancestry, military status (in the state of Ohio), or sexual orientation (in the City of Toledo).

The Analysis of Impediments is not merely an examination tool; it is also a resource. The AI includes recommendations that a jurisdiction can reference in an effort to begin to address and remedy the barriers identified in the document.

The Analysis of Impediments should be used as a foundation from which a community can develop its Fair Housing Plan. The Fair Housing Plan includes a comprehensive strategy to effectively address and eliminate obstacles in the marketplace that impede access to housing. It also includes benchmarks that the community can utilize to measure its progress and determine how well it has accomplished its fair housing goals.

HUD and the state of Ohio encourage communities to assess themselves in a holistic fashion. They believe that communities can best accomplish the identification of impediments as well as the development of recommendations and solutions aiming to expand equal housing opportunities when they do so in collaboration with one another. In other words, HUD and the state strongly encourage a regional approach to housing issues, as what happens in one community typically affects what is happening or will happen in another.

While artificially separated by invisible, jurisdictional boundaries, communities are actually interwoven in many ways. Perhaps the most striking associations are evident among market conditions, as those prevalent in one community ultimately have consequences on the state of the marketplace in other areas. Only when communities recognize their inter-connectedness, can they jointly develop mutually beneficial proposals that serve the entire metropolitan area.

Although it is noted that HUD favors a regional approach in the development of the Analysis of Impediments and the Fair Housing Plan, the planning cycle for the various Lucas and Wood county jurisdictions are incongruent, which tends to hinder such an arrangement. Accordingly, the City of Toledo proceeded to begin the Impediments Analysis process, while adjacent communities had not yet begun their processes. Despite the fact that this plan focuses on the City of Toledo and is not meant to be a regional analysis of fair housing barriers, the Center has, in some cases, identified impediments that exist in the City of Toledo, simultaneously considering their broader contexts and their relation to adjacent regions. This is generally done for comparison purposes in order to demonstrate disparities or similarities among market conditions and housing practices of various geographies.

The Center consulted a variety of data to identify impediments. Data sources included, but were not limited to:

- HUD Intake & Complaint data;
- Ohio Civil Rights Commission Intake & complaint data;
- Fair Housing Center Intake & Complaint data;
- Community Interviews with community-based organizations and housing providers;
- Home Mortgage Disclosure Act data;
- Auditors' records and data;
- Public Forums;
- Census data;
- State, County, and Municipal Codes;
- Community Reinvestment Act data;
- City of Toledo Consolidated Plan;
- American Community Survey Estimates.

The two previous Analyses of Impediments (i.e. 2000 and 2005) presented the Concentric Zone Model as proffered by E.W. Burgess, which aims to explain the racial distribution patterns of urban cities like Chicago. Toledo continues to fit this model relatively well. According to the Concentric Zone Model, a city expands outward from its central area, forming five concentric circles or zones. The innermost zone represents the Central Business District (Downtown). The circle adjacent to the center, the zone of transition, contains industries, businesses and housing for low-income families. The third zone is comprised of homes for middle-income (i.e. "working class") families. The fourth zone is characterized by the newer and more spacious residences of upper-middle income families, and the fifth zone, the zone of commuters, is where upper-income families reside, typically commuting the farthest distances to and from work.

Toledo has taken steps, such as creating more spacious lots for higher-priced homes within the central city and/or Zone II, to generate a shift in this type of pattern. Nevertheless, progress has been slow or absent in most areas, and Toledo, consequently, continues to exhibit the zones described by the CZ Model.

The current Analysis of Impediments does not review the CZ Model in detail. However, the impediments and market conditions outlined in this analysis clearly reveal conditions consistent with this phenomenon.

The earlier Analyses also looked closely at the elasticity and inelasticity of the Toledo metropolitan area as described by David Rusk, the former mayor of Albuquerque, New Mexico. Lucas County, in its resemblance to the Concentric Zone Model, is a community with low elasticity. That is, the region is fragmented with many municipalities that maintain restrictive borders. The region's inelasticity, in addition to its similarity to the Concentric Zone Model, have stifled growth and development; such circumstances have also resulted in the concentration of African-Americans, Hispanics and low-income residents in Toledo's central city.

The Concentric Zone Model is helpful in explaining racial diffusion patterns found within a community. The highest percentage of African-Americans, Hispanics, and Asians reside within the core of the city of Toledo. Furthermore, the largest percentage of low and moderate income individuals also resides within this core. Though the City of Toledo has high-income residential areas in the southern and western sections of the city, the highest concentration of wealth is located within the suburban cities and townships.

This Analysis does not include an exhaustive discussion regarding the theory of elasticity and inelasticity, as it was covered so thoroughly in the 2000 Analysis (which remains easily accessible for referencing). The demographic and socio-economic patterns in the Toledo metropolitan area, as described in this Analysis, clearly underscore Toledo's lack of elasticity and the effect that it has on both the city and the region.

BACKGROUND

With the passage of Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), Congress mandated that the Department of Housing and Urban Development (HUD) administer all housing and urban development programs in a manner that would affirmatively further fair housing. Accordingly, every program managed by HUD includes provisions that require recipients to comply with the Fair Housing Act and adopt fair housing goals. HUD has stipulated that recipients of HUD dollars must certify the ways in which they affirmatively promote fair housing.

Moreover, HUD has strongly encouraged recipients to analyze impediments to fair housing that exist in their jurisdictions and to develop measures that sufficiently address those barriers. Recognizing the extent to which barriers to open and free housing persisted, the administrations of Presidents Reagan, George H.W. Bush, and Clinton initiated and/or strengthened measures to enhance and encourage compliance with fair housing laws. President Reagan signed into law the Fair Housing Amendments Act that broadened the authority of HUD to include the promotion and effective execution of the statute.

The Act also increased the responsibility of the Justice Department and strengthened its enforcement role. Assistant Secretaries Judith Brachman and Jack Stokvis issued a memorandum to all Community Development Block Grant Entitlement Communities outlining their duty to affirmatively further fair housing. This memorandum, the first of its kind, strongly encouraged municipalities to conduct impediments analyses, develop mechanisms to address them, and create partnerships with fair housing organizations.

During President George H.W. Bush's administration, Assistant Secretaries Gordon Mansfield and Anna Kondratas reissued this memorandum, citing the recent passage of the National Affordable Housing Act and its stipulation that all participating jurisdictions certify their intention to affirmatively further fair housing. Additionally, Secretary Kemp and President George H.W. Bush specified fair housing to be one of six priorities for HUD.

On January 17, 1994, President Clinton signed Executive Order 12892 entitled, “Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing.” The order was signed in an effort to advance the promotion of fair housing through all federal programs and activities related to housing and urban development. The Order reiterated the role of the Secretary of Housing & Urban Development to include the furthering of fair housing; it also underscored the responsibility of the head of each executive agency to ensure “its programs and activities relating to housing and urban development are administered in a manner to affirmatively further the goal of fair housing.”

The Order established the President’s Fair Housing Council as well, which consists of all Cabinet members, the Chair of the Federal Reserve, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the Chair of the Federal Deposit Insurance Corporation. The President’s Executive Order expanded the authority of the Secretary of HUD to allow that he or she take all measures necessary to provide adequate leadership; this, in turn, was a response to the overall goal of bringing about the coordination of efforts throughout all deferral programs, so that fair housing could be made a reality.

In an attempt to better manage the various programs it administers and carry out the President’s Order, HUD merged the following application and planning documents into one document – the Consolidated Plan. The implementing regulations for the Consolidated Plan expressly state that each jurisdiction must certify that it will affirmatively further fair housing. This mandate was not new. However, the explicit charge for each jurisdiction to conduct an analysis of fair housing impediments and to develop strategies that address identified impediments was new. According to the implementing regulations for the Consolidated Plan, the first analysis was to have been completed by February, 1996.

Likewise, the state of Ohio has adopted aggressive fair housing goals for those who receive federal or state dollars. The Ohio Department of Development created definitive fair housing standards in 1993. HUD’s mandate that communities “affirmatively further fair housing” left the state to wonder often exactly what HUD meant by this declaration. Thus, the state decided to adopt specific standards that would clearly define the mandate for small cities, which were not entitlements, to meet their fair housing obligations.

The state’s standard is clear. Appendix A includes a detailed description of the state’s minimum requirements.

In summary, each community must have:

- A General Information Contact that residents can call regarding fair housing issues;
- A Fair Housing complaint Intake and Referral System;
- Education and Outreach on Fair Housing Rights and the Definition of Housing Discrimination;
- An Impediments Analysis.

Both HUD and the state of Ohio strongly urge communities to conduct Impediments Analyses and to conduct them using a regional approach. For entitlement communities, creating a fair housing plan is an integral part of the requirements to affirmatively further fair housing.

In spite of these attempts, all-too-often fair housing has not been a reality in many of America's communities, even those benefiting from the support of federal dollars. In its guide to fair housing planning, HUD writes:

We also know that the Department itself has not, for a number of reasons, always been successful in ensuring results that are consistent with the Fair Housing Act [sic]. It should be a source of embarrassment that fair housing poster contests or other equally benign activity were ever deemed sufficient evidence of a community's efforts to affirmatively further fair housing. The Department believes that the principles embodied in the concept of 'fair housing' are fundamental to healthy communities, and that communities must be encouraged and supported to include real, effective, fair housing strategies in their overall planning and development processes, not only because it is the law, but because it is the right thing to do.¹

HUD realized that in order to develop effective and appropriate strategies for securing fair housing throughout America, the impetus for developing those strategies had to start at the community level. In order to develop effective and appropriate strategies, one must first identify those strategies. The people who live in the communities are the ones who can best identify and gauge what barriers exist in their locales. If fair housing is to become a reality, it is also those in the community who will have to bring it about. As HUD so aptly put it, "The goal of devolution of responsibility in the area of fair housing means that communities will have the authority and the responsibility to decide the nature and extent of impediments to fair housing and decide what they believe can and should be done to address those impediments."²

THE FUTURE OF FAIR HOUSING

In recognition of both the 40th anniversary of the passage of Title VIII of the Civil Rights Act of 1968 and the persistence of obstacles to realizing the goal of equal opportunity in housing, the Leadership Conference on Civil Rights/Education Fund, the National Fair Housing Alliance, the NAACP Legal Defense and Educational Fund, and the Lawyers' Committee for Civil Rights Under Law joined forces by establishing the National Commission on Fair Housing and Equal Opportunity. The charge of this commission was to evaluate the state of fair housing throughout the nation. The agencies accomplished this by holding hearings in five major U.S. cities- Chicago, Houston, Los Angeles, Boston, and Atlanta- from July to October of 2008, which ultimately resulted in the January 2009 publication, "The Future of Fair Housing."

¹ Fair Housing Planning Guide, Volume 1, U.S. Department of Housing and Urban Development, March, 1996; p. i.

² Ibid at page i.

The main sections of the report include:

- Forty Years after the Passage of The Fair Housing Act, Housing Discrimination and Segregation Continue
- Fair Housing Enforcement at HUD is Failing
- Fair Housing Enforcement at the Department of Justice is Weak
- The Need for a Strong Fair Housing Initiatives Program
- Fair Housing and the Foreclosure Crisis
- Federal Housing Programs: The Mandate to “Affirmatively Further Fair Housing”
- Fair Housing Obligations of Federal Grantees
- Regionalism and Fair Housing Enforcement
- The President’s Fair Housing Council
- Fair Housing Education: A Missing Piece
- The Necessity of Fair Housing Research
- Emerging Fair Housing Legislative and Regulatory Issues
- International Disapproval of U.S. Fair Housing Policy
- Commissioner Correspondence on Foreclosure Relief Implementation

As the sections indicate and the hearings demonstrated, legislation alone, although forceful in its language, has not been able to prevent the occurrence of past and ongoing discriminatory practices in housing and lending activities. Consequently, extensive residential segregation remains, along with the corresponding disparity between the access minority and non-minority households have to employment and educational opportunities, homeownership and asset accumulation. Although HUD and other federal agencies claim to have the goal of confronting and eliminating housing discrimination and segregation, many of those contributing to the hearings and the report noted how the actual administration of housing, lending, and tax programs may perpetuate and even promote segregation.

The report also identifies areas of progress and suggests solutions. State and local fair housing laws that go beyond the protection afforded by the federal statute, ethical codes of housing industry professionals, real estate licensing laws, and the existence of well-established fair housing organizations demonstrate evidence of progress. Additionally, the report offers recommendations of actions the commission feels “critical to move us forward toward our vision of creating and sustaining stable, diverse, inclusive neighborhoods across America.”

These recommendations include:

- Creating a reformed, independent fair housing enforcement agency to replace the existing fair housing enforcement structure at HUD and to focus solely on fair housing enforcement and fair housing and fair lending education;
- Reviving the President’s Fair Housing Council to promote fair housing and cooperate with the Secretary of HUD to “review the design and delivery of federal programs and activities to ensure that they support a coordinated strategy to affirmatively further fair housing;”

- Ensuring compliance with the “Affirmatively Furthering Fair Housing” obligation by reorienting federal housing programs to focus on helping families to reside in less racially and economically segregated communities and by more strictly regulating state and local grantees in an effort to enforce compliance and offer training and technical assistance;
- Strengthening the Fair Housing Initiatives Program (FHIP) by providing the resources necessary to “increase the presence and effectiveness of the program, raise the public’s awareness about fair housing rights, promote partnerships with industry leaders in communities, support increased fair housing enforcement and help build, or rebuild, diverse communities;”
- Adopting a regional approach to Fair Housing by developing regional plans that institute specific target performance goals for each major metropolitan area and encourage the alliance of other development goals with fair housing aims;
- Ensuring that fair housing principles are emphasized in programs addressing the mortgage and financial crisis by seeking approaches to housing and lending that are racially fair, improving fair lending enforcement on the federal level, and implementing a special fair lending initiative to fund investigation and redress of discriminatory practices in the lending sector;
- Creating a strong, consistent, fair housing education campaign by utilizing HUD’s direct budget authority to fund basic education and outreach materials and initiating a five-year coordinated national multimedia campaign through the FHIP; and
- Creating a new collaborative approach to fair housing issues by seeking out the best practices and strategies from the housing industry, corporations, state and local governments, and fair housing practitioners and advocates in order to bring new ideas and energy to the efforts that will revitalize and empower communities to promote residential integration.

ABOUT THE CONSULTANT

The Fair Housing Center is a professional, non-profit, civil rights agency dedicated to the elimination of housing discrimination and to the expansion of neighborhood choice for all persons. It strives to ensure equal opportunities and access to housing, neighborhoods, public accommodations, lending, and insurance. The Center provides education, advocacy and enforcement, and it helps to shape public policy.

The Center was founded on the principles of community, tolerance, and justice. It was a commitment to these principles that ignited the League of Women Voters and the Old West End Neighborhood Association, along with several concerned citizens and community groups, to establish an organization that would combat discriminatory housing practices.

In 1975, the Center took its first steps toward fulfilling a mission of eliminating housing discrimination. Over the past 35 years, the Center has carried out its founding principles through the investigation of over 10,000 complaints. Through the litigation of complaints, resulting in over \$28 million in damages for the victims of housing discrimination, the Center has demonstrated talents for setting national precedents that have expanded housing opportunities for millions of Americans.

The Center has extensive experience in investigating lending complaints and eliminating barriers in this area. Dozens of lending lawsuits and administrative complaints have been successfully resolved through the Center's efforts. The Center previously completed the nation's first full-application lending testing project.

This project enabled staff to analyze and document the experiences of bona fide applicants and resulted in the expansion of services and opportunities for historically under-served communities and applicants.

The Center has also worked to remove systemic barriers in the insurance industry that often precluded urban residents from obtaining quality insurance. The Center's endeavors to eliminate barriers in the insurance industry have proven equally successful. The agency has conducted hundreds of insurance tests and investigated over 285 complaints of insurance discrimination and redlining – more than any other fair housing organization in the country. The Center pioneered the insurance testing methodologies used in its investigations and its procedures and testing forms became the basis for the National Fair Housing Alliance's (NFHA) insurance testing program. The Center's staff provided the first insurance testing and investigation training for the sub-contractors NFHA used in its first national insurance testing project.

Because of the Center's activities, hundreds of consumers have received insurance in the voluntary market instead of the residual or FAIR plan market. Insurers have also become aware of the fair housing implications of their policies and procedures. Because of the Center's activities in this area, the Ohio Department of Insurance started a program to address fair insurance issues. Department representatives traveled to Toledo to meet with the Center's staff and to discuss an outline of the department's program. As a result, the department has sponsored forums across the state on fair insurance issues.

The Center has entered into agreements with major insurance companies such as Allstate, State Farm, Nationwide and LibertyMutual that have resulted in a change in discriminatory underwriting guidelines. These changes have increased insurance coverage for hundreds of thousands of Americans. Additionally, the Center's partnerships have resulted in tens of millions of dollars of investments in urban neighborhoods.

The Center has also had an influential role in combating the foreclosure crisis. Among other efforts, the Toledo FHC implemented an Emergency Mortgage Assistance Program, which has supplied individuals and families of Lucas County who meet income requirements with over 280 grants totaling over \$738,000. Furthermore, over the course of the last 5 fiscal years, the Center has saved clients over \$5.9 million through the modification of over 90 predatory loans that put the customer at risk of foreclosure. Money management and credit counseling are also tools the Center continues to utilize in order to prevent the loss of people's homes.

An extremely capable staff has placed the Center in a pioneering role and has enabled the Center to establish precedents in every facet of the housing industry. The agency and its staff have been recognized for their fair housing abilities on a local, regional and national level. The Center has received a number of fair housing awards from the U.S. Department of Housing and Urban Development (HUD) and units of local government.

Staff has provided fair housing training for HUD, the Ohio Civil Rights Commission, the Federal Reserve Bank, the Center for Community Change, the Alliance of Allied Insurers, the National Fair Housing Alliance and a host of other fair housing, community, and housing industry organizations. The Center has also been invited by the Senate's Bank & Lending Committee and the House of Representatives' Committee of Banking, Finance and Urban Affairs to testify concerning issues of housing discrimination (including lending and insurance discrimination).

While its advancements in the lending and insurance areas have garnered the most media attention, the Center has established precedents in every segment of the housing arena. The Center brought the first sexual harassment case in the country under the Fair Housing Act and also set the prima facie case standards for a neighborhood redlining complaint in The Old West End Association v. Buckeye Federal Savings. Additionally, the Center has made great strides in mitigating the impediments to fair housing in the areas of rental and real estate sales. In 1988, the Center became the first fair housing agency in the country to secure free rental units for the homeless in FHC v. Lexington Apartments. Finally, the Center has expanded housing opportunities for persons with disabilities and families with children. In a recent settlement against an adjacent municipality of the City of Toledo, complainants in a fair housing case not only received over \$100,000, but the municipality also agreed to provide a ten-year tax abatement to any licensed group home that locates in the Village within the next 99 years. The Center, thus, remains a national leader in the fair housing movement.

DEMOGRAPHIC DATA

The City of Toledo is located in Lucas County in northwestern Ohio, approximately 75 miles east of the Ohio-Indiana border. Toledo, which serves as the county seat, is located at the northern most tip of Lucas County. Toledo covers an area of 84 square miles and borders Lake Erie to the east and the state of Michigan to the north. The Maumee River geographically divides Toledo in two, with the bulk of the city located to the west of the river and a small portion of Toledo situated to the east of the river.

Many cultural and recreational opportunities are available in the City and the County. The Toledo Museum of Art is a privately endowed, nonprofit institution. In 2001, the Museum of Art celebrated its 100th anniversary and in August of 2006, the Art Museum opened a new 57,600 square foot Glass Pavilion, celebrating the City's role as the Glass City. The Valentine Theatre boasts a 900-seat auditorium and is located in downtown; the theatre serves as the home of the Toledo Symphony, the Toledo Ballet and the Toledo Repertoire Theater. Each year, the Valentine Theatre continues to host a variety of musical, dance and theatrical productions.

Toledo has long been regarded as a great place to raise a family and has no shortage of family-oriented activities. The Imagination Station, a non-profit, interactive science museum, has reinvigorated the site previously occupied by the Columbus-based Center of Science and Industry (COSI) and the Portside Festival Marketplace. It is conveniently located in downtown Toledo along the Maumee River and features both permanent and traveling exhibits.

Furthermore, the Toledo Zoo, owned and operated by the non-profit Toledo Zoological Society, has received national attention for its many exhibitions. In 2000, the Zoo opened what was then its largest exhibit, the \$11.5 million Arctic Encounter, and in 2004 it unveiled the new 12-acre Africa! Exhibit.

Toledo owns and operates 145 parks covering over 2,367 acres, and the Metropolitan Park District of the Toledo Area operates eight parks covering 6,879 acres in the County.

The City is also the home of the Toledo Mud Hens, a Class AAA professional baseball team whose parent club is the Detroit Tigers. In 2002, a new 10,000-seat County-owned baseball stadium for the Mud Hens opened in the Toledo Warehouse District and was touted as the best AAA ballpark in the country. Additionally, the City is the home of the Toledo Walleye, an East Coast Hockey League professional hockey team affiliated with the Detroit Red Wings.

The Toledo Walleye play home games in the recently constructed and newly opened \$105 million Lucas County Arena. The facility is located in downtown Toledo, Ohio. Construction began on the 8,000 plus seat multi-use arena on October 1, 2007, and public open houses were held in early October of 2009 to showcase the new arena.

Toledo is the largest city in Lucas County, with a population estimated to be 283,772 according to the 2008 American Community Survey One-Year Estimates. This population makes Toledo the 4th largest city in Ohio and the 62nd largest in the country.

Ninety-six percent (96%) of Toledo residents were born in the United States. Of those who are foreign born, 40.6% are from Asia, 23.8% from Latin America, 21.3% from Europe, 7.2% from Northern America and 6.7% are from Africa (according to data available from the 2000 Census). Ninety-three percent of Toledo's population over the age of five speaks English exclusively. Of those speaking a language other than English at home, 43.5 percent identified as speakers of Spanish and/or Spanish Creole and 66.5 percent spoke some other language; 2.3 percent (as compared to the 7% total who speak a language other than English) of the total population reported that they speak English less than "very well."

POPULATION MIGRATION PATTERNS

Approximately 80.7% of the Lucas County population resides in incorporated municipalities; however, relocation to the unincorporated areas continues. This occurrence leads to a decline in the tax base of the incorporated areas. These municipalities are consequently either forced to raise taxes in order to make up for the loss in tax revenues or to leave the taxes as they are, which can result in the further deterioration of infrastructure and/or a reduction in the municipality's ability to provide services. Either approach may cause the alienation of the municipality's corporate and/or residential citizens, providing them with an incentive to emigrate from the city to an unincorporated area, which only exacerbates the initial issues.

An August 2003 report entitled "Toledo Metropatterns: A Regional Agenda for Community and Stability in Toledo" was conducted by Amerigis and Metropolitan Area Research Corporation in collaboration with the Urban Affairs Center in order to, among other aims, study demographic and fiscal trends in greater Toledo. The investigation revealed that the detrimental effects of inattentive planning, ineffective development and competition for tax base are experienced indiscriminately by wealthy and impoverished, as well as by urban and suburban communities alike. The analysis also highlights the overall reduction in the quality of life and opportunities available to all residents of the region, as geographic stratification coupled with sprawling growth leave poor, inner-city residents geographically and economically confined and, simultaneously, contribute to increased congestion and the loss of open space.

The report concludes from the analysis that the image of prosperous suburbs fortified from all hardship is a myth. While an exceedingly small percentage of the region's population may live in wealthy, peripheral communities that enjoy the concurrent advantages of highly priced homes, abundant commercial development, and robust tax bases, the experience of most communities, especially in recent years, has been characterized by the struggle of addressing worsening fiscal and/or social concerns. Not only do people continue to be segregated by income and race throughout the region, leaving those already disadvantaged to be further trapped without opportunity, but various jurisdictions (most notably, perhaps, the public school districts) also persist in competing, instead of collaborating for tax base. Ohio's state and local finance system tends to advance such antagonism, which has generally resulted in circumstances of loss for all involved.

The population decline of Toledo, which began in the 1970s, persists through the most recent Census and American Community Survey Estimates. According to the American Community Survey One-year Estimate for 2008, the City of Toledo has lost 29,847 people or 9.5% of its

residents between 2000 and 2008. The population has shifted to other municipalities within Lucas County as well as to locations outside of the county.

POPULATION CHANGES IN LUCAS COUNTY, 1970-2008

Lucas County	1970	1980	1990	2000	2008 Estimate	% Change
Toledo	383062	354635	332943	313619	283772*	-26
Suburban Cities						
Maumee	15937	15747	15561	15231	13856	-13
Oregon	16563	18675	18334	19355	18921	14
Sylvania	12031	15527	17301	18670	19185	59.5
Totals	44531				51962	16.7
Villages						
Berkey	294	306	267	264	310	5.4
Harbor View	238	165	124	99	99	-58
Holland	1108	1048	1210	1306	1327	19.8
Ottawa Hills	4270	4065	4543	4564	4594	7.6
Waterville	2940	3884	4517	4828	5230	78
Whitehouse	1542	2137	2528	2733	3830	148.4
Totals	10392				15390	48.1
Townships						
Harding	719	631	593	724	1046	45.5
Jerusalem	3405	3327	3253	3161	4194	23.2
Monclova	3340	4285	4547	6761	6927	107.4
Providence	1856	2702	3016	3454	4395	136.8
Richfield	1218	1095	1178	1359	1958	60.8
Spencer	1925	1744	1665	1708	2133	10.8
Springfield	10909	15043	18835	22817	23536	115.7
Swanton	3026	3379	3508	3354	4239	40
Sylvania	16496	17534	22682	25583	26053	57.9
Washington	2146	4000	3803	3574	3593	67.4
Waterville	1634	1813	1958	1908	1832	12.1
Totals	46674				79906	71.2
TOTAL	484659	471742	462366	455072	431030	-11

Source: The University of Toledo Urban Affairs Center and the Ohio Department of Development 2008 Population Estimates by County, City, Village and Township

*The City of Toledo was successful in documenting an undercount for the 2007 Census for an adjusted estimate of 316,851. US Census Bureau states that the 2007 adjustment was too late in the year to use for the 2008 estimate.

As the previous Table depicts, adjacent cities, villages and townships are often beneficiaries of Toledo's population decline. Nevertheless, while the drop in Toledo's population has been well documented, the county as a whole has also lost residents since 1970, and the trend is projected to continue by the Toledo Metropolitan Area Council of Governments (TMACOG).

This ongoing shift of population out of the urban area coincides with trends in other major Ohio cities, with the noticeable exception of Columbus. From 1990 to 2000 Cincinnati lost 32,755 residents, Cleveland lost 27,213 residents, and Dayton lost 15,865 residents. During this same period of time, Columbus gained 78,560 new residents, primarily due to the annexation of adjacent territory. These trends have continued as, according to 2000 Census data and 2006-2008 American Community Survey Three-Year Estimates, the population of Cincinnati decreased by 31,708; Cleveland's by 80,502; and Dayton's by 22,171. Columbus continues to experience gains in population over this period; however, they are far more modest in number, as the city's number of residents only increased by 17,899.

Discrepancy in the rates of emigration from Ohio's major metropolitan areas by particular groups is also evident. The percentage of African American residents comprising the total population has increased consistently as a result of the rate at which Caucasian citizens have disproportionately left the city.

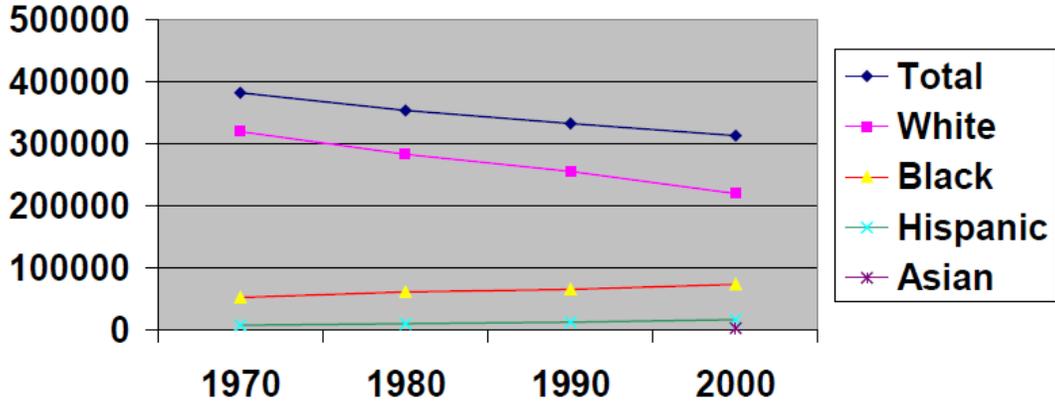
In Toledo for example the percentage of African American residents has increased from 17% in 1980, to 20% in 1990, to 23.5% in 2000, and to an estimated 26.2% in 2008. This is not the sole result of the African-American population growing at a much faster pace, but primarily the result of Caucasians leaving the city at a greater rate.

Any report discussing demographics during the period preceding and subsequent to 2000 would not be complete without analyzing the growth of the Latino population. In 1990 there were 21.9 million Latinos in the United States. That number increased to 35.2 million in 2000 – an increase of 61%. The U.S. population as a whole only grew by 13%. Latinos are now considered to be the largest minority group in the country, surpassing African Americans. Estimates for 2006-2008 place the Hispanic/Latino population at 15.1% of the total U.S. population, with Mexican-Americans making up 64.5% of those identifying themselves as Hispanic or Latino.

The percentage of Latinos in Toledo has increased steadily from 3% in 1980 to 4% in 1990 to 5.5% in 2000 to 6.6% in 2008; however, the local experience has not matched the rate of increase nationally. The Latino population grew by 30% from 1990 to 2000. It should be noted that some public officials and community-based organizations believe that the figures presented by the Census Bureau for the Latino population fall well below actual numbers. Moreover, many believe that the Latino population in Toledo and its surrounding communities will continue to grow, possibly even out-pacing the representation by other ethnic minority groups.

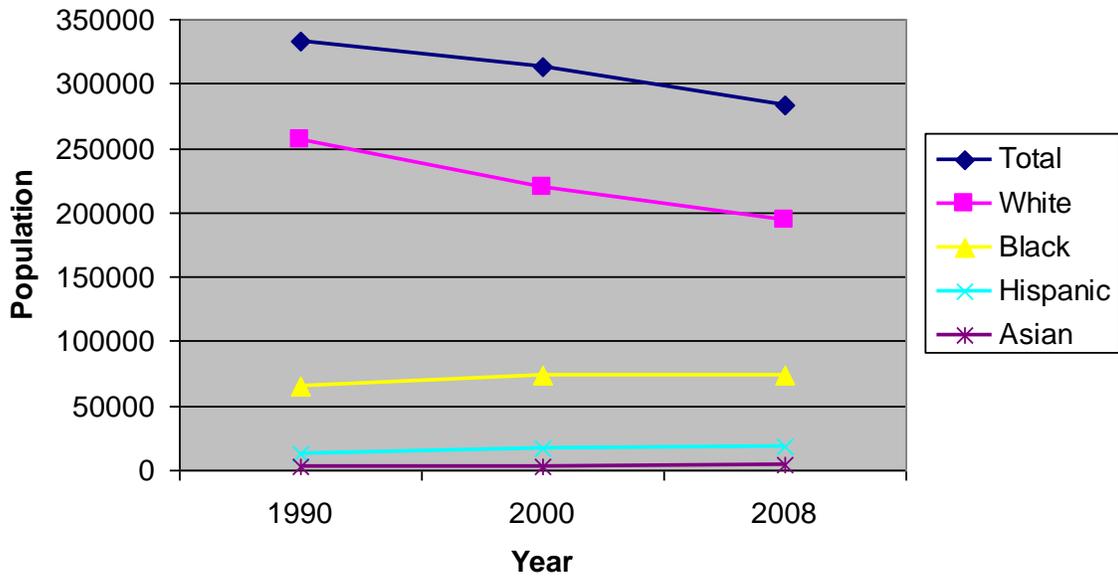
While African-Americans and Latinos make up the largest racial minority groups in Toledo, there is also a measurable Asian population in the city. Asians represent 1.4% of the Toledo population.

City of Toledo Residential Patterns by Race & National Origin



Source: U. S. Census

Updated Residential Patterns by Race & National Origin



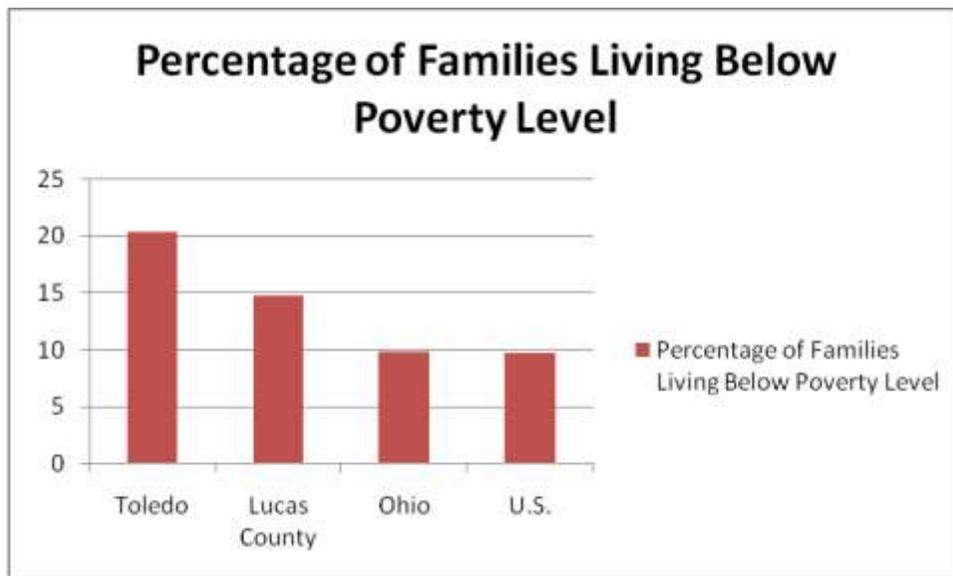
INCOME & POVERTY DATA

In 2000 the median household income in Toledo was \$32,546 according to the Census. That number grew to \$34,157 in 2008 for a total increase of \$1,611; however, between 2007 and 2008, the trend reversed from one of increasing income to one of decreasing income. Over the same period of time, the median household income for Lucas County rose from \$38,004 to \$43,562 for an increase of \$5,558 respectively.

The per capita income in Toledo in 2000 was \$17,388, as compared to \$20,518 in Lucas County and \$21,587 nationally. Estimates for 2008 approximated per capita income to be \$18,804 in Toledo, \$23,846 in Lucas County, and \$27,589 nationally.

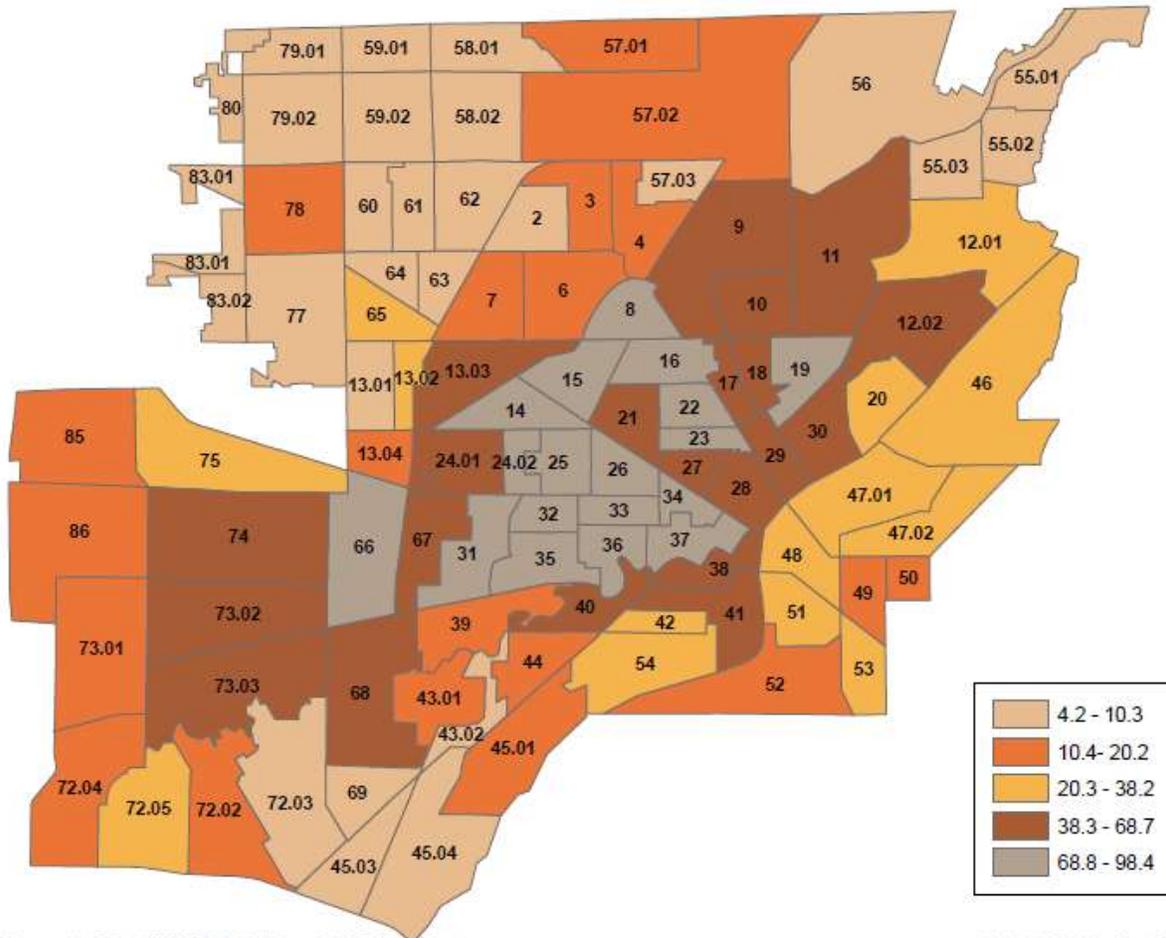
Census data revealed median income and personal asset levels of African-Americans and Latinos to be significantly lower in comparison to those of other racial populations. This trend accompanies the migration trends of Toledo residents who are leaving the city. Caucasians (and those possessing the resources necessary) continue to leave Toledo, especially the central city area, while African-Americans and Latinos remain. The map on the following page illustrates this pattern by displaying the distribution of the minority population throughout Toledo by census tract. Distinctive concentrations of minority populations remain clearly identifiable in the central and southwestern sections of the city.

In 2008, 20.4% of families in Toledo were estimated to be living below the poverty level. By comparison, 14.8% of families in Lucas County, 9.8% of Ohio families, and 9.7% of families in the country shared this distinction.



Source: American Community Survey One-Year Estimates 2008

Percent Minority Population by Census Tract 2009



The map above was prepared by the Toledo-Lucas County Plan Commission for the Community Profile portion of the 2010-2015 Toledo Consolidated Plan using the Summary Census Demographic Information for the Toledo, OH MSA/MD from the 2009 Federal Financial Institutions Examination Council (FFIEC) Census Report.

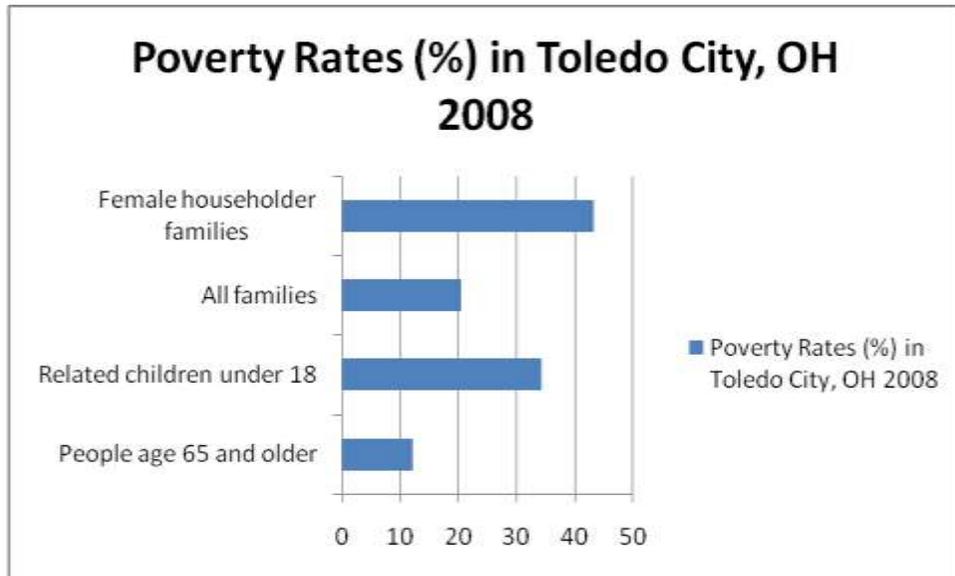
An evaluation of income figures allows the patterns of existing and varying economic opportunities throughout the area to become apparent. The poorest households are located within the central city. Noticeable correlations remain between race and poverty level, as well as between gender and poverty level. A relatively higher percentage of African-Americans and Latinos (as compared to group population figures) live below the poverty level than Asians and Caucasians.

Additionally, significantly more female-headed households are living below the poverty level than male-headed households. As an illustration of this point, the median income for full-time employed men in Toledo is \$38,509, while the median income for full-time employed women in Toledo is \$31,048.

According to the 2006-2008 American Community Survey Three-Year Estimates, the City of Toledo had 64,049 people living below the poverty line. That number represents 23.3% of the total population of the city. This percentage is considerably higher than both the 17.4 % figure for Lucas County and the 13.2% of the nation’s total population living below the poverty line. The higher rate in Toledo reflects the household patterns present within the community. The frequency of female-headed households with children provides a major explanation for the income disparities. Female heads of households are often compelled to obtain employment that pays lower wages.

In 2008, 24.7% of people residing within Toledo were in poverty. Thirty-four percent of related children under 18 were below the poverty level, compared with 12.2 percent of people 65 years-old and over. Twenty and four tenths percent of all families and 43.3% of families with a female householder and no husband present had incomes below the poverty level.

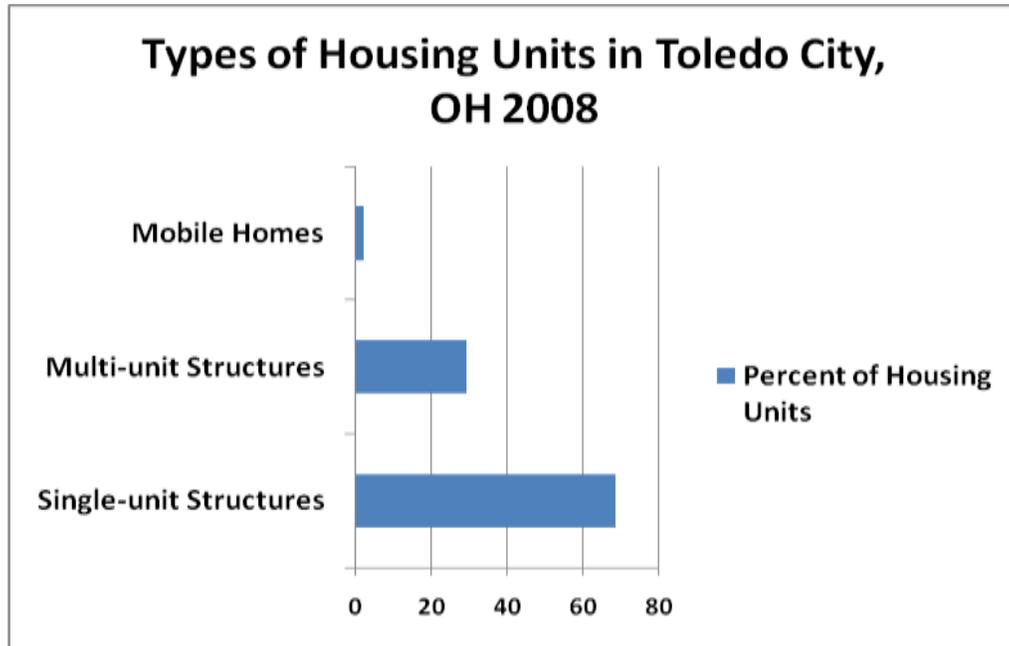
The lack of affordable, quality childcare services remains an obstacle. Without this service, women are forced to balance school and work while caring for their children. Eliminating or even reducing this source of poverty requires long-term programs to train and educate female workers, to reward companies and businesses that provide quality childcare opportunities and flexible work environments to their employees, and to develop the skills necessary to empower female-headed households with children.



Source: American Community Survey One-Year Estimates 2008

HOUSING PROFILE

American Community Survey 2008 Estimates placed the total number of housing units in Toledo at 137,410. The majority of those structures (65.4%) were single family units. The greater part of the housing stock in Toledo is rather aged; most of the homes are more than fifty years old. Very few of the homes in the city were constructed within the last quarter century. Of the homes in Toledo 64.8% were built prior to 1960.



Source: American Community Survey One-Year Estimates 2008

Comparatively, in Lucas County 68.7% of housing units are single family dwellings and 53.8% of housing units were constructed prior to 1960. The figures nationally are similar for the percentage of single family dwellings at 61.9%; however the nation as a whole contains a much newer housing stock. Only 31.4% of housing units were constructed prior to 1960 nationally.

The table below displays the number of building and demolition permits issued by the City from January 2000 through July 2008 according to the type of housing unit the permit represented. The data demonstrates the predominance of the permitting and construction of multifamily dwelling units in the city, especially during the past few years. The table also illustrates the reduction that has transpired in the number of permits issued in later years, which is indicative of the recent downturn in the housing market.

Building and Demolition Permits Issued by Type, 2000 through 2008

Source: City of Toledo				
	New Single Family Units	New Multi Family Units	All Units Demolished	Net Change in Units
2000	93	231	328	-4
2001	247	520	234	533
2002	203	154	250	107
2003	283	208	233	258
2004	117	328	299	146
2005	119	136	328	-73
2006	76	92	383	-215
2007	92	186	464	-186
2008 to July	66	61	459	-332
TOTALS	1296	1916	2978	234

Source: Toledo Division of Building Inspection

The homeownership rate in Toledo is 58.7% as compared to 65.3% in Lucas County and 69% in Ohio. The greatest quantity of owner-occupied units in Toledo remains those homes valued between \$50,000 and \$99,999 with 33.6% of dwellings residing in this category; however, 2008 estimates identified that 29.9% of owner-occupied units were in the \$100,000 to \$149,999 range. Comparatively, 23.4% of the dwellings in Lucas County valued between \$50,000 and \$99,999 and 26.4% of those in the \$100,000-\$149,999 class are owner-occupied; 21.4% of the dwellings valued between \$50,000 and \$99,999 and 25.9% of those valued between \$100,000 and \$149,999 in the state of Ohio are owner-occupied.

Moreover, homeownership rates in Toledo's urban core and the Near-east Side are significantly lower than in other areas of the city. The table below depicts homeownership rates for various areas of the city.

Area	West Toledo	West Toledo	South Toledo	South Toledo	East Toledo	East Toledo	Central Toledo	Central Toledo
Census Tract	63	82.01	72.03	73.03	41	51	8	26
Homeownership Rate	77.60%	85.50%	93%	74.80%	41.50%	47.40%	47.30%	49.90%

Source: Reproduced from 2005 Analysis of Impediments (2000 Census data)

Homes in Toledo remain affordable relative to other locations. However, the city has witnessed substantial fluctuations in its housing market. For instance, in 2008 the median value of owner-occupied units in Toledo was estimated to be \$101,400, up from the 2000 median value of \$75,300. Furthermore, the foreclosure crisis and the resulting drop in property values undoubtedly demonstrates how even the 2008 statistics fail to accurately account for current housing characteristics. However, the over-appraisal of housing that transpired during this time could have also artificially inflated the median value of homes observed. In comparison, nonetheless, the median value of owner-occupied units was \$128,000 for the county and \$140,200 for the state.

There are 49,091 renter-occupied housing units in Toledo. The largest proportion of renters, comprising 40.9%, pay between \$500 and \$749 per month for their units; the share of renters who pay between \$750 and \$999 follow at 20%, and 17.9% of renters pay between \$300 and \$499 per month.

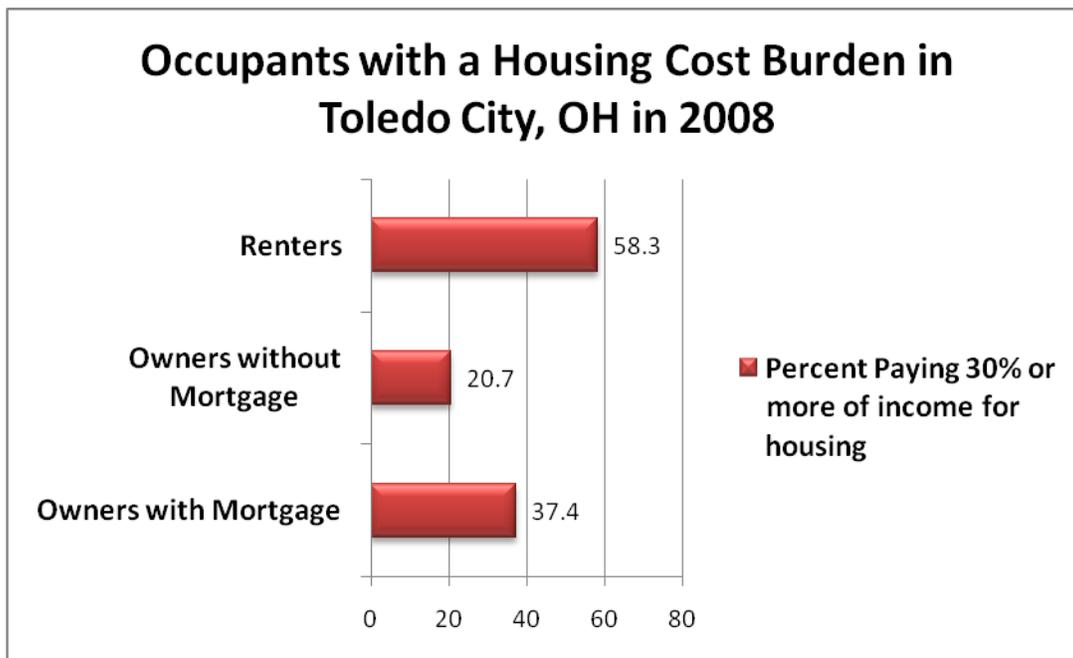
An independent research group conducted a rental market study of the central Toledo area in 2004 to investigate options for low-income housing development with tax-credit financing. The study included an analysis of market-rate and subsidized apartment units by size, vacancy rates, and median rents. The study revealed that the average two-bedroom apartment, which makes up 44% of the total rental market, rents for \$515 per month. Given the U.S. Department of Housing and Urban Development's (HUD) housing affordability index, a household's total housing costs (rent or mortgage and utilities) should not exceed 30% of the total household income. According to HUD, the 2010 Fair Market Rent for a two-bedroom apartment in the Toledo, OH MSA is \$664.

In order for the average two-bedroom apartment to meet the housing affordability index, the household renting the unit must earn \$1,717 in income monthly, or \$20,604 annually. Similarly, a two-bedroom apartment renting at current FMR requires that the household make \$2,214 in monthly income or \$26,560 annually. Any household living in a two-bedroom apartment that does not at least meet this income threshold would experience a housing cost burden.

Over 27% of families in Toledo make less than \$25,000 per year. This suggests that a significant number of Toledoans are experiencing a housing cost burden. The economic recession along with the priorities of the previous administration had created a situation in which Congress decided against funding the increased housing subsidy program costs; they did this by either cutting or maintaining existing levels of funding appropriations for fiscal years 2005 through 2007. This, coupled with the widespread loss of family income, rising rents, and the increasing quantity of persons in need of assistance had generated a crisis in many areas of the country. Already extensive waiting lists expanded even further, federal funding failed to allow local housing authorities to meet their commitments, and, in some areas, funding had nearly been exhausted, threatening indefinite waits or even the termination of assistance to a portion of existing recipients. Although FY 2008 and 2009 budgets included increased funding for HUD

and the Housing Choice Voucher Program, federal appropriations have still, under difficult circumstances, been unable to adequately meet the rising need of local housing authorities.³

Additionally, due to HUD's altered methodology for calculating payments to housing authorities, dollars available for housing subsidies have been further strained. Housing authorities, including Lucas County Metropolitan Housing Authority, are dealing with the dilemma by either having to reduce the number of families they serve and/or by increasing the amount of rent tenants must pay. If the housing authority chooses the latter option, many tenants will need to pay in excess of 30% of their monthly income for their housing expenses. This will undoubtedly increase the number of Toledo residents experiencing a housing cost burden.



Source: American Community Survey One-Year Estimates 2008

The numbers suggest that homeowners are more conservative or, as is probably the case, homeowners just have more financial flexibility than renters. Only 20.7% of homeowners reported that their housing costs were more than 30% of their monthly incomes. In fact, the majority of homeowners without a mortgage (59.6%) reported that 19.9% or less of their monthly income went to pay for their housing costs. By contrast, 58.3% of renters and 37.4% mortgage-holders, both significantly larger proportions than those observed in the category of homeowners without mortgages, reported that they must designate 30% or more of their monthly income to the payment of housing costs.

³ For further information, see: "HUD Budget Contains Major Funding Shortfalls" (May 2008) and "Funding Shortfalls Causing Cuts in Housing Vouchers" (September 2009) by Douglas Rice et al.; published by the Center on Budget and Policy Priorities and accessible at <<http://www.cbpp.org/cms/index.cfm?fa=view&id=2916>> & <<http://www.cbpp.org/cms/index.cfm?fa=view&id=128>>.

ECONOMIC CLIMATE & EMPLOYMENT ISSUES

Toledo is served by diversified transportation facilities, including: four Interstate Highways; 11 state and U.S. Highways; four rail systems and its own commercial airport (Toledo Express). The Toledo Area Regional Transit Authority (TARTA) provides mass transit bus service to the city and surrounding area. The Toledo-Lucas County Port Authority provides cargo facilities for ships via its operation of the Port of Toledo at the mouth of the Maumee River, and it also manages Toledo's commercial and general aviation airports.

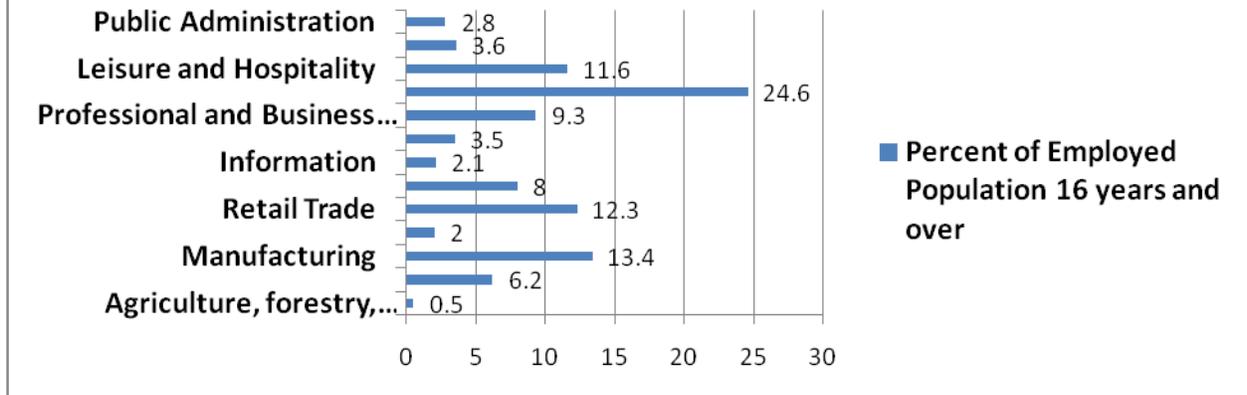
Several general acute care hospitals are located within the City: Mercy Healthcare Center (410 beds), Northcoast Behavioral Healthcare System (88 beds), Parkview Hospital (140 beds), St. Anne Mercy Hospital (142 beds), St. Vincent Mercy Hospital and Medical Center (604 beds), The Toledo Hospital (794 beds), and The University of Toledo Medical Center (320 beds).

According to 2008 estimates, 63.5% of residents 16 years of age or older were in the workforce in Toledo. The vast majority of Toledo residents, at 82.6%, drives to work alone, whereas 9.2% carpool. A much smaller percentage of workers utilizes public transportation or walks to work, at 3% and 2.5% respectively.

In terms of types of employment, an increasing number of people are moving into sales and service occupations. In 2008, over 25% of Toledo residents were involved in sales and office employment, 26.5% were in management, professional and related occupations, 19% were employed in production, transportation and material moving occupations, and 20.5% were in service careers. With regard to employment sectors, 84.8% of the workforce was comprised of private wage and salary workers, 12% were government employees and 3.2% were self-employed.

While it seems as if Toledo has shifted from its traditional role as a blue collar, manufacturing city by the occupations of its citizens, a significant manufacturing presence remains. The major industry in Toledo is broken down as follows: 24.6% educational, health care and social services; 13.4% manufacturing; 12.3% retail trade; 11.6% arts, entertainment, recreation, accommodations and food services; and 9.3% professional, scientific, management, administrative and waste management services.

Employment by Industry in Toledo City, OH in 2008



Source: American Community Survey One-Year Estimates 2008

Note: The Professional and business services category includes the following industries: professional, scientific, management, administrative, and waste management services. The leisure and hospitality category encompasses the following industries: Arts, entertainment, recreation, accommodation, and food services.

With regard to income in Toledo, 47% of households earn between \$25,000 and \$74,999 annually. The ranges of income can be broken down further, with 13.9% of households earning between \$25,000 and \$34,999, 17.2% earning between \$35,000 to \$49,999, 15.9% earning between \$50,000 and \$74,999, and 7.8% earning between \$75,000 and \$99,999 annually.

A noteworthy portion of the households in Toledo is still severely lacking in income. While the reported incomes for many households were comfortably above the median household income (\$34,157), 37.3% of the households made less than \$25,000 per year. This can signal that, from an economic standpoint, not everyone is in a position to equitably partake in all that the community has to offer; the sizeable proportion of low-income households also has implications for the demand for services, the community's transportation and housing needs, and the strength of the tax base and local economy.

The 2009 *Demographia International Housing Affordability Survey*, conducted for 265 metropolitan markets in six nations by Demographia and Performance Urban Planning, rates housing affordability using the "Median Multiple" method, which is the median cost of a home divided by the median household income. Accordingly, an analysis of the relationship between the median household income and the median cost of a home for Toledo and its comparable geographies may add some insight regarding access to housing in strictly financial terms. The median household income in Toledo in 2008 was estimated to be \$34,157, and the median value of a home was \$101,400, a difference of \$67,243. The median value of a home in Toledo, therefore, is nearly three times the amount of the median household income.

A comparison of the relationship between the median household income and the median cost of a home across the state as well as nationally demonstrates how Toledo measures up to other geographies from a housing affordability standpoint. The median household income for the state of Ohio was \$47,988 and the median value of home was \$140,200, a difference of \$92,212. Although admittedly somewhat closer of a ratio, the median value of a home in Ohio is also nearly three times the median household income. As the geographic scope of the statistics expand from city to state to country, the trend departs, once again, from affordability. The median household income nationally was \$52,029 and the median value of a home was \$197,600 in 2008, a difference of \$145,571. This placed the median value of a home nationally at well over three times (~3.8 times) the value of the median household income.

ASSISTED HOUSING

The Lucas Metropolitan Housing Authority (LMHA) is the principal subsidized housing provider serving the metropolitan area. LMHA provides housing for residents and operates 6,915 subsidized units. Of the 6,915 total housing units, 47 correspond to the Section 8 Moderate Rehabilitation Program; 3,762 are under the Section 8 Housing Choice Voucher Program (HCVP)⁴; and approximately 3,106 units are in LMHA's Low Income Public Housing Program (LIPH).⁵ These units are located among 27 developments and over 250 scattered site units across Lucas County.⁶ LMHA has HCVP participants who lease units in not only Lucas County, but also in Wood and Fulton Counties in Ohio as well as in Monroe County, Michigan.

According to HUD's "A Picture of Subsidized Households-2008" data, of the total 15,818 subsidized housing units in Lucas County, 14,986 are located in the City of Toledo. One hundred twenty-four housing projects exist in the City of Toledo, of which 9 are part of LMHA's LIPH; 55 are low-income housing tax credit program projects; 4 are Section 236 projects; 42 are part of the Section 8 New Construction and Substantial Rehabilitation Program; and 14 are part of other multi-family assisted programs. Additionally, the Mental Health and Recovery Services Board of Lucas County oversees housing services provided through service providers such as Neighborhood Properties, Inc., which owns and operates 571 apartments in 60 buildings throughout the county, and Treatment Alternatives to Street Crimes, Inc., which operates three separate HUD funded housing projects that provide permanent supportive housing services to adult substance-abusing offenders.⁷

Despite these figures, a large number of persons are still seeking housing assistance. Not only does LMHA report a large number of persons on its conventional and Section 8 HCVP waiting lists, but, as the 2008 American Community Survey One-Year Estimates reveal, approximately 58.3% of renters in Toledo are spending 30% or more of their monthly income on rent.

According to LMHA's Five Year and Annual Plan 2010-2014,⁸ the Section 8 Housing Choice Voucher Program's waiting list was comprised as follows:

- Families total 6,831
- Families with income from 0% to 30% of the area median income total 6,492 or 95%.
- Families with children total 4,625 or 68%
- Families with disabilities total 506 or 7%
- Families who are African-American total 4,654 or 68%.

⁴ Section 8 certificate and voucher programs were merged. They are now called the Housing Choice Voucher Program (HCVP).

⁵ Source: HUD. "A Picture of Subsidized Households-2008." accessible at <http://www.huduser.org/portal/picture2008/index.html>

⁶ Source: LMHA website <http://www.lucasmha.org/Services/AssetPropertyManagement/tabid/60/Default.aspx>

⁷ The Mental Health and Recovery Services Board of Lucas County. "System of Care Provider Agencies." April 2009, accessible at <http://co.lucas.oh.us/documents/MHRSB/SystemofCare4-09.PDF>

⁸ LMHA's Five Year and Annual Plan 2010-2014 is available at <http://lucasmha.org/AboutLMHA/AnnualPlan/tabid/69/Default.aspx>.

According to LMHA's Five Year and Annual Plan 2010-2014, the Low Income Housing Program's waiting list was comprised as follows:

- Families total 675
- Families with income from 0% to 30% of the area median income total 591 or 88%
- Families with children total 432 or 64%
- Families with disabilities total 143 or 21%
- Families who are African-American total 383 or 57%.

These statistics are significant, as LMHA's LIPH housing stock and waiting lists have historically exhibited vastly disproportionate percentages of African-American families. Indeed, the LMHA remains under a court order, resulting from the Jaimes Decision, to desegregate its conventional housing complexes. Formerly, this was a difficult task to accomplish since the LIPH waiting list was almost entirely comprised of African-American families. The LIPH waiting list's proportion of African-American families, comprising approximately 57% in FY2010, is a testament to LMHA's commitment to meet the terms of the Jaimes Decision and to diversify the racial composition of the LIPH housing complexes.

The percentage, thus, remains at the levels observed in the 2005 Analysis. Other than "extremely low income," the familial category comprising the most substantial majority of total families on both of LMHA's waiting lists remains that of African-American families. While the unemployment rate for the Toledo MSA was reported to be 12.5% in December 2009 by the Bureau of Labor statistics and the most recent Census figures place Toledo's poverty rate at 24.7%, American Community Survey One-Year Estimates from 2008 report poverty rates for African-Americans in Lucas County at 37% and the unemployment rate for the population at nearly 20%. Statistics corresponding specifically to the city of Toledo were even worse (approximately 38.5% and 21%, respectively), and this data is nearly two years old, indicating that the current rates are probably significantly higher. What such statistics reveal is a greater societal issue in operation. As African-Americans continue to disparately experience the negative effects of poor economic conditions, the task of agencies like LMHA to address the disproportionate needs of this population become even more challenging to achieve.

LMHA serves a large cross section of the population. The LMHA provides housing for approximately 2071 persons who are 62 or older. LMHA also provides housing for an estimated 3,157 persons who are disabled. LMHA operates 27 development sites serving the needs of individuals in the LIPH program. LMHA consists of the following programs: Low Income Public Housing, Section 8 Housing Choice Voucher Program and the Section 8 Moderate Rehabilitation program. LMHA's owns and operates its LIPH properties. LMHA's Section 8 programs subsidize participants' rent by paying a portion or all of the rent to private landlords.⁹

⁹ Source: HUD. "A Picture of Subsidized Households-2008." accessible at <http://www.huduser.org/portal/picture2008/index.html>

Program	Total people	% disabled	Disabled tenants
MR	48	0.56	26.88
VO	9114	0.19	1731.66
PH	6079	0.23	1398.17
All, total			3156.71

Program	Total people	% Aged 62+	Tenants Aged 62+
MR	48	0.1	4.8
VO	9114	0.1	911.4
PH	6079	0.19	1155.01
All, total			2071.21

In addition, LMHA operates affordable Homeownership Programs through which LMHA sells houses developed by LMHA to low and moderate-income families. The first two programs fall under the Neighborhood Stabilization Program of the City of Toledo and Lucas County. Through one program, LMHA acquires, rehabilitates, and resells homes, and under the other, LMHA constructs new homes. In order to be eligible for the first program, an applicant must successfully complete a homebuyer’s education program, earn less than 120% of the Area Median Income for his or her household size, and be able to obtain a mortgage loan from a conventional lender. In some cases, LMHA is willing to conduct a lease purchase transaction with an applicant. The sale of new homes is either limited to those making less than 120% of AMI or to those making no more than 80% of AMI, depending on the development and/or particular home. Each new home is sold with a 15-year property tax abatement and down payment assistance. Finally, the Section 8 Housing Choice Voucher Homeownership Program allows participants to apply their Section 8 funds to mortgage payments. Applicants desiring to participate must have full-time employment (unless elderly or disabled), meet minimum income requirements (lower for elderly and disabled individuals), and be able to acquire a home mortgage loan through a conventional lender.¹⁰

The Section 8 HCVP program remains the most popular program among LMHA customers because it allows families to choose where they will live using the Section 8 HCVP voucher. However, many families complain that the housing, which qualifies for selection under the program, is usually of substandard quality. Owing to the dearth of private market housing providers that accept Section 8 HCVP vouchers in low poverty areas, the doors of opportunity and housing choice, thus, continue to be rather limited, even in this highly mobile program.

Like every housing provider, LMHA must comply with all laws relating to Civil Rights. Moreover, LMHA declares that it will not discriminate on the basis of race, color, religion, religious creed, sex, military status, national origin, handicap, disability, familial status, ancestry, and sexual orientation in the leasing, rental, or other disposition of housing or related facilities.

¹⁰ LMHA. “Services of LMHA: Homeownership.” Accessible at <http://www.lucasmha.org/Services/HomeOwnership/tabid/62/Default.aspx>

These requirements include any project or projects under the jurisdiction of LMHA and/or covered under an annual contributions contract.

Additionally, LMHA will not deny admission to any group or category of otherwise qualified applicants. This practice results from LMHA's intention to treat each applicant in a particular group or category as an individual case, not as part of a routine process. Furthermore, LMHA states in its Admissions and Continued Occupancy Policy that it will identify and eliminate situations or procedures that create barriers to equal housing opportunities. In conjunction with these efforts, LMHA makes every attempt to adhere to Section 504 requirements and the Fair Housing Amendments Act of 1988, which require the LMHA to make structural modifications and reasonable accommodations. Such policies permit individuals with disabilities to take advantage of LMHA's housing and non-housing programs.

It is LMHA's policy to admit qualified applicants only. An applicant is qualified if he or she meets the following criteria:

- Is a family as defined by regulation;
- Heads a household where at least one member of the household is either a U.S. citizen or is an eligible non-citizen. (24 CFR Part 5, Subpart E).
- Has an Annual Income at the time of admission that does not exceed the low-income limits for occupancy established by HUD and posted separately in the PHA offices. The Quality Housing and Work Responsibility Act of 1998 authorizes PHAs to admit families whose income does not exceed the low-income limit (80% of median area income) and the PHA is required to meet the annual 40% targeted income requirement of extremely low-income families (families whose income does not exceed 30% of median area income). It is the policy of the LMHA to meet the income-targeting requirement.
- Provides a Social Security number (SSN) for all family members that have a SSN or will provide written certification that they do not have Social Security numbers;
- Meets or exceeds the standards for the criminal background check;
- Meets or exceeds the tenant Selection and Suitability Criteria as set forth in the LMHA Admissions and Continued Occupancy Policy.

As the aforementioned policy states, an applicant must qualify as a family to be eligible for assistance. A family may be a single person or a group of persons. *Family*, as defined by HUD, includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. A single person family may be an elderly person, a displaced person, a disabled person, or any other single person. LMHA recognizes domestic partnerships, in compliance with Toledo Municipal Code Chapter 114 Domestic Partnership Registry. A family also includes two or more persons who intend to share residency, whose income and resources are available to meet the family's needs, and who have a history as a family unit or show evidence of a stable family relationship for at least one year, if not legally married.

Thus, if eligible as a family, the applicant must also meet HUD requirements regarding citizenship or non-citizen immigration status, annual income limits based upon family size, and provide documentation of Social Security numbers for all family members aged six and over. LMHA provides further details concerning eligibility for assistance in chapter two of their Admissions and Continued Occupancy Policy.¹¹

In the Toledo area, applicants are grouped into either Tier I or Tier II. Tier I families have incomes between 0% and 30% of Toledo's area median income. Tier I families must constitute at least 40% of LMHA's admissions in annually. Tier II families have incomes between 31% and 80% of Toledo's area median income. Families in this group must comprise at least 60% of all admissions any year. The admissions requirement emerged from the Quality Housing and Work Responsibility Act of 1998.

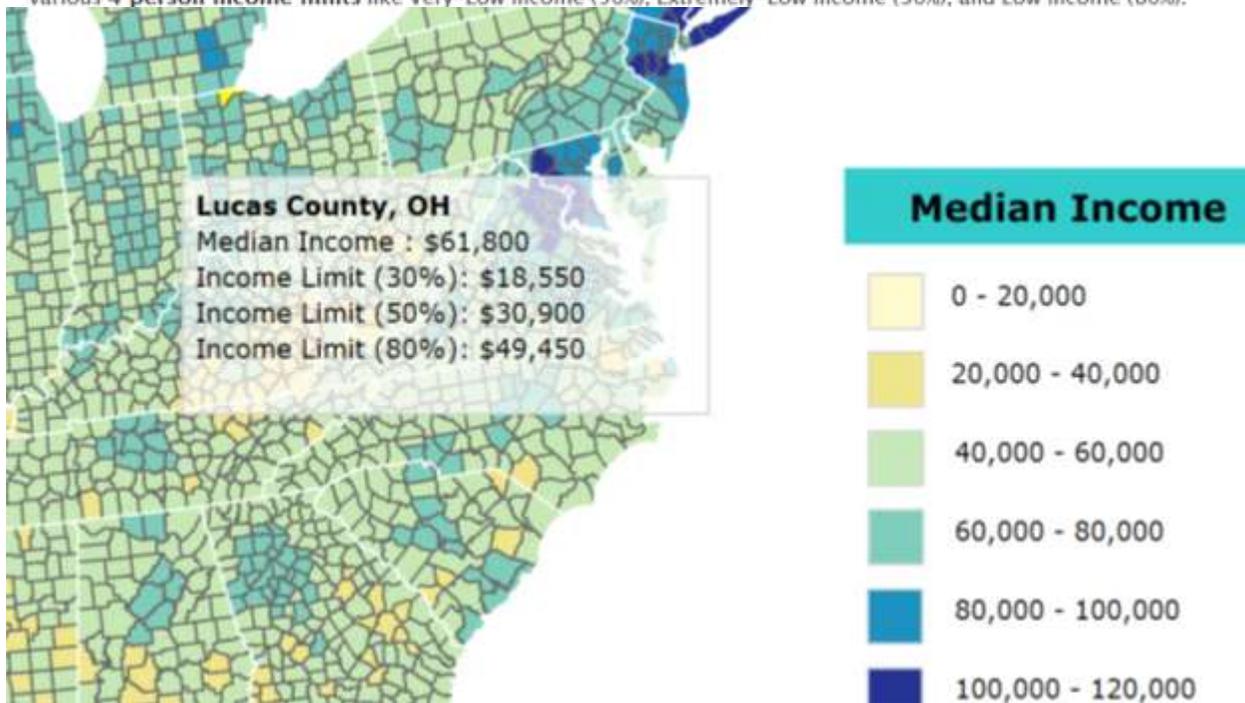
Toledo, OH MSA -----INCOME LIMITS-----
FY 2009 Median Family Income: \$61,800

PROGRAM	FAMILY SIZE							
	1	2	3	4	5	6	7	8
30% OF MEDIAN	13,000	14,850	16,700	18,550	20,050	21,500	23,000	24,500
VERY LOW INCOME	21,650	24,700	27,800	30,900	33,350	35,850	38,300	40,800
LOW-INCOME	34,600	39,550	44,500	49,450	53,400	57,350	61,300	65,250

¹¹ Source: LMHA 2009 Admissions and Continued Occupancy Policy, accessible at <http://www.lucasmha.org/LinkClick.aspx?fileticket=rOOWOHgvuhk%3d&tabid=80>

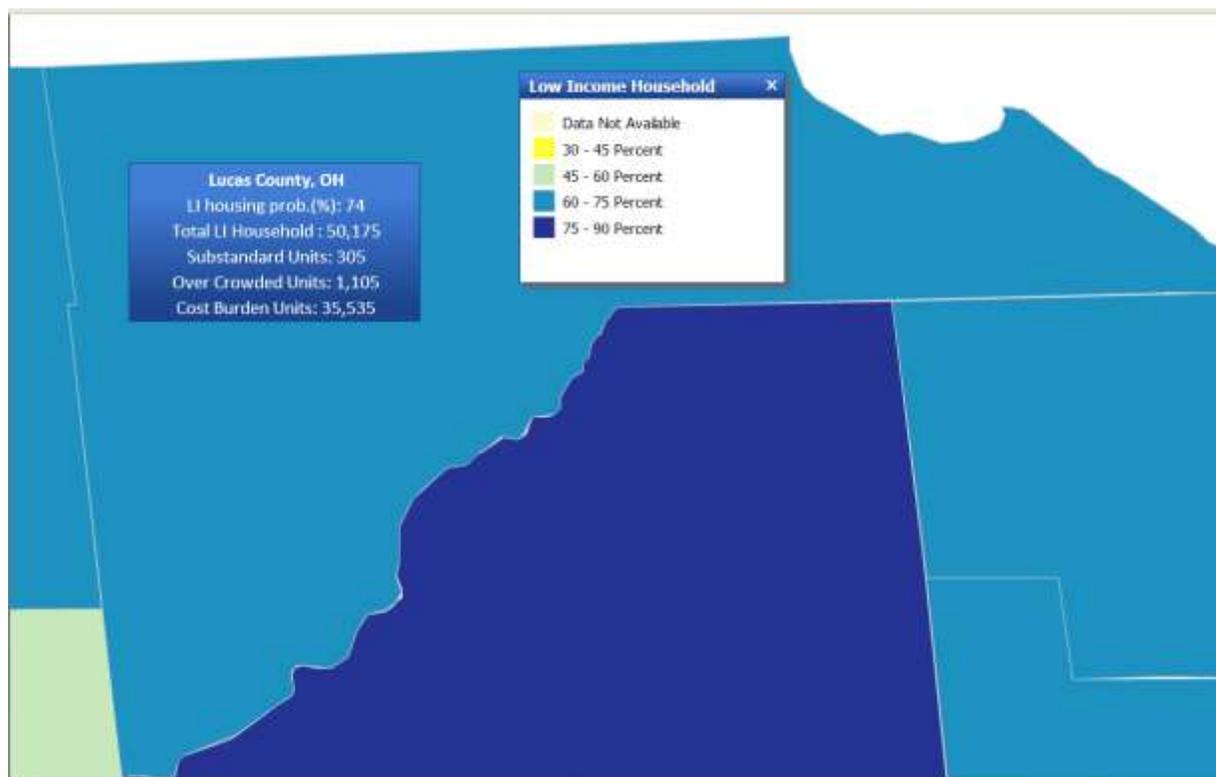
Interactive Map : 2009 Section 8 Income Limits

The system provides a mini-documentation of the development of the FY 2009 Section 8 Income Limits for any area of the country selected by the user. The user is provided a tooltip containing the name of the county, its median Income and the various **4 person Income limits** like Very-Low Income (50%), Extremely-Low Income (30%), and Low Income (80%).



Interactive Map : Housing Problems of Low Income Households

This map shows a county level summary of housing problems of low income households. Low income households ("LI households") are those making less than 50% of the area median income. The various housing problems are: lacking complete kitchen or plumbing facilities (substandard), having more than 1 person per room (overcrowded), and paying more than 30% of gross income towards housing costs (cost burdened). We assume that lacking complete kitchen or plumbing facilities is the most severe housing problem, followed by overcrowding, followed by cost burden. If a household has more than one of these problems they are counted with the most severe problem. These maps are produced from Table 3 of HUD's CHAS data.



Source for maps: HUD Office of Policy Development and Research. "Interactive Thematic Maps." Accessible at <http://www.huduser.org/portal/maps.html>

Given the demand for public housing, LMHA must utilize a waiting list. In its management of the waiting list, LMHA may employ restrictions on the intake of applications or even close the list altogether for a period of time. In particular, LMHA takes such actions when the number of families existing on the waiting list is sufficient enough to allow LMHA to anticipate applications to fill available housing for the succeeding 12 months. The duration an applicant resides on the waiting list is only a portion of the overall process, however, as LMHA must also review the application and conduct interviews of applicants, which can take a considerable amount of time.

Additionally, LMHA must have a third party verify the information applicants provide, as, under the stipulations of the Federal Housing Act of 1937, LMHA must maintain records of applications for admission to any assisted housing program. Such records must indicate the time of receipt of the application; the race and ethnicity of the family applying; the determination of eligibility or non-eligibility by LMHA; the unit size; the applicant's preference of unit; the date, location, and identification of vacancies as well as the circumstances under which each vacancy is offered, accepted and/or rejected.

As the following table illustrates, the majority of subsidized housing units are located in the City of Toledo. Within the city, most are sited in either racially well integrated or predominately African-American and Hispanic neighborhoods. There is only one privately owned subsidized housing complex in Swanton, Rossford, Fostoria and Whitehouse. There are none in communities like Maumee or Providence, or Richfield Township. Privately owned subsidized complexes, on the other hand, are slightly more dispersed throughout the area. While LMHA has public housing units in Toledo, Holland, Spencer Township, Sylvania Township and the City of Sylvania (Oak Grove Estates, Oak Terrace, Jade Estates, Devonshire/Olander Estates, Marsrow Acres, and Willow Bend), the vast majority of subsidized units are within the City of Toledo. Moreover, LMHA's complexes are racially segregated with the majority of African-American tenants residing in conventional housing facilities located in low-income, minority areas.

Place Name	Number of Projects	Number of units
City of Toledo (includes all LMHA projects)	128	11788
City of Bowling Green	8	394
City of Perrysburg	4	321
City of Northwood	2	210
City of Oregon	3	200
City of Port Clinton	3	175
Village of North Baltimore	2	95
Village of Swanton	1	60
City of Rossford	1	48
City of Fostoria	1	48
Village of Whitehouse	1	12

Since new construction of subsidized housing in the region is an infrequent occurrence, the only avenues available for the dispersal of persons who use HUD subsidies are the Section 8 HCVP and the portion of the Low Income Public Housing (LIPH) that consists of scattered units. The Section 8 programs allow low-income persons who have Section 8 HCVP vouchers to rent units wherever they are accepted. Placement in scattered-site LIPH units allows for more widespread geographic distribution because LMHA may purchase units for its housing programs in a variety of areas, preferably those which are not already exceedingly impacted by poor socio-economic conditions. The LMHA can purchase housing anywhere in Lucas County, except Harding Township.

The Department of Housing & Urban Development provides rent subsidies to low and moderate-income persons. Some of these subsidies, such as Section 8 HCVP vouchers, come in the form of direct payments to benefit individuals and enable the participant to rent housing in the open or private market. However, HUD has limitations on what it will pay in rent subsidies. The fair market rents pose many restrictions on where families using the Section 8 HCVP vouchers can live. Owing to these constraints, many families with Section 8 HCVP vouchers are limited to rental housing in the City of Toledo where the rental costs are lower. This further exacerbates the concentration of low-income persons in the City and weakens voluntary mobility.

Families who may, owing to their own preference, choose to live in a non-concentrated community would be prohibited from doing so because of the rent restrictions HUD enforces. Only in recent years has HUD increased its fair market rents (FMRs) in an attempt to promote racial and economic integration. The HUD FMRs are the same for the City of Toledo, Oregon, and Lucas County and are illustrated in the table below.

FAIR MARKET RENTS FOR LUCAS COUNTY EFFECTIVE 2010

Final FY 2010 FMRs By Unit	Final FY 2010
Bedrooms	FMR
Efficiency	\$482.00
One Bedroom	\$537.00
Two Bedroom	\$664.00
Three Bedroom	\$857.00
Four Bedroom	\$934.00

While Toledo and the surrounding communities have housing units available that fall within the HUD FMRs, the tenant contribution has been underestimated by HUD and, therefore, LMHA is compelled to assume an added financial burden in its carrying out of the Section 8 HCVP program. The higher cost to LMHA to subsidize individual units results in a decrease in the overall number of units available for Section 8 vouchers.

In order to increase housing options for families, LMHA adopts a voucher payment standard of “above 100% but at or below 110%” of Fair Market Rents (FMRs). LMHA reevaluates its payment standards annually, considering in its assessment the success rates, rent burdens, and the dispersion of assisted families throughout the metropolitan area. Of course, LMHA may also change its voucher payment standards and policies if funding shortages begin to have a significant impact on the LMHA’s budget. Although LMHA may pay higher than FMRs through vouchers, LMHA did not previously implement rent ceilings to ensure that families’ housing costs did not exceed 30% of their adjusted monthly income. However, LMHA recently obtained approval from HUD to institute ceiling rents. This is a notable development, as, in the absence of such ceiling rents, families desiring to move into subsidized housing in a non-impacted area could pay up to 40% of their income in housing costs (rent and utilities). Generally, families who pay over 30% of their monthly income on housing are considered “burdened.”

While these changes have resulted in a greater diffusion of low-income families throughout the city and among peripheral communities, several impediments still hinder low-income and racial minority families from accessing housing opportunities outside of the urban core. They include:

- Even though the program guarantees the receipt of rent, landlords are often hesitant to use the Section 8 HCVP program because they have misperceptions concerning the program;
- In a small number of cases, landlords are reluctant to invest the funds necessary to make improvements to their unit(s), as required by LMHA;
- Landlords continue to decline to participate in the Section 8 HCVP program in low poverty areas due to the NIMBYist attitudes they possess;
- Many landlords do not participate because they are ignorant of changes to the rules. While the previous stipulations were too prohibitory for most landlords to find participation attractive, the new rules allow landlords to enjoy more benefits. With these changes, landlords who are made aware of the program's incentives may actually choose to participate. However, landlords still seem to lack this knowledge;
- Consumers in the program continue to experience rejection or denial resulting from poor landlord references and/or their criminal history; and
- LMHA's biggest task is to effectively market the Section 8 HCVP program to landlords. Since LMHA guarantees the payment of rents, it encourages landlords to ignore tenants' credit histories, which has positive effects in terms of equal access and the expansion of affordable housing options. Nevertheless, LMHA does not currently partner with agencies that address fair housing concerns in order to train consumers as to how they can improve their landlord references, be a good tenant and/or ameliorate their criminal records.

More constructively, recent efforts to enhance the availability of affordable and quality housing were made through the Section 8 HCVP resulting in a 20% growth in the number of families receiving aid from participation. The net gain of 400 households who receive assistance encouraged a more solid commitment to assuring adherence to Housing Quality Standards (HQS). The HQS attained supplemented the Department of Neighborhoods' efforts in the City of Toledo to reverse the process of forgoing investment in disadvantaged neighborhoods.

LMHA receives federal aid directly, for the purpose of developing housing for lower-income families. LMHA constructs, rehabilitates, owns, and operates public housing developments. HUD furnishes technical assistance for planning, developing, and managing the projects. HUD allocates three types of financial assistance to PHAs:

- Funding to cover 100% of development costs;
- Annual contributions to serve as an operating subsidy; and
- Modernization funds (also known as the Capital Fund Program).

As mentioned previously, LMHA may also acquire existing housing, with or without rehabilitation, from the private market.

In addition, LMHA may participate in demolition and disposition programs. According to its 2009 Annual Plan Amended,¹² LMHA indicated it seeks to demolish or dispose of:

- 2242 Auburn;
- 220 Floyd, 1,2,3,4,5,6 (Possible sale to Re-Entry Coalition);
- 226-228 Floyd;
- 3235 Kimball;
- 1332 Prouty;
- 4120 Asbury; and
- 1934 Loxley.

Overall, in 2010- 2011, LMHA plans to demolish 400 units in Asset Management Projects (AMPs),¹³ with 132 units being among Brand Whitlock Homes, Brand Whitlock Extension, and Albertus Brown Homes. LMHA initially received HUD approval during the 2007-2008 fiscal year to build six units of public housing in a non-impacted West Toledo neighborhood; this project was completed, and additional land was purchased to build up to 11 more units, 5% of which are required to be handicapped accessible. LMHA also aims to retrofit all the remaining LMHA units with energy conservation measures using sustainable building products, via an Energy Performance Contract.

¹² *This document is available on request. It will be posted to LMHA's website soon.*

¹³ *Further information regarding the project-based approach of Asset Management, see HUD's "Asset Management Overview" page and other related materials, accessible at <<http://www.hud.gov/offices/pih/programs/ph/am/overview.cfm>>.*

CURRENT STATE OF FAIR HOUSING

RECORD OF CITIZEN PARTICIPATION

In December 2009, the Fair Housing Center conducted a series of four community forums in order to discuss the Analysis of Impediments with other local agencies, units of government, banks, housing providers, community development corporations and community organizations in the City of Toledo. The input of over 40 individuals throughout the four forums allowed for the representation of many groups, including the Area Office on Aging, the Greater Toledo Housing Coalition, Lucas Metropolitan Housing Authority, the Toledo Fair Housing Center, the City of Toledo Department of Neighborhoods, the Toledo Metropolitan Area Council of Governments, Fifth Third Bank, Toledo Area Ministries, the Home Builders Association of Greater Toledo, the Toledo Area Regional Transit Authority, the Toledo-Lucas County Plan Commission, Danberry Co. Realtors, the Toledo Board of Realtors, RE/MAX Preferred Associates, Poggemeyer Design Group, the Northwest Ohio Development Agency, the Toledo Lucas County Homelessness Board, the Toledo Area Alliance to End Homelessness, Community Alliances and Strategic Efforts to Prevent, Reduce and End Homelessness (CASE), Homelessness Prevention and Rapid Re-Housing Program (HPRP), United North Community Development Corporation, Huntington Bank, Toledo Community Development Corporation, Preferred Properties, Inc., Adelante, The Latino Resource Center, Neighborhood Housing Services of Toledo, Advocates for Basic Legal Equality, Inc., Local Initiatives Support Corporation, Lucas County Treatment Alternatives to Street Crimes, Inc. and the Ability Center of Greater Toledo.

In order to help the Fair Housing Center (FHC) identify and assess barriers to fair housing in the community, the following questions were formulated:

- What barriers do you see in the housing market that would impede someone's ability to rent, purchase or insure housing?
- Have you encountered barriers when trying to secure housing or assist others in securing housing? If so, what were they?
- Do you see any barriers in the market that would prohibit or make it harder for someone to obtain housing based on that person's race, religion, national origin, color, sex, familial status (having children present in the home), disability, military status (Ohio) or sexual orientation (City of Toledo)?
- What suggestions do you have for increasing housing or homeownership opportunities?
- Do you see any barriers to establishing a requirement that new housing developments have a set-aside for low-income households?
- How do transportation issues impact housing opportunities?
- Have you encountered any zoning problems in your attempts to secure housing or assist others in securing housing?
- Over the years the City of Toledo has lost a significant portion of its population to the suburbs. What factors do you see contributing to this trend? What can be done to stop this trend?
- In recent years, the Hispanic/Latino population has increased tremendously; do you think the housing needs of this community are being met?

- Are immigrant populations as a whole getting their housing needs met? What challenges do you see in trying to help new immigrants obtain housing?
- What are some agencies that are friendly and helpful in servicing new immigrant and minority populations?
- What impact has the foreclosure rate had on our community?
- What can be done to help with the foreclosure problem?
- What ideas do you have for creating diverse and inclusive neighborhoods throughout the City?
- Do you feel there are other groups of people who should receive protected class status? If yes, who and why?
- Are there any other issues you feel need to be addressed in the Analysis of Impediments?

Following the community forums, a reasonable time period was provided for the purpose of permitting those unable to attend and/or those who were in attendance to supply further input. Once the Fair Housing Center received all responses, the answers were compiled to reflect community views on the subjects addressed by each of the questions. Below, a complete summary of the replies is presented. From assessing these community views, the most significant barriers to fair housing in Toledo appear to be the adverse effects generated and exacerbated by the severe economic downturn. Consequences of the economic decline include, but are not limited to the inability to obtain financing; the lack of employment opportunity; and the negative impact of widespread foreclosures and bankruptcies on credit scores. The maintenance and character of neighborhoods, the affordability and availability of insurance, and the inability of government and non-profit organizations to meet the increasing demand for services and assistance were all repeatedly cited. Other impediments receiving frequent mention included the insufficiency of the transportation system, the need for locally-driven solutions and more extensive collaboration, a lack of education and information sharing, and inaccurate public perceptions.

The latter two impediments, more specifically, were applicable not only to people residing in the area, but also to the businesses, organizations and agencies that aim to serve that population. The general public may benefit from additional education and information regarding the handling of financial matters, the responsibilities of homeownership, what resources are accessible to them with reference to housing issues, what their rights are, etc. In a similar way, nonetheless, the organizations that aim to provide such expertise, services and assistance to these people must also improve their own awareness of the relevant programs and data that are available, so that efforts are not unnecessarily duplicated and, more importantly, the resources that already are accessible do not fail to be utilized merely due to an ignorance of their existence. Public perceptions, of course, share this broader application as well since people, organizations, and businesses generally formulate their views based, in part, on a variety of sources other than, and in addition to strictly their own convictions. Thus, one must understand that the beliefs mentioned, while attributed to the “general public” and/or “business,” are also strongly influenced and shaped by other input communicated by the media, via government discourse, and from other sources considered “authoritative.” Particularly, the notions identified by participants in the forums included: the suburbs being better than the city (in terms of school quality, overall safety, and business climate), crime rates being far higher in the central city,

public transit and its users negatively impacting neighborhoods, and Toledo Public Schools being unsafe and of low quality.

Finally, many of the issues previously identified in the 2005 Analysis of Impediments, such as blatant and concealed discrimination, the quantity of sub-standard housing, the lack of funding available for making necessary repairs to homes, dissatisfaction with credit and insurance scoring and its negative effect on consumers, and NIMBYism* in relation to equal access to neighborhoods, were also brought up in the current AI forums.

A complete synopsis of the forums follows:

• **What barriers do you see in the housing market that would impede someone's ability to rent, purchase or insure housing?**

- A lack of financing for anyone without stellar credit currently exists.
- Older housing that needs repair impedes one's ability to get insurance.
- Insurance for loans and underwriting criteria
- Lack of credit and/or bad credit revealed through rental background checks
- A greater need for the provision of subsidized, accessible housing by the private market
- A lack of down payment for both rental and purchase of homes
- Insufficient funding for subsidized housing
- Long waiting lists
- Housing choice vouchers are the best choice in terms of fair housing because of the options given to the recipient.
- Appraisal issues (lowered values) diminish equity, which, in turn, reduces options for home repair and other loans.
- Credit blemishes take a long time to correct; this still negatively affects credit reports.
- Limited job opportunities and/or unemployment make paying bills difficult. People need income to meet basic housing needs; therefore, a source of income is urgently required in order to achieve and maintain the satisfaction of people's basic need for housing.
- Documentation for immigrants
- Poor consumer credit
- Lack of affordable housing
- Unsafe and/or unsanitary conditions in housing
- Issues related to re-entry (ex-offenders) and issues related to registration for sex offenders
- Some relatively new rental units are boarded up and not functioning. (CDBG won't allow property management as use of funds.)
- Deficiency of steady income from employment
- Restrictive credit – The banks have increased their qualifications, making it much more difficult to obtain a loan. FHA is even raising credit requirements.
- Obligation to choose between affordable housing and access to employment and transportation
- Lending practices – Lower down payment prompts the requirement of mortgage insurance, which has become exceedingly difficult to acquire.

- Zoning – People who try to refinance a mortgage for property that is located in a commercial or industrial zone are unable to do so, as banks do not want to refinance home loans on non-residentially zoned properties.
- Insurance companies are refusing to insure homes that have too many claims (regarding the purchase of an existing property).
- Inaccessibility and/or insufficiency of public transportation
- Insurance companies are becoming stricter about the condition of prospective properties and are using credit scores to determine the cost of insurance. Replacement cost policies (rebuilding) are difficult to obtain in central city neighborhoods.
- People are unaware of the availability and uneducated concerning the details of community programs such as the Individual Development Account (IDA) and the Community Housing Improvement Program (CHIP).
- Difficulty of gathering funds sufficient to cover a deposit and/or first and last month's rent
- Landlords are using credit scores.
- Credit is the biggest issue.
- Lack of available credit
- Bad job market
- Redlining is occurring in the insurance market. Minimum standards for housing are unrealistic.
- Need for additional community lending products
- The long-term consequences of using FHA will ultimately cost consumers due to the Mortgage Insurance Premium (MIP).

• **Have you encountered barriers when trying to secure housing or assist others in securing housing? If so, what were they?**

- Yes. Obtaining a loan for the first condo in a complex is nearly impossible; the complex must contain two or more condominiums in order for banks to express a willingness to lend.
- The activation of utilities - If someone has outstanding utility bills, he or she must pay them in full or enter into a payment plan prior to the turning on of utilities.
- Responsibility for utilities (water) being shifted to tenant from landlord; ability to maintain utilities
- The continuous growth of home energy bills in the Percentage of Income Payment Plan (PIPP), even when tenants are paying the appropriate portion, limits the overall effectiveness of the PIPP program.
- Lack of funds available for lending from community lenders (Community Development Financial Institutions)
- Construction financing is difficult because access to capital has been tightened in the commercial market as well.
- Tax credit market has dried up for investors.
- Discrimination based on familial status and mental disability – Landlords have refused to rent to families with children and to accommodate those with mental illness.
- Public sentiment is generally against scattering sites containing affordable housing.
- The availability and acceptance of Section 8 Vouchers is inadequate.

- HUD underestimates the actual cost of Section 8 vouchers, compelling the Lucas Metropolitan Housing Authority (LMHA) to assume an added financial burden and lose money.
 - Discrimination based on source of income has resulted in the denial of housing and/or financing.
 - LMHA does not receive sufficient funding from HUD to properly carry out the voucher program.
 - Alternative lending sources, such as CDFI, are under-funded.
 - LMHA appears to have a policy that rejects people with criminal backgrounds.
 - Lending – it is difficult to get a loan; FHA seems to be one of the only avenues.
 - Reduced income
 - This is a great buyer’s market, as inventory is high and prices and interest rates are low. Unfortunately, people cannot get loans (often due to lack of a down payment).
 - Home repairs are necessary to make a home habitable and provide a safe living environment before a person can even move in.
 - FHA applies an occupancy standard (percentage owner-occupied) prior to purchase, so many parts of Toledo do not qualify.
 - Deposits for utilities
 - Credit scores
 - Effect of foreclosures – many landlords will not rent to someone with a foreclosure.
 - Proof of insurance
 - The single most prevalent impediment for Persons with Disabilities remains affordable, decent, safe, accessible housing.
- **Do you see any barriers in the market that would prohibit or make it harder for someone to obtain housing based on that person’s race, religion, national origin, color, sex, familial status (having children present in the home), disability, military status (Ohio) or sexual orientation (City of Toledo)?**
- Discriminatory advertising
 - Insurance underwriting – redlining occurs according to age and market value of home.
 - Landlords occasionally use sexual harassment or quid pro quo for rent.
 - No code of ethics for landlords exists.
 - There is no landlord-tenant mediation board to resolve issues.
 - Some landlords are not willing to make accessibility changes for the disabled. Tenants are unaware of their rights under the Fair Housing Act (FHA) and/or the Americans with Disabilities Act (ADA).
 - There is no meaningful enforcement mechanism for addressing discrimination based on sexual orientation.
 - Landlords are not familiar enough with fair housing information; such information needs to be more available (more widely publicized).
 - Reasonable accommodations for accessibility
 - Blatant discrimination on internet sites (e.g. Craigslist)
 - Traditional racial discrimination still exists, particularly in rental.
 - Mobile home parks as well as some apartments charge a premium for children.

- Yes, as related to the racial composition of the neighborhood. Obtaining replacement insurance is difficult when the replacement cost is higher than the market value.
- Predatory lending
- Craigslist.org is becoming more of a problem because it has proven to be the vehicle that people are using to blatantly discriminate against protected classes. Tracking/enforcing this has been difficult.
- There is a lack of fair housing education for those not involved in the industry; the general public is not required to undergo fair housing education.
- Finding accessible housing stock is difficult.
- The Ohio building code remains a barrier to accessibility because accessibility is voluntary.
- Shortage of multi-bedroom housing for people with children
- Accessible housing is difficult for people with disabilities to obtain, as existing accessible units are occupied by non-disabled inhabitants.
- Accessible housing often fails to be in locations where persons with disabilities can access needed services.
- At the Governors Council meeting, accessible housing or lack thereof is a constant echo of what currently prevents people with disabilities from being able to integrate within their communities. Without accessible housing, isolationism becomes the unacceptable status quo. This impediment, accessible affordable housing, continues to significantly prevent positive experiences and opportunities for people with disabilities looking to pursue their dreams, hopes and aspirations.
- People become isolated from their homes and stuck in nursing homes until such a time that a ramp or other modification to their home is able to be provided.

● **What suggestions do you have for increasing housing or homeownership opportunities?**

- Funding sources must be identified and the essential capital acquired to allow for the successful functioning of CDFIs.
- Community Reinvestment Act (CRA) products have disappeared.
- Promote and provide more Individual Development Accounts (IDA).
- Research regarding the link between homeownership and employment should be conducted. Incentives (e.g. tax breaks) should be offered to employers that are assisting employees.
- Funding (capital for lending) must be allocated for CDFIs and others that provide loans to underserved communities.
- Expand homeownership counseling.
- Identify and obtain support for IDAs and down payment/closing cost assistance programs.
- Address the bottleneck in the release of Neighborhood Stabilization Program 1 (NSP1) funds.
- Current income eligibility ceilings impede homeownership (as regards the NSP).
- Increase collaboration between government, non-profit organizations, and the community. “Stop being stuck in silos.”
- Make home purchase counseling mandatory.
- Bring back community lending and community lending products.

- Increase amount of local lenders.
- Down payment assistance programs (e.g. CHIP) work. Making these easier to access would be beneficial.
- IDAs are useful programs, but they remain under-utilized.
- Establish a community driven loan pool with local capital and/or funds leveraged and administered by organizations such as Neighborhood Housing Services (NHS) and/or Northwest Ohio Development Agency (NODA). This will better ensure decisions are made on a local level and dollars can be utilized where they are most needed. Base pricing on risk.
- Strengthen education. Offer more information on existing programs and improve coordination of available programs.
- Cultivate an understanding of the value of homeownership and the net worth it can generate.
- Engage people through churches or community organizations in financial planning.
- Create additional and further develop existing programs to assist those in the rental market to obtain and maintain affordable housing.
- Work with banks to develop good lending products and lock in interest rates.
- The Ability Center provided exactly 100 Home Modifications during Fiscal 2009 utilizing state and federal grant dollars; such programs should be encouraged and continued.
- There are too many children and young adults with disabilities who, due to a lack of access into or out of their homes, have experienced significant isolationism. We need to have more than a reactionary plan in providing opportunities to people with disabilities. Removing impediments can begin with new construction as well as existing. Creative solutions need to be initiated locally; our organization would welcome any opportunity to be part of the charge.

● **Do you see any barriers to establishing a requirement that new housing developments have a set-aside for low-income households?**

- Other residents would even rather see people occupy a home than vacant homes.
- The appearance of subsidized housing has changed to better blend in with surroundings.
- Perhaps, offering incentives to developers to include some affordable housing units would be a more proactive approach than implementing “requirements”.
- Yes. There would be a huge amount of opposition to this from housing developers and neighborhoods.
- It requires careful planning and incentives.
- Property management expenses
- Incentives for developers must exist to create mixed-income housing.
- Zoning
- NIMBYism (“Not in my back yard”)
- Building codes - reasonable accommodation regulations could impede or delay the process for group homes or developments that cater to those with disabilities.
- The state does not offer incentives or stipulate set asides; getting developers to do this voluntarily is difficult.
- Financing has to be in place for developers.

- Federal allowances for developers' fees are too low for developers to make money.
- Lack of financial incentive for developers and potential buyers
- Infill housing has difficulty generating comparables that make it worthwhile.
- The Housing Authority could acquire housing in the suburbs that has been foreclosed to create more diverse neighborhoods.
- CDCs report that more money is available for new construction than for rehab.
- NSP money is very slow to come out of the City; this could affect NSP2 or NSP3.
- Tax credit housing was a great idea, but it has not worked. In lease-to-own arrangements, houses end up being returned to developers in bad shape.
- Yes.
- The market drives this. In a declining economy/housing market, this is far easier, while in a good economy/housing market, this is a tougher sell.
- The biggest obstacle is planning. A different philosophical approach is needed to develop New Urbanist mixed-income neighborhoods.
- Attitudes - A person's property is often their most valuable, significant asset. Homeowners fear that low-income families will drive down property values. Marketing and better education will alleviate this.
- Lack of pressure from the housing market and low housing density
- When less choice exists, it is an easier sell.
- Set-asides do not have to be exclusively considered in relation to new housing development.
- More diverse income neighborhoods exist within the City.
- Design is key.
- Since low-income is not a protected class, it's more difficult to enforce measures that would ensure the economic diversity of communities.
- The "value-add" (relationships between and proximity to desirable goods, services, and amenities) is what drives property values, not who lives there.
- A failure to realize the importance of "relationships of adjacencies" (as discussed in New Urbanist discourse)

• **How do transportation issues impact housing opportunities?**

- Moving where they would prefer to live becomes more challenging for low and moderate-income families because of their need for transportation.
- Cost effective mass transit that serves peripheral areas would help to facilitate the expansion of affordable housing developments.
- Supplying additional funding for programs such as Wheels to Work would be useful.
- We should encourage and build sustainable communities that reduce sprawl.
- Automobile dependent culture
- Barriers may surface that hinder one's ability to maintain a driver's license and/or auto insurance.
- Access to suburban jobs via public transportation is limited.
- TARTA system is not user-friendly in the suburbs.
- Developers construct affordable housing near mass transit routes, but main routes are not near developable land.
- Jobs are in the suburbs, but affordable housing is in the City.

- Residents require cars in order to access major grocery stores. The central city only contains convenience stores, which lack fresh fruits and vegetables and are expensive.
- The TARTA hub system is time consuming.
- Social services are not easily accessible by means of the TARTA hub system. It takes an entire day to access services.
- People must either live close to work or have some kind of reliable transportation.
- It would be wonderful if CDCs could offer bus passes with the sale of a home.
- A home on a poorly maintained street will be difficult to sell; homes located on streets that are not plowed do not sell.
- The acquisition of housing within the TARTA service area is ineffective when the jobs are outside of this area.
- TARTA could utilize the sales tax on home sales to help provide county-wide service.
- Residents who share the negative public perception of those who use TARTA do not want its service in their neighborhood.
- Transportation hubs that permit people to drive a shorter distance, park, and make use of alternative forms of public transportation (e.g. vans, smaller buses) may be more efficient.
- Roads are unsafe for bicyclists; this issue should be addressed via long-range planning.
- Transit-oriented development (TOD) may offer solutions.
- Housing units lack access to transportation.
- The presence of sidewalks, especially ones that are in good condition, is lacking.
- Areas must be well lit.
- Expand bike trails.
- Safety concerns around bus stops discourage use and cause negative perception of public transit and users.
- If one does not have cheap transportation, he or she must live close to where the jobs are.
- Cheaper home values in the suburbs foster flight.
- TARTA is shrinking its service areas on some routes; a person may be able to get a bus to work in the morning, but not on the way home.
- Weekend availability is also limited.
- Infrastructure and maintenance costs (for highways, sidewalks, bridges, etc.) that cater to suburban development are a drain on the County and City; this takes money away from general fund projects.

● **Have you encountered any zoning problems in your attempts to secure housing or assist others in securing housing?**

- Yes.
- Opposition to new subsidized developments and to group homes is commonly expressed. Moreover, the special use permitting process and requirements in relation to group homes produce additional obstacles.
- Those desiring to refinance predatory loans are unable to because the parcel(s) (especially near the central city) are zoned commercial or industrial, not residential.
- “Zoning is terrible.”
- Rules for subdivisions are arcane.
- The site engineering required for utilities also presents problems.

- The City may want to foster affordable housing, but the utility commission has made it nearly impossible.
- Zoning that varies among adjacent parcels, particularly amid 30 foot lots, generates a cost-prohibitive situation. One must combine lots in order to build a house of reasonable size, and multiple parcels have to be rezoned if one desires to establish a subdivision.
- Brownfield issues can be rooted in inflexible, rigid zoning.
- A more pro-development attitude from City Hall would be helpful.
- Some developers are “more equal” than others.
- Vacant buildings are often better than permanently downgrading the neighborhood (e.g. through the increasing prevalence of convenience stores).
- Variances should be avoided when there is an adopted community plan.
- The City should be sure to follow up when developers make promises so that they are enforceable. For example, Kroger promised not to close the Manhattan store when the Suder store was opened, but Kroger closed the store anyways.
- Any developer seeking tax breaks should link development back to the broader community.
- We have to be thoughtful when this (i.e. economic downturn) is done, so we avoid discouraging development and business.
- Zoning does not match the actual land use (e.g. commercial or industrial instead of residential), which also affects insurance coverage. FHA will deny a loan if the land use fails to match the zoning of the property.
- Residential density provisions inhibit mixed-income housing opportunities.
- Building, housing, and rehab codes stipulate that homes be brought up to code when rehabilitating. Efforts funded by a variety of sources, each with its own individual requirements, experience further difficulty.
- The presence of exclusionary zoning is especially evident in outlying areas; there have been issues with communities not allowing the development of low-income housing.
- NIMBYism continues to be problematic.
- Zoning regulations for special use housing impede ability to provide such housing options. In the City, having more than three unrelated people living together is a code violation.
- The zone change process (i.e. special use permits) is very adversarial and should be modified so as to become more of a community partnership process.
- Zone change hearings should meet at times that are convenient for working people.

- **Over the years the City of Toledo has lost a significant portion of its population to the suburbs. What factors do you see contributing to this trend? What can be done to stop this trend?**

Contributing Factors:

- Crime is rampant; people have to feel safe. This also affects insurance rates.
- Toledo Public Schools (TPS) – The perception of some schools, even those residing within the same district, is better; this is especially true for those schools that are located in outlying areas.

- The city does not distinctly exemplify a clear divergence from the suburbs. Trying to replicate the suburbs in the city is not the right solution.
- People may be unaware of alternative schooling options (e.g. charter schools and schools for the arts).
- The suburban aura of safety attracts residents.
- City residents may feel as though they are being taxed proportionally more and receiving less for it.
- People who have left have had the economic means requisite to do so. Those with 90-130% of the Area Median Income (AMI) can find housing outside of the City. Many of these families, who could not afford to leave previously, now can, and it's troubling for those left behind.
- "Three things, for sure: Concerns about schools, crime (and the fear of it), and economic concern (property values)" have contributed to the suburbanization of the population.
- More employment opportunities exist outside of the city.
- Housing stock fails to be maintained, which results from the lack of enforcement of housing codes.
- The public tends to have a negative perception of the safety and quality of Toledo schools. Such views are a mask for racism and lead to white flight.
- Jobs
- Current discourse in City government reinforces already unfavorable perceptions.
- The Toledo Blade's coverage helps shape these perceptions because it tends to target certain neighborhoods.
- Overall age of housing stock in the City and a lack of funding for rehab
- Amenities such as grocery stores are absent or severely lacking. These establishments close locations in the City and open others in the suburbs.
- Communities are not walkable enough.
- The City is not perceived as business-friendly.
- The federal tax incentive for current homeowners to move invites suburban flight.
- Housing appreciation is higher outside of the city.
- The perception of many is that the TPS school system is terrible.
- There is a perception that crime is higher in the city than in surrounding suburbs.
- There is a shortage of jobs in the city, especially regarding entry-level and/or lower-skill positions as well as those in the service industry.
- Residents of the city are not held accountable (for violating codes meant to uphold the character, appearance, health, and safety of the neighborhood).
- There is little or no City pride.
- The Toledo Blade furthers cynicism in its reporting.
- As a consequence of the foreclosure crisis, the affordability of the suburbs has improved.
- The media are killing us; they incite fear.
- Developers' risk insurance is excessive, and developers do not want to build in the central city.

Recommendations to stop this trend:

- The City must even address small issues such as those associated with the Leap Forward trash initiative.

- Toledo needs to be cleaned up and exhibit an improved aesthetic.
- The city should aim to be urban and different and accentuate its uniqueness. Neighborhood identification should be embraced and developed as part of a broader effort to celebrate what is good and distinctive.
- Bring employers back into town.
- Bring in new people that do not have preconceived notions concerning Toledo.
- Provide amenities downtown.
- Attract employers that actually employ people who live within the city, particularly those residing in the neighborhoods.
- Quickly and efficiently address vacancy through redevelopment and demolition.
- The City should pinpoint resources and orchestrate them so as not to operate in silos.
- Work together in order to maximize the impact of efforts and to increase Toledo's ability to compete in the national arena.
- Adopt a pro-development, pro-job creation attitude.
- "You can't work with City Hall, and you can't work without City Hall."
- If the perception was more positive, investors would want to work in the City, rather than in the suburbs.
- Understand that the demographic is changing. Make the housing stock appeal to buyers by offering diverse housing choices for empty nesters and young professionals. Investors can rehab to meet needs of buyers (e.g. larger closets).
- Give tax incentives to stay in the city.
- Offer creative incentives such as a free college education to those that live within the city limits (e.g. Kalamazoo, MI).
- TPS should aim to improve its public relations. Statistics for suburbs and inner-city schools should be "apples-to-apples."
- TPS must better market its strengths and stabilize its educational system.
- Address issues listed above (factors contributing to exodus to suburbs).
- People have to demand positive changes.
- Stop subsidizing the suburbs (e.g. sheriff, water tax).
- Communities need to demand amenities such as grocery stores.
- Developers and City need to work together.
- The City can and should create an environment agreeable to development and new housing opportunities.
- Offer tax abatements.

● **In recent years, the Hispanic/Latino population has increased tremendously; do you think the housing needs of this community are being met?**

- HMDA data demonstrate that Hispanics are being denied at a greater rate.
- Language impediments exist.
- No.
- Immigrants are required to supply documentation.
- Outright discrimination occurs.
- There is a lack of diversity among title companies, banks, the BMV, doctor's offices, etc.
- Transportation to and from services is inadequate.

- The community tends to seek and obtain financial resources outside of mainstream lending institutions; many do not participate in banking activities or regularly bestow their patronage upon a particular bank.
- There are not enough bi-lingual services.
- A lot of mistrust is present due to immigrants' documented status. The community tends to avoid situations that might require the production of these documents.
- Cultural pride keeps this community from seeking assistance when needed, specifically in financial matters like foreclosure. They are often unwilling to share personal information.
- The community commonly satisfies its own housing needs. Multi-generational family units and extended family units live together in the same houses and/or neighborhoods.

● **Are immigrant populations as a whole getting their housing needs met? What Challenges do you see in trying to help new immigrants obtain housing?**

- Education – Immigrants unfamiliar with processes such as banking, credit, and budgeting have a need for assistance.
- Language is a barrier.
- Trust is a factor. Hispanic-serving advocates do not typically express trust toward other non-profits.
- Toledo is not currently culturally receptive. The city can begin to amend this by making information available in multiple languages.
- Toledo is a diverse, multi-ethnic city and should promote itself as such.
- Transportation issues
- The level of comfort that immigrants have in seeking services varies, but frequently presents a challenge.
- The undocumented exhibit a fear of deportation. Immigrants are afraid to participate in the Census.
- For migrant workers, housing conditions (e.g. sanitation, health and safety) are deplorable.
- Cultural customs deter people from seeking assistance.
- Discrimination against immigrants from the Middle East is widespread.
- Printed materials need to be translated into multiple languages.
- Differences in household structure might be affected by zoning and occupancy standards, particularly in circumstances involving the co-habitation of unrelated individuals.
- Lack of jobs
- This depends on how a person immigrates and what resources one arrives with. For example, undocumented individuals have needs distinct from those who are documented.
- Persons who immigrate legally have fewer challenges than those who immigrate illegally.
- Immigrant students must have \$10,000 in the bank (a condition owing to their student status).

● **What are some agencies that are friendly and helpful in servicing new immigrant and minority populations?**

- International Institute
- United Way (2-1-1)
- New Providence (Aurora Gonzalez)
- Farm Labor Organizing Committee (FLOC)/Farm Labor Research Program (FLRP)
- Hispanic Chamber of Commerce
- Catholic Charities
- Islamic Center
- Adelante, Inc./The Latino Resource Center (domestic violence, translations, food pantry, pregnant women, kids, housing counseling, workshop for home purchase, financial training, transportation, holiday baskets, taxes, mentoring, etc.).
- Advocates for Basic Legal Equality, Inc. (ABLE) (migrant farm worker, immigration matters, employment, housing conditions, taxes, etc.)
- The Lutheran community worked with people who emigrated from Southeast Asia.
- Toledo Fair Housing Center (FHC)
- Neighborhood Housing Services of Toledo, Inc. (NHS) (bi-lingual services in financing, weatherization, employment and housing)
- Legal Aid of Western Ohio, Inc. (LAWO)
- Toledo NAACP
- Viva South Toledo CDC
- Ohio Civil Rights Commission (OCRC)
- Aurora Gonzalez Community Center
- The Providence Center for Social and Economic Empowerment
- Korean and Chinese Churches
- Asian Resource Center
- Mosques

● **What impact has the foreclosure rate had on our community?**

- Property values have dropped (many drastically).
- It has been a deterrent to job growth and development.
- There has been a loss of ancillary services and amenities (e.g. barbers, grocery stores, and other neighborhood businesses).
- Homelessness has become more prevalent.
- Safety forces, such as fire and police, are strained.
- It creates abandoned and blighted properties, which impacts the ability of surrounding homes to acquire insurance.
- Crime and arson have increased.
- Homeownership rates have declined.
- It encumbers the court system.
- It has resulted in the attenuation of individual and community wealth; people having fears of losing their homes; declining house values, property values, and tax revenues for the City and County. It has given rise to a new form of investor (i.e. “bottom feeders”); these speculators now participate in a bulk of real estate sales, causing an artificial depression of real estate values.
- The foreclosure rate has generated instability and inconsistency in the value of foreclosed as well as adjacent properties; this further undermines the chance to reverse this trend.

- Insurance premiums have risen.
- Foreclosure rescue scams have emerged.
- Renters' general level of stress and fear has intensified because they do not know if they will be evicted.
- It has increased the amount of vacant property.
- It places additional stress on the court system and sheriff's department.
- Demand in the rental market has grown.
- Fewer people can obtain housing because of credit blemishes related to foreclosure.
- Neighborhood blight
- Arson and its effect on the neighborhood
- Increased rates on PMI
- It has caused a shift from homeownership to rental.
- Drastic decline of credit scores
- It has generated a potential increase in land contract and/or seller financing deals (e.g. lease-purchase).
- A diversion of resources by and to social service agencies that are trying to assist those in foreclosure has ensued.
- Individuals and agencies suffer feelings of desperation and despair.
- Home values have plummeted, diminishing personal wealth.
- It has decreased the tax base, affecting the schools and services.
- Insurance rates go up if there's a foreclosed home next door.
- A premium is placed on some mortgage products due to "Declining Markets."
- The decrease in tax revenues markedly affects TARTA.
- It destabilizes neighborhoods.
- It is demoralizing.
- The need to change school after foreclosure upsets children.
- Vacant homes foster crime.

● **What be done to help with the foreclosure problem?**

- Create jobs.
- Lenders need to provide assistance starting at the base, beginning on the scale of local jurisdictions; they must offer people the ability to modify loans in an honest effort to keep people in their homes.
- Lenders need to work harder on loan modifications.
- Educate the public on where to get (free) help.
- Amend the bankruptcy act that was passed with the last administration, as it is punitive and protects creditors over borrowers.
- Utilize the tax incentives and advantages offered via the foreclosure forgiveness program (Mortgage Forgiveness Act) to help preserve credit and devise satisfactory solutions.
- Advance financial education for homeowners.
- Adopt a different approach to handling financial matters pertaining to the middle class.
- Strengthen controls on the types of lending products permitted regarding homeownership to avoid the incidence of predatory loans.
- Increase pressure from federal government to comply with modification programs.
- Broaden programs to include more families.

- Make loan capital available to non-profit lenders to help with the re-financing of low-income borrowers.
- Offer foreclosure counseling.
- Establish a local neighborhood stabilization program that includes both loan capital and resources to assist people whose homes are undergoing foreclosure, rather than waiting until the foreclosure process has transpired.
- Allow counties to create land banks in order to curb the destabilization.
- Allow more efficient sale and nuisance abatement of post-foreclosure properties.
- Provide more funding for housing counseling, especially as the foreclosure problem leaves the headlines.
- Even though the foreclosure issue is national, regional issues that affect the nature of the foreclosure crisis also must be recognized.
- The Making Home Affordable program is not conducive to Midwest and/or urban areas.
- Institute a moratorium on foreclosures.
- Banks need to buy in to remediation programs and become part of the solution.
- Discourage abandonment; property values have dropped so much that a considerable gap now often exists between the actual value of homes and the outstanding mortgage debt (upside-down/underwater).
- Improve education about the processes of foreclosure and short sale.
- Better financial education beginning in high school.
- Make information more widely available through the mass media.
- Neighborhood Stabilization Program
- Financing
- The job market has to recover.
- Health Care
- There needs to be a comprehensive federal mandate for loan modification that works better than the Making Home Affordable program.
- Institute interest rate caps.
- Restore liquidity in the market.
- Provide more local solutions.
- Decrease the amount of housing stock within the City, which will drive up demand.
- Demolish vacant properties.
- Enhance land banking programs.

• **What ideas do you have for creating diverse and inclusive neighborhoods throughout the City?**

- Organize programs that evaluate rental stock and create standards. Clean up properties owned by absentee landlords, so they no longer lower the value of surrounding owner-occupied housing. Implement physical standards regarding the upkeep and maintenance of rental properties.
- Introduce “Dumpster Days” to allow residents to clean up.
- The City should sponsor events that allow neighbors a chance to get to know each other and further inclusion and diversity.
- Ensure funding is available for the Board of Community Relations (BCR) to help promote inclusion and diversity in neighborhoods.

- Encourage and celebrate diversity through TPS.
- Organize ethnic festivals.
- Promote neighborhoods in a more positive manner.
- Create “Neighborhoods of Choice” through good design and planning on a scale that is both transformational and sustainable. Offer incentives to buyers and developers such as tax abatement and other economic benefits.
- Establish a scholarship fund for TPS students for higher education (Kalamazoo has a similar program).
- Improve the quality of public education in low-income and affordable neighborhoods.
- Improve the perception of public education (e.g. Start High School is rated very highly, but is still perceived unfavorably).
- Eliminate bureaucratic red tape.
- Replicate the diversity and inclusiveness of communities such as the Old West End, Old Orchard, Westmoreland, and Birkhead Place. Recognize that the strength of these neighborhoods lies in their interesting homes, green space, well-maintained housing stock, engaged residents, and sense of community.
- In order for a neighborhood to thrive, it must offer amenities, jobs, safety, mixed-use housing, and transportation. In order to draw people back, incentives must be present, even if they are not monetary.
- Develop senior communities based on income; this will bring more families.
- LMHA and CDCs need to provide more mixed-income housing, but they also must ensure that the scattering of such housing sites occurs in both directions (i.e. low-income units incorporated into traditionally wealthier communities as well as wealthier housing incorporated among affordable housing).
- Revitalize CDCs and encourage the community advocacy that has suffered in the last few years.
- Provide board training for neighborhood organizations, including Block Watch programs.
- Develop and advance New Urbanist projects.
- The City needs to consolidate large tracts of land for sale and development (e.g. the old Jeep plant site).
- Take a proactive approach to ensuring that neighborhoods are racially and economically diverse through preferential financing.
- Offer incentives.
- Initiate an urban homesteading program.
- A true sense of community will to achieve this.
- Conduct a mayoral housing summit.

• **Do you feel there are other groups of people who should receive protected class status? If yes, who and why?**

- A person should not be discriminated against based on his or her source of income. Landlords currently can deny someone if he or she is unemployed and/or is on Social Security. A person may have a stable source of money, but such finances may not be from employment.
- Sexual orientation should be included on the federal and state levels.

- Re-entry is a barrier. (There was significant discussion regarding whether this should be considered a protected class or simply a barrier. A discussion also occurred regarding the completion of rehabilitation programs.) Tiered rentals and transitional housing should be made available for people coming out of prison. Distinct criteria should exist for different offenses.
- The aging population
- Appearance
- Toledo needs to expand point of sale ordinance inspection to include rental market.
- A landlord-tenant mediation agency is needed.
- University housing policies that relate to LGBT students and co-ed housing on campus should be examined.
- Age. Young urbanites are denied housing based on age.

• **Are there any other issues you feel need to be addressed in the Analysis of Impediments?**

- HUD's Fair Market Rent is unrealistic for what a client should be making; this creates barriers to the homeless obtaining housing.
- A strong defense of the Community Reinvestment Act should be included.
- The need for a landlord-tenant agency should be recognized; perhaps, a recommendation that such an agency be CDBG funded could also be advanced.

CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES

In order to be considered to be affirmatively furthering fair housing (AFFH), jurisdictions seeking federal funds generally have to do the following:

1. Conduct an analysis to identify impediments to fair housing choice within the jurisdiction.
2. Take appropriate actions to overcome the effects of any impediments identified through the analysis.
3. Maintain records reflecting the analysis and actions taken in this regard.

HUD specifies those more general aims to include that a jurisdiction:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin.
- Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

HUD also clarifies that the aforementioned “obligation [to affirmatively further fair housing] is not restricted to the design and operation of HUD-funded programs at the state or local level. The AFFH obligation extends to all housing and housing-related activities in the grantee’s jurisdictional area whether publicly or privately funded.”¹⁴

Accordingly, a discussion of the current public and private fair housing programs and activities is both relevant as well as valuable in an effort to achieve the objectives above. By reflecting on how agencies, organizations, and others currently endeavor “to promote non-discrimination and ensure fair and equal housing opportunities for all,” the following review may reveal the strengths and success of efforts already being undertaken as well as areas requiring further attention, devotion of resources, and/or a different approach in order to provide effective treatment. Specifically, this section addresses the ways in which the public and private organizations that play the most significant role in fair housing independently and collaboratively attempt to achieve the second objective to AFFH.

¹⁴ Department of Housing and Urban Development: Office of Fair Housing and Equal Opportunity. The Fair Housing Clearinghouse. United States. *Fair Housing Planning Guide*. Circle Solutions, Inc., 1996. Web. 18 Jan 2010. <<http://www.hud.gov/offices/ftheo/images/fhpg.pdf>>.

The Toledo Fair Housing Center, which primarily serves the Toledo metropolitan area, works to attain the goals of fair housing and fair lending. As the mission of the Toledo Fair Housing Center clearly states:

The Fair Housing Center is a professional, non-profit, civil rights agency dedicated to the elimination of housing discrimination and to the expansion of neighborhood choice for all persons. It strives to ensure equal opportunities and access to housing, neighborhoods, public accommodations, lending and insurance. The Center provides education, advocacy and enforcement, and it helps to shape public policy.

The Fair Housing Center approaches fair housing in a holistic manner by providing education and enforcing fair housing laws. The mission of the Center is carried out through a variety of efforts. The Center conducts multiple educational outreach programs, provides housing counseling services, advocates for the rights of victims, investigates and litigates allegations of housing discrimination, and facilitates neighborhood tours. An outline of the Center's current activities and services follows.

Consumer Complaint Assistance-

- Advocating for persons whose rights have been violated
- Influencing public opinion about fair housing through education
- Investigating allegations of housing discrimination
- Providing technical assistance with housing related inquiries
- Mediating complaints
- Testing complaints
- Referring consumers to other agencies for assistance when appropriate
- Filing complaints (administrative and legal)
- Enforcing fair housing laws
- Resolving complaints (complaint redress)
- Monitoring complaints

Education and Outreach-

- Providing technical assistance to consumers, housing providers, and others
- Assisting with senior housing certification
- Distributing fair housing materials
- Conducting affirmative marketing programs
- Sponsoring neighborhood tours for housing industry professionals
- Training people to become testers
- Operating a resource library for members of the National Fair Housing Alliance

Disability Services-

- Compliance with Section 504 of the Rehabilitation Act
- Fair housing compliance
- Technical assistance
- New construction compliance
- Accessibility compliance
- Provision of interpreter and transportation for FHC programs

Research-

- Fair housing impediments analysis
- Home Mortgage Disclosure Act analysis
- Lending analysis
- Auditing
- Conduct investigations and studies to determine the nature, level, and effects of discrimination and segregated housing practices
- Fair housing planning

Training and Consulting Services-

- Fair housing training programs on laws, OCC standards
- Continuing Education for REALTORS® and other housing industry professionals
- Counsel and inform businesses and organizations on all aspects of the fair housing laws, including lending, appraisal, rental, sales and insurance
- Cultural diversity training

Fair Lending and Insurance-

- Community Reinvestment Act activities
 - Increasing investment in urban areas
 - Increasing access to credit
 - Monitoring lending activities
 - Monitoring fair employment standards
- Monitoring industry compliance with fair housing laws
- Investigating complaints
- Researching insurance practices
- Expanding insurance activities
- Assisting homeowners in obtaining insurance
- Increasing consumer awareness
- Enforcing the Equal Credit Opportunity Act
- Analyzing Home Mortgage Disclosure Act data
- Monitoring secondary mortgage market and appraisal market

Counseling-

- Credit Counseling
- Foreclosure Prevention

Legal Assistance-

- Legal revolving loan pool
- Attorney referrals

While the above list provides a useful overview of the programs and activities of the Toledo FHC, supplementary detail regarding some of these efforts is also helpful to better understand the actions the agency takes in order to affirmatively further fair housing.

As the Toledo Fair Housing Center recognizes the value of education and outreach as, perhaps, the most proactive way to begin eliminating the occurrence of impediments and discriminatory practices, the agency regularly provides an assortment of instructive resources, available in a variety of media. Printed materials are available through the office, and, for those with internet access, the Center's website features information for consumers and housing providers; answers to frequently asked questions; details concerning the Center's programs and achievements; tools for consumers such as the loan shopping sheet and a list of ways to ascertain whether discrimination has transpired; electronic files of publications; helpful links regarding housing matters and discrimination codes and statutes; and data, presentations, and other reference materials relating to foreclosures.

The Center also advertises and promotes its activities and programs via television, radio and newspaper communications; the Center's staff has also appeared on community affairs programs. The Center estimates that over 1.8 million people are reached annually through these forms of advertising and promotion, including the same persons being reached multiple times through a variety of media outlets. With every activity the Center participates in, it makes its existence known more broadly and continues to disseminate information that raises awareness and understanding of fair housing issues as well as the organizations that aim to address these barriers to making equal access for all a reality.

While the website, printed materials, and publicity via mass-media certainly have their utility, the Center also utilizes more active approaches to better cultivate an awareness and understanding of matters relevant to the attainment of equal access to housing for all. Thus, the Center offers a variety of programs and aids to help housing providers and the general public recognize discriminatory real estate, rental, lending and insurance practices, which include role plays, slide presentations, lectures and video tapes; those interested in making use of these services may obtain information about and/or make arrangements for them by simply contacting the Center. In addition, the Center also holds several classes such as the "Fiscally Fit" money management and credit training, which are requirements of the emergency mortgage assistance programs; the Center also offers an orientation course as part of the Restoring the Dream Predatory Lending Remediation Program.

The Center's educational outreach programs during the Fiscal Year 2008-2009, in particular, included trainings conducted for testers as well as those performed for a broad array of constituents, which encompassed the following groups: Holland Village Council, Fifth Third Bank, the YWCA, Wood County Board of REALTORS®, the Ability Center of Greater Toledo, Home Aid of Wood County, Children and Family First of Wood County, Toledo Board of REALTORS®, Ohio Reinvestment Institute Alumni Association, Mom's House, Home Remodelers' Association, Lucas Metropolitan Housing Authority, Whitehouse Village Council, The Press, Getting Connected at the Lucas County Library, Springfield Township Trustees, apartment-managing members of the Home Builders Association, Miller Valentine, Danberry Company, Wood County Apartment Association, and the Sylvania City Council.

Resource booths were staffed for the following: Foreclosure Workshop sponsored by Congresswoman Marcy Kaptur, the Toledo Zoo for ADA Day, Bowling Green State University, Martin Luther King, Jr. Day at the University of Toledo, Owens Community College for National Consumer Protection Week, the Joint Utilities Commission, among others. Approximately 1,329 people were reached through trainings, and over 8,000 additional people were reached through resource booths.

Since the Center also acknowledges the need for ongoing education of its staff, members of the Toledo FHC attended workshops and training seminars sponsored by the following: NeighborWorks, National Foreclosure Mitigation Counseling Program, Owens Community College, Congresswoman Marcy Kaptur, The U.S. Department of Housing and Urban Development, Home Builders Association, Northwest Ohio Development Agency (NODA), the Kirwin Institute, the Ohio Housing Finance Agency, Housing Research and Advocacy Center, Fifth Third Bank, FreddieMac, Benevon, National Fair Housing Alliance, Federal Reserve Bank of Cleveland, Association of Fundraising Professionals, the Center for Non-Profit Resources, and Bowling Green State University's Safe Zone project.

The Center also has co-sponsored a number of tours, including the annual neighborhood tour in September of 2008 with the City of Toledo's Department of Neighborhoods entitled, "Going, Going Green." The tour included continuing education credit for REALTORS®. Approximately 75 housing industry professionals attended the tour, which introduced them to the revitalization efforts occurring in Toledo's urban neighborhoods. The tour was part of the "Erase the Hate" campaign, designed to promote cultural diversity and foster relations among people of different racial, ethnic and religious backgrounds.

The Toledo Fair Housing Center, along with the Toledo Board of REALTORS® and the City of Toledo's Department of Neighborhoods, also sponsored a tour in October 2009 showcasing a variety of Toledo's communities, including areas that will be the focus of the Neighborhood Stabilization Program (NSP). Approximately 70 housing industry professionals, representing real estate, title and insurance companies, community development corporations, neighborhood associations, city officials, fair housing advocates, and lenders attended the tour. Those in attendance expressed interest in learning more about and becoming involved with the positive changes taking place in Toledo's core city neighborhoods.

The Center has had to redouble its efforts in the area of Foreclosure Prevention since the preparation of the previous Analysis of Impediments. With the expansion of the problem came a dire need for more intense collaboration and dedication of resources. The Center is attempting to meet the challenges posed by the current economic conditions by participating in programs integral to the mitigation of the foreclosure crisis plaguing its service area. Through the federal “Making Home Affordable Program,” the “Hope for Homes” Campaign, the “Restoring the Dream” program, and the Emergency Mortgage Assistance programs, the Center aims to keep families in their homes, while also attending to instances of predatory lending.

Specifically, the “Making Home Affordable Program” helps families set an affordable mortgage payment by lowering borrowers’ housing-related expenses to 31% of gross monthly income and providing incentives for making payments on time. The Center also launched the “Hope for Homes” fund raising campaign in 2009 with a goal of \$10,000 to help support the programs of the Center aimed at foreclosure prevention and predatory lending remediation. One of these programs, “Restoring the Dream,” is a predatory lending remediation program made possible via a partnership formed between the Fair Housing Center, Northwest Ohio Development Agency (NODA), and Fannie Mae®; “Restoring the Dream” helps consumers keep their homes by providing alternative financing to borrowers who may have become victims of abusive mortgage lending practices. Finally, the Toledo Fair Housing Center also operates Emergency Mortgage Assistance programs. Funds for this program have been provided by the Department of Jobs and Family Services in the past; the Center currently receives funding from the Federal Home Loan Bank and the Community Development Block Grant Recovery Program (CDBG-R). The CDBG grant that is administered by the City of Toledo provides mortgage rescue funds for foreclosure prevention in the city of Toledo. Currently, the Center, in partnership with the City of Toledo, administers this program, which supplies emergency mortgage grants to qualifying homeowners in amounts up to three months of delinquent principal and interest.

Community Reinvestment Act Activities-

The Center's work under The Community Reinvestment Act has resulted in countless benefits for Toledo's central city neighborhoods. Some of these benefits have included:

- The renovation, building and retention of central city bank branches;
- Six Community Reinvestment Act Agreements, which included provisions for expanded services, incentive lending products, fair housing and equal employment opportunities;
- Below-the-market interest rate mortgage loans, down-payment assistance programs, and other incentive loan products, which became available from the vast majority of banks in Northwest Ohio; and
- Loan products which better meet the needs of low and moderate income citizens.

Although some rather hastily claimed that the CRA was to blame for the recent financial meltdown, the Center maintains its position that, with more and more lending institutions merging, downsizing or closing altogether, the need for CRA is more important than ever. Currently, HR1479, the Community Reinvestment Act Modernization Act of 2009 and HR3126, which is the call for the establishment of a strong Consumer Financial Protection Agency, are slated for legislative action. A recent publication by HUD Office of Policy Development and Research entitled “A Report to Congress on the Root Causes of Foreclosure” also strongly refutes the false claims that CRA was the cause for the subprime meltdown.

The Center initially voiced its public support for these bills, since HR1479 would, among other things, require lenders to offer traditional fixed rate mortgages, expand CRA to mortgage companies and credit unions, and protect low income and minority borrowers. Likewise, the Center favors the passage of HR3126, as it would give the Consumer Financial Protection Agency the power to enforce CRA. Considering the recent failure by the traditional regulators to protect consumers, the time for the establishment of this agency has arrived.

Having said this, the Center is concerned that Senator Dodd’s bill on financial reform weakens President Obama’s proposal for a strong Consumer Financial Protection Agency. Fair housing advocates, including the National Community Reinvestment Coalition (NCRC) and the National Fair Housing Alliance (NFHA), are particularly disappointed that CRA coverage has been removed entirely from Senator Dodd’s original bill and has been left in the hands of the bank regulatory agencies. Recently, NCRC members were informed that in the current iteration of the bill, the proposed Consumer Financial Protection Bureau (CFPB) will only be able to enforce laws against roughly 110 banks, while the remaining 8,000 or so will be covered by the existing bank regulatory agencies. In spite of calling CFPB independent, there are layers of cooperation it must receive from bank regulators when it issues rules and tries to enforce them. Housing CFPB in the Federal Reserve and having Federal Reserve oversight of its budget further entrenches CFPB in the regulatory agencies and works against its independence. As a matter of fact, the Financial Oversight Stability Board, comprised of existing regulators, has veto power over the rules created by the CFPB. As it currently stands, the Center feels that Senator Dodd’s bill must be strengthened if it is to be effective.

Enforcement Activities

Enforcement referrals

Based on a review of the available evidence, the Toledo FHC may suggest to complainants that the Center assist them in filing a complaint for enforcement. When it is determined that probable cause exists, TFHC will refer the complainant to the Department of Housing and Urban Development (HUD) when HUD has jurisdiction. Where it is determined that probable cause does not exist, based on TFHC investigation, the complainant may be referred to an appropriate agency without further TFHC involvement.

Enforcement referrals may be made to:

- The Ohio Civil Rights Commission (OCRC)
- The Department of Housing and Urban Development (HUD)
- A private attorney for legal options such as filing a complaint in Common Pleas or federal district court
- The TFHC's legal assistance program
- The United States Department of Justice

Pre-referral Activity

Before referral, a case must be assessed to ensure that the appropriate information has been collected and is contained in the file, and all case notes must be up to date. The referral must be discussed with the Enforcement Director and/or the President/CEO. At that time, a decision will be made about whether the individual complaint will be referred, or whether there are also sufficient grounds for a complaint to be filed by the TFHC. A complaint may be filed by TFHC when action is needed to protect its mission and/or to remedy organizational injuries which occurred as a result of the claimed discrimination. In such cases, TFHC is authorized to file a complaint with approval by the President/CEO to seek damages and other relief caused by discriminatory conduct.

Where appropriate, the complainant may request that the enforcement agency or attorney treat the TFHC as her/his fair housing representative, and address communications relating to enforcement exclusively, or by copy, to the TFHC. In these situations, the investigator should discuss the representation issue thoroughly with the complainant and secure the complainant's signature on a letter or representation form that will be used to advise the agency or attorney of the complainant's request. If a representation form is on file, it is particularly important that the TFHC be actively involved in post referral monitoring since the TFHC may be involved in further investigation, communications about enforcement, and in settlement negotiations with or on behalf of the complainant.

TFHC staff should generally assist the complainant by explaining the enforcement process, the possible remedies that can be sought, and the time frame in which enforcement might occur. Each complainant makes the final choice regarding enforcement options and complaint resolution. If the complainant decides to seek enforcement, TFHC staff should provide further assistance by drafting a complaint on the appropriate form and by preparing a referral letter, which will be mailed or faxed to the appropriate agency. A copy of the complaint form and letter, as well as confirmation correspondence should be kept in the case file.

Most cases referred for enforcement will be referred to the OCRC because of the current referral relationship that the OCRC has with HUD.

Cases may be referred to HUD if they involve allegations of systemic discrimination, or if they are to be filed against a federally assisted housing provider; the case may involve claims under Section 504 of the 1973 Rehabilitation Act (disability), race or national origin (Title VI of the 1964 Civil Rights Act), or other civil rights laws. Cases that require injunctive relief may be referred to OCRC or HUD, which will then take further action to determine where injunctive relief may be warranted. Cases where the evidence strongly suggests that there is a pattern and practice of discrimination, where there is recent unresolved activity, and where the circumstances might justify direct federal enforcement intervention may be referred to the Department of Justice. Litigation should be considered as a viable option where there is strong evidence pointing to discrimination, other enforcement activity in other jurisdictions on similar issues, a novel or unresolved issue of law which legal counsel suggests could be developed, or other similar grounds.

Of course, Toledo FHC could not effectively perform its activities to affirmatively further fair housing without the dedication, cooperation, and auxiliary resources of its public partners. Most notably, the Center's programs and activities involve collaboration with the Office of Fair Housing and Equal Opportunity (FHEO) on the federal level and the Ohio Civil Rights Commission (OCRC) on the state level.

The FHEO "administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice." The FHEO's specific tasks entail the implementation and enforcement of the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968. Furthermore, the FHEO's activities also include:

- Oversight of the Fair Housing Assistance Program, directing the award and management of Fair Housing Initiatives Program grants, and advancing fair housing legislation;
- Collaboration on fair housing matters with other government agencies;
- Evaluating and providing feedback on Departmental clearances of proposed rules, handbooks, legislation, draft reports, and notices of funding availability for fair housing affairs;
- Interpreting policy, processing complaints, performing compliance reviews and offering technical assistance to local housing authorities and community development agencies regarding Section 3 of the Housing and Urban Development Act of 1968;
- Ensuring the enforcement of federal laws relating to the elimination of all forms of discrimination in HUD's employment practices;
- Conducting oversight of the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac, to ensure consistency with the Fair Housing Act and the fair housing provisions of the Federal Housing Enterprises Financial Safety and Soundness Act; and

- Working with private industry, fair-housing and community advocates on the promotion of voluntary fair housing compliance.¹⁵

The Center also shares a valuable association with the Ohio Civil Rights Commission (OCRC). The OCRC was established in July 1959 by the Ohio Legislature. The powers, duties, jurisdiction, practices and procedures of the Commission are specified in Section 4112 of the Ohio Revised Code. With Governor George Voinovich’s signing of House Bill 321 into law in 1992, amendments to the classes of persons protected by the Ohio Fair Housing Law and a considerable expansion of the OCRC’s enforcement powers transpired. In accordance with state and federal fair housing law, the OCRC carries out its charge “to receive, investigate, render formal determinations, and conciliate charges of unlawful discrimination in the areas of employment, housing, public accommodations, credit and institutions of higher education.”¹⁶ With regards to possible cases of discrimination, a description of the Commission’s procedures along with a decision tree illustrating the overall process and possible outcomes are included below.

The primary function of The Ohio Civil Rights Commission is to enforce state laws against discrimination. OCRC receives and investigates charges of discrimination in employment, public accommodations, housing, credit and higher education on the bases of race, color, religion, sex, national origin, disability, age, ancestry, familial status, and/or military status. The Commission has statutory authority to:

- initiate investigations of discriminatory practices;
- formulate policies to effectuate the purposes of Section 4112 of the Ohio Revised Code, and make recommendations to agencies and offices of the state or local subdivisions of government to effectuate such policies;
- make periodic surveys of the existence and effect of discrimination because of race, color, religion, sex, national origin, handicap, age, ancestry, familial status or military status on the enjoyment of civil rights by persons within the state;
- receive progress reports from agencies, instrumentalities, institutions, boards, commissions, and other entities of this state or any of its political subdivisions and their agencies, instrumentalities, institutions, boards, commissions, and other entities regarding affirmative action programs for the employment of persons against whom discrimination is prohibited;
- prepare a comprehensive educational program, in cooperation with the Ohio Department of Education, for the students of Ohio’s public schools and for all other residents of Ohio that is designed to: eliminate prejudice on the bases of race, color, religion, sex, national origin, handicap, age, ancestry or familial status, further good will amongst those groups and emphasize the origin of prejudice against those groups and its harmful effects.

¹⁵ Source: <http://www.hud.gov/offices/fheo/aboutfheo/aboutfheo.cfm>

¹⁶ Source: <http://crc.ohio.gov/history.htm>

The Ohio Civil Rights Commission follows a proactive approach in education, training, and the dissemination of publications to better educate and inform Ohioans about their civil rights. The OCRC also has connections by contract or established relationship, with a variety of private, state and federal organizations such as the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD). The Civil Rights Section of the Attorney General's Office litigates discrimination cases on behalf of the Commission. However, the Attorney General's Office does not represent the person making the allegation of discrimination.

Anyone who lives or works in Ohio and feels he/she has been subjected to unlawful discrimination can file a charge with one of OCRC's regional offices, one of which is located in Toledo. Housing complaints must be filed within one year of the alleged act of discrimination, or the OCRC may self-initiate an investigation. OCRC must make a finding within one (1) year after the charge is filed. Self-initiation is limited to employment and housing cases and is usually the result of preliminary information indicating the presence of a pattern of discrimination within an entire system, or "systemic discrimination." OCRC does not charge any fees for its services.

Enforcement Proceedings:

When a charge is filed, the responsibility for the investigation is assigned to a Civil Rights Field Representative (investigator). During the investigation, the investigator will discuss allegations in detail with the Charging Party (person filing the charge) and will also contact the Respondent (the person(s) or company responsible for the alleged act of discrimination). Before any determination is made on the merits of a charge, each party may be offered voluntary mediation.

Mediation is a service provided through all of OCRC's regional offices and designed to offer both parties an opportunity reach a mutually satisfactory resolution. This service is advantageous because it is completely voluntary, highly confidential, fair and impartial, and a cost-effective and time-efficient process. Mediation at the OCRC is also a simple process. If both parties agree to mediate their case, a highly experienced and specially trained mediator from OCRC's 7-member mediation team will schedule mediation within thirty (30) days. Mediators are not judges or decision-makers, rather they are experienced, neutral third-parties. In the event that a settlement is agreed upon, it is binding upon both parties, and the case is resolved. However, if there is no agreement, the case goes back to investigation.

-The Charge

Charges of discrimination may be filed by:

- Any person who is directly affected by any alleged discriminatory act
- Any person who has knowledge of, or interest in, any alleged discriminatory act
- The Commission itself

The charge may include allegations of pattern or practice (systemic) discrimination, or multiple issues and jurisdictional bases. Parties against whom a charge has been filed should note that the Commission's procedure is an impartial administrative procedure, not a civil or criminal procedure.

-The Investigation

During the investigation, representatives of the Commission may:

- Interview the respondent and other witnesses
- Have access to pertinent records and documents, and review them
- Make an on-site inspection of the respondent's facilities and operations

Specifically, the Commission has the authority to demand access to records, premises, documents, evidence or possible sources of evidence as well as the jurisdiction to record testimony or statements from individuals. Further, the agency has the right to issue Subpoenas, Interrogatories, Cease and Desist Orders, to hold Public Hearings, and to collect monetary benefits.

The respondent is given every opportunity to ask questions, provide information, and suggest witnesses. At any point in the procedure the respondent may initiate a voluntary settlement of the charges and negotiate the terms of settlement with the Charging Party and the Investigator. Although records and witnesses can be subpoenaed by the Commission, it is preferable to work together without using such legal measures.

The law prohibits the respondent from taking any adverse action against a person merely because he or she has filed a charge with the Commission, made a complaint about alleged discrimination, testified or participated in any proceeding before the Commission, or opposed any practice forbidden by the Ohio Laws against Discrimination.

Post-investigation procedures-

When the investigator has accumulated enough evidence to support a recommendation, it will be reviewed with the party filing the charge. Generally speaking, the recommendation will be either one of **NO PROBABLE CAUSE**, or **PROBABLE CAUSE**. This recommendation will then be submitted, in written form, first to the Investigator's supervisor, then to the Regional Director, and finally to the Commissioners, who must approve the report before it becomes the official finding of the Commission. Commissioners serve as the final arbiter in the investigatory process and meet regularly to rule on recommendations from the OCRC's six regional offices regarding charges of discrimination.

When the preponderance of evidence obtained during the course of the investigation is insufficient to substantiate the charge of discrimination, the Commission must make a finding that it the occurrence of a violation of law is **NOT PROBABLE**. The Commission will then dismiss the charge with a finding of **NO PROBABLE CAUSE**.

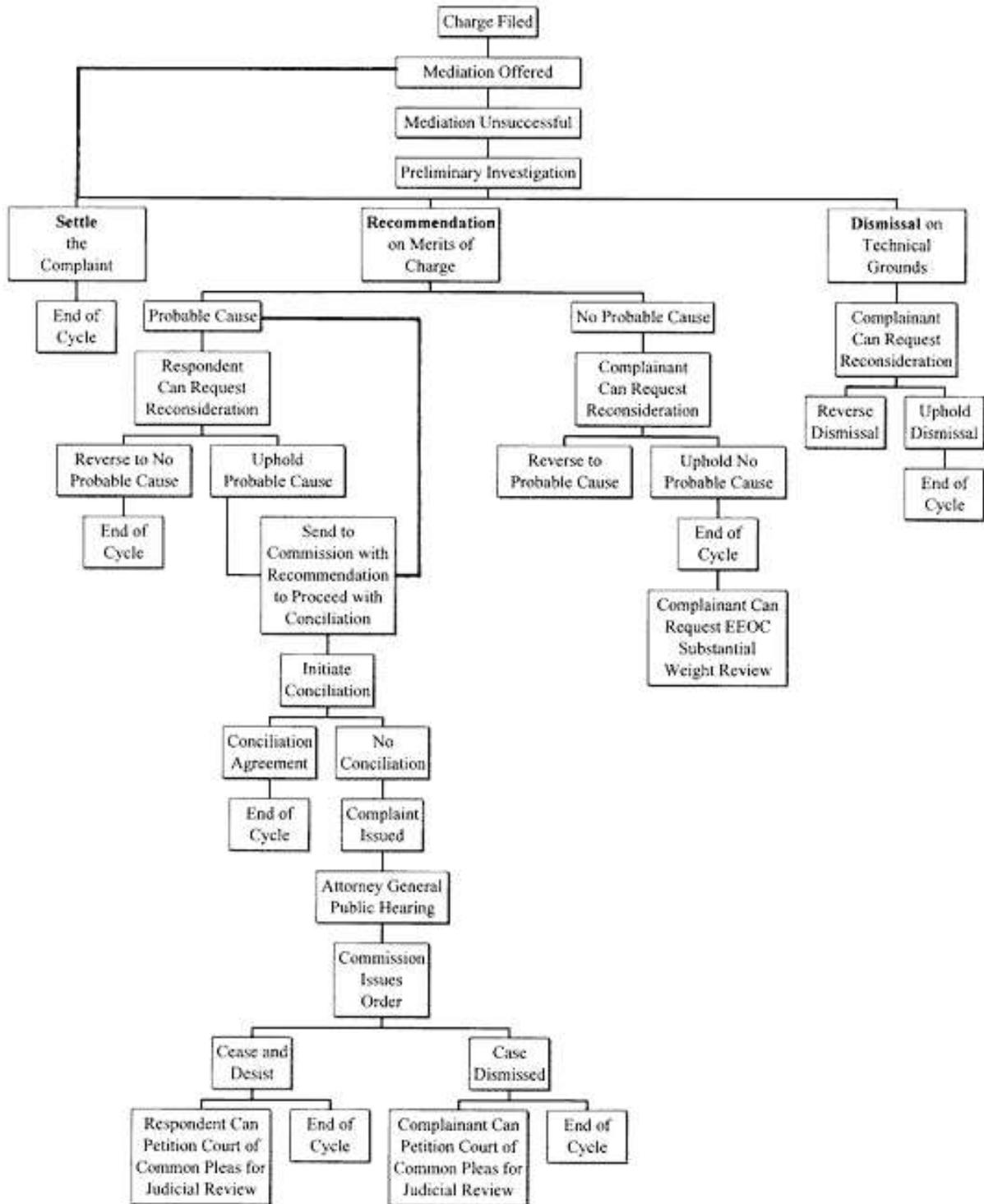
When the preponderance of evidence is sufficient to substantiate that discrimination has transpired, the investigator will recommend that the Commission rule that it is PROBABLE that a violation of the law has occurred, or make a **PROBABLE CAUSE** finding.

Once the Commission issues its formal **Letter of Determination** concerning the charge, which is sent to both parties, each party has the right to ask the members of the Commission to reconsider its decision. The **Letter of Determination** contains a form explaining the method for making this request. This request for reconsideration must be submitted within ten (10) days of the date on the **Letter of Determination**. Each side to a charge of discrimination is entitled to only one request for reconsideration, and no one has the authority to extend the deadline or grant any party an exception to these rules.

If the OCRC receives either party's request for reconsideration within the time allotted, the Commissioners will review the request and the case file to decide whether or not to grant the request. If the Commissioners vote to grant the request, the case will be returned to the regional office for further investigation. If the Commissioners vote to deny the request, no further action will be taken.

If the Commission determines the occurrence of discrimination to be probable after investigating the charges, it must attempt to negotiate a settlement of the matter by informal methods of conference, conciliation, and persuasion. If a settlement is possible, the terms being offered by the Respondent will be discussed with the party filing the charge; this party must agree to them before they can be accepted. If both parties agree, they are asked to sign an agreement showing that they accept the offer and understand that the matter has been satisfactorily settled. At this time, the Conciliator will explain to the party filing the charge the types of remedy available (as well as those that are not) through the Commission. If the Conciliator determines, conversely, that settlement is not possible, he or she will inform the Commission that conciliation efforts have failed and request that the Commission issue a **FORMAL COMPLAINT AND NOTICE OF PUBLIC HEARING**.

**OHIO CIVIL RIGHTS COMMISSION
COMPLAINT PROCEDURE**



New Protected Classes:

Governor Strickland signed into law the “Ohio Veterans Package” (Substitute House Bill 372) on December 20, 2007, which officially went into effect on March 24, 2008. With the enactment of the new law, Ohio Revised Code Chapter 4112 underwent amendments to include “military status” as a protected class.

The Ohio Revised Code describes “military status” in Sections 4112.01 and 5923.05. As provided therein, “Military status” means a person’s status in ‘service in the uniformed services’” (4112.05.A.22). Additionally, “service in the uniformed services” is defined as

the performance of duty, on a voluntary or involuntary basis, in a uniformed service, under competent authority, and includes active duty, active duty for training, initial active duty for training, inactive duty for training, full-time national guard duty, and performance of duty or training by a member of the Ohio organized militia pursuant to Chapter 5923 of the Revised Code. “Service in the uniformed services” includes also the period of time for which a person is absent from a position of public or private employment for the purpose of an examination to determine the fitness of the person to perform any duty described in this division [5923.05(A)(2)(e)].

“Uniformed Services” also consist of “the commissioned corps of the public health service, and any other category of persons designated by the president of the United States in time of war or emergency” [5923.05(A)(2)(f)].

The 2008 amendments expanded protections on the state level that previously existed more narrowly on the federal level. By including “military status” as a protected class in Chapter 4112 (entitled “Civil Rights Commission”), allegations and the corresponding investigations regarding such matters fall under the authority of the Ohio Civil Rights Commission, making resolution more accessible.

Just as employers have been required to edit all policies and posters communicating EEO and discrimination matters, fair housing information should ensure that it contains “military status” as a protected class. Nevertheless, in the process of conducting research to update and compose the current Analysis of Impediments, the Center discovered certain protected statuses to be missing from fair housing information and even the Toledo Municipal Code. The Ohio Civil Rights Commission fails to incorporate “military status” as a protected class in multiple references to the list of protected classes on its website (e.g. “About Us” sections, “Housing Discrimination Services” section, etc.). While developments from 2009 are sometimes featured on the same pages and other legislative changes are discussed, the enactment of House Bill 372 in 2008 is not mentioned, and the status remains absent from references to protected classes. Even more undesirable, perhaps, is the failure of the Toledo Municipal Code to feature “familial status” as a protected class. Although classes simultaneously or later recognized on the federal and local levels (i.e. persons with disabilities in 1988 and sexual orientation for Toledo in 1998) are clearly stated, “familial status,” a federally protected class, does not appear in the portion of the code dealing with discrimination.

In Chapter 554 *Employment, Real Estate Discrimination*, the definition of “‘Discriminate’, ‘discriminates’ or ‘discrimination’ means any distinction or difference in treatment of any person solely on the grounds or because of their race, religious creed, color, national origin, ancestry, sex, handicap, age or sexual orientation” (554.01(a)). Additionally, Section 554.03 *Prohibited Real Estate Discrimination* states, “No person selling or renting real property shall, solely because of race, color, religion, national origin, ancestry, sex, handicap, age, or sexual orientation” (554.03.a) discriminate.

While such omissions may be due to a person innocently overlooking or failing to update all information and materials, the lack of a protected class’s inclusion in City ordinances or communications provided by the state agency responsible for enforcement poses rather significant cause for concern. Not only may those seeking to gain a better understanding of their rights and responsibilities under the law be misled, but state and local agencies and governments must ensure consistency with federal law.

Responsibilities of Public Housing Authorities:

As part of the Annual Plan (24 CFR Part 903.2(d)(2)), the PHA should take affirmative action to overcome the effects of conditions which resulted in limiting participation of persons because of their race, national origin or other prohibited bases. Such affirmative action may include but is not limited to appropriate affirmative marketing efforts. The following are examples of affirmative marketing efforts:

- Marketing materials should support an affirmative advertising and marketing program that is consistent with the Fair Housing Act guidance on wording, logo, size of type, etc., and Section 504 (24 CFR 8.54).
- Using the Equal Housing Opportunity slogan: “Equal Housing Opportunity in accordance to regulations.” Also, HUD requires PHAs to display the Fair Housing Poster at public housing developments, in any rental office, and other locations (24 CFR 110).
- Advertising in print and electronic media that are used, viewed or listed by those identified as the population that is less likely to apply.
- Developing brochures or other information material that describes the housing units, application process, waiting list, screening criteria, and preference structure accurately.
- Marketing should use clear and easy to understand terms and, if appropriate, provide translation of written materials or interpretations to facilitate education and outreach to the limited English proficiency population (Executive Order 13166).
- It is the responsibility of the PHA to have a written policy in its Admissions and Continued Occupancy Policy (ACOP) (and thus its Annual Plan) that explains how one would request a reasonable accommodation, how it will be processed, and one’s options if the request is denied, including use of the grievance procedure.¹⁷

*Note: It is the duty of the PHAs to conduct an analysis of impediments to fair housing choice.

¹⁷ Source: HUD Public Housing Occupancy Guidebook, accessible at <<http://www.hud.gov/offices/pih/programs/ph/rhiip/phguidebooknew.pdf>>

FAIR HOUSING COMPLAINT INFORMATION

The greatest number of fair housing complaints filed in the Toledo market is filed with the Toledo Fair Housing Center. The second largest number of complaints is filed with HUD and/or the Ohio Civil Rights Commission. The Fair Housing Center, as a non-profit, community-based organization, serves as the initial stop for consumers who feel their rights have been violated. The Center, upon receiving a complaint, commences an investigation which may involve interviewing witnesses, testing, conducting research, completing a site visit, and/or coordinating with other organizations, among other things. The Center's investigation can usually either provide substantiating evidence that the consumer's rights have been violated or supply evidence that eliminates the probability of a discriminatory action. When evidence substantiates a claim, the Center can then assist consumers in forwarding their complaints to an enforcement agency such as HUD or the Ohio Civil Rights Commission.

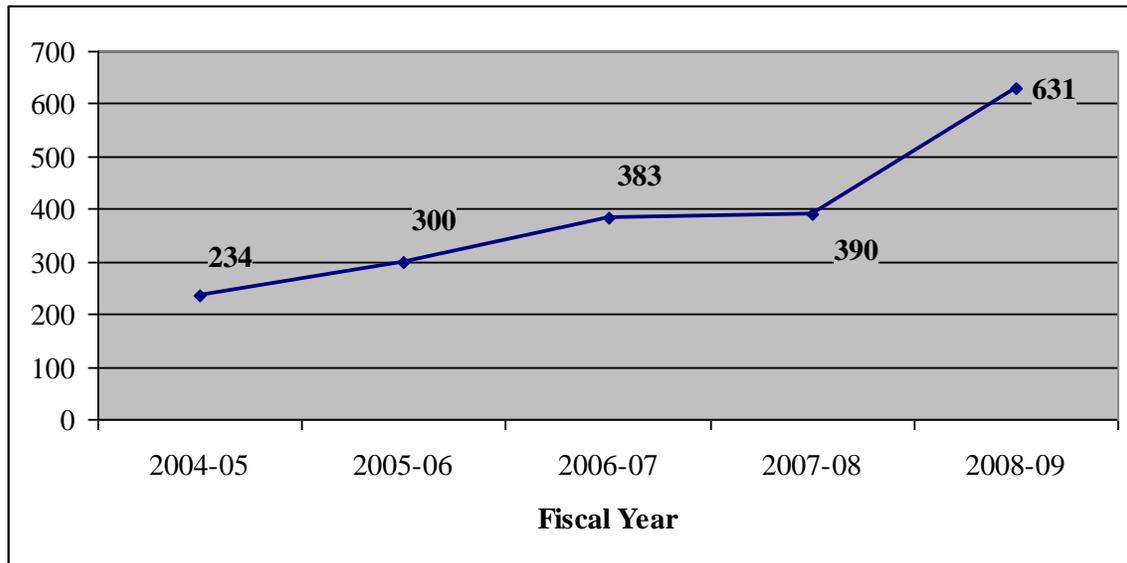
Consumers always have the right to directly file their complaints with HUD or the Ohio Civil Rights Commission. HUD and the Ohio Civil Rights Commission have a Memorandum of Understanding regarding the enforcement of the Fair Housing Act. When consumers file complaints with HUD, those complaints are automatically referred to the OCRC.

From July 1, 2007 to June 30, 2008 the OCRC handled and closed 473 complaints of housing discrimination throughout Ohio. Of these, 51 were processed through the Toledo regional office, with 42 originating in Lucas County. From July 1, 2008 through March 1, 2009, the OCRC addressed 318 complaints in Ohio; the Toledo regional office attended to 25 of these cases, 16 of which arose in Lucas County.

The Fair Housing Center does not compile information on a calendar year basis. Instead, the Center reports having received 300 total complaints of discrimination during the 2005-2006 fiscal year, 383 for 2006-2007, 390 for 2007-2008, and 631 for 2008-2009.

The Center has implemented an intake system for its service area (Lucas and Wood counties). The vast majority of complaints the Center receives involve residents of the City of Toledo who are seeking housing in the City of Toledo. However, a substantial number also involve persons seeking housing in suburban communities. The chart below illustrates the Center's overall caseload for the City of Toledo for the corresponding years (complaints outside of the city proper have been removed from these figures).

**Fair Housing Center Complaint Volume
City of Toledo Fiscal Years ending 2005-2009**



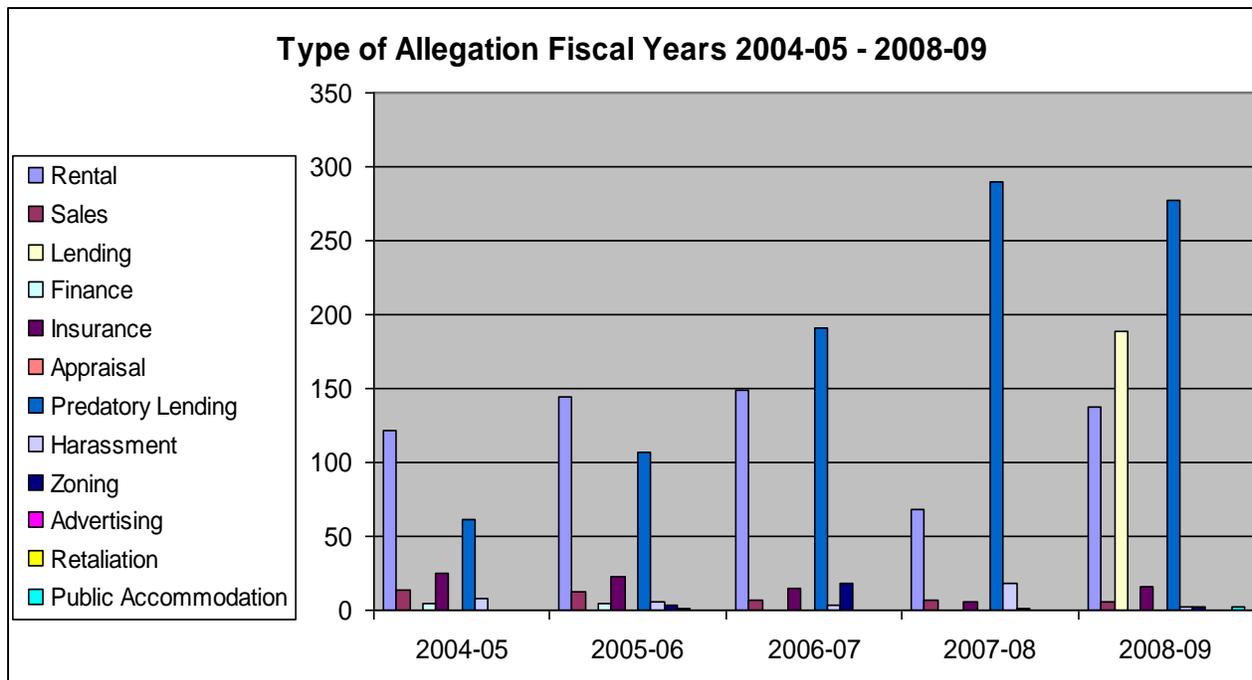
Complaints by type Fiscal Years ending 2005-2009

Type	Quantity
Rental	701
Sales	46
Lending	189
Finance	8
Insurance	94
Appraisal	0
Predatory Lending	827
Harassment	22
Zoning	41
Advertising	1
Retaliation	0
Public Accommodation	2
Total	1931

Predatory lending constituted the highest volume of complaints followed by rental complaints. The overall volume of complaints has continued to rise each year. Nevertheless, the steep increase observable between the 2007-08 and 2008-09 fiscal years was mainly attributable to both the greater quantity of rental complaints and the emergence of a significant number of complaints based on discrimination in the non-predatory lending context. This is due to the Center’s efforts in foreclosure prevention and emergency mortgage assistance, including loan modifications.

The Center has focused its outreach and enforcement efforts on the City of Toledo, primarily because of funding and grant-related considerations. The majority of the dollars the Center receives for outreach and enforcement are for activities that target the City of Toledo. This, partially, accounts for the higher volume of complaints generated within Toledo and filed by residents of the city, which comprise the majority of the cases that the Center attends to.

According to the Center’s data, the largest number of complaints was previously stemming from problems in the rental market. This pattern was consistent from year to year, excluding the 2003 year, but extending until the 2006-07 fiscal year. Historically, the Center has received the largest number of complaints involving rental discrimination. One exception was the 2003 year, when the Center launched a large anti-predatory lending campaign. That year, the largest basis of allegations involved predatory lending. Between the 2005-06 fiscal year and the 2007-08 fiscal year the number of predatory lending complaints filed nearly tripled, very rapidly coming to comprise the greatest proportion of complaints filed.

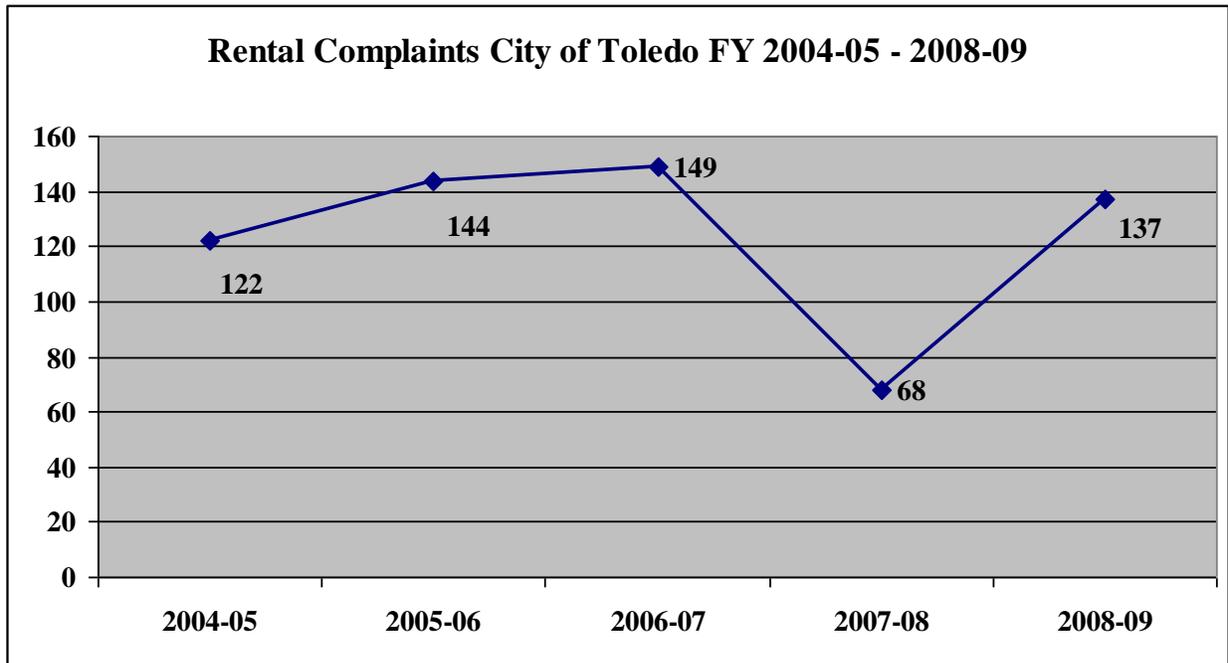


While the Center has done more work to eliminate barriers in the rental market, rental complaints still remain the second largest complaint type. Every year, a significant portion of the Center’s complaint load involves discrimination complaints in the rental market. This holds true for the Ohio Civil Rights Commission and HUD as well. Both the OCRC and HUD receive the greatest number of housing discrimination complaints alleging problems in the rental market.

Many of the complaints involve small, independently owned developments. Typically, while landlords have heard of “fair housing”, they have never received fair housing training and thus, do not know how to conduct business in a fair and equitable manner. Additionally, unlike the lending, insurance and real estate industries, landlords do not have to be licensed in order to operate. They also do not come under the jurisdiction of any regulatory agency. Therefore, the rental industry is not as standardized or regulated as the lending or real estate industries.

While real estate agents have to go through training, which includes fair housing and civil rights instruction, in order to obtain a license to sell real estate, no such courses are required for landlords or rental housing managers.

In its Housing Discrimination Study, the Department of Housing and Urban Development conservatively estimated that African-Americans and Hispanics encounter discrimination in over 25% of their attempts to seek the rental of a housing unit. This estimation is based upon testing research conducted in 20 cities across the United States.



The Center has uncovered the following impediments in the rental market:

- Landlords and managers are not required to obtain a license to practice and therefore, are not required to receive fair housing training;
- Managers use answering machines as a pre-screening device. Calls with certain phone number prefixes or calls from persons with certain racially identifiable voices or surnames are not returned;
- Managers use coding devices on applications to tag unwanted prospects;
- Managers tell unwanted applicants that it is not necessary for them to fully complete the rental application and later use the incomplete application as grounds for denial;
- Housing providers advertise in preferential ways, using discriminatory language and selective placement of ads;
- Landlords occasionally use sexual harassment or quid pro quo for rent;
- A person can be discriminated against based on his or her source of income. Landlords currently can deny someone if he or she is unemployed and/or is on Social Security. A person may have a stable source of money, but such finances may not be from employment;
- Credit rating criteria is applied differently depending on the applicant;
- Managers attempt to uncover testing activity by requiring that applicants bring drivers licenses for photocopying. Some managers actually take pictures of potential applicants using a Polaroid camera;
- Managers segregate apartment complexes and mobile home parks by race and familial status;
- Managers provide a different standard of treatment for undesired applicants by not making repairs in a timely fashion, charging different rental rates, or imposing different rules and conditions;
- Discrimination based on familial status and mental disability is especially prevalent; landlords have refused to rent to families with children and to accommodate those with mental illness.
- Managers use waiting lists to thwart unwanted applicants.

Eliminating discrimination in the rental market is critical since so many people rely on rental housing. According to the 2008 American Community Survey One-Year Estimates, approximately 41.3% of the occupied housing units in Toledo are renter-occupied. Rental housing is the only alternative for many residents.

Historically, lending was the second largest basis of complaints. These complaints tended to involve redlining practices through which lenders would exclude or deny borrowers based on a protected class status. As the above chart depicts, this pattern has evolved. The Center now receives its greatest number of complaints as a result of lending issues. Recent lending complaints originate from abusive lending practices by lenders that target certain protected classes for predatory loans. A more detailed discussion of predatory lending practices, consequently, has also been incorporated in this Analysis.

During the late 1990's and continuing to the 2006-07 fiscal year, the third largest basis of discrimination complaints involved insurance discrimination and redlining. Although the proliferation of lending issues may appear to overshadow the frequency of insurance complaints, discussion of concerns specifically related to insurance occurred repeatedly throughout the public forums. Insurance complaints arising from both individuals and neighborhoods, therefore, are still essential to address. Individual complaint issues consist of non-systemic problems and involve an individual homeowner who is unable to secure homeowners insurance based on membership in a protected class.

For example, the Center helped to resolve an issue for a homeowner who was being cancelled by her insurance carrier. During an annual inspection, the insurer noticed several minor conditional issues that the company wanted the homeowner to resolve and allowed her 30 days to complete the repairs. However, the homeowner was disabled, under heavy medication and could not complete the repairs within the 30 day limit. When the homeowner asked for an extension due to her disability, the insurer denied her request, despite the fact that the homeowner had already begun and was almost finished with the repairs. The Center was able to intervene using the disability provisions of the Fair Housing Act to not only have the homeowners insurance reinstated, but also to secure a resolution of the homeowner's complaint.

When neighborhoods file complaints, they generally involve redlining issues and are systemic in nature. Many allegations have disputed insurers' overly restrictive underwriting guidelines and policies. These typically establish limitations on the age of the housing as well as on the market value of the properties that are eligible for coverage. The employment of age and/or market value criterion to determine qualification tends to exclude predominantly minority-inhabited, central city communities, such as many which exist throughout Toledo.

These types of underwriting guidelines also have a disparate impact on certain protected classes. As a result of these restrictions, homeowners in central city neighborhoods must often either go without insurance, as it is simply unavailable, or settle for inferior policies with fewer protections since insurance companies are not willing to extend more comprehensive coverage. This, of course, has a devastating effect on the neighborhood whenever a loss is experienced. If a homeowner does not have adequate insurance coverage and files a complaint following a loss, the homeowner will not be fully indemnified, and the loss will only be partially covered. This means that, unless the homeowner has disposable funds available to make the repairs, he or she will either leave the house in disrepair or will make repairs using inferior materials and techniques.

The Center has been successful in convincing several large homeowners' insurance providers to eliminate these restrictive policies. However, companies that continue to employ these restrictive policies remain.

In fact, the Center has engaged in legal proceedings involving major insurers such as Prudential Insurance Company and American Family Insurance concerning the companies' use of these policies in the Toledo market. The Center settled one of these cases prior to the commencement of a trial, as the court denied the insurance company's motion to dismiss the case. The court additionally held that the Fair Housing Group plaintiffs had adequately alleged their standing to

sue and agreed that the Fair Housing Act covers homeowners insurance. The court also stated that disparate impact claims, even those relating to insurance, are cognizable under the FHA.

More recently, the Center's staff investigated an insurance company after receiving several complaints regarding their unwillingness to provide sufficient coverage in minority communities. The investigation substantiated the use of underwriting criteria by the company that resulted in the provision of inferior products to the affected communities. At the end of the fiscal year 2009, discovery in the case was virtually complete, and the Center awaited the court's answer to a motion made by the defendant to dismiss the case in summary judgment. In the summer of 2009, the magistrate determined that there was sufficient evidence to allow the Center to survive summary judgment. However, the judge reversed the magistrate's decision and dismissed the case.

In some cases, insurance companies desiring to defend their use of discriminatory policies make reference to "moral hazard" issues when the Center raises concerns regarding the legality of their practices. The "moral hazard" theory contends that if an insurer "over-insures" a consumer, the respective consumer will have an incentive to commit fraud to reap the insurance benefits. In the context of homeowners' insurance, the argument alleges that if an insurer provides replacement cost insurance coverage for a consumer and the replacement cost of the home is higher than the market value of the home, the homeowner will have an incentive to burn down his or her home to reap the insurance coverage. For instance, a consumer in the central city may purchase a home with a market value of \$60,000 that actually costs \$120,000 to rebuild. An insurer that provides a replacement cost insurance policy to this consumer of \$120,000 would allegedly be giving the homeowner an incentive to destroy the home in order to recoup the \$120,000 policy value.

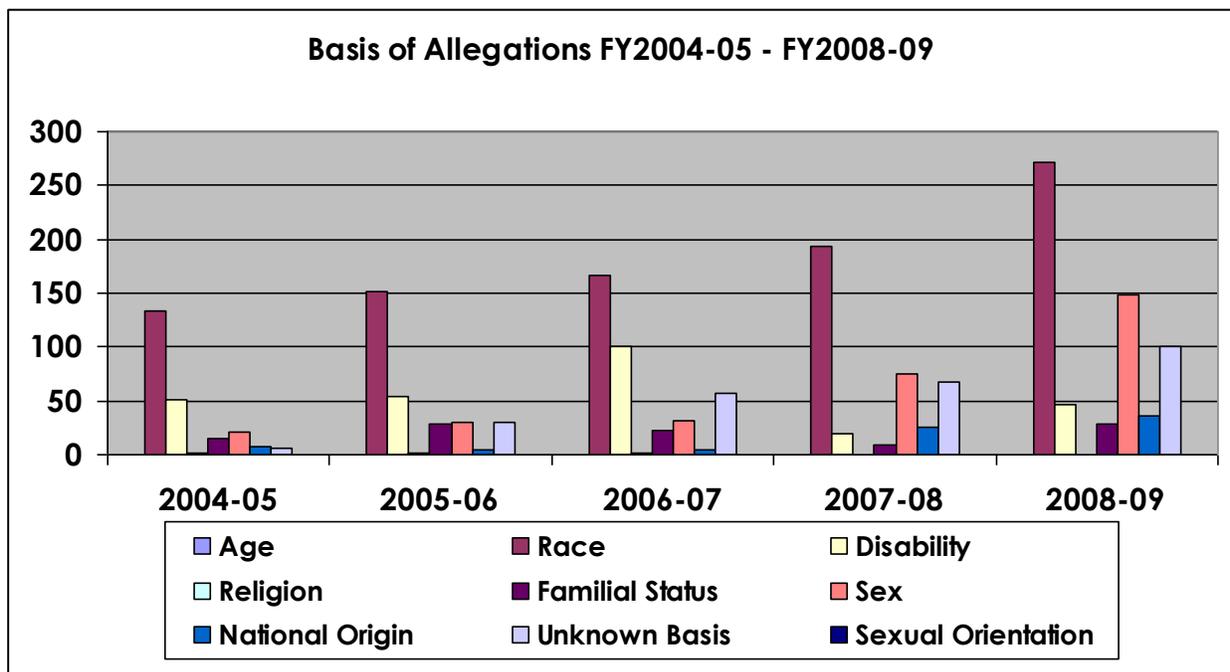
The Center has vehemently contested the theory of "moral hazard" as it relates to homeowners' insurance since no evidence has been provided that this theory actually exists in practice. Furthermore, virtually all homeowners' insurance companies require, as part of their replacement cost policies, that consumers rebuild in the same location, thereby eliminating the incentive for the homeowner to "take the money and run." Indeed, the Center even observes that a significant number of insurance companies have renounced their belief in the "moral hazard" theory regarding homeowners and disposed of the aforementioned restrictive guidelines. These insurance companies have provided full replacement coverage to any homeowner who so desires it. As expected, these companies have neither experienced a profusion of homeowners torching or destroying their homes to collect insurance payments, nor an increased level of fraud due to their elimination of restrictive and prohibitive policies.

Even though some aspects of the insurance problem have been addressed quite effectively, the Fair Housing Center has received a number of complaints involving new allegations of insurance discrimination. In addition to using the age of a property to deny coverage, many insurance companies are also employing extremely burdensome property inspections for the same purpose. Furthermore, many insurance companies utilize credit-based risk ratings to determine both the cost of the coverage and whether or not they will even provide insurance to a prospective customer. The Center became concerned that this practice has a discriminatory effect on some

protected classes. For instance, reports have been published that reveal credit scores to be much lower for African-Americans and Latinos, as compared to Caucasians.¹⁸

The Center also receives complaints pertaining to the processing of claims and the treatment of policyholders. These complaints allege that insurers are either not responsive or make attempts to lessen the value of the loss to consumers who live in primarily African-American neighborhoods.

A significant portion of the complaints arising in Toledo are filed by residents who claim that they have suffered racial discrimination. As the preceding section regarding demographic trends explains, the greatest percentage of African Americans resides within the municipal boundaries of Toledo. Nevertheless, demographics and the more frequent occurrence of racial discrimination alone may not fully describe why such an overwhelming majority of allegations are race-based complaints. Fair housing laws protect all citizens, regardless of their race; however, non-minority persons often mistakenly believe that they cannot undergo legally recognized forms of discrimination and/or are not aware of their membership in a protected class. Thus, such misperceptions may also contribute to the Center’s observation of race as the leading basis of allegations.



¹⁸ For an example, see: <http://fic.wharton.upenn.edu/fic/lacourpaper.pdf> and associated references.

The prevalence of allegations on the basis of race has been a historically recurrent trend, and, as demonstrated, race continues to outpace the other categories of complaints the Center receives. The types of allegations filed are diverse, including problems in the rental market, instances of sales discrimination, and abuses resulting from predatory lending practices, among others. While race is the largest basis for allegations throughout the region, complaints alleging racial discrimination seldom originate from residents in outlying jurisdictions. Nevertheless, African-American and Hispanic residents of Toledo are known to encounter racial and national origin discrimination when attempting to move into suburban areas.

For example, the Center previously assisted an African-American family who attempted to purchase a house in Middleton Township (northwest of Bowling Green). As evidence of the heightened awareness due at least in part to outreach and education efforts of the Fair Housing Center, a real estate agent referred the case to the Center. The Center's investigation substantiated the couple's allegations that a violation of the Fair Housing Act had occurred, and an administrative complaint was filed.

Disability discrimination in the housing arena had generally been the second largest basis of complaints. This was true for the northwest Ohio region through fiscal year 2006-07 and remains true currently if lending complaints are excluded. Nevertheless, disability complaints were less frequent than those of other protected classes for fiscal years 2007-08 and 2008-09, making them the third greatest source of allegations for the overall 5-year time period of FY2004-05 through FY 2008-09 (including lending allegations). The preponderance of disability discrimination cases is hardly surprising since disability is actually the primary basis of complaints on the national level. Reciprocally, HUD, the entity mandated to enforce the Fair Housing Act, receives the largest number of complaints alleging disability discrimination and the second largest number of complaints alleging racial discrimination.

When lending complaints are included, the second most substantial basis for housing discrimination complaints is sex or gender. By far, women file more sex discrimination complaints than men. Women tend to encounter problems with being sexually harassed when renting apartments. They also tend to encounter denial or discouragement when seeking mortgage loans, and they are targeted more than men for predatory loans. It is also more difficult for women to secure housing as composition of their income is generally more diverse than that of men. Women are more likely to receive income from multiple sources such as employment, child support, alimony, and childcare benefits. For many women, this can complicate the process through which housing providers and lenders traditionally attempt to verify applicant income.

Familial status and national origin are the next most prevalent types of complaints filed that are of a known basis. Complaints of an “unknown basis,” however, comprised the fourth largest category overall of allegations filed. The absence of complaints filed on the basis of age, sexual orientation, or military status over the five-year period is also interesting to note. Certainly, one cannot assume that merely because no allegations were filed regarding these protected classes, no such discrimination occurs in the Toledo area. What such numbers may, in fact, signal is that the Center and its partners must bring about a greater awareness and understanding of the Fair Housing Act. After all, if citizens do not know that the law and enforcement agencies possess specific powers to protect them from discrimination, they are, most likely, also unaware of their ability to file a complaint on such a basis.

Moreover, that no other basis of allegation has out-numbered race is still striking. Race was the number one issue over 30 years ago when the Fair Housing Act was passed, and race remains the number one fair housing issue today for Toledo. Of course, this only suggests the work that remains for all organizations and communities that aim to achieve equal access to housing of their choice for all people.

THE FAIR HOUSING ACT AND INTERNET ADVERTISEMENT VIOLATIONS

Far too frequently, people across the nation witness advertisements for housing that violate the Fair Housing Act by discriminating against the classes protected therein. While legislation and litigation have clearly held newspapers to be liable for publishing discriminatory housing advertisements, the same legal standards have not been applied to those allowing the publication of comparable advertisements on the internet. The National Fair Housing Alliance (NFHA) argues for Congress to address this disparity via an amendment to the Communications Decency Act. Although the making, printing, or publishing and/or to cause the making, printing or publishing of housing advertisements that discriminate against, limit or deny any member of a protected class equal access to housing are illegal according to the federal Fair Housing Act, interactive internet providers have not been subject to the law in the same manner that newspaper publishers have been. This is due to an interpretation of the Communications Decency Act (CDA) that determines such internet providers not to be publishers and, consequently, not to be liable for Fair Housing Act violations on their websites. Conversely, the current reading of the law does hold that newspapers are publishers and, as a result, responsible as third parties for content in violation. Due to an understanding of their liability, newspaper publishers currently employ screening systems to remove discriminatory content prior to its appearance in print or online. Internet providers, if held accountable, could just as easily implement filtering systems to prevent the publication of discriminatory advertisements on their websites; yet, neither incentive nor deterrent exists to compel internet providers to apply such anticipatory measures.

Craigslist and other websites have become the hosts of the majority of housing advertisements, and, still, they remain expedient media for housing discrimination. Repeated court decisions that have based rulings on the Communications Decency Act have allowed these circumstances to persist. Internet services gain their immunity from legislation and court rulings that do not consider them to be “publishers,” except in certain cases concerning federal criminal statutes and intellectual property law. Corresponding exceptions can and should be stipulated regarding civil rights and fair housing legislation. Nevertheless, the CDA currently includes sections that specifically “aim to protect interactive computer service providers ‘who take (steps to screen indecent) and offensive material for their customers.’”¹⁹ Unfortunately, this provision actually results in a situation in which providers, who generate the distribution of just such “offensive” material, become legally immune from the enforcement of civil rights and fair housing laws. Ironically, the NFHA’s publication questions whether or not this simply takes away the rights of consumers and, instead, grants internet providers the “freedom to discriminate.”²⁰

The Court in the United States v. Hunter offered one of the arguments that made possible the strict regulation of newspaper publishers by determining that Congress was justified in its application of the Fair Housing Act advertising regulations to newspapers “because publication

¹⁹ Joseph J. Opron III, “License to Kill (the Dream of Fair Housing): How the Seventh Circuit in Craigslist Gave Websites a Free Pass to Publish Discriminatory Housing Advertisements,” 4 SEVENTH CIRCUIT REV. 152 (2008), at <http://www.kentlaw.edu/7cr/v4-1/opron.pdf>. citing 141 CONG. REC. H8469-H8470 (daily ed. Aug. 4, 1995).

²⁰ NFHA *For Rent*

in newspapers and other mass media would magnify the ‘already mentioned deleterious effect’ of such ads, as it offers ‘far more widespread coverage than privately circulated advertisements.’”²¹²² Considering the extent to which the internet has become the primary means of advertising and searching for housing, applying the same contention of “widespread coverage” to internet advertisements would seem to be exceedingly suitable. Nevertheless, courts have not utilized equivalent criterion to address the profuse amount of discrimination occurring online.

Landlords, real estate agents, and other individuals who compose and place discriminatory ads are in violation of the Fair Housing Act; no one questions their accountability. Of course, the intent motivating the passage of 42 U.S.C. § 3604(c) was also to ensure that those who facilitate the widespread publication and dissemination of such discriminatory advertisements are held legally responsible. As the law states,

It shall be unlawful to make, print, or publish or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Thus, although newspaper publishers are technically third parties, the necessity of holding them accountable in order to achieve the greatest efficiency in the elimination of discrimination was recognized and codified on the federal level. Moreover, the decision of the Court in the National Fair Housing Alliance’s lawsuit against American Classifieds, LLC logically held the publisher liable for both the discriminatory advertisements published in print as well as those appearing online, whether or not they were directly posted by a landlord, real estate agent, or other individual.

The situation regarding internet providers, once again, is not consistent with these observations. Over the course of a single year, the National Fair Housing Alliance and its members identified the presence of over 7,500 discriminatory advertisements on internet websites. Such advertisements existed in every state and the District of Columbia; furthermore, they occurred in geographies ranging from rural areas to small towns to major metropolitan areas. Due to the vast demands on staff, time and resources that the filing and enforcement of complaints place on HUD and other public and private fair housing organizations, only 1,000 of these allegations were ever filed.²³ Part of this is due to the fact that, unlike in other complaints, the identification of the individual responsible for placing the advertisement may be impossible and/or pose significant challenges. Of course, the sheer frequency of the violations also was insurmountable.

²¹ United States v. Hunter, 459 F.2d at 215. (4th Cir. 1972) cert denied, 409 U.S. 934 (1972)

²² *For Rent: NO KIDS! How internet housing advertisements perpetuate discrimination* August 2009 Report by National Fair Housing Alliance, accessible at <<http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=zgbukJP2rMM%3D&tabid=2510&mid=8347>>.

²³ NFHA *For Rent*

This situation is especially troubling because a concurrent rise in foreclosures has transpired alongside the ascendancy of the internet as the major means by which to advertise or search for housing. The foreclosure crisis has resulted in the entrance of millions into the rental market²⁴ as well as the homelessness of over two million children.²⁵ Obviously, families are a major group experiencing the detrimental effects of foreclosure. Considering the simultaneous observation by fair housing organizations nationwide of substantial increases in the overall number of fair housing complaints, 80% or more of which occur in the rental market,²⁶ the necessity of changing the regulatory practices regarding online advertisement has never been so pronounced.

Section 230(c)(1) of the 1996 Communications Decency Act is the portion of the law that grants immunity to websites for third party content. 47 U.S.C. § 230(c)(1) states, “TREATMENT OF PUBLISHER OR SPEAKER- No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.”

The NFHA advocates for the amendment of this section of the CDA to satisfy the stipulations of the Fair Housing Act, suggesting that “An exemption could be made specifically for Fair Housing Act claims and [Congress could] amend 47 U.S.C. §230(c)(1) as follows:

No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider, except for notices, statements, or advertisements with respect to the sale, rental, financing or insuring, or any other service of a dwelling that violate the Fair Housing Act, 42 U.S.C. § 3601 et seq.” (NFHA 11).

Instead of the more efficient regulatory activity of holding the internet service providers liable as third parties in housing discrimination cases, though, courts have recommended that fair housing agencies pursue allegations against the entities who originally post the advertisements. Such individual investigations are ineffective and inefficient in many ways. The costs that such an enormous amount of cases would impose on fair housing organizations in terms of time, resources, and staff efforts would be unrealistically astronomical. What courts have suggested is, to say the least, impractical, as it wastes resources, frustrates the missions of fair housing organizations around the country, and ignores the very intention of passing a federal law to protect the rights of citizens in their pursuit of housing. An “ad-by-ad” enforcement approach would entail the following steps:

- Monitoring every housing search website for discriminatory advertisements;
- Flagging each ad that violates the Fair Housing Act;
- Investigating each violation to discover the actual poster of the ad;
- Filing a written complaint with the appropriate government agency;

²⁴ Out of Reach 2009, National Low Income Housing Coalition report, April 14, 2009.

²⁵ Barbara Duffield and Phillip Lovell, “The Economic Crisis Hits Home, The Unfolding Increase in Child and Youth Homelessness,” December 2008, available at <http://www.naehcy.org/dl/TheEconomicCrisisHitsHome.pdf>

²⁶ National Fair Housing Alliance, “Fair Housing Enforcement: Time for a Change – 2009 Fair Housing Trends Report,” May 2009, available at www.nationalfairhousing.org.

- Conducting an investigation, which either results in conciliation or the issuance of a charge;
- Negotiating a settlement with and educating the landlord, among other necessary procedures.

Obviously, time is especially influential in the enforcement process concerning discrimination that occurs online. A multitude of typically anonymous individuals and companies places large quantities of advertisements 24 hours a day, 7 days a week. The chances of even identifying each and every discriminatory ad, let alone successfully taking all of the aforementioned steps, prior to the housing unit becoming occupied and the ad's removal, are incredibly slim. Furthermore, whenever a discriminatory ad is flagged or a complaint filed, the challenge of obtaining the name and contact information of the party responsible for the posting remains; most internet sites mask users' identities and even email addresses. As the NFHA report notes,

HUD is statutorily required to investigate cases of housing discrimination within 100 days and must undergo many cumbersome steps in order to identify the landlord posting the advertisement and meet this obligation. First, HUD must subpoena the website in order to obtain the advertiser's contact information. Once HUD has the landlord's email address, HUD may or may not be able to obtain a name and address to correspond with that address. HUD must either obtain a response from an email it sends to the landlord and/or conduct a search of the Internet and social networking sites to find a name or address to associate with the email address that has been provided in response to the subpoena. Again, by the time this process is completed, the apartment or home is often gone (8).

Only after the successful completion of this task may HUD begin the complaint process and carry on with its normal enforcement procedures. Obviously, this burdensome, ineffectual practice is a significant and unnecessary drain on tax dollars as well. This method of addressing discrimination is especially senseless because it does nothing to proactively disallow the posting. Instead, discriminatory ads may stay online for the duration of the housing unit's availability, causing harm to and misinforming those who witness them. Only if someone is already aware of his or her housing rights, may a complaint actually be filed; otherwise, those who see such ads repeatedly may actually think such discrimination is legal.

Of course, a major aim of housing rights advocates and government agencies across the country is to educate citizens about their right to equal access to the housing of their choice. As circuit court Judge Ruth Bader Ginsburg stated in relation to the occurrence of discriminatory advertisements in the 1990 Spann v. Colonial Village, Inc. case, "organizations could show that the ads created a public impression that [discrimination] in housing is legal, thus facilitating discrimination by defendants or other property owners and requiring a consequent increase in . . . educational programs on the illegality of housing discrimination." Housing rights organizations have increasingly devoted widespread efforts to educate the public and housing providers on the protection afforded by the Fair Housing Act; despite this, familial status complaints have consistently increased over the years, which is a testament to the power and persistence of such discriminatory practices. Surveys have also demonstrated the lack of public awareness that familial status is a protected class.

Discrimination against families with children was the most frequent violation among the advertisements the NFHA and its partners found in their monitoring activities. The study also identified violations based on a stated preference for/against a particular race, national origin, religion, or sex. Another means by which advertisements have managed to discriminate is through occupancy standards. By claiming that only one person per room is permitted in apartments and other housing units, individuals and companies not only discriminate against families, but they also disregard HUD's recommendation that 2 people per bedroom is a reasonable occupancy standard. Unfortunately, properties with multiple bedrooms, which are generally most suitable for families with children and, as the public forums have demonstrated, lacking in Toledo, also comprise many of those advertised using discriminatory language.

The simple fact that these advertisements discriminate against particular groups of people and, consequently, impede their right to equal access to housing of their choice should be enough to warrant their effective oversight and regulation. However, numerous other reasons also exist to support placing legal liability on internet providers. Such advertisements discourage entire portions of the population that seek housing from even attempting to contact the poster in relation to the housing offered in his or her ad. Additionally, these advertisements illegitimately substantiate the notion that refusing to rent, or practicing any other kind of housing discrimination on the basis of a person's membership in a protected class, is appropriate or legal.

As the National Fair Housing Alliance makes evident in its August 2009 publication, *For Rent: NO KIDS! How internet housing advertisements perpetuate discrimination*,

In order to stop this, once and for all, there is one simple solution: hold websites that advertise housing to the same standard to which newspapers are held. Since the Internet has replaced print media as the preferred way to advertise available apartments and homes, the Internet must also fall under the jurisdiction of the Fair Housing Act. To accomplish this, the Communications Decency Act must be amended so websites are held responsible for screening out the discriminatory advertisements that currently appear on them every day.

ADVERTISING AND MONITORING

Over the last three years, the Toledo Fair Housing Center reached settlements with three major publishers of newspapers in the Toledo metropolitan area. The Center regularly screens Toledo metropolitan area housing advertisements in print and online for discriminatory language. In all of the settlements, the Center was the complainant, and the violations contained discrimination on the basis of familial status. As newspaper publishers are liable as third parties for violations of the Fair Housing Act, the Center was able to successfully pursue charges against the newspapers as well as against the individuals who posted the ads.

In a 2007 case, the Center filed a charge against a respondent who advertised a condominium using discriminatory language; the ad specifically stated, “No children.” Through a settlement agreement facilitated by the Ohio Civil Rights Commission via its mediation process, the Center received free advertising for a year and a \$1,000.00 donation to the Friends of Fair Housing. The resolution amounted to an estimated \$7,500.00.

In a case settled in February of 2009, the Center identified advertising that allegedly discriminated against persons with children in an area newspaper. This case was settled through an agreement also facilitated by the Ohio Civil Rights Commission. The settlement included free advertising to promote fair housing as well as payment for the training of its classified ad staff by the Fair Housing Center. The settlement with the publisher amounted to an estimated cost of \$4,285.00. The Center also filed a charge against the individual responsible for posting the advertisement. The respondent agreed to attend fair housing training within 180 days of the settlement and to donate \$100.00 to the Friends of Fair Housing.

Similarly, the Center filed a charge with the OCRC in November of 2008 after identifying an advertisement that discriminated against persons with children and, therefore, was in violation of the Fair Housing Act. The Center pursued both the publisher and the individual responsible for posting the advertisement. After undergoing the process of mediation, the publisher respondent agreed to provide advertising space one day per month for 17 consecutive months, one day of advertising space in April of 2010, and an 18-month subscription to the newspaper for 7 days per week to the Center. The approximate cost of the free advertisement amounts to \$5,755.00. The publisher of the newspaper also agreed to designate a company representative to serve as a contact person specifically for the Fair Housing Center to communicate with regarding compliance with Ohio’s fair housing laws. Furthermore, the publisher will consult with the Fair Housing Center concerning documents they use for training and education.

In 2009, the Center also filed a charge against the person responsible for the posting of the ad. The mediation with the OCRC resulted in the respondent agreeing to pay \$2,000.00 in damages to the Toledo Fair Housing Center and to watch an educational film regarding discrimination in housing within 30 days of the signed conciliation.

The Center’s staff also routinely monitors housing advertisements on Craigslist.org. The National Fair Housing Alliance employed a methodology that entails the utilization of Craigslist’s search mechanisms to identify the most common, typically used words and phrases in overtly or implicitly discriminatory housing advertisements (as recognized by HUD). The NFHA and its partners in this research activity took this approach due to the massive volume of advertisements appearing daily on the more active Craigslist sites, usually those serving the larger metropolitan areas. The procedure also allows the observer to identify advertisements that were posted previously, but still remain visible and/or represent currently available units. Otherwise, the postings are usually displayed in a list format, categorized by time of posting, with the most recent ads appearing at the top of the list (in the default format).

Nevertheless, as Toledo’s Craigslist site tends to have a more manageable daily posting volume, the Fair Housing Center’s methodology simply involves the perusal of each housing ad posted. The advantage of this method lies in the ability of the person monitoring to discover discriminatory ads that a query may have overlooked. For instance, if one searches for a specific term, the search mechanism may not return other versions of the word or phrase (e.g. plural forms, misspellings, synonymous words and phrases, etc.) in the results. Through these monitoring activities, which the Center began in the Toledo area approximately two years ago, the staff has encountered and pursued approximately 8 instances of discriminatory language. Considering the NFHA’s national study occurred over a year-long period between 2008 and 2009, the Toledo FHC’s decision to begin its own monitoring activities in 2008 demonstrates its dedication to remaining at the forefront of fair housing issues.

Through observation of the Toledo Craigslist website, the Center’s staff has filed complaints both against Craigslist itself and against individual posters. Among the 8 violations the Center pursued, 4 occurrences of discrimination on the basis of sex/gender, 4 instances of familial status discrimination, 2 based on national origin, and 2 discriminating against disabled prospective tenants were present. As these data show, advertisements often contain multiple forms of discrimination. Apparently, the Craigslist caveat at the top of each housing advertisement that states, “Stating a discriminatory preference in a housing post is illegal - please flag discriminatory posts as prohibited,” and links to a page entitled “Fair Housing is Everyone’s Right! – Stating a discriminatory preference in a housing post is illegal,”²⁷ has little impact on the actual posting practices of users.

Basis of Discrimination	Number of Ads
Sex/Gender	4
Familial Status/Families with Children	4
National Origin	2
Disability	2

²⁷ For further information, see <http://www.craigslist.org/about/FHA>.

The specific language users employ in order to state their “preferences” is also revealing. While all discrimination negatively affects the users who encounter the advertisements as well as the society at large, the less severe usage of objectionable words and phrases suggests that many people remain genuinely ignorant of fair housing laws. For instance, a recent complaint received by the Center featured a posting that stated, “Please no large families,” indicating the small size of the housing unit as the reason for this request. This is an example of a less blatant form of discrimination, as compared with another advertisement in a complaint which states, “. . .not some freak coming from overseas looking for a room. . .no I am not gay.” While fair housing agencies must address this issue through any means at their disposal, a significant portion of the problem lies, just as in all instances of discrimination, in a lack of awareness and education regarding fair housing laws and the truly deleterious effects that impediments to equal access to housing impose on members of protected classes.

NEW IMMIGRANT ISSUES

Approximately 24.4 million immigrants entered America between 1990 and 2008, according to the 2000 Census and the 2008 American Community Survey One-Year Estimates. The figure represents over half of the total foreign-born immigrant population in the United States today. The entry of foreign-born immigrants has been increasing and at an increasingly rapid rate, representing the continuation of a trend that was also observed in the previous Analysis, which utilized data dating back to the 1990 Census for its comparison.

According to the 2008 American Community Survey One-Year Estimates, 10,475 foreign-born individuals are estimated to reside in Toledo, with 4,374 of these individuals entering since 2000. Estimates place the foreign-born population at 17,601 persons in Lucas County and 2,371 in Wood County, respectively. Of the total population of foreign-born residents 5,811 in Lucas County and 983 of those residing in Wood County have immigrated since the year 2000. For Toledo, the 2008 American Community Survey One-Year Estimates show 41% of the foreign-born population to be naturalized U.S. citizens and 59% to be non-U.S. citizens. The 2006-2008 American Community Survey Three-Year Estimates provides the following categorization of Toledo's foreign-born population:

WORLD REGION OF BIRTH OF FOREIGN BORN

Foreign-born population, excluding population born at sea	9,820	100%
Europe	1,424	14.50%
Asia	4,464	45.50%
Africa	873	8.90%
Oceania	0	0%
Latin America	2,669	27.20%
Northern America	390	4.00%

Surrounding the Toledo metropolitan area, much of northwest Ohio is composed of farming communities. A significant population of migrant workers who have emigrated from other countries also exists throughout northwest Ohio. According to the Farm Labor Research Project (FLRP), approximately 6,000 migrant workers pass through northwest Ohio annually, most of whom are of Hispanic descent; some of these migrants decide to stay in the area. Each year, a small percentage chooses to immigrate and become United States citizens.

According to the 2008 American Community Survey One-Year Estimates, 24,238 people in Lucas County and 4,948 in Wood County identify as Hispanic or Latino; in Toledo, the estimated Hispanic or Latino population was 18,840. The Almanac of Latino Politics 2008, produced by the United States Hispanic Leadership Institute, states that 25.9% of Ohio Latinos are foreign-born, and 80.2% of Ohio Latinos are U.S. citizens.

As the table below makes clear, a significant percentage of population growth across Ohio is due to the concurrent rise in the Latino population. Nearly 20% of Ohio's overall growth from 1990 to 2006 was directly attributable to the increase in the Latino population. Furthermore, the United States Hispanic Leadership Institute has estimated that the Hispanic population in Ohio will increase by 85% between 2005 and 2025. As the American Community Survey data indicates, the Hispanic or Latino population appears to be following this trend.

Area	Latino Population 2006	Percent Latino	Latino Population 1990	Percent Change 1990-2006
Lucas	22642	5.10%	15658	44.60%
Wood	4771	3.80%	2882	65.50%
Ohio	139696	2.32%	265,762	90.24%

Of course, for Lucas County and Toledo, jurisdictions that both have been experiencing population decline, this sector of the population represents one of the few, and thus valuable, groups that is actually growing in number. Since 2000, however, the greatest addition of foreign-born individuals to the Toledo population has actually occurred via the entrance of Asian immigrants. Data from the 2006-2008 American Community Survey Three-Year Estimates reveal that 2,352 foreign-born persons from Asia living in Toledo entered since 2000 (53.8% of the total 4,374), in comparison with only 837 immigrants who have entered from Latin America over the same duration.

The previous City of Toledo Consolidated Plans and Analyses of Impediments demonstrate that a gap in services and a lack of housing opportunities for migrant-worker families continues to be a barrier to the city's ability to achieve its housing and economic goals. The Fair Housing Center (FHC) staff met with local Hispanic serving organizations to help identify barriers to equal housing opportunities.

FHC staff was surprised by the overall lack of knowledge among those who serve the Hispanic community with regard to fair housing laws and equal housing opportunities. Some persons did not even know why FHC exists. Others, recognizing that discrimination occurs, cautioned FHC staff that new immigrants:

- don't know their rights;
- don't recognize discrimination;
- don't think they can do anything about discrimination;
- don't know where to get help;
- mistrust persons who may be able to offer help;
- fear animosity or retribution if they complain;
- are victims of a lack of sensitivity on the part of the majority culture.

These issues are not exclusive to the Hispanic population in northwest Ohio, but rather, they apply to other immigrant groups as well. Many immigrants are treated as outsiders and discriminated against by members of the majority culture in this country. Immigrants are forced to give up much of their identity when they become American citizens. Immigrants who look different (i.e. Hispanic, Arabic, African, Asian, etc.) fall victim to the NIMBYISM that is prevalent in American society today. As a result of the tragic events of September 11, 2001, FHC received an increase in discrimination complaints and inquiries from the Islamic and Muslim communities. FHC began working with these communities to ensure that their rights are protected under the act. Activities included investigation and referral of complaints to other agencies as appropriate, collaboration with other agencies, and educational outreach efforts.

While relatively few fair housing cases have involved immigrant fair housing issues, the Center recently reached a settlement with a condominium association which required it to pay damages amounting to \$5,000 each to an immigrant couple and the owner of a condominium. The case aimed to resolve a matter allegedly based on cooking smells. Immigrants from Egypt, the respective couple rented a condominium, and shortly after moving in, other condo residents began to confront them over the stated issue of cooking smells. In one instance, a neighbor across the hall even pounded on the door, telling the couple, “Your cooking stinks.” A lawyer for the condominium association suggested several alternatives to the couple: they could stop cooking, spend thousands of dollars to restructure the ventilation system, or undergo eviction.

The tenants actually reduced their cooking, discontinuing their use of spices other than salt and pepper. Additionally, the couple requested that the condominium association consider the installment of a new ventilation system, but before any action was taken, the condominium association ceased discussions regarding the ventilation system.

The Fair Housing Center conducted an investigation and interviewed residents of the building. Investigators were unable to corroborate the existence of the smells. However, other residents of the building indicated in interviews that they had encountered an odor unpleasant to them. Thus, the Center determined that the occurrence of discrimination based on national origin was probable. The association’s unwillingness to modify the ventilation system was a major factor in the case. Furthermore, though, the Center argued that since meal preparation is closely associated with national origin in this case and perception of the enjoyment of cooking smells is a subjective factor, probable cause of discrimination existed. Hopefully, this settlement will serve to dissuade others from perpetrating similar discriminatory actions against immigrants.

HOUSING FOR PERSONS WITH DISABILITIES

People with physical or mental disabilities remain one of the most disenfranchised groups. The 2000 Census reported 63,413 people with a disability (22.7% of the population 5 years and older) to be living in Toledo. While these figures increased between 1990 and 2000, according to the 2008 American Community Survey One-Year Estimate, 50,394 people, or 18% of the total civilian non-institutionalized population, were estimated to be residing in Toledo. Nonetheless, as those with disabilities still comprise a sizeable proportion of Toledo's population and continue to encounter numerous difficulties in obtaining equal access to the housing of their choice, citizens and their advocates should remain as committed as ever to the elimination of such impediments.

Owing to the existing economic structure (local employment and wage structure), the shortage of housing options available, and the inability and/or unwillingness to dedicate the time, resources, and effort necessary to be considered in compliance with the requirements established by the Fair Housing Act, those with disabilities comprise over one-third of the homeless population in Toledo. According to the July 2008 *CASE Plan to Prevent, Reduce and End Homelessness in Toledo and Lucas County Ohio*, a July 29, 2008 *Point-In-Time* survey indicated that 26% of homeless persons are experiencing mental illness, and over 50% surveyed from the sheltered and unsheltered populations indicated they were chronically homeless, that is, single and unaccompanied homeless adults with a disabling condition identified most often as either mental illness, substance abuse, or a combination of both. Thus, a substantial portion of the homeless population reports to have some form of disability.²⁸ Aggregate data categories employed in the analysis of data from current information systems make it difficult to accurately calculate the total proportion of the homeless population that is disabled. Nevertheless, the housing facilities for the homeless population are often not accessible for people with physical disabilities because of the architectural structure and style of the dwellings. For example, individuals who have physical disabilities do not have access to many second floor bedrooms. Preferred Properties, LMHA, and subsidized housing complexes provide some housing opportunities. Preferred Properties, in particular, "specializes in the development of affordable and accessible housing opportunities" and creates "integrated housing options for persons living with disabilities."²⁹

Even so, providing solutions to requests and/or repairing impediments remains a frustrating process. Individuals may contact area agencies for assistance, only to find they do not qualify for admission for various reasons, usually resulting from the specificity of a program's mission. Anecdotal evidence of such situations has been shared by those experiencing these vexing circumstances. For instance, an individual working in a local shelter related, "Once, we turned away a 'wheelchair bound' person although our facility is wheelchair accessible. That person was turned away because he had no history of mental illness, and to qualify for our service, an individual must be mentally ill. If that person was admitted, it would be a fraudulent admission, and our service could get into trouble."

²⁸ "Chronically Homeless": An unaccompanied homeless individual with a disabling condition who has either been homeless for a year or more, or has had at least four episodes of being homeless in the past three years (as defined in the July 2008 *CASE Plan to Prevent, Reduce and End Homelessness in Toledo and Lucas County Ohio*).

²⁹ <http://www.preferred-properties.org/>

Experiences such as these reveal a number of issues that should be addressed. First, they demonstrate the difficulty of ensuring that those in need of services receive accurate information about agencies that can and cannot assist them. Moreover, they also show the need for greater collaboration and referral activities among those agencies that serve similar populations, but may have slightly divergent missions. This, in turn, obviously requires that the agencies themselves possess knowledge of the purposes and operations of the other organizations that concurrently serve the area. Certainly, by tackling the aforementioned problems, which are evidently common among nearly every type of service, the community could attend to both those concerns relevant to persons with disabilities as well as those posing impediments to other protected classes. For this reason, improvements to communication, cooperation, and information-sharing are invaluable to any sincere attempt to eliminate barriers to fair housing.

Barriers for persons with disabilities are further compounded because the housing industry and housing providers have been slow and even resistant to assume their responsibilities regarding their service to persons with disabilities. Such denial of obligation manifests itself in several ways, including, but not limited to the following: an unwillingness to offer accessible units via modification and/or new construction; the failure to allow for reasonable accommodations; the discriminatory refusal to rent and/or lend to persons with disabilities; and the act of either prohibiting outright that the person keep a service animal or charging a pet deposit/additional rent for the animal. As a result of the prevalence of these issues nationally and locally, the Executive Summary in HUD's FY2008 Annual Report on Fair Housing states:

The most common basis of complaints was disability and the most common allegation was discrimination in the terms, conditions, privileges, services, or facilities of the sale or rental of housing. Over the past 4 years, the number and types of complaints have held relatively constant. The minor trends of note have been a slight increase in disability complaints and a slight decrease in race complaints between FY 2005 and FY 2008.³⁰

Although the local experience for Toledo has been slightly different, disability complaints remain the second largest basis for allegations of complaints the Center receives (for allegations excluding lending). This is hardly surprising, as a substantial percentage of housing units constructed continue to be in violation of the Fair Housing Act, and many of the newly-built and existing multi-family complexes fail to offer accessible units. In fact, many complexes that are subsidized with federal, state and local dollars (and are thus mandated to comply with accessibility standards) do not even provide accessible units.

According to the most recent MFH (multi-family housing) Inventory Survey of Units for the Elderly and Disabled, provided by HUD, 45 HUD insured and/or HUD subsidized multi-family properties that serve the elderly and/or persons with disabilities exist in Toledo. Of these, 4 developments limit eligibility solely to the disabled, designating all of their 76 units to these persons. Eleven of the developments, comprising a total of 1264 units (of which 1217 units are assisted), require residents to qualify as either elderly or disabled; however, only 3 of these developments have units particularly set aside for disabled tenants, amounting to 63 units.

³⁰ Source: <http://www.hud.gov/content/releases/fy2008annual-rpt.pdf>

The remaining developments include 3 that limit tenancy to the Elderly and 27 open to all families. None of the units in the former category and only 6 units in the latter are designated for the disabled. Nevertheless, some developments have units with accessible features available that are not limited to disabled occupants. The table following summarizes the data from the Inventory for Toledo, Ohio.

MFH Units for the Elderly and Disabled

Total Units	4273
Total Assisted Units	3962
Total Units Designated For Elderly	822
Total Units With Accessible Features	200*
Total Units Designated For The Disabled	145

*This figure is, most likely, 245 units in reality. A total of 45 of the units reported as “designated for the disabled” were reported by four of the developments, which simultaneously reported having zero “units with accessible features.” That units designated for the disabled do not contain accessible features is rather illogical.

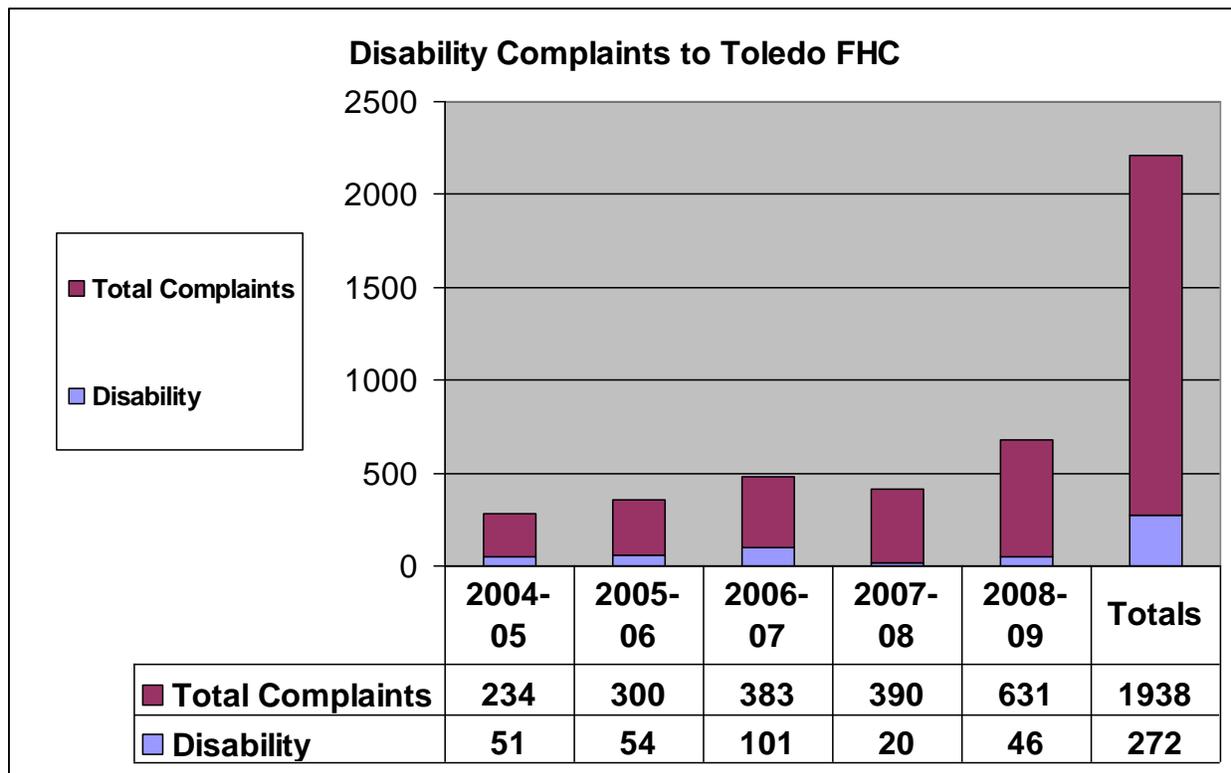
As these data demonstrate, extending services to persons with disabilities on an equitable basis is the first hurdle. Providing accessible units and buildings is the second.

The Fair Housing Center, Advocates for Basic Legal Equality (a local legal organization which regularly represents persons with disabilities) and the Ability Center (a non-profit organization serving the disabled community) joined forces to assess the extent and nature of disability discrimination and to develop effective strategies to eliminate barriers. The impediments these organizations identified previously are listed below. As part of its preparation of the 2010 Analysis, the Center met again with the Ability Center and hosted both of the aforementioned agencies at the public forums. Through these discussions, the formerly recognized impediments were reviewed and agreed upon as remaining relevant and significant barriers to persons with disabilities who seek equal access to housing of their choice.

These enduring issues include:

- Landlords and condominium associations regularly violate the reasonable accommodations and modifications provisions of the Fair Housing Act.
- Landlords and condominium associations do not understand the right of persons with disabilities to have support animals.
- Landlords and condominium associations improperly impose “pet” restrictions on persons with disabilities.
- Local municipalities are granting permits for work that violate the design and adaptability provisions of the Fair Housing Act.
- Architects, contractors, inspectors and developers are still ill-informed about provisions of the Act.
- Builders and developers are constructing units that violate the statute. In addition, some units renovated with government dollars are not done so in accordance with accessibility guidelines.

- Contractors decline to adopt the accessible design specifications that architects propose, which results in statute violations.
- Housing providers and professionals erroneously believe that building accessible housing is too expensive and vastly increases building or rehab budgets.
- Housing professionals, government employees, and the general public are not informed about disability issues and do not understand the principles of the Fair Housing Act.
- There is a general misunderstanding of persons with disabilities that engenders inappropriate apprehensions and biases.
- In order to use products from their favorite suppliers, contractors circumvent original specifications which include accessible features. Ignorance of the law also contributes to this.



In addition, as part of its 2008-2009 enforcement activities, the Center contributed to the settlement of a case that involved a family with a mobility-impaired young man who came home from school every day to a rental home with an inaccessible entrance (four-five stairs). The neighbors coordinated their energy and resources to build a portable ramp that would allow the young man to enter the home easily in his wheelchair. The landlord, however, determined the ramp to be an eyesore and decided to “improve” it by dismantling it. In the conveniently-located, functional ramp’s place, the landlord erected a ramp in the rear of the house, which rose at an angle that was impossible to maneuver in a wheelchair. Consequently, when the complainant got off the bus each day, he would be forced to climb out of his wheelchair, sit on the bottom stair and lift himself up step-by-step, pulling the wheelchair up as he went. The situation was even worse in inclement weather, of course, as the young man would have to sit in snow, rain, etc. just to get into his own home.

The Center's staff documented the process on video and included it in evidence forwarded to the attorney, who successfully obtained a monetary settlement (\$65,000) for the family.

While the resultant award to the family from the settlement was significant, the mere occurrence of such a case exposes the extent of discrimination, ignorance, negligence, and outright indifference with which housing builders and providers (as well as the general public) still regard issues of fair housing and, particularly, those of the disabled. In discussions with the Ability Center, complaints ensuing from landlords' misconception that tax-credit housing need not comply with accessibility stipulations were said to be quite common. Furthermore, situations in which a landlord refuses to allow a resident to keep a service animal due to a municipal ordinance and/or an insurer's threat to deny coverage (e.g. pit bulls, exotic animals, animals considered "vicious") continue to be complex and, thus, are still usually decided on a case-by-case basis.

One area in which Toledo has made progress, however, is in the passage of provisions relating to Visitability, which are contained in Chapter 1347 of the Toledo Municipal Code. The ordinances therein were passed by City Council on September 20, 2005 and stipulate that all one, two, and three-family homes constructed using any public subsidy incorporate such accessible features as follows:

- **No step entrance:** Provide at least one no step entrance. The required no step entrance shall be accessed via a visitable route.
- **Doors/openings:** All doors and openings shall have a minimum net clear width of 32 inches.
- **Hallways/corridors:** All hallways and corridors on the main floor shall be at least 36 inches in width.
- **Bathroom/half-bath:** Provide a bathroom or half-bath on the main floor with clear floor space of 30 inches x 48 inches.
- **Bathroom/half-bath walls:** All walls in the required bathroom/half-bath shall have reinforcing/backing in the walls to allow for future installation of grab bars.
- **Wall electrical outlets:** Wall electrical outlets on the main floor shall be mounted at least 15 inches above the finished floor.
- **Light switches, thermostats and other controls:** Light switches, thermostats and other control devices on the main floor shall be mounted no higher than 48 inches above finished floor.³¹

Commenting on the ordinances' passage, Tim Harrington, Executive Director of the Ability Center, said "The ordinance eliminates architectural barriers that isolate persons with disabilities, seniors and others with mobility impairments. It will promote inclusion throughout the community by allowing those individuals to freely visit and socialize with family and friends. It also gives Toledo recognition as a prominent, proactive leader in Ohio regarding accessibility."³² Certainly, this is the direction in which Toledo hopes to continue advancing, as it aims to eliminate all impediments to fair housing.

³¹ Source: Toledo Municipal Code Section 1347.02 I. (a)-(g)

³² Source: <http://www.raggededgemagazine.com/departments/news/000570.html>

REAL ESTATE SALES

Real estate sales cases represent a relatively small percentage of the overall allegations of fair housing discrimination filed with the Fair Housing Center. This can be attributed, in part, to the fact that real estate agents in the state of Ohio must complete a three hour continuing education course in civil rights and fair housing every three years to maintain their license. While the Fair Housing Center has been able to form very productive partnerships with the Toledo Board of REALTORS® and members of the real estate community, there still remain barriers in this field that impede fair housing goals. They include: 1) A relative absence in under-served communities; 2) Commission scales; 3) Steering practices; and 4) Inadequate or under-stated diversity goals.

While the Fair Housing Center, the Ohio Civil Rights Commission and HUD have worked diligently to encourage lenders and insurers to open offices and establish a presence in urban communities, real estate companies have been left out of the “office expansion” efforts. Currently, there is only one real estate company located in the urban center. The remaining real estate companies are located away from the urban center. This, in fact, has contributed to the lack of marketing by real estate professionals in the urban core.

Unfamiliarity with the urban center only worsens the already poor promotion of neighborhoods in and adjacent to the core. Since real estate companies do not locate offices in the central city and many agents do not live in central city neighborhoods, it stands to reason that they will be unfamiliar with urban districts. If an agent is unfamiliar with an area, he or she will not be likely to market that area.

The perception of companies that business and opportunities are lacking in urban centers is one of the principle factors that motivate them to locate elsewhere. For example, housing values tend to be lower in central city communities. Specializing in lower-income areas, many agents reason, is not economically viable based on the commission scale. Typically, an agent makes a 7% commission on the sale of a property (If there is more than one agent involved, the agents split the 7% commission). The state establishes a minimum commission amount; however, agents tend to want to focus on higher priced homes because their sale will result in a higher commission for the agent. As a result, few agents are available who are dedicated and willing to serve in central city areas. This, in turn, decreases competition, which further drives down property values.

In 2005, the real estate community came up with one way to address the lack of marketing in urban areas: the CARES Program (Certified Affordable Real Estate Specialist). Unfortunately, this program is in jeopardy of being discontinued due to lack of interest, as only six REALTORS® of the over 1,500 members of the Toledo Board of REALTORS® obtained the certification. The Affordable Housing and Cultural Diversity Committee of the Toledo Board of Realtors® administered the program, which was designed to increase the level of interest in selling affordable homes. In order to qualify for this designation, real estate agents were required to complete the following:

- 15 hours of approved Community and/or REALTOR® Association involvement in the same three year period
- 10 hours of approved education related to Affordable Housing matters in the same three year period
- Have 10 units of qualified sales in the past three year period. A qualified sale is a home (for homeowner occupation) that is priced at and sold for less than \$90,000 (Transactions over \$90,000 may qualify if special lending programs were used).

The Toledo Board of REALTORS® reports that the three year average of affordable homes sales in the Lucas County area was only 2,011, despite the fact that on January 11, 2010, there were 1,488 active listings in the Multiple Listing Service for homes at or below \$90,000 in Lucas County. This fact demonstrates that there is an unmet need in the affordable housing market and presents strong support for the consideration of reinstating the CARES Program or some other incentive to promote the sale of affordable homes within the City of Toledo. The Toledo Board of REALTORS® provides the following three-year average (2007-2009) home sales from the Northwest Ohio Real Estate Information Systems:

Three Year Average	
Single Family Home Sales	
\$19,999 or less	654 Homes
\$20,000 - \$29,999	266 Homes
\$30,000 - \$39,999	196 Homes
\$40,000 - \$49,999	193 Homes
\$50,000 - \$59,999	208 Homes
\$60,000 - \$69,999	218 Homes
\$70,000 - \$79,999	238 Homes
\$80,000 - \$89,999	237 Homes
Total	2,011 Homes

According to a January 13, 2010 article featured in the Toledo Blade, sales of single-family homes in Lucas County and across the northwest Ohio region have risen by 1 percent. Nevertheless, prices have decreased 9% region-wide and 11% in Lucas County. Average prices were observed to be \$101,723 for northwest Ohio and \$94,077 in Lucas County; this represents the first time in years that average prices in Lucas County have fallen below the \$100,000 threshold.

The Toledo real estate market reached an apex in 2005. Since then, a decline of 24% in average prices, equivalent to \$31,000 from \$133,000, has occurred. Similarly, over the past four years, there has been a 25% decrease in the quantity of sales throughout northwest Ohio, with 63% of these sales being in Lucas County.

Houses in the price range under \$50,000 have realized the greatest growth in sales, at 19%, and comprised approximately one-third of the houses sold in 2009. Real estate professionals ascribe this situation to the increased frequency of foreclosures and the distressed transactions that occur when the owner's debt is greater than the market value of the home (i.e. when the consumer is upside-down/underwater). In the area, such properties make up nearly 50% of all sales listings. The larger proportion of buyers who desired to become first-time homeowners, as a result of the incentives offered via the federal tax credits, also contributed to these circumstances, as first-time buyers generally enter the housing market in the lower price ranges.

Overall, the figures revealed by the report from the Toledo Board of REALTORS® provided an indefinite outlook. While a comparison of average prices in the region between December 2008 and December 2009 demonstrated an 18% increase (to \$106,215), a decline of 4% in the number of sales (439) simultaneously was observed. Conversely, a rise in sales by 2% of condominiums (253 for Lucas County; 369 for northwest Ohio) and a drop in condominium prices by 13% in Lucas County (\$134,889) and by 12% across the region (\$135,101) occurred.

Homes sold

Northwest Ohio

2008	2009	Change
6,459	6,525	1%

Lucas County

2008	2009	Change
4,070	4,121	1%

Average sales price

Northwest Ohio

2008	\$111,746	
2009	\$101,723	Chg. -9%

Lucas County

2008	\$106,206	
2009	\$94,077	Chg. -11%

Toledo Board of Realtors THE BLADE

Furthermore, the Third Quarter 2009 Median Home Price for the Toledo MSA was \$88,300. This quarter's annual change demonstrated a drop in the median home price of -12.1%.³³ The median is a statistical measure of center representing the price at which half of homes sold for more, half for less. In mid-February, Fourth Quarter 2009 Median Home Prices were also released by the National Association of REALTORS®. The data reveals the median sales price for the Toledo MSA to equal \$86,500, a 14% rise above the preceding year's figure. As the table below shows, however, the median sales price is actually lower than both second and third-quarter 2009 figures.

Additionally, the Toledo Board of REALTORS® released January 2010 figures for local home sales and average prices, which report a decline in home sales accompanied, conversely, by an increase in the average sales price. Both patterns continue the trends observed in the previous year's annual report. The 192 sales that occurred in January 2010 indicate a drop of 21% in the number of sales in Lucas County, as compared to figures for January 2009. This tendency was common among counties across northwest Ohio, although not quite as severe on the regional level, as the 14-county area demonstrated a 14% decline in sales. Nevertheless, Lucas County witnessed a 22% rise in the average sales price, placing the figure at \$87,987. Similarly, figures for northwest Ohio demonstrate the average price to equal \$96,228, an increase of 13%.³⁴

National Association of REALTORS®
Median Sales Price of Existing Single-Family Homes for Metropolitan Areas

Metropolitan Area	2007	2008	2009 p	2008.IV	2009.I	2009.II	2009.III r	2009.IV p	% Chya
	(Not Seasonally Adjusted, 000s)								
U.S.	217.9	196.6	173.2	180.2	167.3	174.2	178.2	172.9	-4.1%
NE	288.1	271.5	240.7	248.8	235.2	245.8	247.1	234.9	-5.6%
MW	161.4	150.5	142.5	139.5	131.6	146.4	150.1	141.1	1.1%
CBSA SO	178.8	169.4	154.6	156.7	146.6	158.6	160.0	153.0	-2.4%
Code WE	342.5	276.1	224.2	249.3	229.2	214.2	225.6	227.2	-8.9%
45780 Toledo, OH	106.6	91.2	83.4	75.6	65.5	87.1	88.3	86.5	14.4%

*All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget as of 2004. They include the named central city and surrounding areas. N/A Not Available p Preliminary r Revised
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A practice that negatively impacts urban communities as well as African-American and Hispanic consumers is steering. Steering occurs when an agent guides a particular customer to a community or neighborhood based upon the demographics of the consumer and the neighborhood. For example, when an agent only shows Caucasian clients homes in predominately Caucasian neighborhoods, the agent is steering that consumer.

³³ Source: National Association of Realtors MSA quarterly median home price map, accessible at http://www.realtor.org/research/research/nar_research_maps_msa

³⁴“Toledo-area Home Sales Prices Increase.” *Toledo Blade*. 12 Feb 2010. accessible at <<http://toledoblade.com/apps/pbcs.dll/article?AID=/20100212/BUSINESS05/2120327/-1/BUSINESS>>.

Unfortunately, steering is alive and well in Lucas County. Testing conducted by the Fair Housing Center reveals that white testers are rarely shown housing in integrated or predominately African-American communities, even when they specifically ask to see houses in neighborhoods like Westmoreland and the Old West End. Steering is not only illegal under the Fair Housing Act, but it also has a devastating impact on urban communities that do not benefit from full access to the marketplace. There are a large number of buyers who could afford homes in central city neighborhoods, but are never shown those homes or are discouraged from seeing them because the agent assumes that the client would never want to live in those communities.

One way to combat some of the barriers mentioned above is for real estate companies to recruit a more diverse partnership of agents. Although the number of African-American agents is increasing, the percentage of African-American agents remains far below the percentage of the population as a whole that is African-American. Moreover, there are only a small number of Hispanic, Asian or Arabic real estate agents.

In addition to the aforementioned observations, several real estate agents attended the community forums facilitated by the Center. They, along with other participants, commented on additional impediments to fair housing that are particularly relevant to the real estate community and its activities. The language barrier and other difficulties experienced by clients who require multi-lingual services, documents, etc. currently act as obstacles to the efficient, successful provision of services and execution of real estate transactions. The fact that few real estate agents in the county are able to speak languages other than English creates a situation in which persons who use English as a second language or do not speak English at all do not have equal access to the services often necessary to buy or sell a home.

Real estate agents in attendance at the roundtables held for the 2005 Analysis considered the troublingly poor maintenance and overall condition of the affordable housing stock to primarily be a result of the structure's age, general neglect, the denial of coverage for insurable loss, shoddy and/or incomplete repairs, and/or the limited ability of elderly and/or low-income residents to properly maintain the property. Although, certainly, such factors remain influential, agents attending the forums for the 2010 AI were far more concerned with the availability of financing, consumer credit scores, and the foreclosure crisis. At the same time foreclosures are driving down values, perhaps making homeownership more affordable, obtaining financing is nearly impossible; thus, even properties previously well-maintained and occupied become vacant and are subject to rapid deterioration (further decreasing their value).

Moreover, in the 2005 roundtables, real estate professionals voiced concerns regarding the following: a lack of consumer education in terms of shopping for loans and how credit is scored; the shift in the role of the real estate agent, insofar as the agent is no longer the "gatekeeper" and "trusted advisor" of the consumer; and the increasingly aggressive marketing practices of lenders. Lending practices, once again, as well as the accessibility of capital for community lending products and lending to underserved areas were the primary issues noted in the 2010 AI forums. Although previous roundtable participants mentioned predatory lending as a secondary, yet harmful obstacle, certainly, the pervasiveness of the practice in recent years contributed to the increased prominence of the problem and its, consequently, more frequent mention in the 2010 forums.

The comments of participants in the 2010 forums also focused on the need for community/local lending, lending for underserved areas, stronger regulation of lending practices, the cooperation of banks in efforts to refinance and modify loans, and prompting the willingness of banks to lend and at reasonable interest rates. Thus, the inter-relatedness of financial institutions, economic conditions, and real estate, especially on the local level, have become ever more apparent; this only further signifies a need to achieve better collaboration among businesses, agencies, and organizations, which all play a role in determining local outcomes and experiencing the effects of one another's policies and practices.

ZONING REGULATIONS AND OCCUPANCY STANDARDS

One of the integral steps a community incorporates in its Analysis of Impediments is an evaluation of local planning, zoning and land use guidelines for evidence of limitations that inhibit fair housing choice. Owing to the recurrent incidence of language that induces fair housing barriers in the codes and ordinances of various jurisdictions, the assessment of regulations germane to housing within Toledo's boundaries is essential. The Fair Housing Act prohibits discrimination in housing decisions on the basis of a person's membership in a protected class and contains specific provisions relating to persons with disabilities. For example, the Fair Housing Act stipulates that persons with disabilities must be allowed reasonable modifications or reasonable accommodations, which enable that person to experience the enjoyment of his/her housing unit.

Furthermore, the Ohio Revised Code features a distinct provision to guarantee protections for families with children. The Code §5103.0318 states,

Any certified foster home shall be considered to be a residential use of property for purposes of municipal, county, and township zoning and shall be a permitted use in all zoning districts in which residential uses are permitted. No municipal, county, or township zoning regulation shall require a conditional permit or any other special exception certification for any certified foster home.

Therefore, families who have foster children must be regarded legally just as any other family; no requirements or provisions particular to families with foster children may be instituted or implemented. In the Planning and Zoning Code of Toledo, adult foster homes and certified foster homes are not listed as forms of "Group Living" under the Residential Use Regulations and are, consequently, considered to be types of "Household Living". Nevertheless, each occupies an individual category of use having its respective regulations pertaining to permitting within the various zoning districts. The use of "Certified Foster Homes" is permitted in "all zoning districts in which residential uses are permitted;" however, "Adult Foster Homes" are only permitted in zoning districts of residential and neighborhood commercial designation. Finally, other categories under "Household Living" tend to be based on the structure type and/or number of dwellings contained within the structure, rather than on the characteristics of the occupants.

The Toledo Municipal Code also makes very clear distinctions between what it terms "Household Living" and "Group Living." As §1116.0222 denotes, "Household Living" corresponds to the "[r]esidential occupancy of a dwelling unit by a Household with tenancy arranged on a month-to-month or longer basis." The uses that comprise this classification are as follows: Detached House, Attached House/townhouse, Duplex, Cluster Housing, Manufactured Housing Park, Manufactured Home, Multi-Dwelling Structure (e.g. garden apartments, apartments, and condominiums), Adult Foster Home (uses involving the care of 1 or 2 adults and not requiring a State license), and Certified Foster Home. Similarly, section 1116.0220 defines "Group Living" as the "[r]esidential occupancy of a structure by other than a household, where units or quarters do not each have its own kitchen facilities. Does not include transient habitation uses."

This category, nonetheless, does contain the uses following: **Adult Family Home** (provides state-licensed supervision and personal care services to at least three unrelated adults), **Small Residential Facility** (provides state-licensed or state-regulated room and board, personal care, habilitation services, and supervision for as many as eight persons who require such care because of any of the following: mental retardation or a developmental disability; physical disability; age; long-term illness, including HIV; domestic violence; or being a runaway minor), **Large Residential Facility** (same as above, but for more than nine but not more than 16 persons), **Drug and Alcohol Residential Facility-Halfway House** (provides state-licensed care and treatment of adult offenders), **Nursing Home** (provides state-licensed care to individuals who by reason of illness or physical or mental impairment require skilled nursing care and/or personal care services), **Rest Home** (provides personal care services, but not skilled nursing services to adults), **Home for the Aging** (provides state-licensed services, but only to individuals who are dependent on the services of others by reason of both age and physical or mental impairment), **Group Rental** (unrelated persons who do not constitute a family or a functional family living as a single housekeeping unit in which individual sleeping quarters may be occupied by the residents of the dwelling thereof, and in which the relationship among the members of the group rests primarily upon a cost-sharing arrangement), **Homeless Shelter** (temporary housing for indigent, homeless, or transient persons), and **Other Group Living** (fraternity and sorority houses and other community-based housing not provided for elsewhere in the code).

In discussions with a representative from the Toledo-Lucas County Plan Commissions, the uses addressed in the standards above, especially those regarding foster homes, were characterized as generally unencumbered within municipal boundaries. The two major issues identified as posing possible obstacles to multi-family, foster, and/or other group housing were as follows:

1. The exclusionary zoning practices of the outlying suburbs; and
2. The occurrence of particular circumstances, which call for the involvement of the Health Department, Building Inspection and Code Enforcement, or other enforcement bodies (in issues regarding safety, sanitation, and/or nuisance abatement).

Even so, the standards put forth in the Planning and Zoning code have implications for multi-family housing and group homes. The additional spacing, landscaping, architectural design, and parking requirements that are applied to non-single-family residences can sometimes act as impediments to the provision of affordable, accessible housing units both inside and outside of municipal boundaries. The purpose of such criterion is to ensure that residential uses which are “more commercial” in nature do not have a

...negative impact such as traffic congestion, off and on street parking congestion, noise and litter which are inimical to the health and safety of residents, particularly children. Such regulation is also needed to preserve property values and the characteristics of family values, quiet seclusion and clean air of such neighborhoods.³⁵

³⁵ Source: Toledo Municipal Code Section 1104.1101

While this appears to be a rather reasonable policy, several challenges have been posed by facilities that have felt they have experienced an undue burden due to the regulations. Group homes that house elderly and/or disabled residents, who often do not have the means or the ability to drive a vehicle, still must comply with parking requirements that seem irrelevant to the services they provide. Additionally, the case of Harding v. City of Toledo brought the question of whether the City's enforcement of its 500-foot spacing requirement for group homes was inherently discriminatory before the U.S. District Court for the Northern District of Ohio, Western Division. The case was decided in 2006, with the court denying a motion to bar the City's enforcement, as it did not view the 500-foot spacing to be fundamentally discriminatory. Thus, the Court resolved that the City was not in violation of anti-discriminatory state and federal laws protecting persons with disabilities. In their effort to fight the City's provisions, the plaintiffs cited two cases, which set precedent for the invalidation of spacing requirements applied to adult care facilities for disabled people. The first, Larkin v. State of Michigan, Department of Social Services was a 1996 case nullifying a 1,500-foot spacing requirement for group homes for mentally retarded adults. The second was Oconomowoc Residential Programs v. City of Milwaukee, a 2002 case whose decision concluded that a 2,500-foot spacing requirement for adult care facilities for disabled people was illegitimate. Evidently, the Court held the opinion that the buffer zones stipulated by the ordinances in the referenced cases were invalidated due to their significantly larger extent, not merely due to their existence and enforcement.

Although occurring in an area peripheral to Toledo, the Center's recently settled case against the Village of Holland illustrates well issues that arise with the zoning of group and family homes, including adequate provision of accessible housing and reasonable accommodation. Specifically, the owners of two group homes, which are currently located in Toledo and house adults with mental disabilities, applied for a reasonable accommodation request. This was for a home they wished to purchase that would allow them to combine the facilities previously housed in two homes into a single residence. The Village denied the request that would have waived the need to apply for a zoning modification for more parking spaces. The owners pursued this waiver because none of their residents drove and the existing parking spaces were more than enough to accommodate the staffing needs of the home. Despite repeated attempts by the Fair Housing Center, including sending an attorney with extensive fair housing experience to educate the Mayor, Council and legal representation of the municipality, the Village still refused to grant the request.

The settlement of the case resulted in the Village having to pay the Center a \$7,500 sum as well as an annual fee of \$600.00 for the next five years for the training sessions the Center will conduct to educate Village personnel involved in zoning and reasonable accommodation requests. In addition, the OCRC received \$1,500 and the two complainants received \$65,000 and \$47,500 respectively. The settlement agreement also states that "as an inducement to locate in the Village of Holland" the Village will provide a ten-year property tax abatement to any licensed Group or Family home operating in the Village of Holland. This inducement will be in effect for the next 99 years.

Finally, in an effort to help facilitate monitoring of this agreement, for the next five years the Village will provide the Fair Housing Center with all information regarding zoning or reasonable accommodation requests the Village may receive from licensed group or family home providers. This information will be provided to the center at least 24 hours prior to any council hearings or other meetings which may be convened to determine reasonable accommodation or zoning issues. Hopefully, the settlement will serve as an example to other communities that may consider the denial of group residential uses within their boundaries.

Families and Households

The city of Toledo revised its zoning code in 2004, including the terms "family" and "household." The term "household" replaced the term "family" and includes families related by blood or marriage as well as unrelated persons whose relationship is functionally equivalent to a family. In order to be "functionally equivalent" to a family, one must meet several criteria that are listed in the code, Section 1115.0900. The definition and determination of a household is rather lengthy and complicated.

However, the code also indicates that living arrangements for persons with a handicap and/or a disability within the meaning of the Fair Housing Act and the Americans with Disabilities Act is presumed to be "functionally equivalent" to a family. Thus the definition of "Household," although complex, does not appear to be an impediment to equal housing opportunity for the disabled. There may be an implied impediment if someone does not read or understand the entire content of the code. Despite the acceptable definition of the term "Household," the City of Toledo code contains other specific references to "group living" which appear to be more restrictive than the definition of "household."

Occupancy Issues

The 2005 AOI identified the existence of discrepancies among occupancy provisions as a source of confusion and, possibly, impediments to fair housing. Insofar as the codes include different square footage provisions for total unit occupancy and individual occupancy, varying interpretations of living spaces, as well as disagreement regarding how an "occupant" is even defined, they generate a great degree of uncertainty. The inconsistency among the various codes has led to dissent concerning the interpretation of what constitutes compliance with the density code and, ultimately, with the Fair Housing Act, which makes reference to local density or occupancy ordinances in determining the number of occupants per unit. Housing providers who employ occupancy standards that are stricter than the local code may be identified as discriminating based on familial status if they deny a family housing based on the number of occupants in the unit.

Additionally, the Planning and Zoning Code supplies intensity and density parameters. For each of the respective zoning districts, overlay zones, and their respective uses, the maximum number of dwelling units, minimum setbacks, floor area ratios, and individual parcel characteristics determine the permissible density of development. How such standards affect fair housing may depend on the area in question as well as the participation of stakeholders in the planning process. For instance, many participants in the public forums acknowledged the common occurrence of the prohibition of multi-family and group housing in the townships surrounding Toledo; such denial of permission to construct and/or operate a facility of this kind is often, unfortunately, put forth without a legitimate legal basis due to the vocal intervention of local residents and/or future, potential neighbors who view the use as undesirable.

The 2005 report also recommends the adoption of a single, consistent standard in order to eliminate uncertainty and provide better guidance to fair housing practitioners, housing providers and consumers. Unfortunately, the advice of the 2005 AOI has yet to result in the settlement of disparities previously observed between the county and city level regulations as well as between the various codes within the Toledo Municipal Code (e.g. Health Code, Building Code, etc.). Ordinances exist within the codes that address some of the discrepancies by stating, “If the provisions of this...[c]ode are inconsistent with one another, or if they conflict with provisions found in other adopted ordinances or regulations of the City, the more restrictive provision will control” (Toledo Municipal Code § 1101.0803). Nevertheless, the stipulation does little to identify which code may contain the most restrictive regulations or clarify that the standards present are not those which should be considered in the assessment of conformance. Therefore, the enactment of consistent standards of occupancy by local governments remains strongly advisable.

Finally, the Municipal Code features definitions in various sections for “occupant.” Although for certain purposes, an “occupant” may require a specific definition (e.g. lead-based paint regulations), the nature of the discrepancies simply increases confusion. Throughout the code, an occupant is defined in one section according to having attained a minimum age of two years, in another as being a minimum age of six months, and in a third instance as an individual holding a written or oral lease. Considering the occupancy and density regulations already diverge from one another, such disparities only further complicate the process of assessing the maximum number of occupants permitted and the square-footage requirements applying to the housing unit(s) in question. This may pose a problem, specifically, in cases regarding familial status, and, therefore, should be addressed with consideration to the implications such stipulations can have on fair housing.

FORECLOSURE ANALYSIS

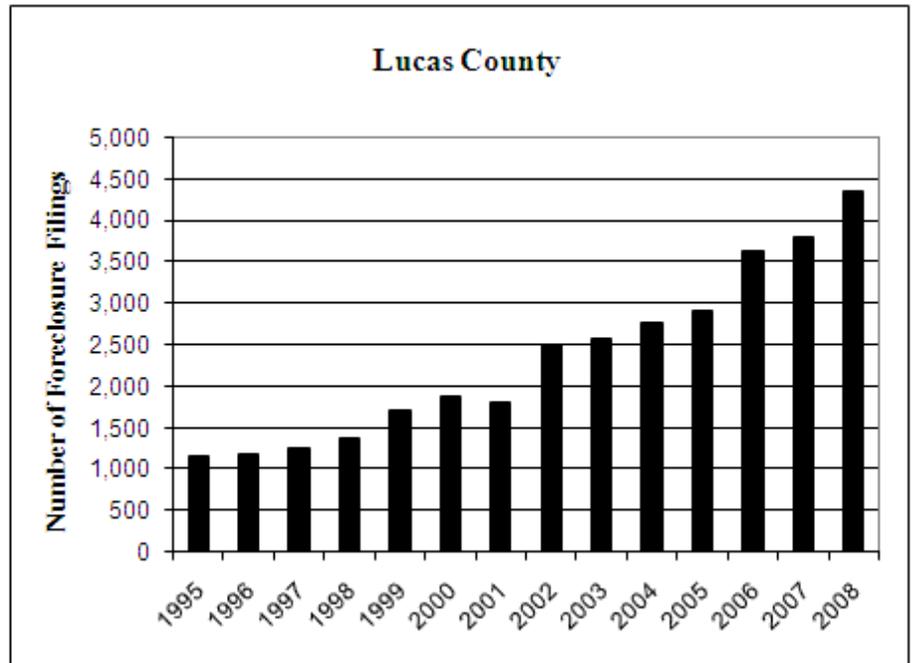
For the current AI, the Center, with the assistance of the consultant, obtained information concerning foreclosure filings in the area. The data originates from both the Neighborhood Stabilization Program data files from HUD and the Foreclosure Growth in Ohio 2008 and 2009 Reports by Policy Matters Ohio. The previous Analysis of Impediments (2005) utilized detailed information collected manually with the help of the Lucas County Clerk's Office. This data covered the time period ranging from 1998 to 2004 and contained elements such as the name and address of the plaintiff, the name and address of the defendant, and interest rate information. For the year 2003, when the information in the foreclosure file made it available, the Center also collected information regarding the terms and provisions of the loans, the loan origination date, and the foreclosure filing date, along with other data.

Lucas County, in a fashion similar to that observed throughout the state and the nation, has been experiencing consistently substantial numbers of foreclosures filed each year. Like other major urban counties throughout Ohio, a disproportionate majority of the foreclosures in Lucas County were being filed within the City of Toledo, with even more severe concentrations tending to occur in central city neighborhoods. Nevertheless, foreclosures and their attendant issues are no longer so narrowly confined. As the Save the Dream (Ohio's Foreclosure Prevention Effort) 2009 Report notes in its introductory remarks, "It could happen to anyone." The economic downturn and its consequences (e.g. loss of income, lack of employment opportunities, unemployment, inability to obtain financing, etc.) have generated an even more troubling situation over the past 5 years, in which the immense escalation in foreclosure filings has positioned Lucas County as fourth in the state in terms of per capita foreclosure filings for the consecutive years of 2006 and 2007.

In 2006, there were 3,618 filings recorded, and 3,796 new filings originated in 2007. The 4,359 new filings in 2008 moved Lucas County to the ranking of second in per capita foreclosure filings in the state, with only Cuyahoga County having a higher status. Considering the state of Ohio currently ranks nationally as having the 9th highest incidence of foreclosures, such statistics continue to be quite distressing.

The 2008 and 2009 Policy Matters Ohio Reports recognize that the greatest increases in the rate of foreclosures occurred in the smaller, non-urban Ohio counties. Nevertheless, six of the ten largest urban counties still demonstrated higher growth rates than the state average, and seven of the largest urban counties had higher than state average foreclosure filing rates. Lucas County was among both of these groups, additionally being positioned as the county possessing the highest growth rate of **all** of Ohio's largest urban counties, at 14.8%.

Year	Lucas Filings
1995	1,165
1996	1,170
1997	1,247
1998	1,377
1999	1,718
2000	1,883
2001	1,807
2002	2,509
2003	2,561
2004	2,766
2005	2,903
2006	3,618
2007	3,796
2008	4,359



Source: Policy Matters Ohio Foreclosure Growth in Ohio 2009 Report

HUD’s model estimates the amount of foreclosures for Toledo, Ohio over the 18-month period encompassing January 1, 2007 to June 2008 to be approximately 5,737. The Ohio Department of Development has identified a portion of Toledo, consisting of 73 census tracts, as one of its Priority Investment Areas to address Inner City Distress. According to HUD’s estimated number of foreclosures for all Lucas County census tracts, the foreclosures in these 73 tracts comprise over 45% of total estimated foreclosures in the county. However, the census tracts only make up approximately 34% of total mortgages in the county, as represented by the data.

As indicated above, a pattern involving the concentration of foreclosures in Toledo’s central city does remain. Again, this clustering can be linked to the large percentage of non-conventional financing that has occurred within the City as well as the general economic and employment conditions that have further impacted already distressed areas. However, as the foreclosure and economic crises have evolved, the pattern of foreclosures has persisted in its expansion from the central city into adjacent communities. One explanation for this can be attributed to the increased amount of refinances occurring in the sub-prime market. Many of the foreclosures filed are not filed on home purchase loans, but rather, refinance or home equity loans. In many cases, these refinance loans and home equity loans have been made at levels that exceed the borrowers’ ability to pay. Moreover, many of these loans are made in amounts that far exceed the true value of the home’s market value, especially after the negative effects on property values due to the recent economic downturn are taken into consideration. This results in borrowers experiencing the simultaneously detrimental circumstances of becoming over-extended in their debt and not being able to sell their homes; thus, they are left without a means of salvaging their financial situation because they often owe more than the house is worth.

The March 2009 “Interim Report to Congress on the Root Causes of the Foreclosure Crisis” by the U.S. Department of Housing and Urban Development Office of Policy Development and Research incorporates an analysis of trends in mortgage delinquencies and foreclosure starts. Furthermore, it contains a discussion of the academic literature and industry press on the root causes of the current foreclosure crisis, both of which are particularly instructive in regards to the factors contributing to the current state of the national as well as local housing markets.

The analysis reveals that the initial rise in foreclosures occurred as a consequence of inherently risky subprime loans, which increasingly comprised a greater proportion of the mortgage market, and the hasty escalation in the rates of foreclosure among these loans. Moreover, the “Alt-A” loan segment of the market soon duplicated this experience, and in both areas of the market, adjustable-rate loans accounted for the fastest growing rates of foreclosure. Nevertheless, the continuing economic downturn of 2008 demonstrated a higher frequency of foreclosures, with the effects even extending to include prime, fixed-rate mortgages.

The literature review portion of the report contains an examination of the causes that scholars from various academic disciplines offer for the crisis. One way the field of economics explains the occurrence of mortgage defaults is through the option-based theory, which positions a homeowner who holds a mortgage contract as having the ability to default on their mortgage and, thus, bequeath the home back to the lenders. In accordance with this theory, the main impetus for default is the ratio of the market value of the house to the amount of outstanding debt. If the value of the mortgage debt becomes significantly greater than the value of the home, relinquishing the home to the lender becomes a more advantageous option for the owner. This theory, although prevalent in economic literature since the 1980s, does not go far enough to describe the current crisis. Certainly, a lack of equity strongly correlates with the rate of foreclosures, but sudden changes in a borrower’s financial situation are far more likely to be the root cause of delinquency, as borrowers rapidly find themselves unable to fulfill all of their debt obligations. As the report notes,

These so called “trigger events” commonly include job loss or other income curtailment, health problems, or divorce. As a result, foreclosures are most accurately thought of as being driven by a two-stage process—first a trigger event reduces the borrower’s financial liquidity, then a lack of home equity makes it impossible for the borrower to either sell their home to meet their mortgage obligation or refinance into a mortgage that is affordable given their change in financial circumstances. In this view, a lack of home equity is an important determinant of foreclosures as it precludes other means that borrowers can take to resolve an inability to meet their mortgage obligations, but defaults are most commonly triggered by some other event that makes borrowers financially illiquid (HUD Office of Policy Development and Research viii).

Since the frequency of such “trigger events” has increased and the process discussed previously has happened to more and more individuals and families as a result of the economic collapse, perhaps the most notable change in relation to foreclosures that has occurred throughout jurisdictions of various scales is their indiscriminate presence. Foreclosure is no longer an issue relegated strictly to the margins of inner-city districts. Foreclosure affects all regions of Ohio and homeowners of exceedingly diverse backgrounds. As the 2009 Save the Dream Annual Report explains, “Sudden changes in life circumstances such as unexpected medical bills, unemployment or divorce upset the balance of a homeowner’s financial situation and can lead to unmanageable mortgage payments.” The continuation of substantial economic turbulence, of course, only intensifies these circumstances.

In March 2007, as a response to this situation, Governor Ted Strickland established the Foreclosure Prevention Task Force, which issued a report in September 2007 that contained 27 recommendations of ways that the state could curtail the foreclosure crisis. The primary suggestion advanced the creation of a public awareness campaign along with the holding of borrower outreach events. The aim of the awareness and outreach efforts was to urge homeowners who are either having difficulty in paying their mortgage payment or who will soon witness the reset of an adjustable rate mortgage to contact their mortgage servicer. To facilitate the process, the Save the Dream campaign was initiated in March of 2008. The state of Ohio remains committed to the campaign and continues working to implement the other recommendations offered in the Task Force’s 2007 report.

The observation that foreclosures are becoming far more geographically scattered is further supported by the Economic Opportunity Planning Association of Greater Toledo, Inc. 2008 Community Needs Assessment, which demonstrates the magnitude of the foreclosure problem in the City of Toledo as a whole via HUD data, Lucas County Sheriff’s Sale records, and information available from RealtyTrac. Additionally, the assessment reveals the highest concentration of foreclosures to be present in the following zip codes: 43605, 43609, 43608 and 43612. Responses to the EOPA’s survey show 5.26% of people as “buying home, in foreclosure” and 7.27% to be “buying home, more than one month behind on payments.” The report also comments on the tendency of unemployment, health issues, and predatory lending practices to more frequently act as contributing factors to the failure of maintaining homeownership.

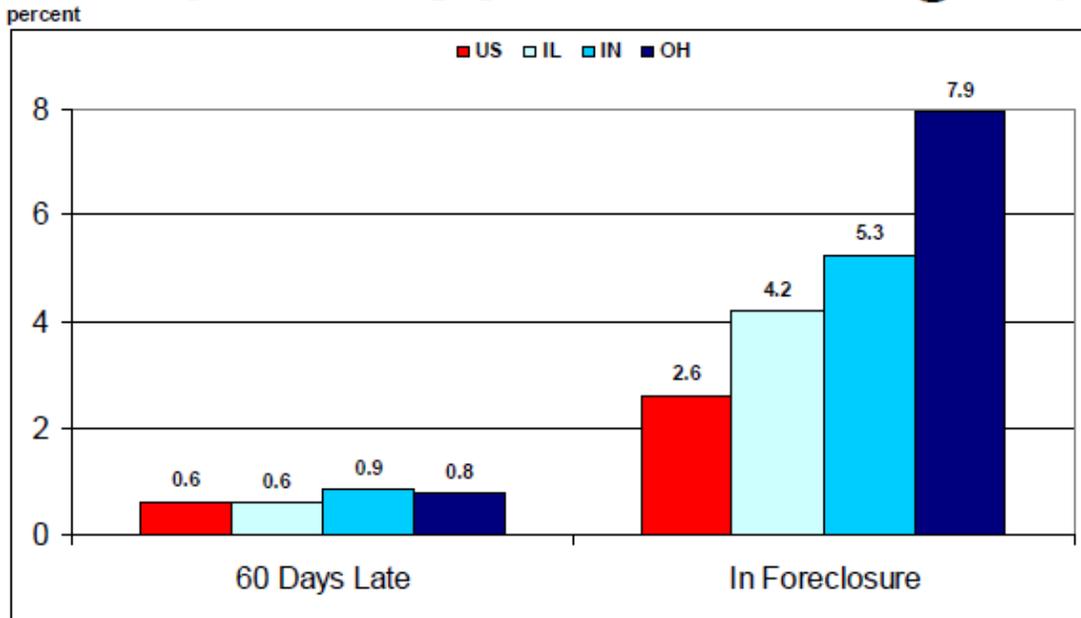
As illustrated, predatory lending practices still contribute to the increased number of foreclosures. According to reports on surveys by Policy Matters Ohio, Sheriff’s Offices continue to report predatory lending (and not other economic factors) as a primary, or even the major cause of foreclosures. According to a study conducted by the University of North Carolina, loans with prepayment penalties and balloon note provisions have a higher probability of foreclosure. The study estimates that a prepayment penalty increases the risk of foreclosure by approximately 20%. Balloon note provisions increase the risk of foreclosure by about 46%.

A March 2007 *Chicago Tribune* article featured on the Policy Matters Ohio website highlights “the reasons for Cleveland holding such a dubious and outsized status” regarding its level of foreclosures to include “a poor economy, predatory lending tactics, weak consumer protection laws, people trying to exploit the loosely regulated subprime market for their personal gain, and financially unqualified people obtaining home loans. The cooling housing market has [also] accelerated foreclosures.” Certainly, owing to its similarly distraught status, the conditions in Toledo, OH may be considered comparable to those in Cleveland.

According to HMDA data provided in HUD’s Neighborhood Stabilization Program (NSP) data files, 33.1% of loans were shown to be high-cost in the Toledo, OH local data area. Such high-cost loans are characterized by their higher interest rates, which HMDA distinguishes to be “at least three percentage points above the Treasury security of comparable maturity.” As these loans possess markedly higher probabilities of foreclosure risk than loans with lower interest rates, their density is often employed as an indicator of the threat of foreclosures for the locations of observation. Of the 24 local data areas in Ohio examined in the NSP data file, Toledo ranked 12th. However, the local areas include both cities and counties (with some cities present along with the counties in which they reside).

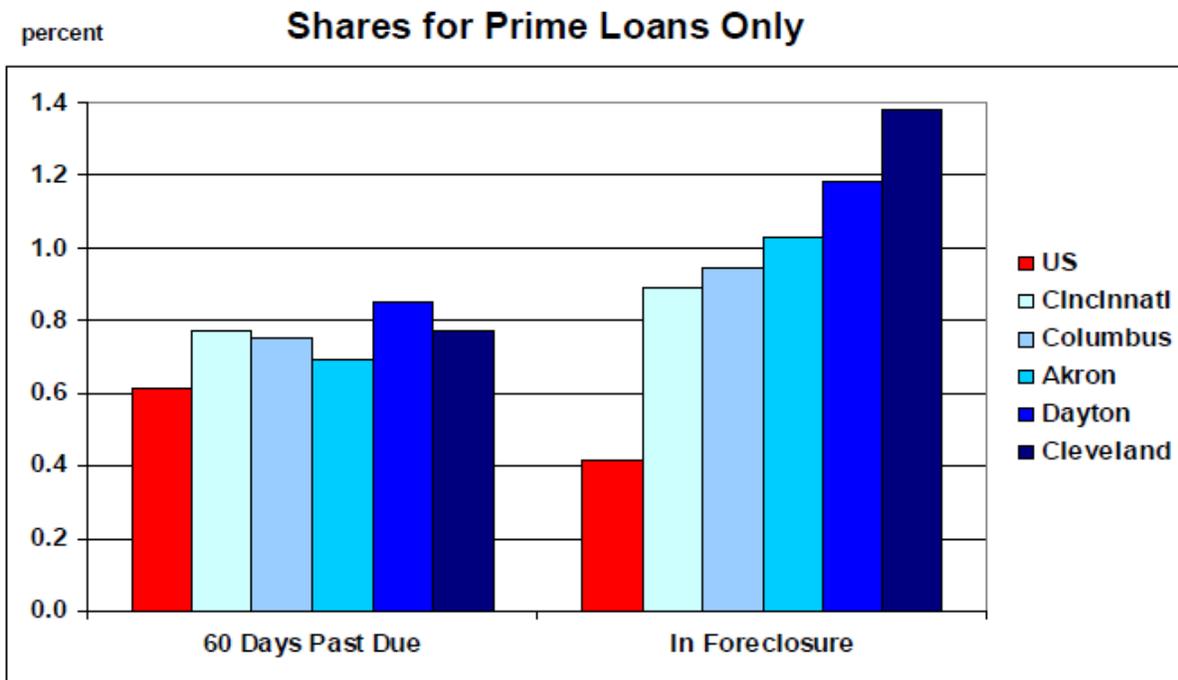
As previously demonstrated in the 2005 Analysis of Impediments, Policy Matters Ohio reported, based on information from Loan Performance, Inc., that in Ohio almost 8% of subprime mortgages are in foreclosure. Comparatively, in Cleveland, Ohio (which has the highest foreclosure rate for this category), 1.4% of prime loans were in foreclosure. While Cleveland’s rate of 1.4% was much higher than the national prime foreclosure rate, which was .4%, it was considerably lower than the state’s foreclosure rate for sub-prime loans. Similarly, the national foreclosure rate for sub-prime loans (2.6%) was considerably higher than the national foreclosure rate for prime loans (.4%). Thus, while subprime loans are certainly the major venue of foreclosures, even prime loans have been demonstrating increasingly troubling rates of default.

Ohio's Subprime Mortgage Foreclosure Rates Are High...



Source: Loan Performance, Inc.

... But Ohio's Foreclosure Problems Are Not Limited to Subprime



Source: Loan Performance, Inc.

Foreclosure filings in Ohio

Area	1995 filings	2005 filings	2006 filings	2007 filings	2008 filings
Lucas County	1165	2903	3618	3796	4359
Ohio	15975	64193	79435	84751	85782

Area	Change 2006-2007	Rank in Growth, 2006-2007	Change 1995-2007	Rank in Growth, 1995-2007	Change 2007-2008	Rank in Growth, 2007-2008	Change 1995-2008	Rank in Growth, 1995-2008
Lucas County	4.90%	58	225.80%	81	14.80%	16	274.20%	80
Ohio	6.70%		430.50%		1.20%		437.00%	

Data on state court filings came from the Ohio Supreme Court. Policy Matters Ohio reviewed filings in U.S. District Courts in Ohio. Federal filings exclude cases removed to federal court from state court, reopened cases, and those for which proceedings were not available. We classified one 2007 case listed in both Champaign and Clark counties as being in Champaign, based on the address.

Table 5 Foreclosure Filing Rates in Ohio Counties 2007				
Counties	2007 Population	2007 Filings	2007 Filings/1,000 Pop.	Rate Rank
Lucas	441,910	3,796	8.6	4
Ohio	11,466,917	84,751	7.4	

Table 6 State and federal foreclosure filings in Ohio, 2006-2007						
County	2006 State Court Filings	2006 Federal Court Filings	2006 Total	2007 State Court Filings	2007 Federal Court Filings	2007 Total
Lucas	3,618	0	3,618	3,735	61	3,796
Ohio	79,072	363	79,435	83,230	1,521	84,751

Source: Policy Matters Ohio Foreclosure Growth in Ohio 2008 Report

Table 5 Foreclosure Filing Rates in Ohio Counties 2008				
Counties	2007 Population	2008 Filings	2008 Filings/1,000 Pop.	Rate Rank
Lucas	441,910	4359	9.86	2
Ohio	11,466,917	85,782	7.48	

Source: Policy Matters Ohio Foreclosure Growth in Ohio 2009 Report

According to figures released by the Lucas County Clerk of Courts in February of 2010, January 2010 foreclosures were 80 higher than January 2009 figures. In 1999, foreclosures were around 1,100, but by 2009, they pushed past 4,100. Over the last decade, foreclosures in Lucas County have afflicted over 26,864 homes, with hundreds more heading to auction and sheriff's sales each month.

These numbers are also detrimental to the city as a whole, as they contribute to a problem that Toledo, in particular, already had struggled with prior to the crisis. As the August 2008 report by The National Vacant Properties Campaign Study Team, "Toledo at the Tipping Point: Strategies for Reclaiming Vacant Properties and Revitalizing Neighborhoods," notes, Toledo is "challenged by a sharply increasing number of foreclosures and a weak housing market. Without aggressive action and political commitment, the number of vacant properties could quickly increase beyond the reach of local programs." The study further observes that a strong correlation exists between rapidly increasing numbers of foreclosures and the long-term vacancy of a greater quantity of properties. Such long-lasting vacancy often signals future, potential abandonment. As Toledo has been experiencing an exceedingly distressing and enduring foreclosure crisis, coupled with a weakening of the housing market, it is especially prone to worsening problems of vacancy and abandonment. For this reason, the foreclosure education and prevention programs of agencies throughout the area are invaluable. Not only do they address the primary issue of foreclosures in Toledo, but they also assist in combating the further aggravation of the problem of vacancy and abandonment, which the City may be unable to effectively address otherwise.

RESTORING THE DREAM

History

In 1996, the Center's first predatory lending case was opened by one of the Center's investigators, who now serves as the President/CEO. Instinctively, the Center approached the predatory crisis as an enforcement program, investigating the initial case and, subsequently, beginning an intensive effort to assist victims of predatory lending. The Center was at the forefront of addressing the issue and fighting for victims.

In 2003, the Center established "Restoring the Dream", a program especially designed to help predatory victims remain in their homes with affordable loan payments. The program relied less on enforcement methods and focused more on the process to refinance or modify mortgages. The lending practices involved in predatory lending eventually infected entire lending and banking industries, contributing to the recent financial collapse. Worsening economic conditions have now produced situations in which the persons requesting assistance are no longer strictly victims of predatory lending. Consequently, the Center again broadened criteria, as well as reallocated resources and personnel, to meet that need. Toledo FHC staff also received valuable training to foster and maintain a high level of proficiency in home counseling and enforcement.

With the Center's recent certification from HUD and in conjunction with the Ohio Housing Finance Agency, both NODA, the Center's partner in the "Restoring the Dream" program, and the Toledo FHC now serve as HUD-certified housing counseling agencies. Both organizations are also recognized by HUD as foreclosure avoidance counselors. These accreditations will, hopefully, afford the Center the stability and level of income essential to maintaining its counseling activities even when the current foreclosure crisis dissipates. In the interim, the staff continues to meet the increasing need for the provision of housing counseling, while also locating funding sources to pay for such enhanced efforts and to provide rescue funds for those in immediate need. Even as the Center allocates some of its resources to help consumers become current on their mortgages and/or to provide a down payment on loan modifications, it is still dedicated to and carries out its overall mission of eliminating housing discrimination.

The Program

Restoring the Dream is a Predatory Lending Remediation Program designed to help homeowners who are experiencing problems with abusive loan provisions. The Fair Housing Center, Northwest Ohio Development Agency (NODA), and Fannie Mae® created a partnership to help consumers keep their homes. The program was originally designed to provide alternative financing to borrowers who may have become victims of abusive mortgage lending practices. This pilot program expanded to meet the changing needs of additional homeowners facing foreclosure.

The partnership was able to provide a variety of important services such as:

- Analyzing mortgage loans to identify any indications of predatory and/or illegal lending practices
- Working with current mortgage holders to negotiate loan balances and/or eliminate fees and excessive charges.
- Providing loan refinances through participating lenders and NODA. Participating lenders provided the first mortgage, and NODA provided the second mortgage at a reduced interest rate, if necessary. First mortgages were then purchased by Fannie Mae®.
- Assistance from NODA and the Fair Housing Center to ensure that borrowers understood the terms and features of their loan(s) and were provided financial and credit counseling.

While the pilot program no longer exists in its original state due to major changes in the lending arena and the lack of available funding sources for CDFIs, etc., the Fair Housing Center continues to provide other services to borrowers with abusive loans such as:

- Loan investigations;
- Document review and analysis;
- Enforcement activities;
- Education and outreach;
- Loan counseling;
- Credit counseling; and
- Foreclosure rescue assistance.

Predatory Lending Remediation Program Update (July 1, 2004 through December 31, 2009):

- Loans modified: 119
- Over \$7.5 million in monetary awards, reflecting an average savings of \$63,560 per household
- Average reduction in monthly payment: \$238.32
- Average interest rate reduction: 4.27%

Through the Restoring the Dream program, the Toledo FHC has also administered emergency mortgage assistance grants for the purpose of alleviating the conditions that have continued to contribute to the foreclosure crisis in the area. Data relating to these efforts is included in the following table.

Agency	Number	Monetary value of grants
Ohio Department of Development	84	\$149,268
Lucas County Department of Job and Family Services	134	\$442,124
Lucas County Economic Development	27	\$86,738
Toledo-Lucas County Housing Fund	17	\$18,933
Federal Home Loan Bank of Cincinnati	47	\$80,840
Community Development Block Grant Recovery	15	\$22,114

HOMEOWNERS INSURANCE

Recent insurance complaints and concerns have involved:

- Marketing and access to insurance agents. Offices continue to be located primarily in predominately white neighborhoods and suburbs.
- Access to insurance products. The Fair Housing Center is still receiving complaints indicating that customers in predominately African American and integrated neighborhoods are being denied replacement cost coverage due to discriminatory underwriting criteria such as the age of the dwelling or the purchase price. Other customers with homes in integrated and minority neighborhoods have complained that insurance companies have not returned their phone calls or kept scheduled appointments.
- Insurance companies that are using credit and insurance scores to price insurance. Some companies appear to be using credit as an excuse to price lines of insurance so expensively that customers can no longer afford them. FHC complainants have resided largely in minority and predominately African American areas.
- Non-renewal and cancellation of existing policies of long-standing customers in minority neighborhoods. Housing condition criteria has been more strictly enforced in minority neighborhoods than predominately white neighborhoods. Some insurance companies have not allowed homeowners an opportunity to correct condition concerns before taking punitive action.
- Non-payment of claims.
- Discontinuation of entire lines of insurance. In situations in which minority customers have been historically segregated into particular lines of insurance, this can have a discriminatory effect.

Furthermore, upon reviewing the responses of community members in the public forums, the Center determined that addressing the question regarding barriers to someone's ability to insure housing would be valuable. Therefore, responses to the question, "What barriers do you see in the housing market that would impede someone's ability to rent, purchase or insure housing?," as provided by the Center's staff, are included below.

- Insurance companies are limiting access to insurance that is actually sufficient to rebuild a house in a number of ways, including the following:
 - Many agents do not disclose the full assortment of policies available to prospective customers, often quoting inferior policies in integrated and minority neighborhoods.
 - Some insurance companies are using the age of a house to restrict or deny coverage. (This puts homeowners and communities with older housing stock, such as Toledo, at risk).
 - Some insurance companies are using the market value of a house to restrict coverage.

- Insurance companies are using credit scores to price premiums, with some companies having up to 20 levels of pricing for the same amount of coverage. This can make adequate insurance unaffordable for homeowners who have credit blemishes.
- The absence of insurance that is both affordable and available at levels of coverage adequate to rebuild in minority neighborhoods has been a historic problem. Since many residents have had the same insurance company for decades, past discriminatory limitations may have gone without rectification.
- Refusal to deal with insurance customers in integrated and minority neighborhoods.
 - Some agents do not return phone calls or provide quotes to residents in integrated and minority neighborhoods.
 - Some agents do not kept scheduled appointments to write insurance in integrated and minority neighborhoods.
- There is less marketing to residents in integrated and minority neighborhoods.
 - Few agents locate offices in integrated and minority neighborhoods.
 - Agents often “farm” or market to middle and upper income clientele and do not seek out business in low and moderate income areas. This can have a racially discriminatory impact.
- Non-renewal and cancellation of existing policies in integrated and minority neighborhoods.
 - Some insurance companies are conducting proportionally more condition inspections in integrated and minority neighborhoods than white neighborhoods.
 - Some insurance companies are cancelling and non-renewing properties due to condition without providing the homeowner with the opportunity to correct the condition.
 - Some insurance companies are not renewing and/or cancelling policies for minor condition issues.
- Non payment of claims. Some insurance companies are not paying customer claims and/or unfairly delaying payment.
- Discontinuation of entire lines of insurance which have historically insured homes in central city neighborhoods.

Finally, the Center’s staff desires to emphasize the pressing need for better education of consumers as well as the community leaders, organizations, professionals and others who serve them. By expanding awareness of the rights of those seeking and/or possessing coverage and the policies and practices of homeowners’ insurance providers, communities and their residents will be empowered, and insurance providers will be less likely to continue discriminatory practices unobstructed. This is essential both because misconceptions and/or ignorance persist and because the inability to acquire sufficient coverage has very real implications for the individuals, families and entire neighborhoods who must suffer the consequences.

While some may believe that insurance providers only tend to deny adequate coverage to older housing that is in disrepair, the experience of the Center has corroborated that even homeowners of beautifully maintained homes are being refused satisfactory policies due to the age of the structure. Additionally, consumers who have insurance have found that the policy the provider sold to them as replacement coverage was actually not enough to rebuild their home.

For instance, one complainant thought she had enough homeowners insurance until her house suffered significant damage in a fire. This complainant discovered, through this unfortunate experience, that her \$90,000 policy on the three-bedroom home, which was valued at approximately \$40,000, was unable to cover the total cost of rebuilding (\$136,000). As the complainant was retired, she lacked disposable funds sufficient to pay for the costs of replacing her home, and, therefore, the house simply had to be torn down. Such situations only demonstrate further the dire need for improved education concerning homeowners insurance.

LENDING ISSUES

It is impossible to discuss today's lending issues without first addressing the ongoing real estate and financial crisis the global market is currently experiencing. While the collapse of the subprime market is the straw that broke the camel's back, the groundwork of today's subprime meltdown and subsequent foreclosure crisis was being laid over half a century ago as World War II was winding down and our nation's servicemen were returning home in droves. Much of the *New Deal* legislation of the time, including FHA and VA loans, was geared towards and largely limited to all-white new "suburban" neighborhoods. During this time period, commonly used underwriting criteria which devalued or refused to insure integrated, minority, or old housing stock neighborhoods set the groundwork of federal guidelines for FHA and VA loans (the same guidelines which were later seamlessly absorbed into private market practices). The refusal to extend credit to low-income communities of color became known as "redlining" due to the red lines drawn on property maps that indicated "hazardous" (no loan) areas. Because there were no loans being made in minority neighborhoods, many banks saw no need for bank branches in minority communities either. This absence, in turn, opened up the floodgates for high-cost credit institutions (such as payday lenders, rent-to-own merchants, check cashing services, and, most recently, brokers dealing in subprime home loans) to move in.

Not only did communities of color suffer because of the lack of safe, affordable access to credit, but they also were deprived of the benefits that fair and competitive credit institutions foster, not the least of which are OPTIONS. Unfortunately, when multiple suitors did come calling, it wasn't the fair and competitive lenders, but instead the oftentimes unscrupulous subprime mortgage brokers who saw equity rich homeowners in need of cash and the brokers were more than willing to provide it. Suddenly, minority communities were saturated with offers to help them pay off their credit card debt, pay off medical expenses or help with home repair costs. No one bothered to explain to the homeowners that they were exchanging unsecured debt with debt they were now securing with their homes. The new phenomenon was given the term "reverse redlining" and the subprime boom was off and running on all cylinders.

For several years, brokers made enough money in minority neighborhoods to keep them happy. This was accomplished by a number of tactics, including: flipping loans, over-appraising properties, creating new loan products such as "interest only" loans, "no-doc" loans, ARMS, balloon payments, pre-payment penalties etc. Many of these tactics made it easier to qualify borrowers who would not have qualified for a loan before. As property values continued to climb, fueled, in part, by a global economy that couldn't get enough of mortgage backed securities, there appeared to be unlimited access to capital for the nation's homeowners to tap into. While, the brokers and sub-prime lenders continued to rake in money, the conventional lenders decided it was time for them to get into the action as well and it wasn't long until the risky (and oftentimes predatory) lending that had started in minority neighborhoods years before had branched out to the entire city, suburbs and rural parts of the country.

Today, the effects of deregulation, predatory lending, the subprime meltdown, greed, fraud and all the other adjectives that have been used to describe the housing crisis in our country are made evident every time another house is lost to foreclosure. The crisis is real and few places have been spared, but we must not forget where it started and why it flourished if we don't want it to occur again in some other manifestation. A wise man once stated, "We are only as strong as our weakest link." If we cannot stop institutional discrimination; if we don't provide fair affordable access to quality capital for **ALL** our citizens; if we sit by idly and watch our most vulnerable neighbors being taken advantage of, we will all pay the price eventually...with our current financial situation being proof-positive of that fact.

Unfortunately, significant inequality still persists among consumers on the basis of race and ethnicity. African Americans and Hispanics trail considerably behind Caucasians in the acquisition of prime and conventional financing.

An analysis of 2008 HMDA data reveals that origination rates for Hispanics and African-Americans are substantially lower than those of Caucasian consumers. In some cases, the denial rates for African-Americans and Hispanics is nearly double the denial rate for Caucasian consumers.

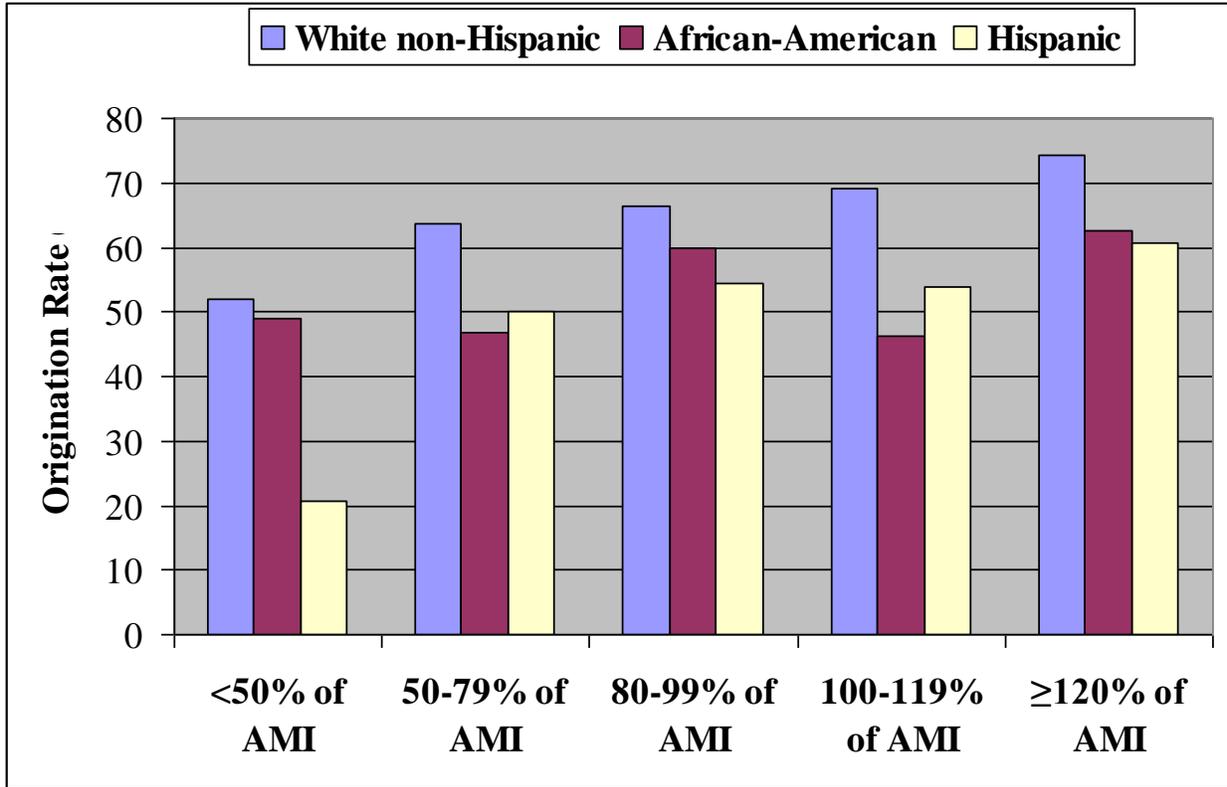
In 2008, the HMDA data reveals that in the Toledo MSA, among very low-income applicants (those making less than 50% of the area median income), 48.94% of African-American, 20.59% of Hispanic and 51.84% of White non-Hispanic applicants were approved with loans originated.³⁶

As the income categories rise, the origination rates rise considerably for other groups. However, the origination rates do not rise considerably for African-American applicants. For example, the origination rate for very low income White non-Hispanics (51.84%) is higher than the origination rate for middle income (110-119% of AMI) African-Americans (46.15%). The following graph displays the origination rates for the 5 different income groups delineated by the Federal Financial Institutions Examination Council.

Additionally, the percentage of loans for Hispanics and African-Americans that are "Approved, But Not Accepted" is significantly higher than the rate for Caucasian consumers, which may suggest that a larger percentage of loans offered to African-Americans and Hispanics have loan terms that are not acceptable to them. This often occurs when the lender is only willing to offer a loan for an amount that is less than what the consumer wishes or for terms that are other than what the consumer desires. According to the 2008 HMDA data, there were 5,282 conventional home purchase loan applications in the Toledo MSA. Of those, 79.5% were from White non-Hispanic applicants, 10.34% were from applicants whose race was not determined by the lender, 3.94% were from Black applicants, .83% were from joint White/Minority applicants, 2.2% were from Hispanic applicants, 1.8% were from Asian and Native Hawaiian and other Pacific Islanders, and .34% were from American Indians or Alaskan Natives.

³⁶ AGGREGATE TABLE 5-2: DISPOSITION OF APPLICATIONS FOR CONVENTIONAL HOME-PURCHASE LOANS, 1 TO 4 FAMILY AND MANUFACTURED HOME DWELLINGS, BY INCOME, RACE AND ETHNICITY OF APPLICANT, 2008 HMDA Data for MSA/MD: 45780 - TOLEDO, OH

Percentage of Loans Originated in the Toledo MSA (table/graph)



These figures demonstrate discouraging figures for certain racial and ethnic minority groups. For example, while 13.6% of the Toledo MSA population who identified as Black or African-American as a single race or in combination with other races (according to the 2008 American Community Survey 1-Year Estimates), they only accounted for 3.94% of the total loan applications. Although Hispanics represented 5.2% of the Toledo MSA population, they only comprised 2.2% of total loan applicants. Furthermore, Blacks only received 111, or 3.21%, of the total loans originated, and Hispanics received 52, or 1.5%, of the total loans originated. Comparatively, Whites represented 84.6% of the MSA population (as a single race or in combination with other races), submitted 79.5% of the loan applications and received 81.58% of loans originated. Asian and Pacific Islanders comprised 1.4% of the MSA population, completed 1.8 % of the loan applications and received 1.59% of the loans.

	Conventional Loan Applications (%)			% of MSA population
	Received	Originated	Denied	
Black	3.94	3.21	7.06	13.6
Hispanic	2.2	1.5	4.19	5.2
White	79.5	81.58	73.4	84.6
Asian/Pacific Islander	1.8	1.59	2.54	1.4

Number of Loans/Loan Applications

All Income Groups by Race & Ethnicity	Apps. Received	Loans Originated	Apps. Approved But Not Accepted
American Indian/Alaskan Native	18	7	4
Asian/Pacific Islander	11	55	7
Black	208	111	16
Hispanic	116	52	8
White	4199	2822	296
Joint (White/Minority)	44	29	1
Not Available	546	339	48
Totals	5282	3459	385

All Income Groups by Race & Ethnicity	Apps. Denied	Apps. Withdrawn	Files Closed As Incomplete
American Indian/Alaskan Native	6	0	1
Asian/Pacific Islander	23	8	2
Black	64	12	5
Hispanic	38	15	3
White	665	360	56
Joint (White/Minority)	11	1	2
Not Available	94	60	5
Totals	906	459	73

Percentage of Loans/Loan Applications

All Income Groups by Race & Ethnicity	Apps. Received	Loans Originated	Apps. Approved But Not Accepted
American Indian/Alaskan Native	0.340780008	0.202370627	1.038961039
Asian/Pacific Islander	0.208254449	1.590054929	1.818181818
Black	3.93790231	3.209019948	4.155844156
Hispanic	2.196137827	1.50332466	2.077922078
White	79.49640288	81.58427291	76.88311688
Joint (White/Minority)	0.833017796	0.838392599	0.25974026
Not Available	10.33699356	9.800520382	12.46753247

All Income Groups by Race & Ethnicity	Apps. Denied	Apps. Withdrawn	Files Closed As Incomplete
American Indian/Alaskan Native	0.662251656	0	1.369863014
Asian/Pacific Islander	2.538631347	1.74291939	2.739726027
Black	7.06401766	2.614379085	6.849315068
Hispanic	4.194260486	3.267973856	76.71232877
White	73.3995585	78.43137255	76.71232877
Joint (White/Minority)	1.214128035	0.217864924	2.739726027
Not Available	10.37527594	13.07189542	6.849315068

**AGGREGATE TABLE 7-2: DISPOSITION OF APPLICATIONS FOR
CONVENTIONAL HOME-PURCHASE LOANS, BY CHARACTERISTICS OF CENSUS
TRACT IN WHICH PROPERTY IS LOCATED, 2008**

Type of Census Tract	Apps. Rec'd	Originated	Approved But Not Accepted	Apps. Denied	Apps. Withdrawn	Closed- Incomplete
RACIAL/ETHNIC COMP.	Number	Number	Number	Number	Number	Number
<10% MINORITY	3589	2471	270	500	298	50
10-19% MINORITY	1061	677	72	196	102	14
20-49% MINORITY	384	190	26	126	38	4
50-79% MINORITY	164	85	9	53	13	4
80-100% MINORITY	84	36	8	31	8	1
INCOME	Number	Number	Number	Number	Number	Number
LOW INCOME	81	37	4	34	6	0
MODERATE INCOME	485	247	29	152	50	7
MIDDLE INCOME	2807	1741	219	539	268	40
UPPER INCOME	1909	1434	133	181	135	26
INCOME & RACIAL/ETHNIC COMP.	Number	Number	Number	Number	Number	Number
LOW INCOME						
<10% MINORITY	0	0	0	0	0	0
10-19% MINORITY	0	0	0	0	0	0
20-49% MINORITY	28	8	1	16	3	0
50-79% MINORITY	16	7	0	8	1	0
80-100% MINORITY	37	22	3	10	2	0
MODERATE INCOME						
<10% MINORITY	31	22	1	3	5	0
10-19% MINORITY	165	99	11	36	17	2
20-49% MINORITY	198	88	11	76	20	3
50-79% MINORITY	44	24	1	16	2	1
80-100% MINORITY	47	14	5	21	6	1
MIDDLE INCOME						
<10% MINORITY	1871	1171	154	346	174	26
10-19% MINORITY	674	422	43	130	69	10
20-49% MINORITY	158	94	14	34	15	1
50-79% MINORITY	104	54	8	29	10	3
80-100% MINORITY	0	0	0	0	0	0

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UPPER INCOME

<10% MINORITY	1687	1278	115	151	119	24
10-19% MINORITY	222	156	18	30	16	2
20-49% MINORITY	0	0	0	0	0	0
50-79% MINORITY	0	0	0	0	0	0
80-100% MINORITY	0	0	0	0	0	0
TOTALS	5282	3459	385	906	459	73

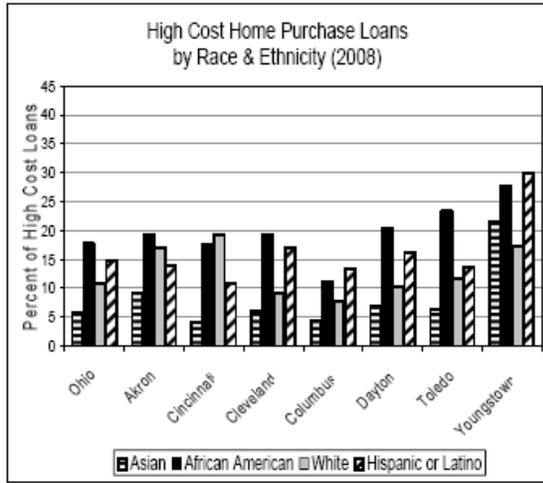
In its December 2009 report, *Racial & Ethnic Disparities in 2008 Ohio Mortgage Lending*, staff at the Housing Research & Advocacy Center investigates mortgage lending applications and originations in 2008. The publication features analysis of 2008 HMDA data³⁷ on the state as well as Metropolitan Statistical Area (MSA) levels. In particular, data for the MSAs of Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown (the seven largest Ohio MSAs), reveal the existence of “racial and/or ethnic disparities in who is denied mortgage loans and, for those who obtain loans, who receives ‘high-cost’ loans.”³⁸

The report observes that upper income African Americans were denied home purchase loans at nearly the same rate as low income whites, and at a higher rate than low income whites for refinance loans. This situation, most likely, signals that African Americans cannot acquire access to mortgage lending on the same basis as whites; furthermore, such circumstances demonstrate that African Americans continue to experience illegal discrimination in the mortgage market. The staff of the Housing Research & Advocacy Center also found that upper income African Americans in a number of MSAs were denied loans at a higher rate than low income whites. The racial disparity existed for both home purchase and refinancing loans in the Akron, Cincinnati, and Cleveland MSAs. In the Columbus, Dayton, Toledo, and Youngstown MSAs, a significant difference was observable among refinancing loans, but not for home purchase loans.

37 Congress enacted the Home Mortgage Disclosure Act (HMDA) in 1975, which requires certain banks, savings associations, and credit unions to submit information regarding their lending activity to their respective regulatory agencies. The Federal Financial Institutions Examination Council (FFIEC) examines this data, prepares tables reflecting the level of lending in individual geographical areas and releases the HMDA data to the public. This information can be accessed via the FFIEC website located at www.ffiec.gov.

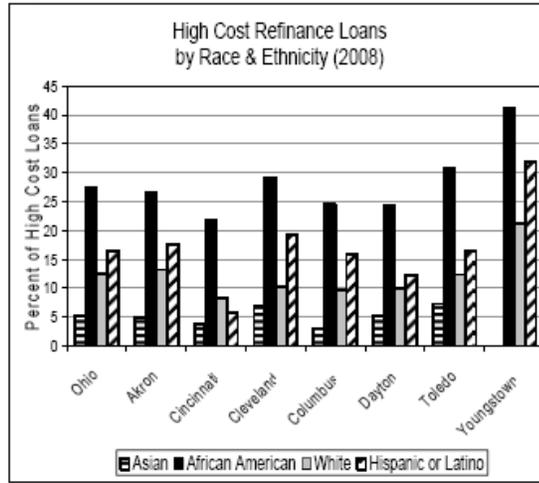
38 Dillman, Jeffrey D., Samantha Hoover and Carrie Pleasants. “Racial & Ethnic Disparities in 2008 Ohio Mortgage Lending.” Cleveland, OH: Housing Research & Advocacy Center, December 2009 (as revised 29 Jan 2010), 1, accessed 26 Feb 2010 at <<http://www.thehousingcenter.org/docman/Download-document/98-Racial-and-Ethnic-Disparities-in-2008-Ohio-Mortgage-Lending-December-2009.html>>.

Figure 4



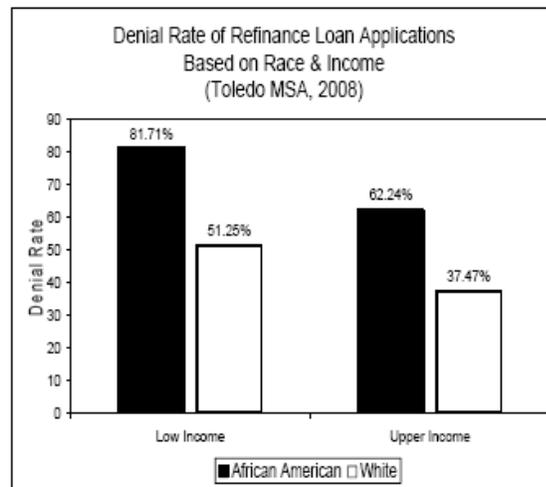
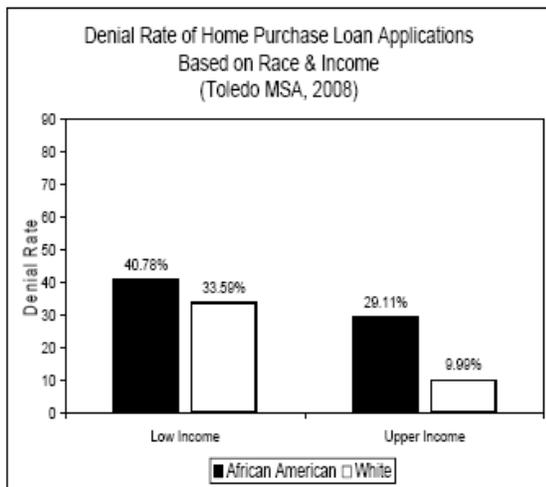
Source: 2008 HMDA data.

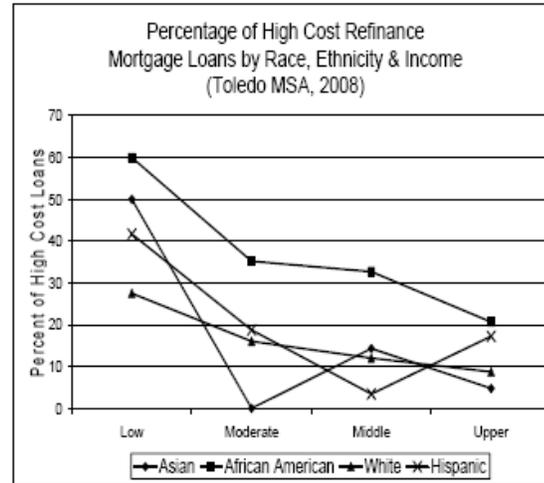
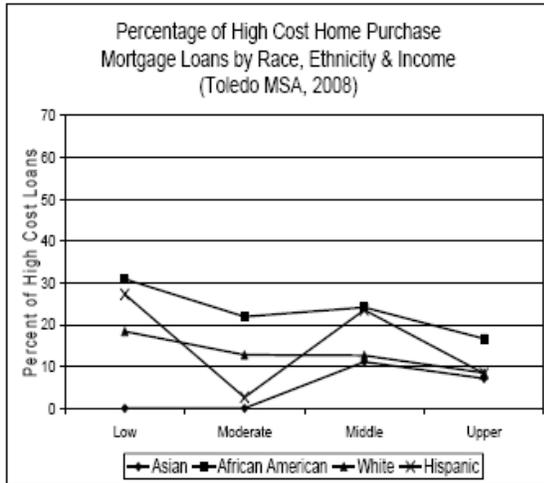
Figure 5



Source: 2008 HMDA data.

Of the 7 MSAs in the study, the greatest incidence of high-cost refinance loans for Asians was evident in Toledo, where 7.32% of all refinance loans originated to Asians were high-cost. The greatest incidence of high-cost refinance lending, for all other racial and ethnic groups studied, occurred in the Youngstown MSA, where 41.27% of such loans to African Americans, 32.00% of such loans to Hispanics/Latinos, and 21.15% of such loans to whites were high-cost loans. As the charts below indicate, African Americans, regardless of their income category, continue to experience the highest denial rate of both home purchase and refinance loan applications. In addition, among racial groups of the same income level, this population also experiences the highest percentage of high-cost home purchase and refinancing loans.





The HMDA data also sheds light on the reasons for denials for conventional home purchase loans. According to Aggregate Table 8-2 (found in Appendix I), the majority of conventional home purchase loans were denied based on credit history. The second most frequent reason for loan denial was for the Debt-to-Income Ratio being too high. The third highest reason for loan denials was based on collateral issues. This means that either the property did not appraise high enough or there was some other issue concerning the collateral that did not meet the lender’s underwriting guidelines. Finally, employment history, insufficient cash, unverifiable income, and incomplete applications were the remaining reasons for loan denials.

As the tables following confirm for census tracts in Lucas County (first table) as well as for those within the total MSA (bottom table), census tracts characterized by lower-income residents and/or a substantial percentage of minorities tend to witness higher cost loans. Additionally, such tracts account for a proportionally small percentage of loan applications and, especially, loans originated. Finally, these tracts also suffer a far higher percentage of denials of loan applications. When one reviews the HMDA data alongside the analysis of the Housing Research & Advocacy Center, the need for affordable, accessible, secure lending products in underserved communities becomes even more apparent.

	Total		Originated		Approved Not		Denied (3)		Withdrawn /		Preapproval	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Tract/BNA Characteristics												
Substantially Minority	1,901	10.84	458	6.60	97	9.35	956	50.29	217	10.88	0	0.00
Not Substantially Minority	15,630	89.16	6,479	93.40	940	90.65	4,738	30.31	1,777	89.12	11	100.00
Low (0-49% of Median)	530	3.02	102	1.47	20	1.93	306	57.74	53	2.66	0	0.00
Moderate (50-79% of Median)	3,445	19.65	1,013	14.60	170	16.39	1,521	44.15	358	17.95	0	0.00
Middle (80-119% of Median)	7,810	44.55	2,982	42.99	470	45.32	2,574	32.96	929	46.59	4	36.36
Upper (>=120% of Median)	5,746	32.78	2,840	40.94	377	36.35	1,293	22.50	654	32.80	7	63.64
NA	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Low/Mod and/or Sub Minority	4,645	26.50	1,316	18.97	230	22.18	2,121	45.66	490	24.57	0	0.00
All Other Census Tracts	12,886	73.50	5,621	81.03	807	77.82	3,573	27.73	1,504	75.43	11	100.00
Total	17,531	100.00	6,937	100.00	1,037	100.00	5,694	32.48	1,994	100.00	11	100.00

CENSUS TRACT CHARACTERISTICS	NO REPORTED PRICING DATA #	REPORTED PRICING DATA #	% POINTS ABOVE TREASURY-ONLY INCL. LOANS WITH APR >										
			3 - 3.99	4 - 4.99	5 - 5.99	6 - 6.99	7 - 7.99	8 OR MORE	MEAN	MEDIAN			
RACIAL/ETHNIC COMPOSITION													
LESS THAN 10% MINORITY	1,893	102	90	8	1	2	1				3.50	3.27	
10-19% MINORITY	463	43	39	2	1			1			3.70	3.17	
20-49% MINORITY	106	17	14	3							3.43	3.24	
50-79% MINORITY	30	8	3	4	1						4.08	4.08	
80-100% MINORITY	19	5	3	1	1			1			4.92	3.84	
INCOME CHARACTERISTICS													
LOW INCOME	14	5	3	2							3.76	3.84	
MODERATE INCOME	140	20	13	4	2			1			3.93	3.47	
MIDDLE INCOME	1,129	98	86	8	2			1			3.61	3.24	
UPPER INCOME	1,228	52	47	3		2					3.46	3.27	

Considering the attention that the Government-sponsored Enterprises (GSEs) attracted and their prominence in discussions regarding the mortgage market, economic decline and government intervention, mention of Fannie Mae and Freddie Mac in a section on lending is essential. Fannie Mae and Freddie Mac have become major players in the mortgage market, owning or guaranteeing roughly half of the nation's \$12 trillion in mortgages in the United States as of 2008.³⁹ In September of 2008, owing to the financial crisis, the Bush administration took over the housing finance companies Fannie Mae and Freddie Mac after it determined that the companies did not possess capital sufficient to maintain the existing scope of their function in funding home mortgages. Treasury Secretary Henry M. Paulson Jr. devised a plan through which the government placed the two companies under "conservatorship," a legal state similar to that of Chapter 11 bankruptcy. As a result of Fannie and Freddie acquiring this status, the firing of the companies' boards and chief executives occurred, and the Federal Housing Finance Agency (FHFA) appointed replacement chief executives. This takeover represented "one of the most sweeping government interventions in private financial markets in decades." The reason authorities and government officials considered Fannie Mae and Freddie Mac to be so central to the recovery of the housing market resided in their funding 70 percent of mortgages in the months leading up to the decision. The government concluded that if a reduction in the funding and guaranteeing activities of the companies transpired, it may have had the potential to increase the rates that ordinary home buyers were paying so substantially that a further, deeper crisis could have taken place.⁴⁰

Information produced by the GSEs reveals similar patterns and raises additional concerns. GSE data reveals that quality capital made by entities such as Fannie Mae and Freddie Mac are less available to consumers in predominately African-American and Latino areas. In fact, the level of GSE lending in predominately African-American and Latino communities is significantly lower than the level of GSE lending in predominately Caucasian communities.

Healthy levels of GSE investment are more desirable because the GSEs, Fannie Mae and Freddie Mac, are not only regulated by HUD for safety and soundness, fair lending and other compliance issues, but Fannie Mae and Freddie Mac have adopted anti-predatory lending guidelines that place specific barriers on the type of loans they will purchase on the secondary market. These restrictions include innovative and progressive solutions to limiting the amount of predatory lending and are designed to weed out abusive loans.

³⁹ Duhigg, Charles. "Loan-Agency Woes Swell From a Trickle to a Torrent." New York Times, 11 July 2008, accessible at <<http://www.nytimes.com/2008/07/11/business/11ripple.html?ex=1373515200&en=8ad220403fcdf6e&ei=5124&partner=permalink&expod=permalink>>.

⁴⁰ Goldfarb, Zachary A., David Cho and Binyamin Appelbaum. "Treasury to Rescue Fannie and Freddie-Regulators Seek to Keep Firms' Troubles From Setting Off Wave of Bank Failures." Washington Post, 7 September 2008, accessible at <<http://www.washingtonpost.com/wp-dyn/content/article/2008/09/06/AR2008090602540.html?hpid=topnews>>.

Lucas County 2008 HMDA Data-Home Purchase Loans

Loan Purpose and Type	Total Apps.		Originated		(Orig./Apps.)	Denied		(Denied/Apps.)
	Count	%	Count	%	%	Count	%	%
Purchase - Conventional	3512	60.27	2069	63.78	58.91	517	64.30	14.72
Purchase - Government	2315	39.73	1175	36.22	50.76	287	35.70	12.40
Totals	5827	100	3244	100		804	100	

Portion of Table from 2005 Analysis of Impediments (for comparison)

645	4320	622	11.54%	77.32%	11.13%
FHA, FSA/RHS & VA Home Loans	Conventional Home Purchase Loans	Subprime or other Lending	Percentage of FHA, FSA/RHS & VA Financing	Percentage of Conventional Financing	Percentage of Subprime or Other Financing

A comparison of the data from the 2005 Analysis of Impediments and the 2008 HMDA data demonstrates the greater share of the home purchase loan market that is comprised of government-financed products. Whereas, for 2005, conventional financing made up 77.32% of home purchase loans, in 2008 that percentage fell to 63.78% of loans originated. Government financed loans have also become more common as Subprime and other financing have dissipated drastically due to the economic decline and the unavailability of other forms of financing. Thus, as evident in the chart, government-financed home purchase loans increased substantially from 11.54% of loans originated to 36.22%. Although 2009 HMDA data is not yet available, all preliminary indications show that this data will demonstrate an even more dramatic shift from conventional financing to government-financed products such as FHA loans.

SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT

As a result of abusive lending practices in the subprime market, legislation was recently enacted to curtail future abuses in the lending arena. According to the Ohio Department of Commerce, on July 30, 2008, the Housing and Economic Recovery Act of 2008 (“HERA”) was signed into law. Title V of HERA is the Secure and Fair Enforcement for Mortgage Licensing Act (“SAFE Act”).

The SAFE Act required that each state pass enabling legislation no later than July 31, 2009 to bring current state licensing law into compliance with the new SAFE Act requirements. Ohio’s enabling legislation passed the 128th General Assembly as part of House Bill 1 and was signed into law by Governor Strickland on July 17, 2009.

Ohio’s SAFE Act enabling legislation makes the necessary changes to both the Ohio Mortgage Broker Act (“OMBA”) and the Ohio Mortgage Loan Act (“OMLA”) to bring Ohio into compliance.

The Department of Commerce Division of Financial Institutions (“DFI”) is charged with overseeing the implementation of the new SAFE Act legislation including Ohio’s transition to the Nationwide Mortgage Licensing System and Registry (“NMLS”). Ohio will begin using NMLS on January 4, 2010.⁴¹

According to HUD, the SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states to establish minimum standards for the licensing and registration of state-licensed mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for the residential mortgage industry for the purpose of achieving the following objectives:

- (1) Providing uniform license applications and reporting requirements for state licensed-loan originators;
- (2) Providing a comprehensive licensing and supervisory database;
- (3) Aggregating and improving the flow of information to and between regulators;
- (4) Providing increased accountability and tracking of loan originators;
- (5) Streamlining the licensing process and reducing regulatory burden;
- (6) Enhancing consumer protections and supporting anti-fraud measures;
- (7) Providing consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators;
- (8) Establishing a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interests of the consumer;
- (9) Facilitating responsible behavior in the subprime mortgage market place and providing comprehensive training and examination requirements related to subprime mortgage lending;
- (10) Facilitating the collection and disbursement of consumer complaints on behalf of state mortgage regulators.⁴²

⁴¹ For further information, see <http://com.ohio.gov/fiin/SAFEAct.aspx>

⁴² For further information, see <http://www.hud.gov/offices/hsg/ramh/safe/smllicact.cfm>

APPRAISAL PRACTICES

In 2003, the Fair Housing Center began their Predatory Lending Remediation Program. This was in collaboration with Fannie Mae and a number of conventional lenders in the Toledo area and was designed to help homeowners who had been targeted by unscrupulous lenders and placed in predatory loans. The purpose of the program was to refinance the homeowners into safe, affordable loans. When the Center began looking at loan documents to determine what, if any, predatory terms were associated with each loan, it became evident very early on that one of the things which drove many of these predatory loans and made them so profitable for the brokers was that the houses were almost always over-appraised (some by as much as twice the actual value of the house). This was made possible by brokers who solicited the services of appraisers who were willing to “bring in” an appraisal amount that was dictated by the broker and had nothing to do with the actual value of the property. Most often the brokers were selling these loans to lenders located out of state, oftentimes as far away as California, so the lenders had no way of knowing that the properties were being grossly over appraised. This was especially easy to do in markets such as Toledo, where the housing stock is very affordable and the area median value of homes is lower than other parts of the country.

The practice of over appraising properties was certainly not limited to the Toledo market and after years of exhaustive testimony and thousands of examples of the abuse, Senate Bill 185 was passed in Ohio in May of 2006 and became effective on January 1, 2007. SB 185 prohibits anyone from performing a real estate appraisal for mortgage loans if the person is not licensed or certified. This legislation prohibits knowingly bribing or coercing an appraiser for the purpose of corrupting his or her judgment. The bill contains additional requirements for title insurance agents. Specifically, the bill requires every title insurance agent or agency and any subcontractors to maintain an errors and omissions policy.

In addition, as of May 1, 2009, federal regulations regarding real estate appraisals changed significantly for lenders who sell their loans on the secondary market. These lenders now must conform to the rules stipulated by Fannie Mae and Freddie Mac, which demand the adoption of the Home Valuation Code of Conduct (HVCC).

The HVCC introduces principles regarding “solicitation, selection, compensation, conflicts of interest and appraiser independence.” The HVCC prohibits mortgage brokers and real estate agents from choosing appraisers. While the code of conduct allows lenders to conduct appraisals via “in house” staff appraisers, it prohibits the loan production staff from “(1) selecting, retaining, recommending, or influencing the selection of an appraiser for an appraisal assignment or for inclusion on an appraisal roster” and/or “(2) having any substantive conversation with an appraiser or appraisal management company regarding valuation, including ordering or managing an appraisal assignment.” The code only applies to 1-4 unit single-family loans sold by mortgage originators to Fannie Mae and Freddie Mac.⁴³

⁴³ National Association of REALTORS® Government Affairs Division. “NAR Frequently Asked Questions The Home Valuation Code of Conduct,” accessible at < <http://www.realtor.org/wps/wcm/connect/d3beb3804ed22197a49afeb684cb314f/FAQs+HVCC.pdf?MOD=AJPERES&CACHEID=d3beb3804ed22197a49afeb684cb314f>>.

The HVCC contains standards that apply to:

- All lenders in the United States who desire to sell single-family mortgage loans to the GSEs (with some exceptions made for “small banks” that could possibly incur hardship as a result of particular portions of the code, with other stipulations still in effect);
- Individual REALTORS® and licensed real estate agents, who can no longer serve as a third party between a lender and appraiser;
- Any employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the lender.⁴⁴

The HVCC does not apply to FHA loans, and Federal Home Loan Banks are not participants. Additionally, lenders may choose to use a pre-approved list and/or panel in the selection of appraisers, but the lender “must ensure that (1) employees of the lender tasked with selecting appraisers are independent of the loan production staff and (2) loan production staff is not involved with selecting appraisers from the list for particular assignments.” Through these standards, the HVCC aims to achieve improved regulation of banks and other mortgage lenders as well as encourage the independence of appraisals.⁴⁵

⁴⁴ Text of the HVCC is accessible at <http://www.freddiemac.com/singlefamily/pdf/122308_valuationcodeofconduct.pdf>.

⁴⁵ See NAR’s FAQs sheet cited in previous footnote.

THE EFFECTS OF DISCRIMINATION

Race is a fundamental factor to address in the identification and treatment of impediments to fair housing choice. Both people seeking housing and housing providers consider race to be a principal source of motivation underlying discriminatory practices. This fact prompted Sam Roberts, the Urban Affairs columnist of *The New York Times*, to write: “Whites have a choice. Blacks usually don’t.” The University of Toledo conducted a survey which examined the reasons why people were moving from Toledo to suburban communities. One of the major reasons people gave for moving was for “racial reasons.” There are still a large number of people who make their housing decisions based on race and who prefer racially homogenous communities.

Indeed, consumer representatives and housing industry professionals commented that NIMBYism is a major hindrance, prohibiting the advancement of housing opportunities. Unfortunately, policy makers and housing providers cater to NIMBYism concerns and act in ways that limit, rather than expand opportunities.

The African-American population living in Toledo resulted primarily from the southern exodus that took place between the 1910s and 1930s. Migration continued through the 1960s as well. The growth of the automobile industry and the valuable role Toledo had acquired in the manufacturing-based economy further enabled such settlement patterns. African-Americans found jobs and homes in the central city area, and, therefore, decided to establish residence there.

Starting in the 1950s, the White population of Toledo began leaving the central city area. The post-World War II trend of living in suburban communities was triggered by the expansion of a consumer-driven culture. This change fueled the movement of people who were economically advantaged to migrate to suburbs and communities outside the boundaries of Toledo. This trend continues today.

The results of this trend were disastrous. As the principal consumers moved away from the city, shopping centers and businesses relocated within the new suburban communities. Lending institutions, real estate agencies, and insurance companies developed policies that greatly benefited suburban residents and neglected (and, in some cases, even harmed) urban residents. In addition, the advocacy of school integration increased “white flight.” This pattern reflects the manifestation of the Concentric Zone Model as it applies today.

At the present time, a substantial majority of African-Americans and Hispanics living in the City of Toledo reside within the central city area. The map of the percentage of minority population by census tract illustrates this. What the map fails to reveal, however, is that even these minority groups do not live with one another; Toledo remains a markedly segregated community.

Segregation may partially stem from individual preference, but systemic barriers in the market place, including real estate steering, lending discrimination, and insurance redlining, are also dominant reasons contributing to the extent of the problem.

Accompanying the issue of race, and as a result of the intolerance and ignorance of many members of the community, barriers for persons with disabilities and women also persist.

The effects of prohibitory practices in the housing market have taken their toll. In summary, they include the following:

- **Housing Segregation** Many communities in Toledo and across the country have come to exhibit what David Rusk calls "modern American urban apartheid." Mr. Rusk, in his book Cities without Suburbs assigns a Dissimilarity Index to cities across the country. The Dissimilarity Index reveals the level of concentration or segregation of African-Americans. Toledo's Dissimilarity Index is 74, indicating that in order for there to be racial parity, 74% of the African-American population would have to move into other census tracts. In Toledo, the population of 20 census tracts is comprised of more than 50% African-American residents. All of these census tracts are located in or directly adjacent to the inner city. A proportion in excess of 80% of the African-American and Hispanic populations lives in these 20 tracts.
- **School Segregation** As a result of "white flight" from the central city and segregated residential patterns, the school systems are either predominately Caucasian or predominately African-American. In fact, the racial division between Toledo's two public school systems is quite evident. The student population of Washington Local Public School System is approximately 86% white, 8% African-American, and 4.5% Hispanic, while the Toledo Public School System's student body is approximately 45% white, 45% African-American, and 8.5% Hispanic.⁴⁶
- **Loss of Tax Revenues** Practices like redlining result in an imbalanced pattern of out-migration of residents from the City of Toledo into adjacent suburban communities. Furthermore, predatory lending practices can generate loans in which the tax and homeowners insurance payments are not escrowed. As a result, consumers neglect to pay their taxes and/or insurance either because they do not realize that the payments are not being escrowed or because they cannot afford to make the additional payments. Predatory lending practices also contribute to an increase in foreclosures and bankruptcy filings, which generally decrease the rate of homeownership and the percentage of occupied housing stock.
- **Homeownership Decrease** The rate of homeownership has decreased in Toledo by nearly 7% since 1990, according to the figures presented in the 1990 Census and the 2008 American Community Survey One-Year Estimates. Given the continuation of residential flight from the City of Toledo and the proliferation of foreclosures, forecasts foresee even further decline in the rate of homeownership. This has a negative impact on city services, neighborhood preservation and stability, and public school support.

⁴⁶ Source: <http://www.localschooldirectory.com/district-schools>

- **Limited Access to Affordable and Quality Credit** As lenders increased their usage of credit scoring and automated underwriting systems, more and more historically under-served populations were relegated to the sub-prime and non-conventional lending markets. The rise of subprime and predatory lending has brought about the loss of equity and financial assets for consumers and increased rates of delinquency and foreclosure. This has had a disparate impact on minority neighborhoods where these lending activities originated. Without access to safe, affordable, mainstream banking products and services, historically underserved populations and communities will continue to suffer.
- **Limited Access to Affordable Insurance** An increasing number of insurance companies are using insurance scoring systems that either prohibit some consumers from obtaining insurance or increase the insurance premium for consumers with unattractive scores. As more consumers find insurance with voluntary carriers to be inaccessible or unaffordable, they must opt for insurance in the residual market or forgo having insurance altogether.
- **Loss of Equity and Financial Assets** As more consumers were impacted by the rapid increase in subprime lending, they were paying more to access credit. More and more, people have found themselves with unregulated, unscrupulous lenders. The Coalition for Responsible Lending estimates that U. S. consumers lose \$9 billion every year in predatory lending schemes. Furthermore, since the subprime meltdown, accessing credit at all has now become an issue for consumers in lieu of the ongoing economic decline, and underserved communities will, once again, bear the brunt of the current situation.
- **Economic Segregation** As David Rusk prudently acknowledges, "'Separate but equal' cannot work. It has never worked. Ghettos and barrios create and perpetuate an urban underclass." According to the U.S. Census and Toledo's Consolidated Plan, inner-city communities contain a disproportionate number of low and moderate income, disabled, and homeless persons. The Plan also reports that there are few housing opportunities outside the central city for these groups. Restrictive zoning ordinances in many suburban communities perpetuate this effect.
- **Lack of Accessible Housing** Although any new multi-family housing built after 1991 was supposed to be built according to accessibility standards, this has not happened. Many housing units still pose barriers to persons with disabilities. The unwillingness of some apartment managers and condominium complexes to allow reasonable modifications and accommodations further exacerbates the dire need for accessible housing.
- **Decrease in Traditional Banking Services** As traditional lenders come to refuse service to certain markets, non-traditional lenders succeed them. A survey of PACE (auditors') data for urban communities in Toledo reveals that a large percentage of loans are made by subprime lenders headquartered outside of Toledo, as opposed to conventional and/or community-based lenders.

- **Destruction of human character and dignity** The most devastating effect of housing discrimination is the destruction it causes to the individual, the human being. Discrimination is dehumanizing. As Vice-President Mondale observed, "there is nothing more humiliating...it is a crushing thing."⁴⁷
- **Deteriorated and Abandoned Housing** Due to systemic barriers in the housing industry, such as the lack of quality insurance in urban areas, the inability of homeowners to obtain home repair loans, and residential flight, an inordinate amount of homes in the urban core remain in poor condition and/or are vacant and abandoned. For example, after experiencing a loss, many homeowners are left without the means necessary to adequately repair their homes. In addition, many homeowners who migrated out of the inner city sold their homes to unscrupulous investors who have not maintained the homes.
- **Decline of the city and greater metropolis** Central city decline has a devastating effect on the greater metropolis. When communities are snared in a web of exclusion, shunned by lenders, real estate agents, insurers and appraisers, residential flight occurs. This generates a loss of revenue, unstable neighborhoods, and job loss. Richard P. Nathan and Charles F. Adams argue in their article "Four Perspectives on Urban Hardship" that the "city-suburb hardship disparity works not only to the long-term disadvantage of the city, but also in its surrounding suburban area. Hence, the effects of such disparity manifest themselves not as a simple zero-sum game between city and suburb, but as a more complex negative-sum game for the metropolitan area as a whole."⁴⁸ David Rusk draws the comparison of elasticity versus inelasticity. Elastic cities grow by encompassing suburban communities. Inelastic cities have fixed borders, which entraps them and compounds the negative impact of discriminatory housing practices. According to Rusk's index, Toledo has low elasticity.
- **Separation** The population of the United States is comprised of people from nearly every race and ethnicity of the global community. The analogy of a patchwork quilt can represent the diversity of America's people. The quilt's patches include those who identify themselves to be of different genders. Those who have disabilities, those who have not yet acquired them, and those who have been able to recover from them also make up pieces of the quilt. Nevertheless, a single thread of unity holds together all people who compose this quilt. Discrimination corrodes the thread, causing the pieces to fall apart. Tocqueville made a discerning observation regarding the oppressors and the oppressed. He observed that when people believe they are superior, a "natural prejudice" exists, which compels them to act as though they are superior, even when laws and conventional wisdom dismiss such a notion. Hence, discrimination is the way oppressors validate their superiority as well as their victims' inferiority. This obviously sets one group in opposition to another. Discrimination magnifies the differences between members of the human race, rather than the similarities, generating and strengthening separation.

⁴⁷ Schwemm, Robert G. "Discriminatory housing statements and s. 3604: a new look at the Fair Housing Act's most intriguing provision." *Fordham Urban Law Journal*. October, 2001.

⁴⁸ Nathan, Richard P. and Charles F. Adams. "Four Perspectives on Urban Hardship." *Political Science Quarterly*, v. 104 issue 3, 1989, p. 483-508.

SUMMARY AND CONCLUSIONS

ECONOMIC & EMPLOYMENT ISSUES

- The City of Toledo is currently experiencing one of the highest unemployment and poverty rates since the Great Depression. Nearly one in four residents of the City of Toledo lives in poverty.
- Unemployment and poverty rates are disproportionately higher for African American and Hispanic populations. While the unemployment rate for the Toledo MSA was reported to be 12.5% in December 2009 by the Bureau of Labor statistics and the most recent Census figures place Toledo's poverty rate at 24.7%, American Community Survey One-Year Estimates from 2008 report poverty rates for African Americans in Lucas County at 37% and the unemployment rate for the population at nearly 20%. Statistics corresponding specifically to the city of Toledo were even worse (approximately 38.5% and 21%, respectively), and this data is nearly two years-old, indicating that the current rates are probably significantly higher.
- Compounding this problem, the City of Toledo in 2010 faces a budget deficit in excess of \$40 million, with hundreds of proposed layoffs in the public sector. Potential cuts include more than 300 layoffs in the public school system and hundreds of City jobs including police and fire.
- Although diversification has occurred in the sectors of employment, many high-paying, secure jobs have been replaced by lower paying service industry positions with few or no benefits.

ASSISTED HOUSING

- The vast majority of subsidized housing units remains within the City.
- The quantity of people on LMHA waiting lists continues to be extremely high and disparately composed of African American applicants.
- Housing choice vouchers are the best choice in terms of fair housing because of the options given to the recipient; however, LMHA does not receive sufficient funding from HUD to properly carry out the voucher program.
- While Toledo and the surrounding communities have housing units available that fall within the HUD fair market rent, the tenant contribution has been underestimated by HUD and, therefore, LMHA is compelled to assume an added financial burden in its carrying out of the Section 8 voucher program. The higher cost to LMHA to subsidize individual units results in a decrease in the overall number of units available for Section 8 vouchers.

ADVERTISING AND MONITORING

- Craigslist and other websites have become the hosts of the majority of housing advertisements, and, still, they remain expedient media for housing discrimination. Repeated court decisions that have based rulings on the Communications Decency Act have allowed these circumstances to persist. Internet services gain their immunity from legislation and court rulings that do not consider them to be “publishers.”
- Over the last three years, the Toledo Fair Housing Center reached settlements with three major publishers of newspapers in the Toledo metropolitan area. In all of the settlements, the Center was the complainant, and the violations contained discrimination on the basis of familial status.
- Despite these settlements, many publishers continue to violate the advertising provisions of the Fair Housing Act. Close monitoring of internet and print advertising, therefore, is necessary.

NEW IMMIGRANT ISSUES

- According to the 2008 American Community Survey One-Year Estimates, 10,475 foreign-born individuals are estimated to reside in Toledo, with 4,374 of these individuals entering since 2000.
- According to the Farm Labor Research Project (FLRP), approximately 6,000 migrant workers pass through northwest Ohio annually, most of whom are of Hispanic descent; some of these migrants decide to stay in the area.
- For Lucas County and Toledo, jurisdictions that both have been experiencing population decline, the Hispanic and Latino sector of the population represents one of the few, and thus valuable, groups that is actually growing in number.
- An overall lack of knowledge exists among those who serve the Hispanic community with regard to fair housing laws and equal housing opportunities.

HOUSING FOR PERSONS WITH DISABILITIES

- People with physical or mental disabilities remain one of the most disenfranchised groups. The 2000 Census reported 63,413 people with a disability (22.7% of the population 5 years and older) to be living in Toledo. Persons with disabilities comprise over one-third of the homeless population in Toledo.
- Barriers for persons with disabilities are further compounded because the housing industry and housing providers have been slow and resistant to assume their responsibilities regarding their service to persons with disabilities.
- Disability complaints remain the second largest basis for allegations of complaint received by the Fair Housing Center. Extending services to persons with disabilities on an equitable basis is the first hurdle. Providing accessible units and buildings is the second.
- Landlords and condominium associations regularly violate the reasonable accommodations and modifications provisions of the Fair Housing Act.

REAL ESTATE SALES

- Real estate sales cases represent a relatively small percentage of the overall allegations of fair housing discrimination filed with the Fair Housing Center. This can be attributed, in part, to the fact that real estate agents in the state of Ohio must complete a three hour continuing education course in civil rights and fair housing every three years to maintain their license.
- While the Fair Housing Center has been able to form very productive partnerships with the Toledo Board of REALTORS® and members of the real estate community, there still remain barriers in this field that impede fair housing goals. They include: 1) A relative absence of agents and offices in under-served communities; 2) Commission scales; 3) Steering practices; and 4) Inadequate or under-stated diversity goals.

ZONING CODES AND PUBLIC POLICY

- Multiple applications of occupancy and density standards exist throughout the region, which make it difficult for housing providers to comply with the law and fosters confusion among providers as well as the general public.
- The two major issues identified as posing possible obstacles to multi-family, foster, and/or other group housing were as follows: (1) The exclusionary zoning practices of the outlying suburbs; and (2) The occurrence of particular circumstances, which call for the involvement of the Health Department, Building Inspection and Code Enforcement, or other enforcement bodies (in issues regarding safety, sanitation, and/or nuisance abatement).
- Additional spacing, landscaping, architectural design, and parking requirements that are applied to non-single-family residences can sometimes act as impediments to the provision of affordable, accessible housing units both within and outside of municipal boundaries.

FORECLOSURE

- In 2006, there were 3,618 filings recorded, and 3,796 new filings originated in 2007. The 4,359 new filings in 2008 moved Lucas County to the ranking of second in per capita foreclosure filings in the state, with only Cuyahoga County having a higher status. Considering the state of Ohio currently ranks nationally as having the 9th highest incidence of foreclosures, such statistics continue to be quite distressing.
- The initial rise in foreclosures occurred as a consequence of inherently risky subprime loans, which increasingly comprised a greater proportion of the mortgage market, and the hasty escalation in the rates of foreclosure among these loans.
- A lack of equity strongly correlates with the rate of foreclosures, but sudden changes in a borrower's financial situation are far more likely to be the root cause of delinquency, as borrowers rapidly find themselves unable to fulfill all of their debt obligations.

- The Fair Housing Center, Northwest Ohio Development Agency (NODA), and Fannie Mae® created a partnership to help consumers keep their homes. The program was originally designed to provide alternative financing to borrowers who may have become victims of abusive mortgage lending practices. This pilot program expanded to meet the changing needs of additional homeowners facing foreclosure. This includes foreclosure prevention counseling, loan modifications, emergency mortgage assistance grants and tax foreclosure intervention offered by HUD-certified housing counseling agencies.

INSURANCE

- The Fair Housing Center is still receiving complaints indicating that customers in predominately African American and integrated neighborhoods are being denied replacement cost coverage due to discriminatory underwriting criteria such as the age of the dwelling or the purchase price.
- Non-renewal and cancellation of existing policies of long-standing customers in minority neighborhoods. Housing condition criteria has been more strictly enforced in minority neighborhoods than predominately white neighborhoods. These criteria have been used as an excuse to either deny and/or cancel coverage in minority communities. Some insurance companies have not allowed homeowners an opportunity to correct condition concerns before taking punitive action.
- There is a pressing need for better education of consumers as well as the community leaders, organizations, professionals and others who serve them. By expanding awareness of the rights of those seeking and/or possessing coverage and the policies and practices of homeowners' insurance providers, communities and their residents will be empowered, and insurance providers will be less likely to continue discriminatory practices unobstructed.

LENDING

- An analysis of 2008 HMDA data reveals that origination rates for Hispanics and African-Americans are substantially lower than those of Caucasian consumers. In some cases, the denial rates for African-Americans and Hispanics is nearly double the denial rate for Caucasian consumers.
- Additionally, the percentage of loans for Hispanics and African-Americans that are "Approved, But Not Accepted" is significantly higher than the rate for Caucasian consumers suggesting that a larger percentage of loans are offered to African-Americans and Hispanics with terms that are not acceptable to them. This often occurs when the lender is only willing to offer a loan for an amount that is less than what the consumer wishes or for terms that are other than what the consumer desires.
- The report observes that upper income African Americans were denied home purchase loans at nearly the same rate as low income whites, and at a higher rate than low income whites for refinance loans. This situation, most likely, signals that African Americans cannot acquire access to mortgage lending on the same basis as whites; furthermore, such circumstances demonstrate that African Americans continue to experience illegal discrimination in the mortgage market.

- African Americans in a number of MSAs were denied loans at a higher rate than low income whites.
- In September of 2008, owing to the financial crisis, the Bush administration took over the housing finance companies Fannie Mae and Freddie Mac after it determined that the companies did not possess capital sufficient to maintain the existing scope of their function in funding home mortgages. The government placed the two companies under “conservatorship,” a legal state similar to that of Chapter 11 bankruptcy.
- Alternative lending sources such as Community Development Financial Institutions are underfunded.
- While subprime lending products are virtually nonexistent today, the effects of subprime lending over the past 15 years will continue to adversely impact homeownership and communities for years to come.

APPRAISAL PRACTICES

- The over-appraisal of properties was a tool used by mortgage brokers and other lenders to offer loans with predatory terms for many years.
- The practice of over appraising properties was certainly not limited to the Toledo market and after years of exhaustive testimony and thousands of examples of the abuse, Senate Bill 185 was passed in Ohio in May of 2006 and became effective on January 1, 2007. SB 185 prohibits anyone from performing a real estate appraisal for mortgage loans if the person is not licensed or certified. This legislation prohibits knowingly bribing or coercing an appraiser for the purpose of corrupting his or her judgment.
- In addition, as of May 1, 2009, federal regulations regarding real estate appraisals changed significantly for lenders who sell their loans on the secondary market to Fannie Mae and Freddie Mac. These lenders now must conform to the rules stipulated by Fannie Mae and Freddie Mac, which demand the adoption of the Home Valuation Code of Conduct (HVCC).

Although the analysis does not include specific sections on the following three areas, due to their implications for equal access to housing and their prevalence in the forum discussions, the Center felt it necessary to provide additional commentary regarding the impediments they present.

RENTAL MARKET

- Given the U.S. Department of Housing and Urban Development’s (HUD) housing affordability index, a household’s total housing costs (rent or mortgage and utilities) should not exceed 30% of the total household income. Over 27% of families in Toledo make less than \$25,000 per year. This suggests that a significant number of Toledoans are experiencing a housing cost burden.
- In its Housing Discrimination Study, the Department of Housing and Urban Development conservatively estimated that African-Americans and Hispanics encounter discrimination in over 25% of their attempts to seek the rental of a housing unit.

- Historically, rental discrimination has represented the most frequent basis of complaints filed with the Fair Housing Center. Rental complaints for the period 2005-2009 were second only to lending, due to the vast increase in predatory lending complaints.
- Eliminating discrimination in the rental market is critical since so many people rely on rental housing. According to the 2008 American Community Survey One-Year Estimates, approximately 41.3% of the occupied housing units in Toledo are renter-occupied. Rental housing is the only alternative for many residents.

TRANSPORTATION

- Employment opportunities continue to be located in suburban areas, while affordable housing resides within the City. Transit services, particularly for those without individual means of transportation, fail to meet the needs of city residents who seek employment in outlying areas.
- In the public forums, the current TARTA hub system was criticized for its inefficiency and the elimination of low-cost transfers were cited as an additional burden for those dependent on public transportation. To add to this problem, many suburban municipalities do not participate in the TARTA system, and Perrysburg, a large municipality and center of employment, has discontinued its participation.
- Additionally, social services are not easily accessible by means of the TARTA hub system. It often takes an entire day to access services.
- Infrastructure and maintenance costs (for highways, sidewalks, bridges, etc.) that cater to suburban development are a drain on the County and City; this takes money away from general fund projects.

EDUCATION

- The public perception of the Toledo Public School System continues to remain negative and, thus, contributes to population loss in the City of Toledo and impedes real estate agents' ability to sell housing located in the City of Toledo (particularly to families with children).
- Both area media outlets as well as the Toledo Public School System itself have failed to adequately market the positive improvements in the school system. For example, five schools earned Excellent ratings from the Ohio Department of Education, and the schools experienced an increase in math and science test scores across all grades tested, a dramatic decrease in suspensions, and an overall increase in attendance.

The Action Plan that follows contains specific recommendations for many of these areas of concern.

FAIR HOUSING ACTION PLAN

In conjunction with representatives from the City of Toledo, the Center identified 9 areas that require particular attention and action in order to remedy impediments to fair housing. They are as follows:

- Rental
- Foreclosure and Foreclosure Prevention
- Assisted Housing
- Zoning and New Construction
- Fair Housing Awareness
- Real Estate Sales
- Lending and Finance
- Homeowners Insurance
- Advertising Violations

Specific goals, action steps, and the parties that will, primarily, be held accountable for the actions are included in the chart below along with relevant information for reference.

Section	Goals/ Objectives	Action Steps	Primary Responsibilities/ Partners	Relevant Information
Rental	Improve landlord-tenant relationship in order to promote long-term, sustainable housing of choice.	Establish a landlord-tenant agency to address issues arising between housing providers and tenants.	City of Toledo	
		Conduct a feasibility study to determine need for and scope of landlord training. Determine, as part of study, whether training should be mandatory.	Landlord-Tenant Agency	
		Inform providers of rental housing of rights and responsibilities through training of landlords of multi-family units containing 4+ units.	Landlord-Tenant Agency	
Rental	Ensure full enjoyment of rental housing	Assist clients with reasonable accomodation and	Toledo FHC	

	units for disabled tenants.	modification requests.		
Rental	----- Ensure full enjoyment of rental housing units for disabled tenants.	Investigate reasonable accomodation denials or complaints.	Toledo FHC	
		Investigate reasonable modification denials or complaints.	Toledo FHC	
		Assist clients with complaint process as needed.	Toledo FHC	See enforcement procedures in AI.
Rental	Ensure equal access to housing regardless of race.	Investigate complaints of racial discrimination.	Toledo FHC	See enforcement procedures in AI.
		Conduct testing using HUD-approved methodologies.	Toledo FHC	See enforcement procedures in AI.
		Where indicated, file administrative complaints with HUD/OCRC.	Toledo FHC	See enforcement procedures in AI.
Foreclosure and Foreclosure Prevention	Help to reduce and/or prevent foreclosures, thereby stabilizing area neighborhoods.	Provide consumers with foreclosure prevention resources including, but not limited to: education, emergency mortgage assistance, and loan modifications.	Toledo FHC, Neighborhood Housing Services, City of Toledo, ESOP, Lucas County and NODA	
		Education: Foreclosure prevention counseling, financial management training, credit	Toledo FHC, Neighborhood Housing Services, and NODA	

		counseling, mortgage rescue scam identification.		
Foreclosure and Foreclosure Prevention	Help to reduce and/or prevent foreclosures, thereby stabilizing area neighborhoods.	Emergency mortgage assistance: grants from funding sources such as CDBG-R, Federal Home Loan Bank, etc.	Toledo FHC and NHS	
		Loan Modifications: working with lenders/servicers through such programs as Making Home Affordable.	Toledo FHC, NODA, ESOP, Consumer Credit Counseling Services (CCCS) and NHS	
Foreclosure and Foreclosure Prevention	Mitigate negative impact of foreclosures on targeted neighborhoods.	Acquire, rehab and sell foreclosed properties in NSP- designated "tipping point" neighborhoods.	City of Toledo and NSP partners	Refer to NSP & NSP2 for specifics.
		Strategic acquisition and demolition of unsalvageable foreclosed properties.	City of Toledo and NSP partners	
Foreclosure and Foreclosure Prevention	Address issues faced by families who have been displaced due to foreclosure.	Provide alternative housing options.	United Way 2-1-1, Homeless Shelters, Transitional housing facilities, LMHA, City of Toledo and NSP partners	Refer to NSP2 for specifics.
		Connect families with community resource services.	United Way 2-1-1	

Assisted Housing	Expand availability of Section 8 housing.	Effectively market the Section 8 program and its benefits to landlords.	LMHA	
		Negotiate for Section 8 units in settlement agreements to increase the number of units available for Section 8 housing in historically closed communities.	Toledo FHC, OCRC	
		Encourage HUD to provide sufficient funding to allow LMHA to properly carry out the voucher program.	Toledo FHC, LMHA and City of Toledo	
Assisted Housing	Promote reasonable access of the re-entry population to assisted housing opportunities.	Review current policies and discuss the feasibility of tiered rentals and transitional housing for people re-entering society as well as the development of distinct criteria for different offenses.	Toledo FHC, Lucas County Re-entry Coalition and LMHA	
Zoning and New Construction	Adopt a single, consistent occupancy standard in order to eliminate uncertainty and provide better guidance to fair housing practitioners, housing providers, and	Identify existing discrepancies among various City of Toledo codes, policies and procedures.	City of Toledo	
		Identify existing discrepancies between City and County codes, policies and procedures.	City of Toledo and Lucas County	

Zoning and New Construction	consumers.	Convene appropriate and authoritative entities for the development and adoption of a consistent standard.	City of Toledo, Lucas County, and Toledo FHC	
Zoning and New Construction	Ensure that appropriate zoning and permitting decisions are made regarding housing, both established and new, for persons with disabilities.	Toledo-Lucas County Plan Commissions will provide the Toledo Fair Housing Center with notification of any permit applications filed concerning housing for persons with disabilities.	Toledo-Lucas County Plan Commission	
		Monitor permit applications and the resulting decisions for compliance with fair housing legislation, especially regarding design and adaptability provisions of the Fair Housing Act, and challenge any questionable denials.	Toledo FHC	
Fair Housing Awareness	Ensure that the information regarding fair housing is correct and consistent.	Review, update, and revise City of Toledo municipal code discrimination ordinances to include all protected classes.	City of Toledo and Toledo FHC	Include federally protected class of familial status, and state-protected class of military status.
		Review, update, and revise Fair Housing Center materials to include local and state	Toledo FHC	

		protected classes (as needed).		
Fair Housing Awareness	Ensure that the information regarding fair housing is correct and consistent.	Review, update, and revise OCRC materials to include all protected classes.	OCRC and Toledo FHC	Include state-protected class of military status, and municipally-protected class of sexual orientation.
Fair Housing Awareness	Increase awareness of fair housing laws and the entities responsible for their enforcement.	Provide outreach to housing industry professionals and public and private organizations.	Toledo FHC	
		Provide outreach to the general public.	Toledo FHC	
		Provide outreach in the form of trainings, presentations, resource booths, printed materials, media outlets, and website.	Toledo FHC	
		Identify fair housing outreach materials requiring translation into languages other than English and explore possible funding sources to complete task.	Toledo FHC	
Fair Housing Awareness	Promote more extensive collaboration and increase education and information sharing.	Identify entities that have an influence on impediment areas and facilitate in-person and electronic communications between these	Toledo FHC	

	Promote more extensive collaboration and increase education and information sharing.	entities.		
Fair Housing Awareness		Explore utilization of social networking sites/social media marketing.	Toledo FHC	
Fair Housing Awareness	Decrease the incidence of fair housing violations in condominium bylaws.	Conduct an audit of publicly-recorded condominium documents for violations of the Fair Housing Act.	Toledo FHC	
		Offer condominium associations fair housing training.	Toledo FHC	
Real Estate Sales	Increase affordable housing opportunities in traditionally underserved communities.	Conduct neighborhood tour for housing industry professionals to highlight housing opportunities.	Toledo FHC and City of Toledo	
		Evaluate viability of Toledo Board of REALTORS Certified Affordable Real Estate Sales professionals program and better incentivize participation.	Toledo Board of REALTORS and Toledo FHC	
Lending and Finance	Increase community lending opportunities through Community Development Financial Institutions (CDFIs).	Encourage increased funding for the CDFI Fund through the U.S. Department of Treasury.	Toledo FHC, NODA and NHS	
		Encourage conventional lenders to support CDFIs through	Toledo FHC, NODA and NHS	

		low/no-interest loans.		
Lending and Finance	Increase community lending opportunities through Community Development Financial Institutions (CDFIs).	Provide input to regulators regarding the activities of conventional lenders in order to strengthen compliance and support of CRA.	Toledo FHC	
Lending and Finance	Expand banking and financing opportunities for the traditionally underserved and unbanked.	Work with community lenders and banks to develop a community-wide initiative to alleviate the dependency on check-cashing facilities and payday lenders.	Toledo FHC, Bank On, community lenders and banks	
		Create a program to move consumers from "Check Systems" to conventional banking products.	Toledo FHC, Bank On, community lenders and banks	
Homeowners Insurance	Provide the opportunity for quality, affordable full-replacement cost insurance policies in historically underserved communities.	Conduct systemic investigations of minimum age restrictions, minimum value restrictions and redlining.	Toledo FHC	
		Conduct investigations of differential treatment in customer service issues and risk assessment of dwelling.	Toledo FHC	

Homeowners Insurance	Provide the opportunity for quality, affordable full-replacement cost insurance policies in historically underserved communities.	Educate consumers and the community leaders, organizations, professionals and others who serve them regarding policies and practices of homeowners insurance providers, with special emphasis on the differences between full-replacement cost and market value policies.	Toledo FHC	
Advertising Violations	Decrease the presence, frequency, and dissemination of discriminatory language in the advertisement of housing.	Monitor area print media for fair housing violations, particularly race, familial status and disability.	Toledo FHC	
		Monitor internet for fair housing violations, particularly familial status, gender, national origin, sexual orientation, and race.	Toledo FHC	
		Conduct auditing and follow-up testing where necessary.	Toledo FHC	

APPENDIX I

HMDA DATA

AGGREGATE TABLE 4-2: DISPOSITION OF APPLICATIONS FOR CONVENTIONAL HOME-PURCHASE LOANS, 1 TO 4 FAMILY AND MANUFACTURED HOME DWELLINGS, BY RACE, ETHNICITY, GENDER AND INCOME OF APPLICANT, 2008

MSA/MID: 46780 - TOLEDO, OH

Race and Gender 5/ 18/ 19/	Applications Received 20/		Loans Originated		Apps. Approved But Not Accepted		Applications Denied		Applications Withdrawn		Files Closed For Incompleteness	
	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's
AMERICAN INDIAN/ALASKA NATIVE (TOTAL)	18	2438	7	943	4	828	6	468			1	71
MALE	8	838	2	55	2	431	4	342				
FEMALE	6	422	2	117	1	80	2	154			1	71
JOINT (MALE/FEMALE)	4	1188	3	771	1	417						
ASIAN (TOTAL)	84	15552	50	9747	6	1351	18	3131	8	998	2	325
MALE	29	5371	20	4252	1	152	4	377	4	560		
FEMALE	24	2884	13	1516	2	311	6	822	2	120	1	115
JOINT (MALE/FEMALE)	30	7197	17	3869	3	888	8	1832	1	198	1	210
BLACK OR AFRICAN AMERICAN (TOTAL)	208	21443	111	12281	16	1712	64	5615	12	1290	5	545
MALE	79	8523	42	4760	5	401	25	2349	4	619	3	394
FEMALE	105	10146	54	5478	11	1311	30	2635	8	671	2	151
JOINT (MALE/FEMALE)	23	2357	14	1828			9	731				
NAT HAWAIIAN/OTHER PACIFIC ISL (TOTAL)	11	939	5	574	1	122	5	243				
MALE	6	484	3	338			2	128				
FEMALE	6	475	2	238	1	122	3	115				
JOINT (MALE/FEMALE)												
WHITE (TOTAL)	4371	547989	2918	391205	309	38143	708	67352	378	43593	58	7608
MALE	1540	170511	959	114460	106	11646	289	24612	165	17691	21	2202
FEMALE	916	91224	587	60853	57	4782	180	15937	79	8190	13	1462
JOINT (MALE/FEMALE)	1907	285016	1368	215416	145	21419	237	26510	133	17729	24	3842
2 OR MORE MINORITY RACES (TOTAL)												
MALE												
FEMALE												
JOINT (MALE/FEMALE)												
JOINT (WHITE/MINORITY RACE) (TOTAL)	44	7050	29	5674	1	224	11	937	1	115	2	200
MALE	1	28					1	28				
FEMALE	1	85					1	65				
JOINT (MALE/FEMALE)	41	6937	28	5454	1	224	9	944	1	115	2	200
RACE NOT AVAILABLE (TOTAL) 6/	546	80922	339	52576	48	10193	94	8777	60	8800	5	576
MALE	72	8449	41	5123	7	736	15	1212	9	1378		
FEMALE	48	4272	23	2635	7	492	14	827	4	418		
JOINT (MALE/FEMALE)	96	17707	73	13446	4	895	13	1724	9	1542		

AGGREGATE TABLE 4-2: DISPOSITION OF APPLICATIONS FOR CONVENTIONAL HOME-PURCHASE LOANS, 1 TO 4 FAMILY AND MANUFACTURED HOME DWELLINGS, BY RACE, ETHNICITY, GENDER AND INCOME OF APPLICANT, 2008

Ethnicity, Gender and Income 7/ 18/ 19/	Applications Received 20/		Loans Originated		Apps. Approved But Not Accepted		Applications Denied		Applications Withdrawn		Files Closed For Incompleteness	
	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's	Number	\$000's
HISPANIC OR LATINO (TOTAL)	116	10863	52	6237	8	697	38	2477	15	1274	3	268
MALE	56	5505	25	3302	3	203	19	1067	7	748	2	197
FEMALE	34	2985	14	1462	4	270	11	875	4	287	1	71
JOINT (MALE/FEMALE)	26	2453	13	1443	1	224	8	545	4	241		
NOT HISPANIC OR LATINO (TOTAL)	4583	579717	3036	409863	328	41764	771	74410	386	45166	64	8384
MALE	1607	180091	987	120039	113	12648	306	26566	169	18519	22	2399
FEMALE	1031	102858	643	66761	67	6321	218	19168	87	8650	16	1728
JOINT (MALE/FEMALE)	1933	295083	1388	222037	145	22599	246	28578	128	17614	26	4257
JOINT (HISPANIC OR LATINO/ NOT HISPANIC OR LATINO) (TOTAL)	56	7095	36	5501	3	101	10	939	5	459	1	95
MALE	1	155	1	155								
FEMALE												
JOINT (MALE/FEMALE)	54	6940	35	5346	3	101	10	939	5	459	1	95
ETHNICITY NOT AVAILABLE (TOTAL) 8/	528	76478	335	51169	48	10111	87	8725	53	7897	6	576
MALE	70	8423	44	5500	5	615	15	1405	8	603		
FEMALE	41	3635	24	2464	8	507	7	382	2	262		
JOINT (MALE/FEMALE)	91	15826	67	11859	5	1019	12	1681	7	1270		
MINORITY STATUS 6/ 18/ 18/												
WHITE NON-HISPANIC (TOTAL)	4199	529906	2822	379943	286	37205	665	64102	390	42247	56	7409
MALE	1479	164555	928	110597	102	11366	272	23628	158	16661	19	2005
FEMALE	882	88197	570	59138	53	4577	171	15117	75	7603	13	1462
JOINT (MALE/FEMALE)	1831	276249	1320	209732	140	20966	221	25309	126	17300	24	3642
OTHERS, INCLUDING HISPANIC (TOTAL)	521	63534	287	40140	37	4831	145	13204	40	4021	12	1338
MALE	176	20860	93	12870	11	1187	52	4067	15	1645	6	691
FEMALE	170	16582	84	8767	18	2014	50	4368	14	1078	4	337
JOINT (MALE/FEMALE)	172	25855	108	17868	8	1630	43	4751	10	888	3	410
INCOME OF APPLICANTS 9/												
LESS THAN 50% OF MSA/MD MEDIAN	738	46764	361	24037	37	2140	259	14951	69	5049	12	587
50-79% OF MSA/MD MEDIAN	1177	103524	719	65410	90	7675	245	19749	114	9886	9	805
80-99% OF MSA/MD MEDIAN	655	67980	424	43753	52	6422	117	10864	55	6091	7	740
100-119% OF MSA/MD MEDIAN	488	58957	325	40872	35	3686	73	7973	43	4793	12	1533
120% OR MORE OF MSA/MD MEDIAN	2117	381866	1543	284547	169	32169	204	32245	168	27247	33	5658
INCOME NOT AVAILABLE 6/	107	17142	87	14481	2	281	8	649	10	1731		
TOTAL 14/	5282	676243	3459	472900	385	52673	906	86551	459	54796	73	9323

AGGREGATE TABLE B-2: REASONS FOR DENIAL OF APPLICATIONS FOR CONVENTIONAL HOME-PURCHASE LOANS, 1 TO 4 FAMILY AND MANUFACTURED HOME DWELLINGS, BY RACE, ETHNICITY, GENDER AND INCOME OF APPLICANT, 2008

MSA/MD: 45780 - TOLEDO, OH

Applicant Characteristics	Debt-to-Income Ratio		Employment History		Credit History		Collateral		Insufficient Cash		Unverifiable Information		Credit App. Incomplete		Mortgage Insurance Denied		Other		Total /22				
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%			
RACE 5/																							
AMERICAN INDIAN/ALASKA NATIVE			1	13	4	50					1	13	1	13	1	13					8	100	
ASIAN	5	23			2	9		2	9	2	9	2	9	1	5			8	36		22	100	
BLACK OR AFRICAN AMERICAN	6	8	1	1	27	36	15	20	5	7	2	3	7	9	2	3		9	12		74	100	
NAT HAWAIIAN/OTHER PACIFIC ISL	1	17			2	33	2	33													1	17	100
WHITE	110	14	11	1	281	37	146	19	42	5	33	4	31	4	25	3	86	11			765	100	
2 OR MORE MINORITY RACES																							
JOINT (WHITE/MINORITY RACE)	2	17			2	17	2	17					1	8			5	42			12	100	
RACE NOT AVAILABLE 6/	13	14	4	4	27	29	24	28	7	7	2	2	6	6	1	1	10	11			84	100	
ETHNICITY 7/																							
HISPANIC OR LATINO	3	8			21	53	7	18	2	5	1	3	1	3	1	3		4	10		40	100	
NOT HISPANIC OR LATINO	122	15	13	2	294	35	156	19	46	5	35	4	40	5	27	3	104	12			837	100	
JOINT (HISPANIC OR LATINO/ NOT HISPANIC OR LATINO)	1	9			4	36	3	27	2	18	1	9									11	100	
ETHNICITY NOT AVAILABLE 6/	11	12	4	4	26	28	25	27	6	6	3	3	6	6	1	1	11	12			93	100	
MINORITY STATUS 8/																							
WHITE NON-HISPANIC	108	15	11	2	261	36	133	18	38	5	32	4	31	4	25	3	82	11			721	100	
OTHERS, INCL. HISPANIC	17	10	2	1	56	34	31	19	11	7	6	4	10	6	3	2	27	17			163	100	
GENDER 19/																							
MALE	45	12	5	1	130	35	71	19	23	6	13	4	17	5	15	4	48	13			367	100	
FEMALE	44	17	5	2	92	36	42	17	17	7	7	3	14	6	6	2	27	11			264	100	
JOINT (MALE/FEMALE)	39	13	5	2	108	36	62	20	12	4	19	6	12	4	8	3	38	13			303	100	
GENDER NOT AVAILABLE 8/	9	16	2	4	15	26	16	28	4	7	1	2	4	7			6	11			57	100	
INCOME 6/																							
LESS THAN 50% OF MSA/MD MEDIAN	51	19	7	3	115	42	38	14	14	5	8	3	9	3	8	3	21	8			271	100	
50-79% OF MSA/MD MEDIAN	40	15	2	1	109	41	43	18	20	8	5	2	7	3	7	3	32	12			265	100	
80-99% OF MSA/MD MEDIAN	13	11	2	2	51	42	18	15	7	6	7	6	6	5	2	2	15	12			121	100	
100-119% OF MSA/MD MEDIAN	7	9	1	1	27	35	13	17	3	4	3	4	9	12	3	4	12	15			78	100	
120% OR MORE OF MSA/MD MEDIAN	23	10	4	2	40	17	79	33	12	5	16	7	16	7	9	4	38	16			237	100	
INCOME NOT AVAILABLE 6/	3	33	1	11	3	33					1	11					1	11			9	100	

AGGREGATE TABLE 11 - 3: PRICING INFORMATION FOR CONVENTIONAL HOME-PURCHASE LOANS, FIRST LIEN, 1- TO 4-FAMILY OWNER-OCCUPIED DWELLING (EXCLUDES MANUFACTURED HOMES), BY BORROWER OR CENSUS TRACT CHARACTERISTICS, 2008

MSA:MD-46780 - TOLEDO, OH

BORROWER OR CENSUS TRACT CHARACTERISTICS	15/ NO REPORTED PRICING DATA #	REPORTED PRICING DATA #	PERCENTAGE POINTS ABOVE TREASURY: ONLY INCL. LOANS WITH APR ABOVE THE THRESHOLD 16/					MEAN	MEDIAN
			3 - 3.99 #	4 - 4.99 #	5 - 5.99 #	6 - 6.99 #	7 - 7.99 #		
BORROWER CHARACTERISTICS									
RACE 5/									
AMERICAN INDIAN/ALASKA NATIVE	6								
ASIAN	47	1	1				3.23	3.23	
BLACK OR AFRICAN AMERICAN	76	16	11	2	2		4.08	3.70	
NAT HAWAIIAN/OTHER PACIFIC ISL	2								
WHITE	2137	143	126	12	2	1	3.54	3.24	
2 OR MORE MINORITY RACES									
JOINT (WHITE/MINORITY RACE)	20	1				1	6.37	6.37	
RACE NOT AVAILABLE 6/	224	14	11	3			3.60	3.47	
ETHNICITY 7/									
HISPANIC OR LATINO	42	3		3			4.16	4.21	
NOT HISPANIC OR LATINO	2221	158	138	11	4	2	3.60	3.26	
JOINT (HISPANIC OR LATINO/ NOT HISPANIC OR LATINO)	26								
ETHNICITY NOT AVAILABLE 6/	222	14	11	3			3.62	3.53	
MINORITY STATUS 8/									
WHITE NON-HISPANIC	2060	140	126	9	2	1	3.53	3.24	
OTHERS, INCLUDING HISPANIC	216	21	12	5	2	1	4.17	3.82	
INCOME 9/									
LESS THAN 50% OF MSA/MD MEDIAN	278	38	30	7	1		3.50	3.28	
50-78% OF MSA/MD MEDIAN	501	59	48	7	1	1	3.90	3.37	
80-99% OF MSA/MD MEDIAN	316	26	22	3	1		3.51	3.30	
100-119% OF MSA/MD MEDIAN	249	14	14				3.18	3.13	
120% OR MORE OF MSA/MD MEDIAN	1083	38	35		1	2	3.49	3.27	
INCOME NOT AVAILABLE 6/	24								
GENDER 10/									
MALE	773	63	54	6	2		3.64	3.24	
FEMALE	525	48	38	7	2		3.05	3.42	
JOINT (MALE/FEMALE)	1096	57	51	3	2	1	3.53	3.32	
GENDER NOT AVAILABLE 6/	117	7	6	1			3.62	3.71	
CENSUS TRACT CHARACTERISTICS 10/									
RACIAL/ETHNIC COMPOSITION 11/									
LESS THAN 10% MINORITY	1893	102	90	8	1	2	3.50	3.27	
10-19% MINORITY	463	43	39	2	1		3.70	3.17	
20-49% MINORITY	106	17	14	3			3.43	3.24	
50-78% MINORITY	30	8	3	4	1		4.08	4.08	
80-100% MINORITY	19	5	3		1	1	4.92	3.94	
INCOME CHARACTERISTICS 12/ 13/									
LOW INCOME	14	5	3	2			3.76	3.94	
MODERATE INCOME	140	20	13	4	2		3.93	3.47	
MIDDLE INCOME	1129	98	86	8	2	1	3.61	3.24	
UPPER INCOME	1228	52	47	3	2		3.46	3.27	

AGGREGATE TABLE 11 - 3: PRICING INFORMATION FOR CONVENTIONAL HOME-PURCHASE LOANS, FIRST LIEN, 1- TO 4-FAMILY OWNER-OCCUPIED DWELLING (EXCLUDES MANUFACTURED HOMES), BY BORROWER OR CENSUS TRACT CHARACTERISTICS, 2008

BORROWER OR CENSUS TRACT CHARACTERISTICS	15/		PERCENTAGE POINTS ABOVE TREASURY: ONLY INCL. LOANS WITH APR. ABOVE THE THRESHOLD 16/							
	NO REPORTED PRICING DATA	REPORTED PRICING DATA	3 - 3.99 \$000'S	4 - 4.99 \$000'S	5 - 5.99 \$000'S	6 - 6.99 \$000'S	7 - 7.99 \$000'S	8 OR MORE \$000'S	MEAN 30/	MEDIAN 31/
MSAMD: 45780 - TOLEDO, OH										
BORROWER CHARACTERISTICS										
RACE 5/										
AMERICAN INDIAN/ALASKA NATIVE	860								3.23	3.23
ASIAN	9445	160	160						3.69	3.52
BLACK OR AFRICAN AMERICAN	6362	2060	1885	54	76			45		
NAT HAWAIIAN/OTHER PACIFIC ISL	380									
WHITE	316857	14706	13634	659	104	255	46	6	3.38	3.21
2 OR MORE MINORITY RACES										
JOINT (WHITE/MINORITY RACE)	4100	329				329			6.37	6.37
RACE NOT AVAILABLE 6/	36728	1310	1071	239					3.53	3.38
ETHNICITY 7/										
HISPANIC OR LATINO	5783	145		145						
NOT HISPANIC OR LATINO	332157	17081	15650	568	180	564	48	51	4.18	4.21
JOINT (HISPANIC OR LATINO/NOT HISPANIC OR LATINO)	4416								3.46	3.23
ETHNICITY NOT AVAILABLE 6/	35406	1339	1100	239					3.58	3.53
MINORITY STATUS 8/										
WHITE NON-HISPANIC	305634	14561	13634	514	104	255	48	6	3.37	3.21
OTHERS, INCLUDING HISPANIC	34169	2694	2045	199	76	329	48	45	4.02	3.53
INCOME 9/										
LESS THAN 50% OF MSAMD MEDIAN	19691	2094	1783	288	23				3.45	3.24
50-79% OF MSAMD MEDIAN	55861	4454	3830	459	66				3.57	3.26
80-99% OF MSAMD MEDIAN	36624	2380	2137	205	38				3.41	3.24
100-119% OF MSAMD MEDIAN	35021	1646	1946						3.19	3.13
120% OR MORE OF MSAMD MEDIAN	226998	7691	7054		53	564			3.53	3.27
INCOME NOT AVAILABLE 6/	3269									
GENDER 19/										
MALE	103795	5549	5216	236	91			6	3.33	3.21
FEMALE	58939	4969	4332	403	89			45	3.48	3.23
JOINT (MALE/FEMALE)	196612	7278	6348	248		564	48		3.59	3.27
GENDER NOT AVAILABLE 6/	18416	969	804	85					3.51	3.40
CENSUS TRACT CHARACTERISTICS 10/										
RACIALETHNIC COMPOSITION 11/										
LESS THAN 10% MINORITY	304085	12186	10968	548	38	594	48		3.50	3.26
10-19% MINORITY	60457	4210	3957	171	66			6	3.35	3.15
20-49% MINORITY	9122	1266	1266	85					3.20	3.20
50-79% MINORITY	1949	620	449	148	23				3.75	3.52
80-100% MINORITY	2149	198	100		53			45	5.14	3.64
INCOME CHARACTERISTICS 12/ 13/										
LOW INCOME	1691	158	104	54					3.69	3.52
MODERATE INCOME	12888	964	700	143	76			45	3.83	3.38
MIDDLE INCOME	133468	9267	8528	581	104			6	3.40	3.22
UPPER INCOME	229707	8176	7418	174		564	48		3.52	3.26

Standard Summary Report

2008 Peer Mortgage Data (CE)

Active Filters

(State is OH and MSA is Toledo, OH MSA and County is Lucas)

Property Type is One to Four-Family

Total Applications (1)		Originated (2)		Approved Not Accepted		Denied (3)	
Count	%	Count	%	Count	%	Count	%
Loan Purpose and Type							
Purchase - Conventional		3,512	20.03	2,069	29.83	205	19.77
Purchase - Government		2,315	13.21	1,175	16.94	76	7.33
Home Improvement		2,223	12.68	628	9.05	168	16.20
Refinancing		9,481	54.08	3,065	44.18	588	56.70
Applicant Race							
American Indian/Alaska Native		55	0.31	16	0.23	3	0.29
Asian		164	0.94	72	1.04	14	1.35
Black or African American		1,843	10.51	489	7.05	109	10.51
Hawaiian / Pacific Islander		25	0.14	9	0.13	2	0.19
White		12,406	70.77	5,526	79.66	746	71.94
2 or More Minority Races		15	0.09	3	0.04	0	0.00
Joint Race (White/Minority)		150	0.86	45	0.65	9	0.87
Race Not Available		2,873	16.39	777	11.20	154	14.85
Applicant Ethnicity							
Hispanic or Latino		434	2.48	129	1.86	22	2.12
Not Hispanic or Latino		14,046	80.12	5,955	85.84	848	81.77
Joint (Hisp/Lat / Not Hisp/Lat)		198	1.13	62	0.89	10	0.96
Ethnicity Not Available		2,853	16.27	791	11.40	157	15.14
Minority Status							
White Non-Hispanic		11,733	66.93	5,301	76.42	705	67.98
Others, Including Hispanic		2,823	16.10	814	11.73	165	15.91
Applicant Income							
Low (0-49% of Median)		2,609	14.88	836	12.05	134	12.92
Moderate (50-79% of Median)		4,239	24.18	1,698	24.48	236	22.76
Middle (80-119% of Median)		4,212	24.03	1,657	23.89	265	25.55
Upper (>=120% of Median)		5,280	30.12	2,513	36.23	381	36.74
Income Not Available		1,191	6.79	233	3.36	21	2.03
Tract/BNA Characteristics							
Substantially Minority		1,901	10.84	458	6.60	97	9.35
Not Substantially Minority		15,630	89.16	6,479	93.40	940	90.65
Low (0-49% of Median)		530	3.02	102	1.47	20	1.93
Moderate (50-79% of Median)		3,445	19.65	1,013	14.60	170	16.39
Middle (80-119% of Median)		7,810	44.55	2,982	42.99	470	45.32
Upper (>=120% of Median)		5,746	32.78	2,840	40.94	377	36.35
NA		0	0.00	0	0.00	0	0.00
Low/Mod and/or Sub Minority		4,645	26.50	1,316	18.97	230	22.18
All Other Census Tracts		12,886	73.50	5,621	81.03	807	77.82

Applicant Sex							
Male	5,444	31.05	2,124	30.62	309	29.80	
Female	4,211	24.02	1,662	23.96	253	24.40	
Joint	5,947	33.92	2,701	38.94	368	35.49	
Not Applicable	1,929	11.00	450	6.49	107	10.32	
Total	17,531	100.00	6,937	100.00	1,037	100.00	

(1) Percent of Total Number of Applications (2) Percent of Total Number of Originations (3) Number of Denied Applications as a Percent of Number of Applications for Line Item

Note: Validity Errors are included

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Standard Summary Report Continued

2008 Peer Mortgage Data (CE)

Active Filters

(State is OH and MSA is Toledo, OH MSA and County is Lucas)
Property Type is One to Four-Family

	Total Applications (1)		Withdrawn / Incomplete		Preapproval Denied		Preapproved Not Accepted	
	Count	%	Count	%	Count	%	Count	%
Loan Purpose and Type								
Purchase - Conventional	3,512	20.03	324	16.25	0	0.00	0	0.00
Purchase - Government	2,315	13.21	186	9.33	11	100.00	0	0.00
Home Improvement	2,223	12.68	121	6.07	0	0.00	0	0.00
Refinancing	9,481	54.08	1,363	68.36	0	0.00	0	0.00
Applicant Race								
American Indian/Alaska Native	55	0.31	5	0.25	0	0.00	0	0.00
Asian	164	0.94	19	0.95	0	0.00	0	0.00
Black or African American	1,843	10.51	215	10.78	1	9.09	0	0.00
Hawaiian / Pacific Islander	25	0.14	2	0.10	0	0.00	0	0.00
White	12,406	70.77	1,434	71.92	9	81.82	0	0.00
2 or More Minority Races	15	0.09	1	0.05	0	0.00	0	0.00
Joint Race (White/Minority)	150	0.86	23	1.15	0	0.00	0	0.00
Race Not Available	2,873	16.39	295	14.79	1	9.09	0	0.00
Applicant Ethnicity								
Hispanic or Latino	434	2.48	43	2.16	1	9.09	0	0.00
Not Hispanic or Latino	14,046	80.12	1,638	82.15	9	81.82	0	0.00
Joint (Hisp/Lat / Not Hisp/Lat)	198	1.13	29	1.45	0	0.00	0	0.00
Ethnicity Not Available	2,853	16.27	284	14.24	1	9.09	0	0.00
Minority Status								
White Non-Hispanic	11,733	66.93	1,356	68.00	8	72.73	0	0.00
Others, Including Hispanic	2,823	16.10	329	16.50	2	18.18	0	0.00
Applicant Income								
Low (0-49% of Median)	2,609	14.88	281	14.09	3	27.27	0	0.00
Moderate (50-79% of Median)	4,239	24.18	468	23.47	3	27.27	0	0.00
Middle (80-119% of Median)	4,212	24.03	532	26.68	4	36.36	0	0.00
Upper (>=120% of Median)	5,280	30.12	664	33.30	1	9.09	0	0.00
Income Not Available	1,191	6.79	49	2.46	0	0.00	0	0.00

Tract/BNA Characteristics							
Substantially Minority	1,901	10.84	217	10.88	0	0.00	0 0.00
Not Substantially Minority	15,630	89.16	1,777	89.12	11	100.00	0 0.00
Low (0-49% of Median)	530	3.02	53	2.66	0	0.00	0 0.00
Moderate (50-79% of Median)	3,445	19.65	358	17.95	0	0.00	0 0.00
Middle (80-119% of Median)	7,810	44.55	929	46.59	4	36.36	0 0.00
Upper (>=120% of Median)	5,746	32.78	654	32.80	7	63.64	0 0.00
NA	0	0.00	0	0.00	0	0.00	0 0.00
Low/Mod and/or Sub Minority	4,645	26.50	490	24.57	0	0.00	0 0.00
All Other Census Tracts	12,886	73.50	1,504	75.43	11	100.00	0 0.00
Applicant Sex							
Male	5,444	31.05	663	33.25	5	45.45	0 0.00
Female	4,211	24.02	489	24.52	2	18.18	0 0.00
Joint	5,947	33.92	681	34.15	3	27.27	0 0.00
Not Applicable	1,929	11.00	161	8.07	1	9.09	0 0.00
Total	17,531	100.00	1,994	100.00	11	100.00	0 0.00

(1) Percent of Total Number of Applications (2) Percent of Total Number of Originations (3) Number of Denied Applications as a Percent of Number of Applications for Line Item

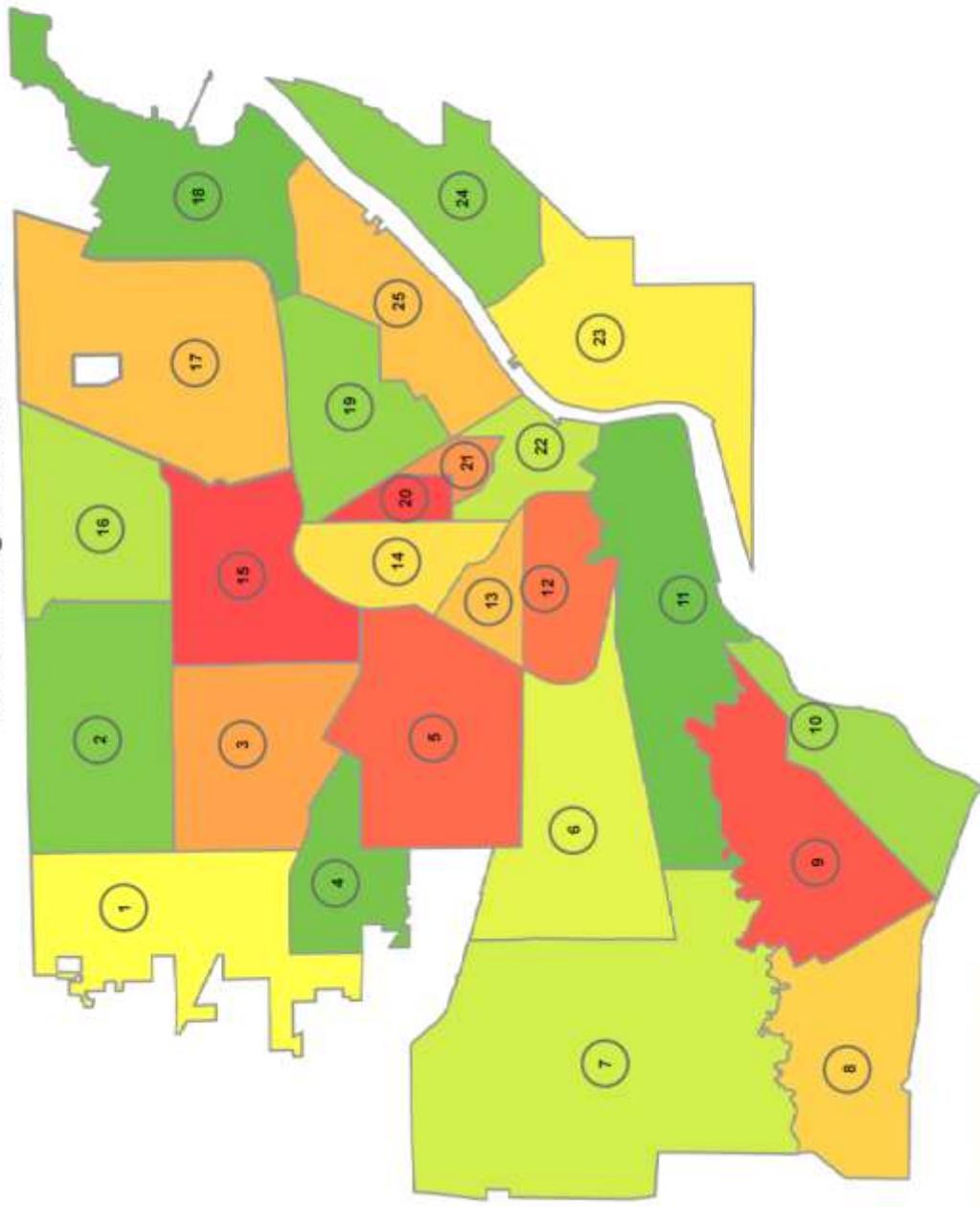
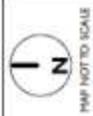
Note: Validity Errors are included

Data Source: 2000 US Census SF1/SF3

Note: Tables 4-2, 8-2 and 11-3 are Toledo MSA HMDA 2008 data that were accessed and retrieved from the FFIEC's HMDA Data Report Query tool online at <<http://www.ffiec.gov/hmdaadwebreport/AggWelcome.aspx>>. Data in the final tables specifically correspond to Lucas County; they were prepared from HMDA 2008 data by the Housing Research & Advocacy Center staff at the request of the Toledo Fair Housing Center.

APPENDIX II DEMOGRAPHIC MAPS

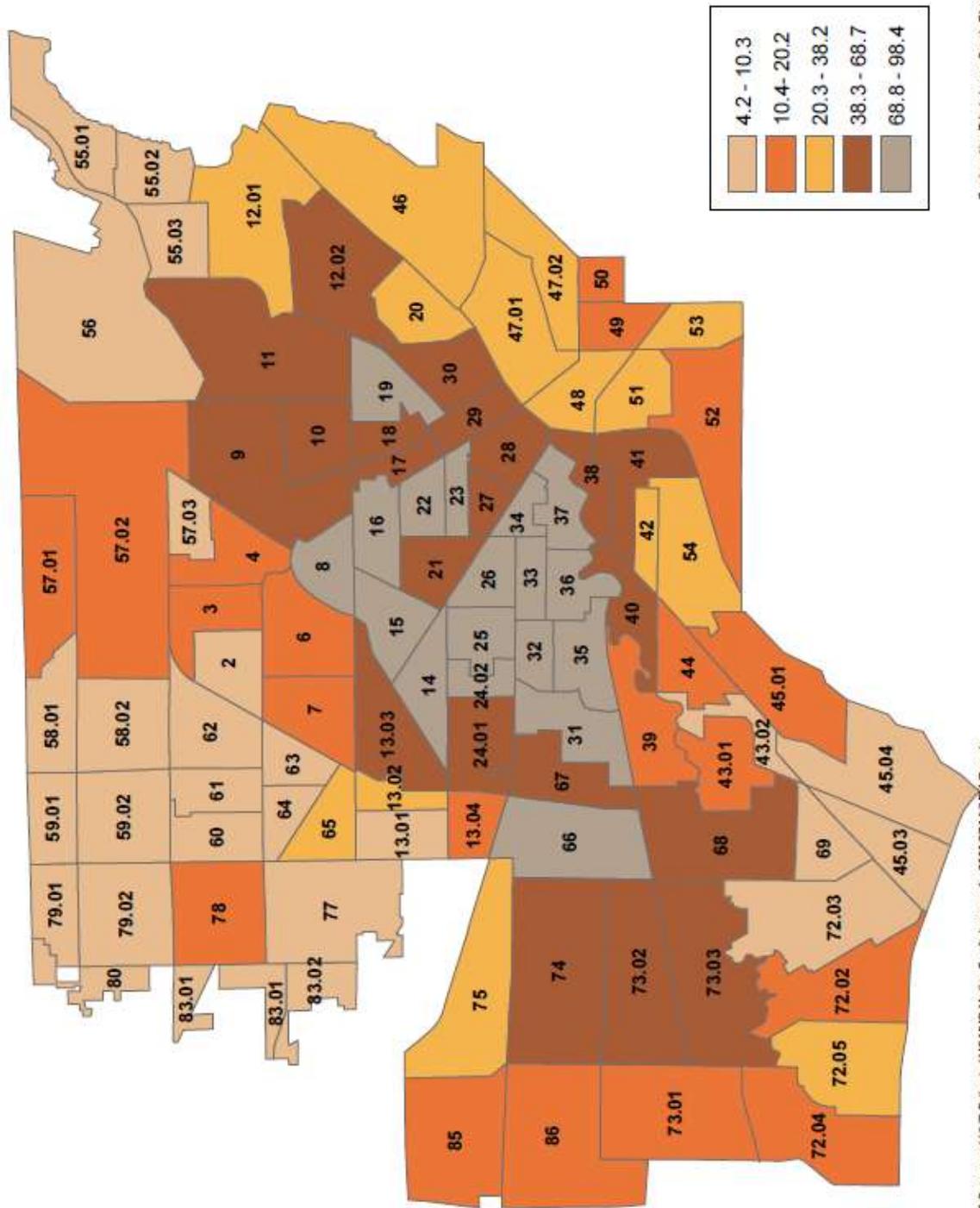
Toledo's Neighborhood Districts



- 1 - FRANKLIN PARK
- 2 - WHITTIER - TRILBY
- 3 - DEVAUX
- 4 - ELPHURST
- 5 - HAMPTON PARK
- 6 - WESTGATE
- 7 - LINCOLNSHIRE
- 8 - OTTAWA
- 9 - BANCROFT HILLS
- 10 - BURMA
- 11 - OLD FAIRGROUNDS
- 12 - OLD ORCHARD
- 13 - INDIAN HILLS
- 14 - WESTMORELAND
- 15 - NENWOOD-SHERIDAN
- 16 - THE COLONY
- 17 - SCOTT PARK
- 18 - SECOR GARDENS
- 19 - REYNOLDS CORNERS
- 20 - SOUTHWYCK
- 21 - GLENDALE - HEATHERDOWNS
- 22 - BIRNBY - HARVARD
- 23 - SOUTH SIDE
- 24 - HERITAGE SOUTH
- 25 - ARLINGTON
- 12 - ONYX
- 13 - ROOSEVELT
- 14 - OLD WEST END
- 15 - FIVE POINTS - LIBRARY VILLAGE
- 16 - NORTH TOWNE
- 17 - FORT INDUSTRY
- 18 - POINT PLACE
- 19 - LAGRANGE
- 20 - THE VILLAGE
- 21 - BRICKHEAD
- 22 - TOTCO
- 23 - WARREN-SHERMAN
- 24 - DOWNTOWN
- 25 - WAREHOUSE
- 1 - UPTOWN
- 2 - COLLINGWOOD SPRINGS
- 3 - EASTSIDE
- 4 - IRONWOOD
- 5 - BIRNIGHAM
- 6 - NORTH RIVER
- 7 - VISTULA

Produced by the Toledo-Lucas County Plan Commissions - 7/08

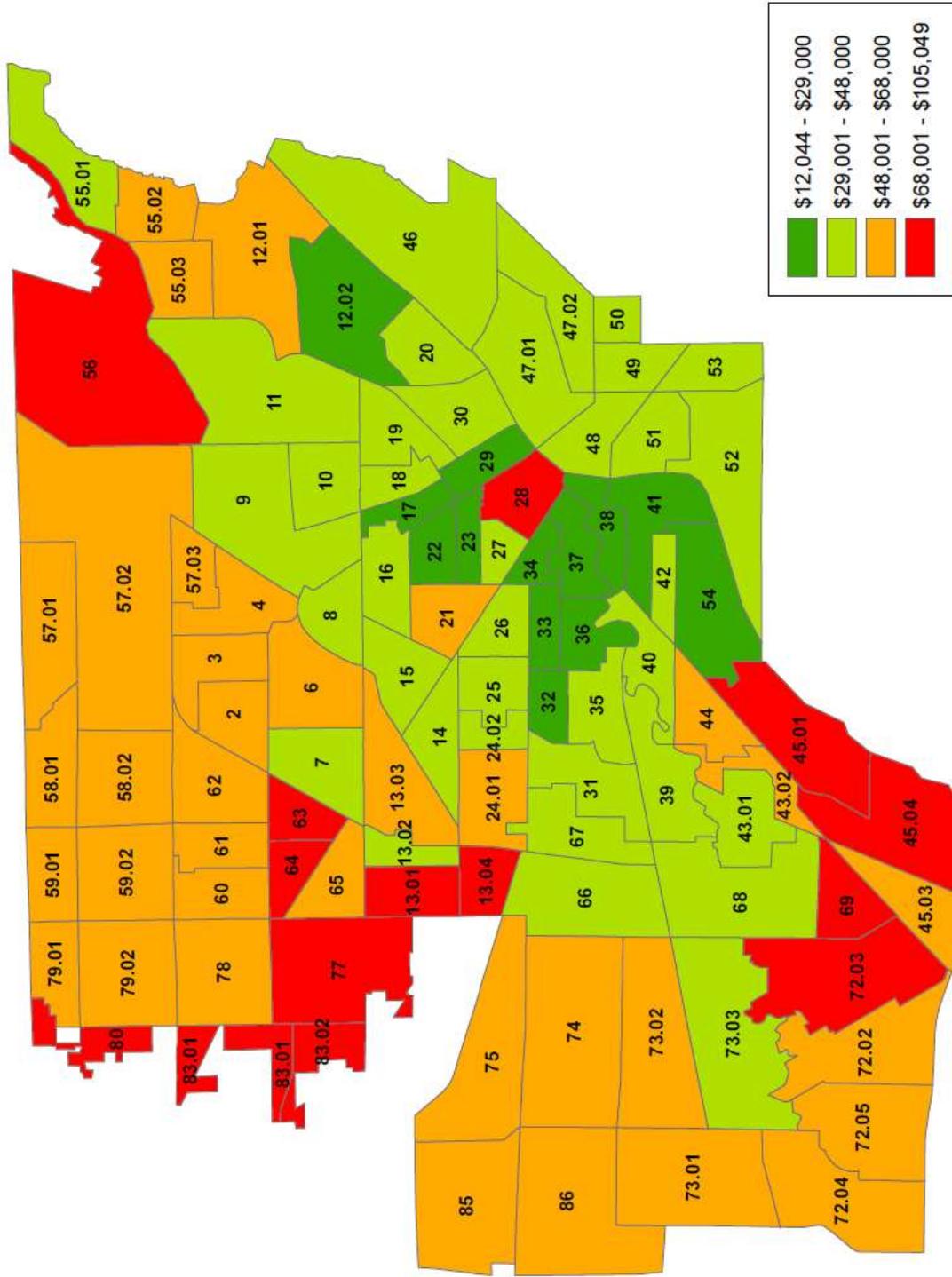
Percent Minority Population by Census Tract 2009



Produced by: Toledo Lucas County Plan Commission 3/09

Data Source: FRED Census and HUD Estimated MSAMD Median Family Income for 2008 CRAFTMA Reports

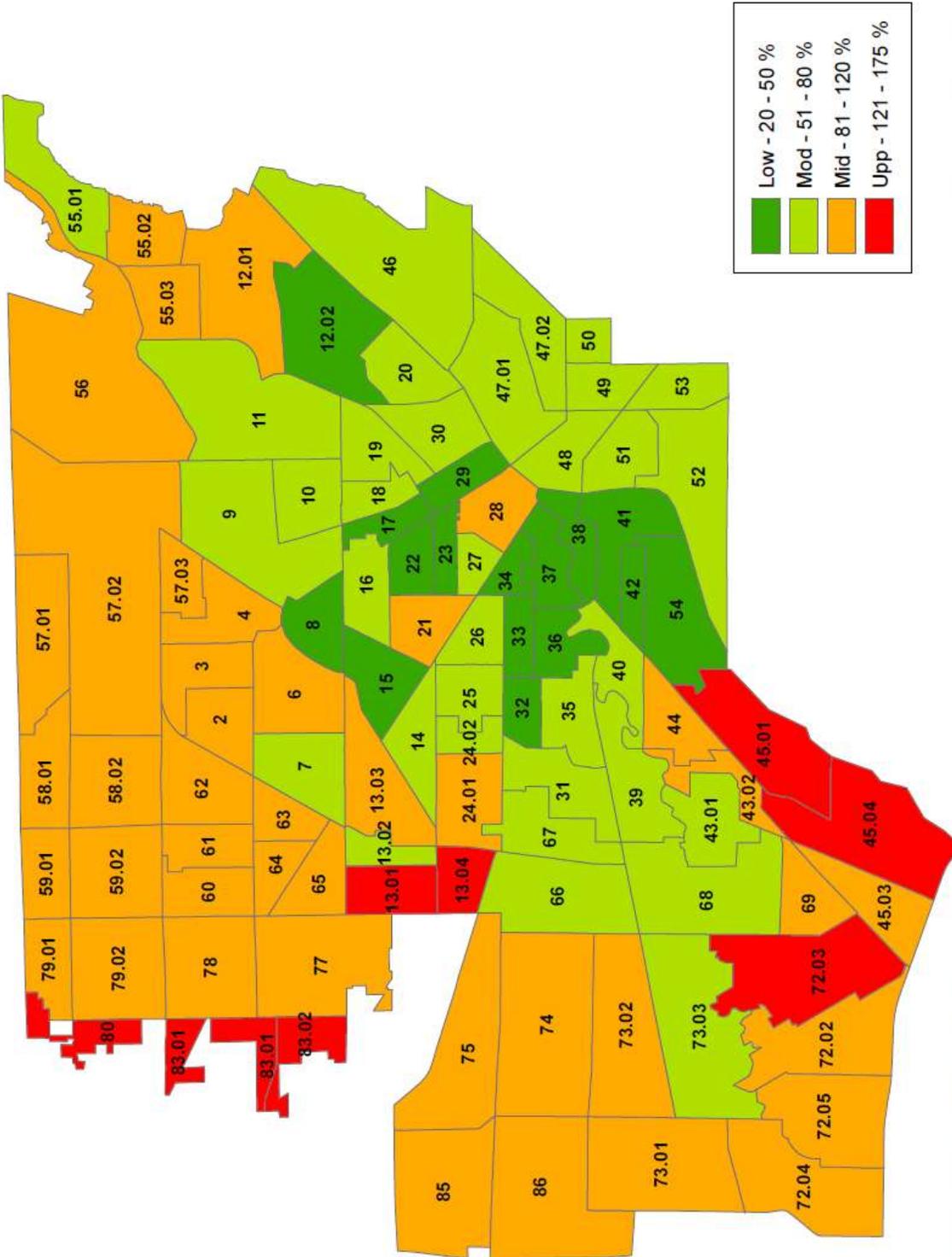
Median Household Income by Census Tract 2009

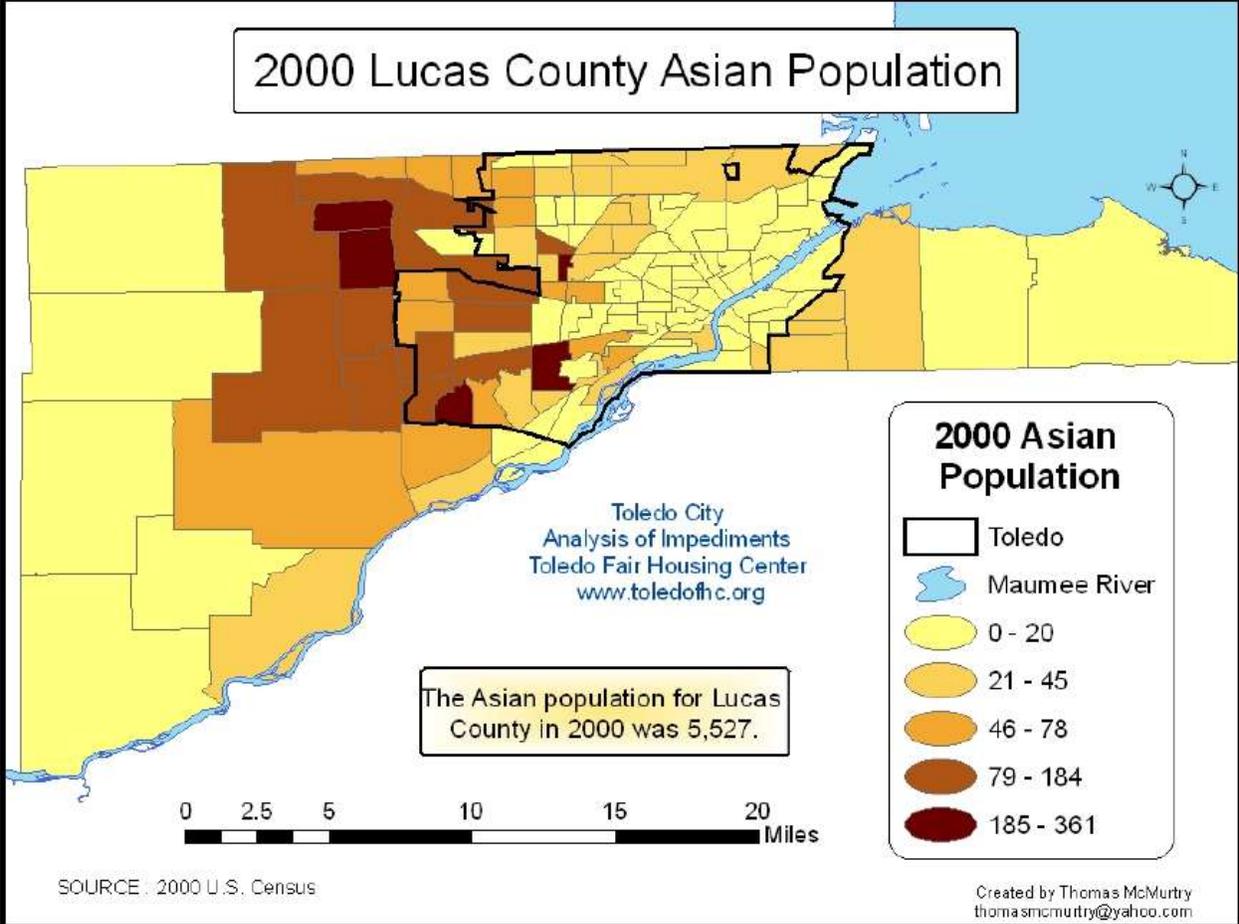


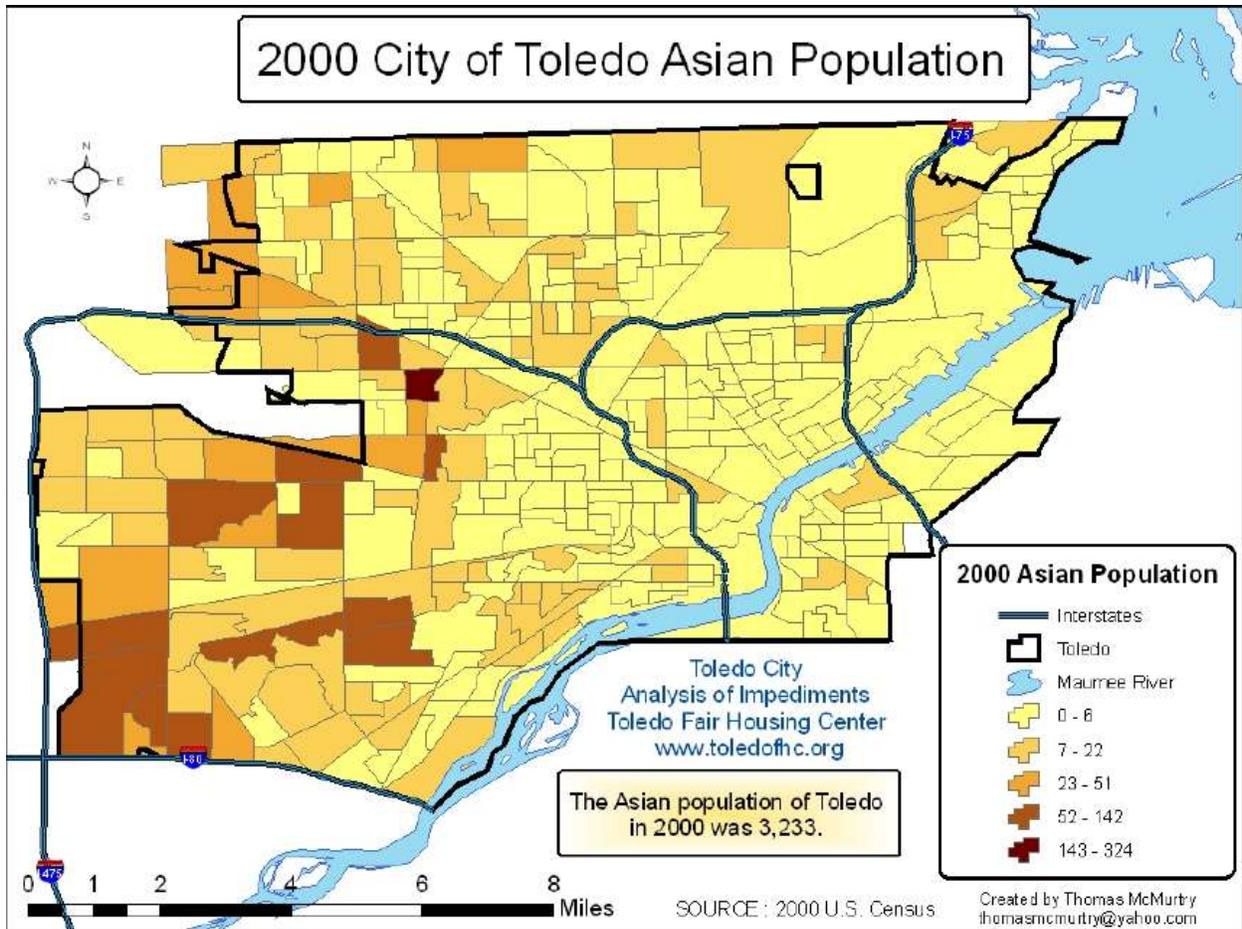
Produced by: Toledo Lucas County Plan Commissions 3/09

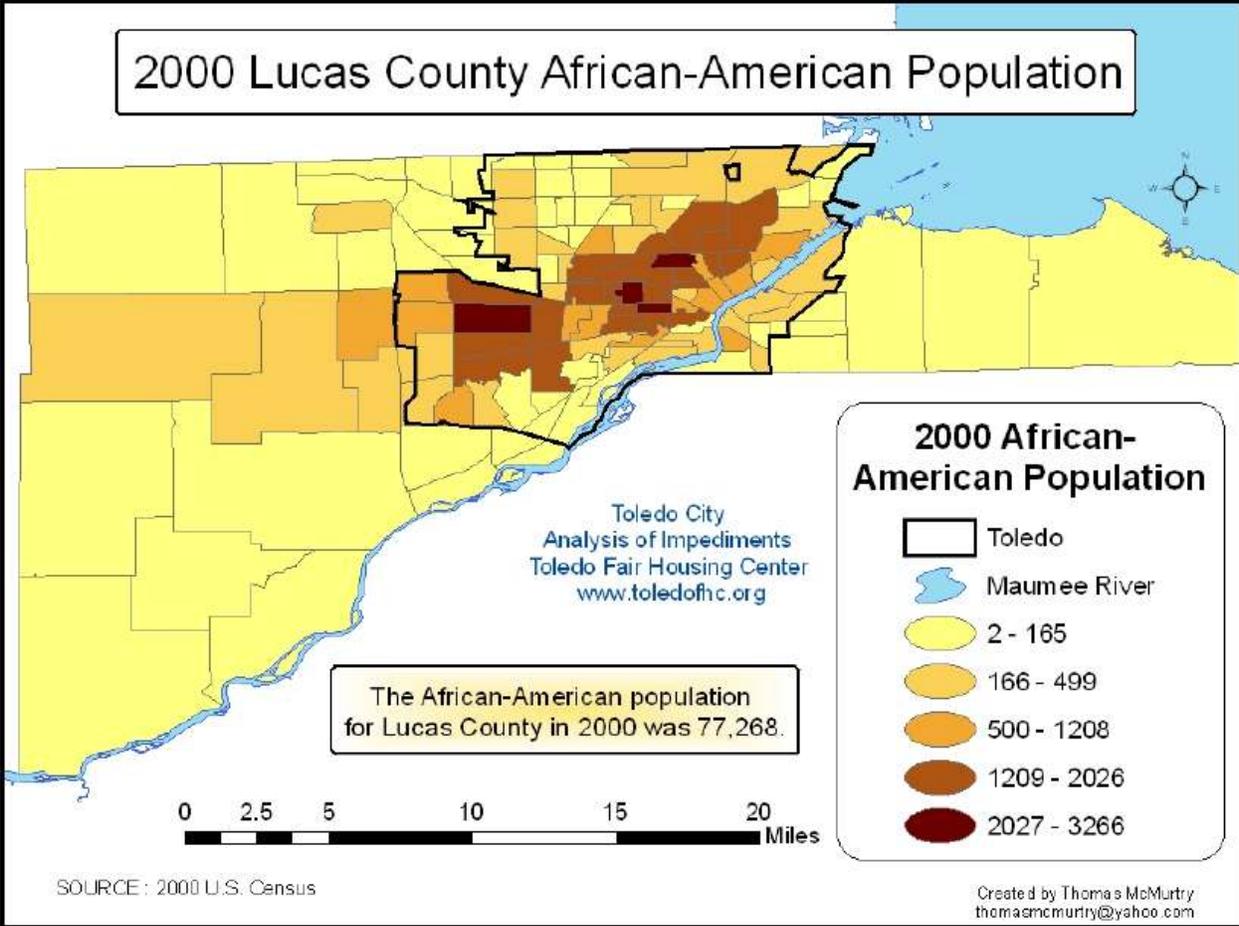
Data Source: FFEC Census and HUD Estimated MSA/MD Median Family Incomes for 2008 CRA/HMDA Reports

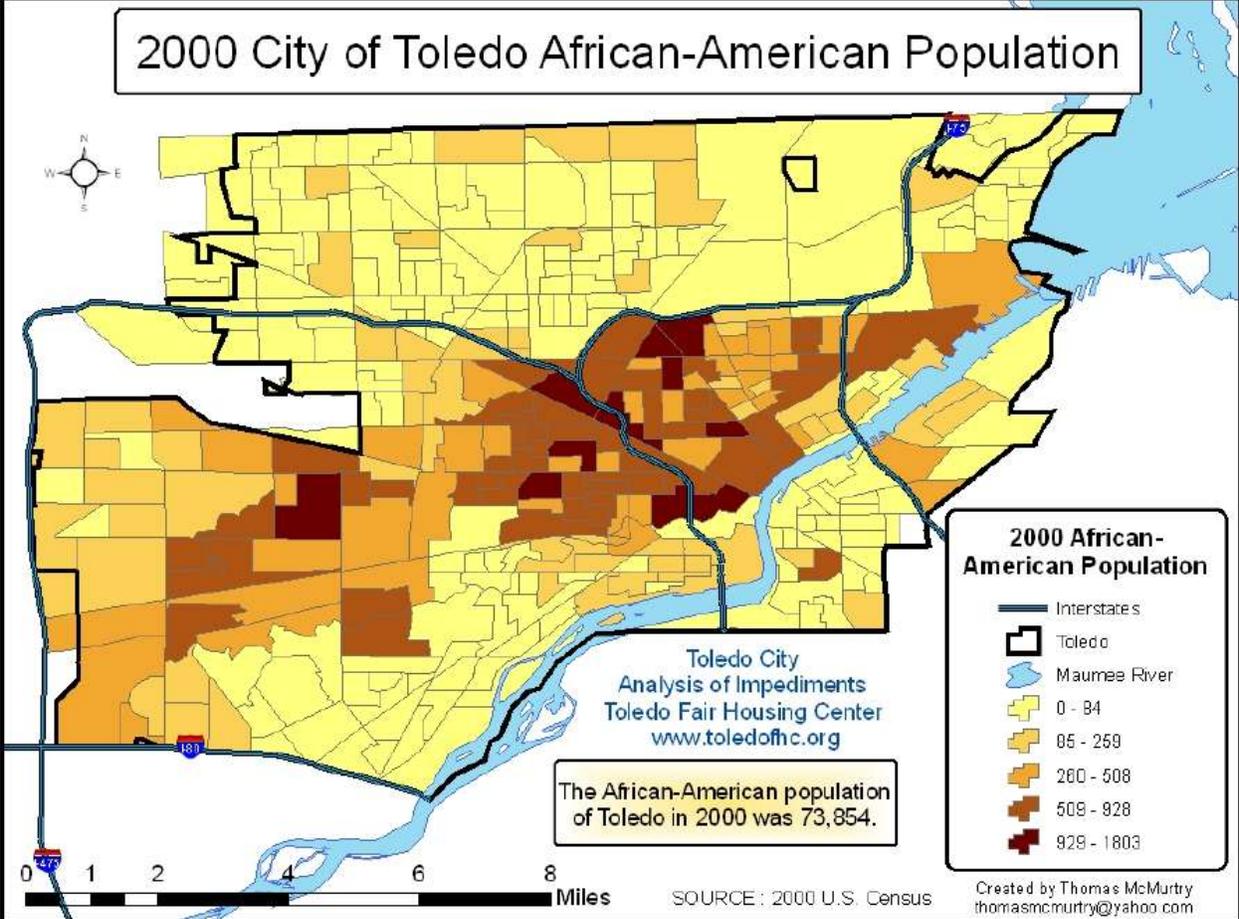
Percent Median Family Income by Census Tract 2009



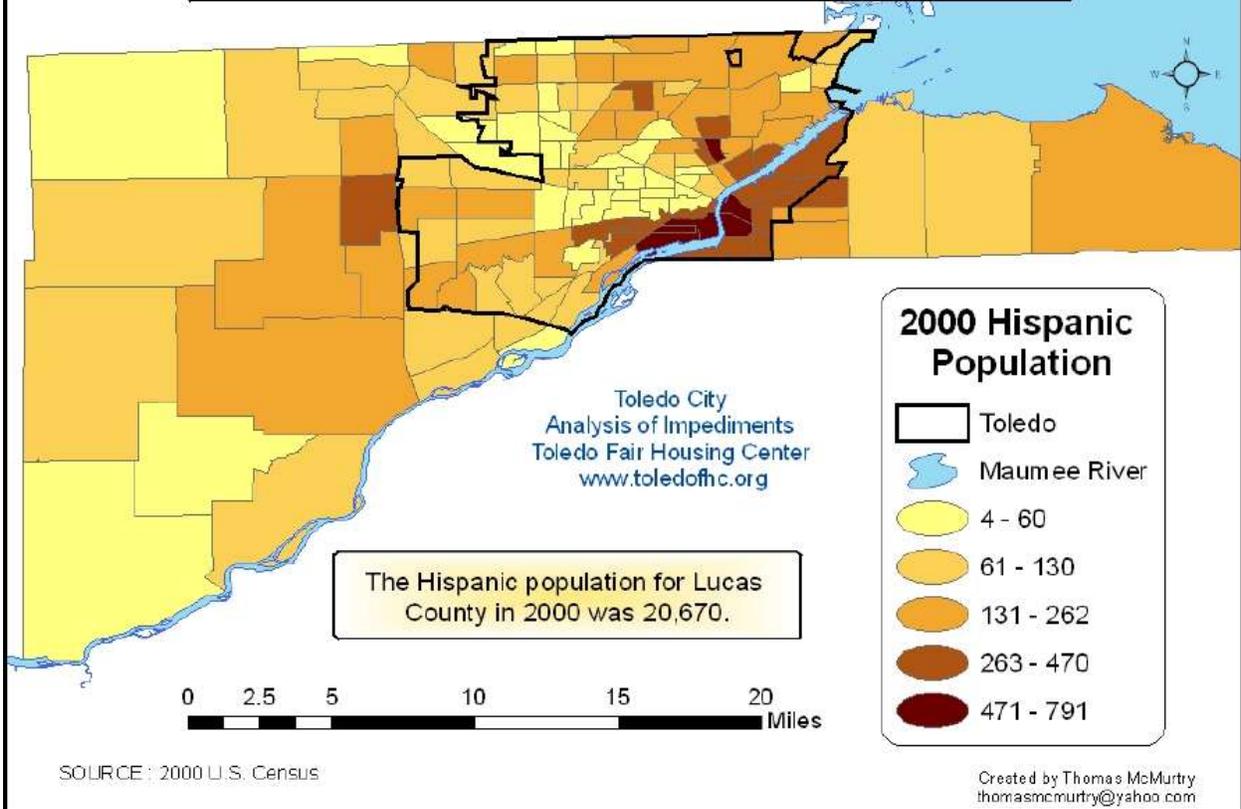


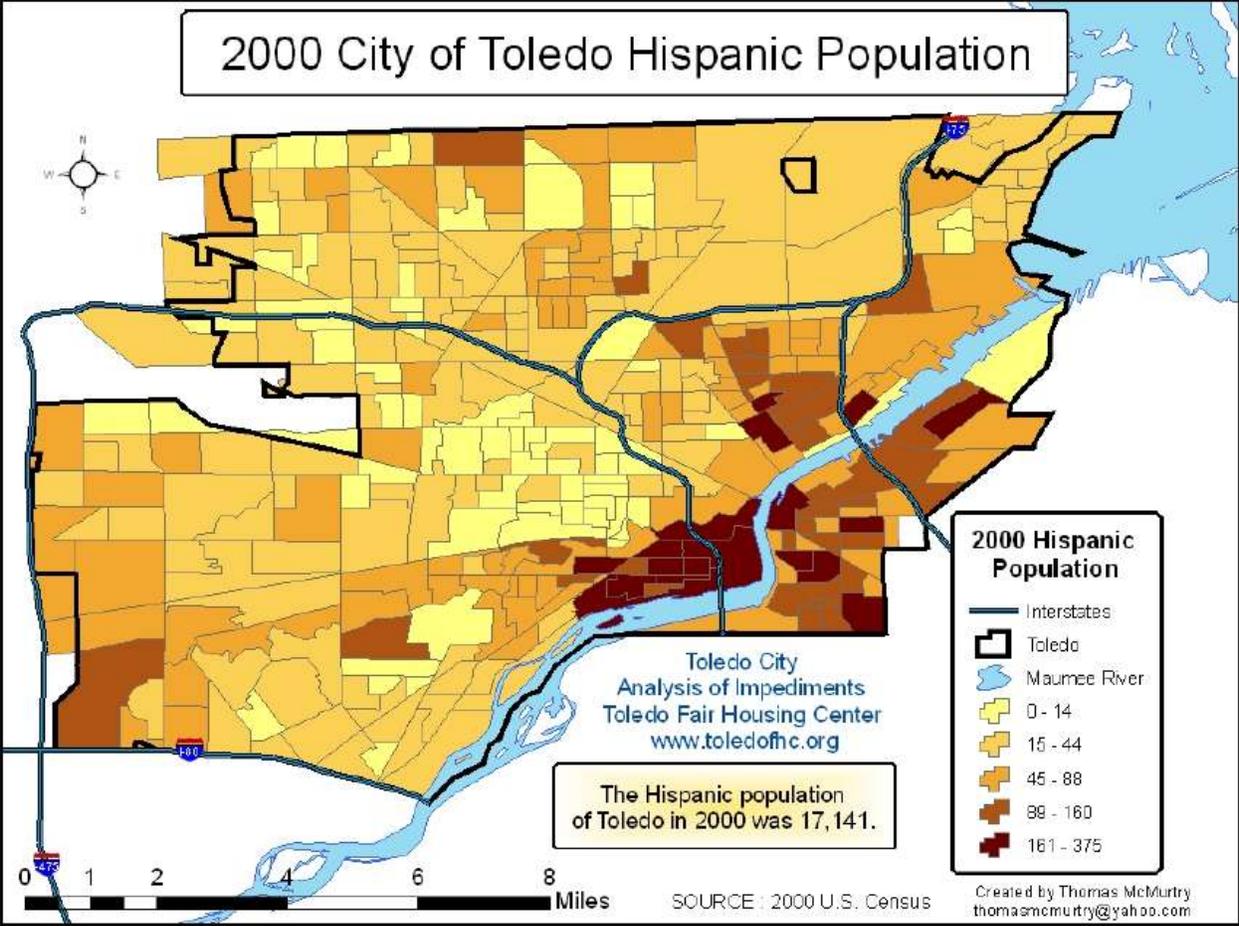


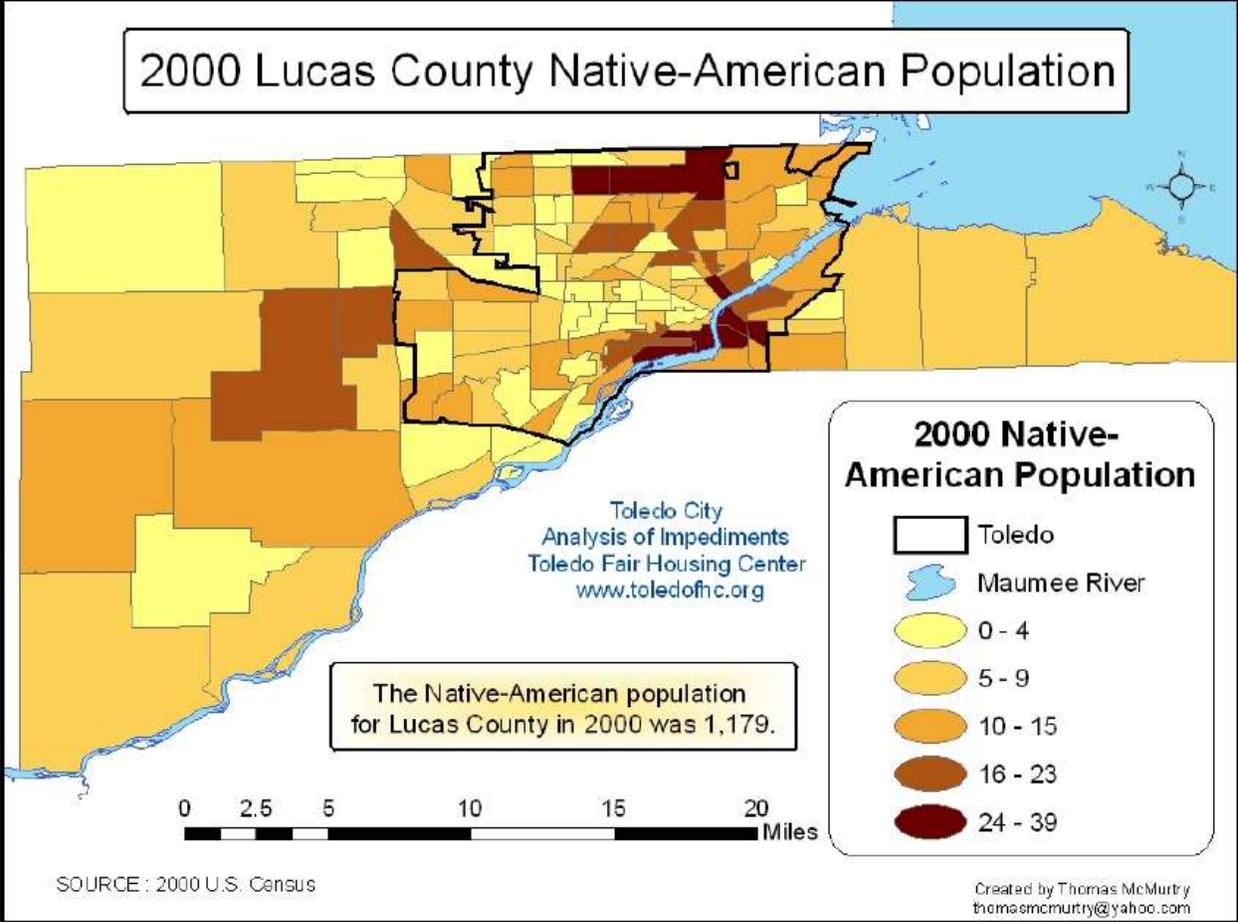


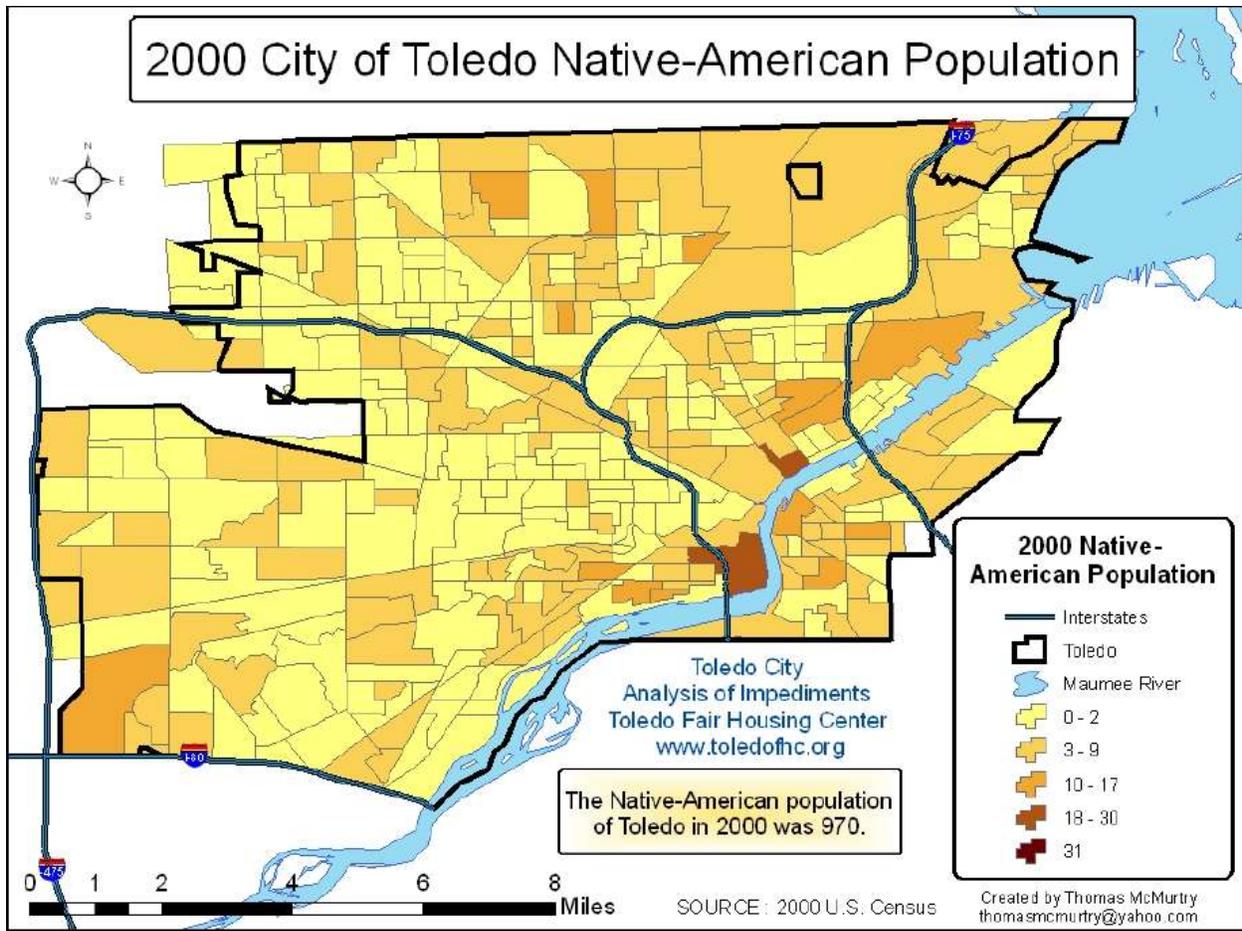


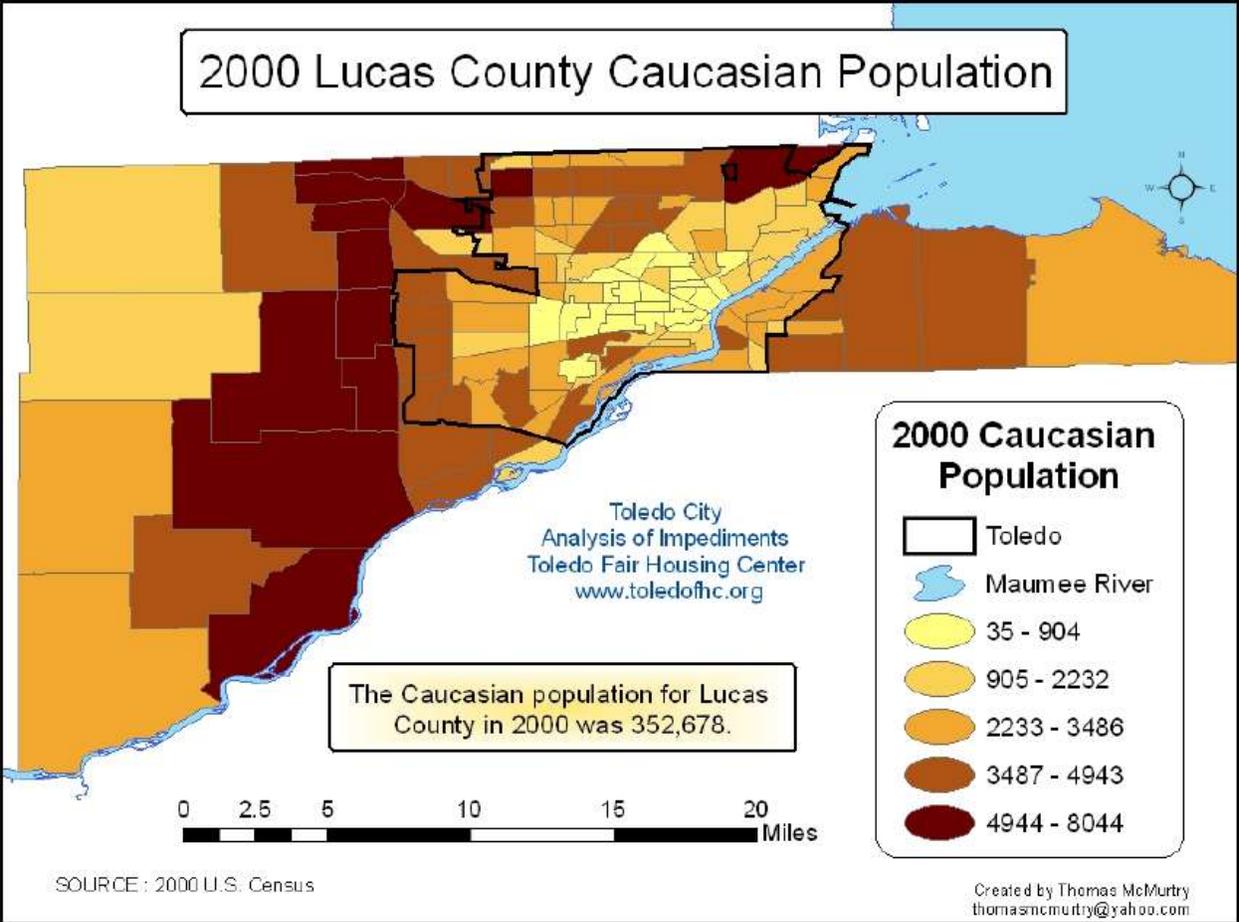
2000 Lucas County Hispanic Population

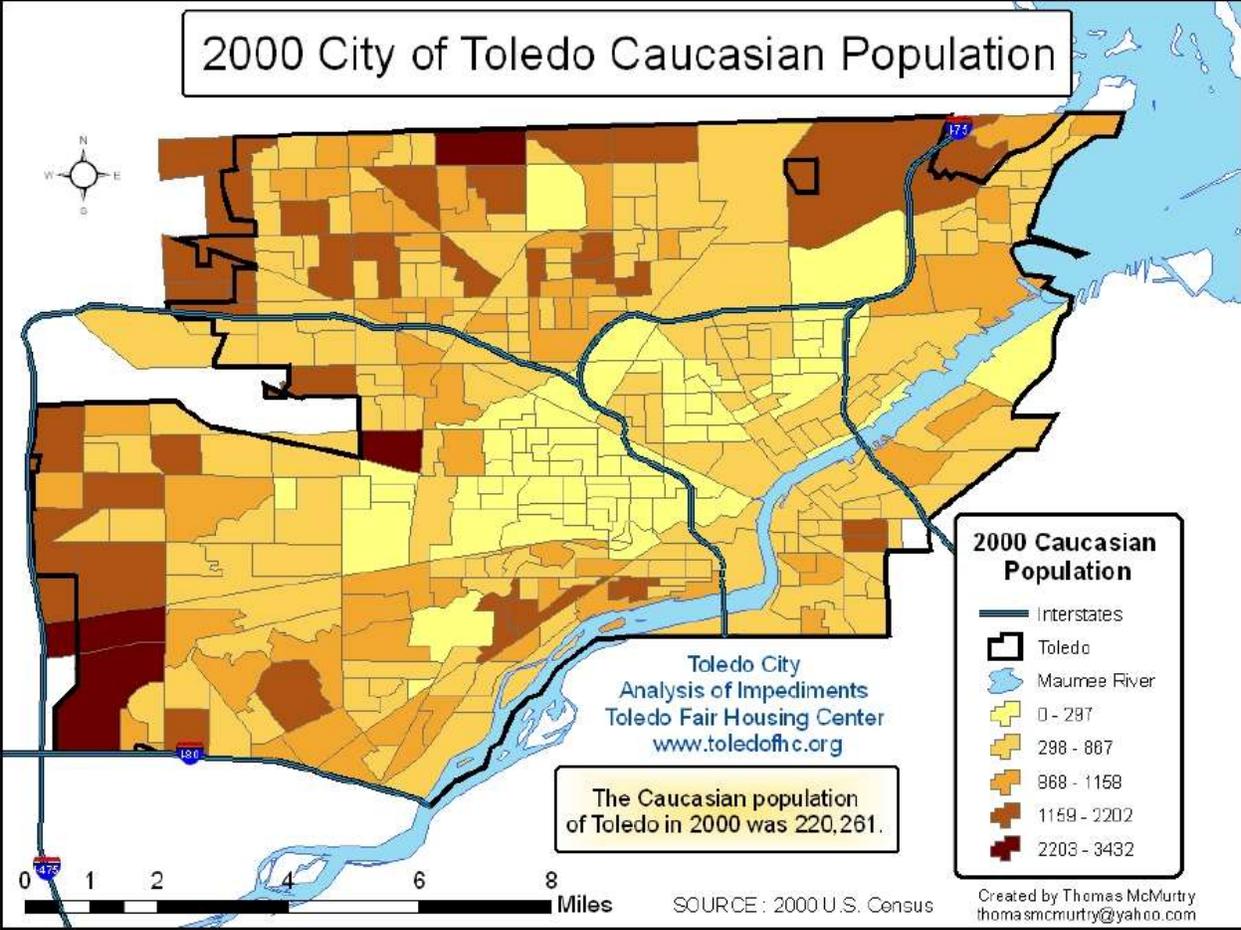












APPENDIX III FAIR HOUSING MEMORANDA



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

FEB - 9 2007

MEMORANDUM FOR: Community Planning and Development Field Directors
Fair Housing and Equal Opportunity Regional Directors
Community Development Block Grant and State Recipients
Fair Housing Initiatives Program Recipients
Fair Housing Assistance Program Recipients

FROM: *Pamela H. Patenaude*
Pamela H. Patenaude, Assistant Secretary for Community Planning
and Development, D

Kim Kendrick
Kim Kendrick, Assistant Secretary for Fair Housing and
Equal Opportunity, E

SUBJECT: Affirmatively Furthering Fair Housing in the Community
Development Block Grant Program

PURPOSE:

The purpose of this guidance is to clarify the use of Community Development Block Grant (CDBG) funds in supporting fair housing activities to assist CDBG recipients in meeting their certifications to affirmatively further fair housing (AFFH).

BACKGROUND:

Title VIII of the Civil Rights Act of 1968, as amended (the Fair Housing Act), prohibits discrimination in all housing-related activities on the basis of race, color, religion, sex, national origin, familial status (number and age of children) and disability ("handicap"). Section 808(e)(5) of the Fair Housing Act also requires the Secretary of HUD to administer the Department's housing and community development programs in a manner to affirmatively further fair housing (AFFH). CDBG grantees (metropolitan cities, urban counties, States, insular areas, and non-entitled grantees in Hawaii) are also required by Section 104(b)(2) of the Housing and Community Development Act of 1974, as amended, and Section 105(b)(3) of the National Affordable Housing Act (NAHA) of 1990 to certify that they will AFFH. Actions to AFFH should further policies of the Fair Housing Act by actively promoting wider housing opportunities for all persons while maintaining a nondiscriminatory environment in all aspects of public and private housing markets.

www.hud.gov

espanol.hud.gov

AFFIRMATIVELY FURTHERING FAIR HOUSING GUIDELINES:

The Consolidated Plan regulations at 24 CFR 91.225 and 91.325 establish the AFFH requirements of the Fair Housing Act that apply to the CDBG program. They specify that the AFFH certification requires the grantee to engage in fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of identified impediments, and maintaining records to document the analysis and the actions taken.

Sections 105(a)(8) and (13) of the Housing and Community Development Act of 1974, as amended, authorize the use of CDBG funds for public services and for planning and program administration costs. The entitlement regulation at 24 CFR 570.205(a)(vii) makes eligible, as a planning activity, developing an analysis of impediments to fair housing choice, while the use of CDBG to provide fair housing services may be eligible as a program administration cost in accordance with 24 CFR 570.206 or as a public service in accordance with 24 CFR 570.201(e). Eligible public services include the use of CDBG funds for activities such as fair housing counseling. Eligible fair housing costs designed to AFFH are detailed in 24 CFR 570.206(c) and include making all persons aware of the range of housing options available, enforcement, education, outreach, avoiding undue concentrations of assisted persons in areas with many low- and moderate-income persons, and other appropriate activities, including testing, selected by the grantee to AFFH. States may use the entitlement regulations referenced above for interpretive guidance.

One major method for achieving these purposes is funding of local fair housing agencies, which includes agencies in both the Fair Housing Initiative Program (FHIP) and Fair Housing Assistance Program (FHAP). Between these programs, these agencies can:

- Undertake fair housing enforcement, *i.e.*, complaint processing;
- Draft amendments to State and local fair housing laws in order to make them substantially equivalent to the federal Fair Housing Law;
- Conduct the Analysis of Impediments to Fair Housing Choice (AI);
- Provide fair housing education and outreach;
- Provide translation and interpretation services for persons who are limited English proficient; and/or
- Assist in the development of accessible housing for persons with disabilities

RECORDKEEPING:

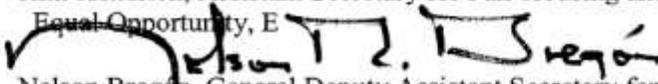
In accordance with 24 CFR 570.490 and 570.506(g), as applicable, grantees should establish a record-keeping system for their AFFH activities. This would include, among other items: copies of local fair housing laws and ordinances; the full history of the development of its AI; options available for overcoming impediments; local businesses, agencies, and resident-groups involved in the consultative process; planned actions and those taken; issues that arose when the actions were planned and conducted; and any other information about the community's fair housing planning process.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

JAN 11 2008

MEMORANDUM FOR: Community Planning and Development Field Directors
Fair Housing and Equal Opportunity Regional Directors
Community Development Block Grant and State Recipients
Fair Housing Initiatives Program Recipients
Fair Housing Assistance Program Recipients

FROM: 
Kim Kendrick, Assistant Secretary for Fair Housing and
Equal Opportunity, E

Nelson Bregón, General Deputy Assistant Secretary for
Community Planning and Development, D

SUBJECT: Fair Housing Agencies eligible for Community Development
Block Grant (CDBG) and other HUD Program funding.

PURPOSE:

The purpose of this guidance is to clarify the definitions of fair housing organizations. When awarding funds in support of the entitlement communities' certifications to "Affirmatively Further Fair Housing," CDBG recipients are encouraged to ensure that recipients receiving the funds meet one of the definitions of a fair housing organization.

BACKGROUND:

Title VIII of the Civil Rights Act of 1968, as amended (the Fair Housing Act), prohibits discrimination in all housing-related activities on the basis of race, color, religion, sex, national origin, familial status (number and age of children) and disability ("handicap"). Section 808(e)(5) of the Fair Housing Act also requires the Secretary of HUD to administer the Department's housing and community development programs in a manner to affirmatively further fair housing (AFFH). CDBG recipients are also required by Section 104(b)(2) of the Housing and Community Development Act of 1974, as amended, and Section 105(b)(3) of the National Affordable Housing Act (NAHA) of 1990 to certify that they will AFFH.

The Consolidated Plan regulations at 24 CFR 91.225 and 91.325 and the AFFH certification require the grantee to engage in fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, take appropriate actions to overcome the effects of identified impediments, and maintain records to document the analysis and the actions taken. The regulation at 24 CFR 570.205(a)(vii) makes eligible, as a planning

activity, developing an analysis of impediments to fair housing choice, while the use of CDBG to provide fair housing services may be eligible as a program administration cost in accordance with 24 CFR 570.206 or as a public service in accordance with 24 CFR 570.201(e). Eligible fair housing costs designed to AFFH are detailed in 24 CFR 570.206(c) and include making all persons aware of the range of housing options available, enforcement, education, outreach, avoiding undue concentrations of assisted persons in areas with many low- and moderate-income persons, and other appropriate activities, including testing. States may use the entitlement regulations referenced above for interpretive guidance.

DEFINITIONS OF FAIR HOUSING ORGANIZATIONS:

On February 9, 2007, the Offices of Community Planning and Development (CPD) and Fair Housing and Equal Opportunity issued a joint memorandum that encouraged CDBG recipients to fund activities in support of their certifications to Affirmatively Further Fair Housing. The agencies could be HUD-approved Fair Housing Assistance Programs (FHAP) or Fair Housing Initiatives Programs (FHIP). This earlier memorandum failed to define the fair housing organizations that are eligible to receive funding under the FHIP program. This memorandum provides the regulatory definition.

Regulations at 24 CFR 125.103 define two kinds of fair housing organizations:

- Qualified Fair Housing Enforcement Organization (QFHO) -- an organization, engaged in fair housing enforcement activities, whether or not enforcement is its sole activity, that: (1) Is organized as a private, tax-exempt, nonprofit, charitable organization; (2) Has at least 2 years experience in complaint intake, complaint investigation, testing for fair housing violations and enforcement of meritorious claims; and (3) Is currently engaged in complaint intake, complaint investigation, testing for fair housing violations and enforcement of meritorious claims.
- Fair Housing Enforcement Organization (FHO) -- an organization, engaged in fair housing enforcement activities, whether or not enforcement is its sole activity, that: (1) Is organized as a private, tax-exempt, nonprofit, charitable organization; (2) Is currently engaged in complaint intake, complaint investigation, testing for fair housing violations and enforcement of meritorious claims; and (3) Upon the receipt of FHIP funds will continue to be engaged in complaint intake, complaint investigation, testing for fair housing violations and enforcement of meritorious claims.

To ensure the quality of fair housing activities and services provided to the jurisdictions and to support their certifications to AFFH, CDBG recipients are encouraged to consider QFHO's and FHO's when awarding funds. CDBG recipients are also encouraged to market the announcements of the availability of funds for fair housing planning and other activities to QFHOs and FHOs.

CONTACTS:

CDBG grantees having questions about this guidance should contact the CPD Division in their respective HUD Field Office (see attached list). HUD staff should contact Richard Kennedy, Director, Office of Block Grant Assistance or Pamela Walsh, Director, Office of Policy, Legislative Initiatives and Outreach. Mr. Kennedy's telephone number is 202-402-4542, and Ms. Walsh's telephone number is 202-402-7017.