

**REGIONAL
ANALYSIS OF IMPEDIMENTS
and
FAIR HOUSING PLAN**

**CLARK COUNTY
NORTH LAS VEGAS
HENDERSON
BOULDER CITY
MESQUITE**

MARCH 2004

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EXECUTIVE SUMMARY

Introduction

The purpose of this report is to examine barriers to the achievement of Fair Housing in the Southern Nevada region, specifically Clark County, City of North Las Vegas and the City of Henderson. The City of Las Vegas is not a part of this study¹. As required by the Department of Housing and Urban Development, entitlement jurisdictions must affirmatively further Fair Housing. To advance this effort, the three jurisdictions, since 1993, have undertaken a four part approach, namely, (1) an analysis of impediments to housing choice; (2) convening of community stakeholders to help identify key issues; (3) the adoption of a Fair Housing Plan; and (4) plan implementation.

Jurisdictions convened a working Fair Housing Community Focus Group (FHCFG) composed of the private sector, non-profit agencies, low to moderate-income persons, lenders and staff of the local jurisdictions. The FHCFG convened meetings between March of 2002 and September of 2002 to provide input into design, study scope and to review raw data.

The scope of the study examined, as required by HUD guidelines, whether there are:

Actions, omissions or decisions taken within the Southern Nevada community that 1) restrict a person's choice of housing because of race, color, religion, sex, handicap, national origin, or familial status or 2) whether certain residential dwellings are unavailable to persons because of race, color religion, sex, handicap, national origin, or familial status².

The report analyzed demographics, housing practices, access to capital and credit, provision of financial assistance for residential real property purchases and refinancing. Enclosed is the 2000 Census data and the State of Nevada's Demographer's Office data to assess growth trends of protected class members. State and local laws that may impact choice were also analyzed.

Methodology

Data was collected using a variety of sources. Eight key data sources were used

1. U.S. Census Bureau, 2000 data
2. Federal Court litigation docket
3. Site surveys of multi-family housing³
4. Fair Housing Community Focus Group (FHCFG) meetings

¹ The City of Las Vegas, although located in Clark County, conducted a separate Analysis of Impediments study.

² Department of Housing & Urban Development, "Affirmatively Furthering Fair Housing", October 17, 2001 training manual.

³ Standard site accessibility form.

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5. Review of Home Mortgage Disclosure Act data
6. Foreclosure records maintained by the County Recorder
7. Survey of local governments Title VI policies and practices
8. Survey of non-profit agencies receiving HOME dollars

Third party reports reviewed include data published by the National Community Reinvestment Coalition, HCP Consortium Consolidated Plan, Henderson Consolidated Plan, Las Vegas Perspective, HUD Fair Housing Planning guidelines and reports published by the Alliance on Mental Health. Direct information was also obtained from aggrieved party complaint files.

All surveys used were presented to the Fair Housing Community Focus Group for approval prior to use. The group, composed of non-profit agencies, private citizens, the business community and local governments provided input into the survey design. Distribution was accomplished through lists provided by local government and other public record sources.

Source Document Review

With the exception of confidential aggrieved party complaints, all documents reviewed and cited are available for review in Appendices I – III, submitted as separate documents with this report.

Data Limitations

Four data limitations are noted in this report. These limitations were factored into the analysis when making specific conclusions and recommendations.

First, as noted in the section on demographics, the 2000 Census was not directly comparable to the 1990 census data for two reasons. The Census Bureau allowed respondents to identify themselves as “two or more races”. The creation of this new self-identification category must be considered when tabulating data totals shown on illustrative graphs labeled “the 2000 Census”. The graphs, as shown will not equal one hundred percent. Unlike 1990, the 2000 Census *does not* include Hispanic as a race category. The author therefore does not make blanket conclusions based on demographics alone, but rather relies on other types of data (i.e. transactional data, direct surveys), when discussing Fair Housing trends. For reference the 2000 Census Summary sheet is contained on pages 17 –26.

Second, data on Fair Housing complaints includes the number received locally by Nevada Fair Housing Center, Inc and by HUD FHEO in specified years. The data is a snapshot of the Fair Housing issues at a given point in time. Final rulings or outcomes, where discussed, are based on either administrative or legal rulings at

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the time raw data was gathered for this report. It does not include 'appeals' that may have occurred outside the research time frame. " Pending litigation" is based on information contained in a legal complaint filed with the court. Final outcomes may vary.

Third, the sampling of multi-family properties audited for this report, except where noted, is based on information from the public/common use areas.

Finally, opinions, issues identified, and final recommendations are based on direct information obtained during the FHCFG meetings and do not necessarily represent the personal opinions of the author.

Demographics

The demographic and income data serve as background for this report. It provides a framework for assessing growth trends of protected class members.

Each of the three jurisdictions – Clark County, City of Henderson and the City of North Las Vegas – experienced tremendous growth. Clark County grew by 86%. Whites compose 71.6% of the population. With the exception of Hispanics, which makes up 22% of the population, other minorities account for 24.4% of the population. The percentage of people that self-selected the two or more race category is 4.2. Clark County has a median age of 34.5.

The area median income is \$54,700. In Clark County, the median household income is \$44,616. The percentage of households that earn between \$50,000 to \$74,999 is 21.5%, the majority of families – 24.0% - earn between \$35,000 - \$49,999 a year.

In the City of Henderson, 84.5% of the population is White. Hispanics, which are not considered a race, account for 10.7% of the population. This represents a 2.6% increase from 1990. Other minority groups account for 12.1% of the population. African Americans increased by 1.2%. Henderson has the highest median household income of \$55,949. The median age is 35.9. The percentage of the population over 65 is 10.1%. Females represent 50.4% of the population.

The overall population of North Las Vegas increased. Of the total population of 115,488, 64,558 are White. Hispanics make up 37.1% of the population. This represents a 22.2% increase from 1990. As a percentage of the total population, the African American population declined by 17.8%. The highest number also self-selected two or more races – 4.7%. The median age is 28.8. The percentage of the population over 65 is 5.8%. Females represent 49.0% of the population; males represent 51.0%.

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Fair Housing Achievements

The three jurisdictions – Clark County, Henderson and North Las Vegas - have developed a holistic method for achieving results in Fair Housing. Based on plans that have been adopted since 1995 and updated annually the jurisdictions' accomplishments include five broad categories.

Human Resource Allocation / Funding

Each government entity has dedicated staff that voluntarily participates in community advisory groups and committees that meet on a regular basis to address Fair Housing issues. The groups identify potential problem areas before compliance becomes an issue.

Fair Housing funding to assist those protected class members alleging discrimination has also been provided. In 2001, the three jurisdictions funded approximately eighty-five thousand dollars in Fair Housing activities.

Education

Throughout the last year, each jurisdiction has participated in a minimum of three educational venues that addressed Fair Housing and related issues. In situations where local training did not exist, educational dollars have been made available to staff to participate as needed.

Public / Private Partnerships

The jurisdictions have been at the forefront in creating and implementing public private partnerships to address Fair Housing and related issues such as lending. National special initiatives have been designed for the Nevada market. For example, local jurisdictions helped design two secondary market initiatives to prevent predatory lending and increase minority homeownership.

Involvement of Legal Staff

Each jurisdiction developed an open door policy, which involved meeting, as needed to address emerging issues such as zoning and ordinance amendments. Two jurisdictions assigned an attorney to participate in discussions during the development of the Analysis of Impediments. Legal staff has also worked with community advocates to resolve potential Fair Housing issues.

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Public Policy Development

In many instances, Fair Housing involved related emerging issues, such as predatory lending. Each jurisdiction accepted, reviewed and commented on needed legislation to develop the current State anti-predatory lending bill – AB 284. In 2001, local governments worked together to begin a dialogue on uniform accessibility standards to ensure multi-family compliance. Two jurisdictions – City of North Las Vegas and the City of Henderson – as of the writing of this report, have adopted the International Building Code (IBC) that incorporates HUD Accessibility standards.

Activities began that are still underway are listed in Section II - in the assessment. The assessment tool was designed using the requirements for Fair Housing and Community Development Planning⁴. Jurisdictions, based on information submitted, public files and input from the FHCFG were evaluated using the following scale:

- ❑ Exceeds federal standard – activities are creative and innovative and exceed what is required.
- ❑ Meets federal standard – activities comply with the code of federal regulations
- ❑ Under development – activity approved in the jurisdictions Fair Housing Plan but has not yet been completed.

In general, all jurisdictions exceed federal standards in adopting and implementing a Fair Housing Plan. Areas under development involve issues of multiple jurisdictions and departments. In some instances, issues at the state and federal level have impacted implementation. For example, during the 2001 and 2003 legislative session, a group home ordinance was introduced to clarify the definition of protected class members under Title VIII. For a detailed discussion of group homes, see page 46.

Southern Nevada Complaint Profiles

Aggrieved parties alleging discrimination because of a “handicap” filed the greatest number of Fair Housing complaints. Complaints were filed under the design and construction and reasonable accommodation provisions more frequently than the reasonable modification section.

⁴ 24 C.F.R. 570.

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A sampling of multi-family housing properties designed for first occupancy not later than March 13, 1991 was conducted. The sampling measured the extent of compliance with Fair Housing Accessibility Standards.⁵ This sampling was conducted because design and construction by far was also the most heavily litigated Fair Housing issue over the last two years. Most violations occurred in the area of accessible common areas and accessible routes throughout the development. In those instances where internal design deficiencies were noted, the kitchen and bathroom failed to meet accessibility standards more often than other areas.

The FHCFG identified confusion with codes and in some instances, the review and approval processes as key areas of concern⁶.

The second highest number of complaints occurred in the area of reasonable accommodation. This includes complaints about occupancy standards. Litigation occurred in two of the three jurisdictions in this area. Group homes as defined by local ordinance versus state law are still an unresolved issue⁷.

Issues Impacting Fair Housing Choice

Financial services impact the availability of housing choice of persons protected under the Fair Housing Act⁸. Home Mortgage Disclosure Act Data (HMDA), reported by lenders based on a metropolitan statistical area (MSA); demonstrate a higher percentage of subprime loans to minorities⁹.

Access To Credit

The availability of loans products through neighborhood branching services has also depleted. Of the fifty regulated financial institutions in Nevada (excluding credit unions), less than 3% are located in predominantly minority neighborhoods, despite asset size. Institutions located within minority neighborhoods are predominantly check cashing or pay day loan facilities.

Data sources used in the lending section of this report include, but are not limited to, Home Mortgage Disclosure Act data published by the Federal Financial Institutions Examination Council (FFIEC), reports published by the National Community Reinvestment Coalition (NCRC) and Corporation for Enterprise Development¹⁰. In the Las Vegas MSA, which includes the three jurisdictions,

⁵ 24 C.F.R. § 100.201

⁶ Fair Housing Community Focus Group, April minutes.

⁷ Fair Housing Community Focus Group, July 2, 2002.

⁸ Fair Housing Community Focus Group comments, June 18, 2002.

⁹ 2002 HMDA; National Community Reinvestment Coalition.

¹⁰ Banking and Community Economic Development in Southern Nevada.

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sub prime loans were originated to protected class members at a higher rate than prime loans. For example, of the 33,966 total prime loan applications received, only 1,309 were from African Americans. In contrast, of the 8,669 total subprime loan applications received, 900 were from African Americans; 8.94% were originated.

Hispanic prime loan applications received were 3,415. Of those, 9.33% were originated. Subprime applications received were 1,243. Of those 12.96% were originated. Of the refinance applications originated, 10.04% were subprime to African American borrowers; 13.64% were subprime to Hispanic borrowers.

Predatory Lending

Predatory lending, although a new phenomenon, is an outgrowth of the subprime market. In Southern Nevada, 585 cases of predatory lending were reported in 2002 to Freddie Mac under the "Don't Borrow Trouble" program. Of those, 25% of the aggrieved parties were Hispanic; 27% were African American. Two class actions were filed against one of the largest originators and services in the country. Of those, one was settled.

Nevada's foreclosure rate exceeds the national average. It is estimated that 30% of the foreclosures are wrongful foreclosures.

The First Time Homebuyer Program¹¹ has experienced an increase in requests by consumers for subordination to refinance at higher interest rates. This information parallels findings that subprime lenders accounted for 71% of the refinance market.

Title VI

Like the Fair Housing Act, Title VI prohibits discrimination. The law governs federally assisted programs. Individuals may sue if they are excluded from participation in or denied the benefits of any program. Jurisdictions that receive federal financial assistance must develop programs to ensure compliance.

The Departments of each jurisdiction were surveyed to determine their understanding of the law and outreach efforts. The majority of departments surveyed did not understand the applicability of Title VI. Most jurisdictions relied on a broad policy statement by the jurisdiction.

¹¹ Fair Housing Community Focus Group, September 2002.

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Future Strategies / Recommendations

Sixteen specific future strategies are recommended to affirmatively further Fair Housing. These strategies fall into seven broad categories. Given the growth of protected class members in the valley, a two-year implementation phase is recommended, with periodic review. A suggested timeline is attached at the end of this report.

Recommendation One

Adopt, via ordinance the safe harbor provisions recommended by HUD

Recommendation Two

Educate housing providers, developers, architects and internal department staff on accessibility requirements

Recommendation Three

Stamp plans approved but not for ANSI or accessibility to properly put developers on notice

Recommendation Four

Encourage and support training for housing providers

Recommendation Five

Request and support federal reform on predatory lending. Support and educate Congressional representatives, federal agencies and the public about the economic impact of predatory lending on the Southern Nevada affordable housing market.

Recommendation Six

Establish a regional policy on subordination requests under the HOME Program.

Recommendation Seven

Work with the State legislature to reconcile definitions and provisions to prevent future lawsuits

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Recommendation Eight

Remove from the land use code all references to 'related individual'; make licensing disputes for group homes a separate division and fast track requests, as an accommodation.

Recommendation Nine

Publish policy that distinguishes plans approval from CCRs that may have Fair Housing violations contained therein.

Recommendation Ten

Train all units of each jurisdiction on legal requirements of Title VI.

Recommendation Eleven

Assess each unit of local government to determine status (direct recipient, indirect recipient, contractor, assignee, transferee, etc), in terms of Title VI.

Recommendation Twelve

Where appropriate, institute departmental Limited English Proficiency programs.

Recommendation Thirteen

Monitor and provide sub recipients with technical assistance to comply with Title VI.

Recommendation Fourteen

Support public service announcements on television and the Internet about discrimination.

Recommendation Fifteen

Participate in efforts to increase fair and equal access to credit.

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Introduction

The purpose of this report is twofold. First, to examine barriers to the achievement of Fair Housing in the Southern Nevada region, specifically Clark County, City of North Las Vegas and the City of Henderson.

As a condition of receiving Community Development Block Grant (CDBG) funding, state and local governments are required to:

- (1) Analyze barriers to Fair Housing choice
- (2) Implement action plans to address impediments to equal housing opportunities
- (3) Engage in activities that affirmatively further Fair Housing.¹

In conducting this examination, it is important to consider how demographic patterns contribute to the objective of affirmatively furthering Fair Housing and to consider appropriate policies that affect diversity. At the same time, it is important to consider external barriers that impede the achievement of Fair Housing choice.

The contents contained in the Analysis of Impediments (AI) to Fair Housing are identified by the Fair Housing Community Focus Group (FHCFG), namely:

- ❑ Demographic data
- ❑ Income data
- ❑ Housing practices
- ❑ Programs (past efforts to affirmatively further Fair Housing)
- ❑ Lending issues
- ❑ Title VI practices

The areas of analysis identified by the FHCFG meet the required areas of review identified by the Department of Housing and Urban Development in its Fair Housing guide.

Raw data collected was presented to the Focus Group for review at various phases of the study. A snapshot of the Fair Housing landscape is presented, with recommendations for future actions. All recommendations contained herein are based on a combination of data analysis and community input.

The second purpose of this report is to outline past successes and changes in policies (since the last AI update) that affect Fair Housing choice. Examples of policy changes that may impact Fair Housing choice include, but are not limited to, access to capital,

¹ 24 C.F.R. Section 570.487 et. seq.
Nevada Fair Housing Center, Inc – March 2004

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access to credit, local housing ordinances, and the increase in practices such as predatory lending, within the market place. The impact, if any, on the ability to affirmatively further Fair Housing is analyzed from a direct and indirect perspective.

The 2000 Census Demographic Profiles

An analysis of the 2000 Census posed four data limitations. These challenges are the result of changes in the collection of data by the Census Bureau and changes in definitions that differed tremendously from 1990. For example, the method for counting minority populations changed from that of 'single' to 'double category' selection options.

According to the U.S. Census Bureau, these changes reflect new emerging technologies but also, "changing lifestyles and emerging sensitivities among the people of the United States". An understanding of these changes is important in order to understand how the data, which follows, was compiled.

First, the 2000 decennial census provided basic self-identification categories. For the first time, the 2000 Census revised the questions on race and Hispanic origin. The two categories are considered separate and distinct. Also, individuals had the option of selecting "one race" or "two or more races". Responses that identified only "one race" are referred to as "race alone" population or only "one race" category. Six categories of race data were collected in the "one race" category:

- 1) White alone
- 2) Black or African American alone
- 3) American Indian and Alaska Native alone
- 4) Native Hawaiian and Other Pacific Islander
- 5) Asian
- 6) Some other race alone

The "one race" category was selected by 95% of the 2000 Census respondents for the entire country; of these, 75% selected White and 12% selected Black alone.²

Individuals that selected "two or more races population" refer to people who chose more than one of the six categories.³ The 2000 Census, in the area of race data, tallied responses.⁴ For example, if Person A reported White and Black then Person A's response was counted in White alone or in combination category, as well as the Black alone or in combination category. Based on this counting, the number of responses (alone or in combination category) would exceed the total population.

² U.S. Census Bureau, the 2000 Census Redistricting (Public Law 94-171) Summary File

³ Id.

⁴ This is different from the number of respondents. The "alone" or "in combination" categories are not mutually exclusive.

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This change in the way race responses are counted also must be taken into account in light of civil rights enforcement. The Office of Management and Budget (OMB) has identified four specific combinations of two races for civil rights monitoring and enforcement.⁵ Categories include: White and American Indian and Alaska Native, White and Asian, White and Black or African American, and Black or African American and American Indian and Alaska Native.

The second data limitation is the inability to count inward or outward migration by census tract. Nowhere, with the exception of Home Mortgage Disclosure Act⁶ data, is information compiled on the exact number of minorities that move into and leave a neighborhood.

Third, the term “concentration” is normally used to describe census tracts with more than 75% of one race in any one category. A review of many census reports published since 1990 now define changes based on the increase or decrease in minority population.⁷ In reviewing data, this report adopted that definition. For example, any census tract that showed a 5% to 20% increase in minority population is known as increasingly minority. Census tracts with a 20% to 100% increase in minority population are considered drastic minority transition. Increasingly White census tracts are those with a 5% to 20% decrease in minority population.

Fourth, because of the unprecedented growth in Southern Nevada, several new census tracts that **did not exist** (i.e. DNE on chart) were added. A data limitation exists in terms of the ability to simply consolidate categories and assume older census tracts can be easily dumped into tracts created during the 2000 Census. A complete list of Census tracts 1990 versus 2000 is contained in Table 2 on page 5. Despite these limitations, general trends in both the general population and minority groups are evident.

Nevada - Four Decades of Growth

The State of Nevada ranked as the fastest growing state in the West. From 1990 to 2000, the area experienced a 66.3% change in population. Total population increased by 796,424 persons.⁸ Nevada now ranked as the country’s fastest growing state for the past four decades, also had the fastest growing metropolitan area - Las Vegas. From 1990 to 2000, the population experienced an 83.3% increase.⁹ **Table 1** identifies, by jurisdiction, the total and minority population by percentage.

⁵ Guidance on Aggregation and Allocation of Data on Race for Use in Civil Rights Monitoring and Enforcement, Office of Management and Budget Bulletin Number 00-02, March 9, 2000.

⁶ The Home Mortgage Disclosure Act (HMDA) will be discussed in Section IV on lending issues.

⁷ “A Stock Flow Model Of Defining Racially Integrated Neighborhoods”, Journal of Urban Affairs 20(1998): 43-51.

⁸ The Nevada 1990 population was 1,201,833. In 2000 the population was 1,998,257.

⁹ Metropolitan Las Vegas in 1990 had a population of 852,737. That number rose to 1,583,282 in 2000. See U.S. Census Bureau, Population Change for the Ten Fastest Growing Metropolitan Areas 1990 to 2000.

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Table 1

The 2000 Census Total Population / Percentage of Minorities

Jurisdiction	Total	White %	Black %	American Indian %	Asian %	Pacific Islander %
Clark County	1,375,765	71.6	9.1	0.8	5.3	0.5
Boulder City	14,966	94.5	0.7	0.7	0.7	0.2
Mesquite	9,389	80	0.6	1.0	1.3	0.1
Henderson	175,381	84.5	3.8	0.7	4.0	0.4
North Las Vegas	115,488	55.9	19.9	0.8	3.2	0.5

The surge in population growth can also be seen in the number of additional census tracts. From 1990 to 2000, two hundred twenty-nine (229) new census tracts were added to Southern Nevada. Sixty-three (63) of the new census tracts contain a population of five thousand people or more. The five largest DNE census tracts are 5.12, 28.09, 29.35, 33.01 and 60.

Table 2 shows a comparison between existing census tracts in 1990 versus 2000. Of the existing census tracts, only one, 55.03 experienced no change in population.

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TABLE 2 - CENSUS TRACTS 1990 v 2000

1990									
1.01	1.02	1.03	1.04	1.05	2.01	2.02	3.01	3.02	4
5.02	5.03	5.04	5.06	5.07	5.08	5.09	6	7	8
9	10.97	10.98	11	12	13	14	15	16.02	16.03
16.04	17.01	17.02	17.03	17.04	17.05	18.01	18.02	19	20
22.01	22.02	23	24.01	24.02	23	24.01	24.02	25.01	25.02
26	27.01	27.02	28.03	28.04	28.05	28.06	29.05	29.06	29.07
29.08	29.09	29.10	29.11	29.12	29.13	29.14	30.01	30.02	31
32.01	32.02	33	34.01	34.03	34.04	34.05	34.06	34.07	35
36.01	36.02	37	38	39.97	39.98	40	41	42	43
44	45	46	47.02	47.03	47.04	47.05	47.06	48.97	48.98
49.01	49.02	49.03	50.01	50.02	51	52	53.01	53.02	54.01
54.02	54.03	55.01	55.02	55.03	55.04	56.01	56.02	56.03	57
58.97	58.98	59							
2000									
1.01	1.02	1.03	1.04	1.05	2.01	2.03	2.04	3.01	3.02
4	5.03	5.04	5.10	5.11	5.12	5.13	5.14	5.15	5.16
5.17	5.18	5.19	6	7	8	9	10.03	10.04	10.05
10.06	11	12	13	14	15	16.06	16.07	16.08	16.09
16.10	16.11	16.12	16.13	17.06	17.07	17.08	17.09	17.10	17.11
17.12	17.13	17.14	17.15	17.16	17.17	17.18	18.01	18.03	18.04
19.01	19.02	20	22.01	22.03	22.04	22.05	23	24.03	24.04
24.05	24.06	25.01	25.04	25.05	25.06	26.01	26.02	26.03	27.02
27.06	27.07	27.08	27.09	28.07	28.08	28.09	28.10	28.11	28.14
28.15	28.16	28.17	28.18	28.21	28.22	28.23	28.24	28.25	28.26
28.27	28.28	28.29	28.30	28.31	28.32	28.33	28.34	28.35	28.36
29.05	29.12	29.15	29.16	29.19	29.25	29.27	29.35	29.36	29.37
29.38	29.39	29.4	29.41	29.42	29.44	29.46	29.47	29.48	29.49
29.5	29.51	29.52	29.53	29.54	29.55	29.56	29.57	29.58	29.6
29.61	29.62	29.63	30.01	30.03	30.04	30.05	30.06	31.01	31.02
32.03	32.04	32.05	32.06	32.07	32.08	32.09	32.10	32.11	32.12
32.13	32.14	32.15	32.16	32.17	32.18	32.19	32.20	32.21	32.22
32.23	32.24	32.25	32.26	32.27	33.01	33.02	33.03	33.04	33.05
33.06	34.08	34.09	34.10	34.11	34.12	34.13	34.14	34.15	34.16
34.17	34.18	34.19	34.20	34.21	34.22	34.23	34.24	34.25	35
36.02	36.03	36.04	36.05	36.06	36.07	36.08	36.09	36.10	36.11
36.12	36.13	36.14	36.15	37	38	40	41	42	43
44	45	46	47.03	47.07	47.08	47.09	47.10	47.11	47.12
47.13	47.14	47.15	47.16	47.17	49.07	49.10	49.11	49.12	49.14
49.15	49.16	49.17	49.18	49.19	49.20	49.21	49.22	49.23	49.24
50.05	50.06	50.07	50.08	50.09	50.10	50.11	50.12	51.01	51.02
51.03	51.04	51.05	51.06	51.07	51.08	51.09	52	53.11	53.12
53.13	53.14	53.15	53.16	53.17	53.18	53.19	53.20	5.21	53.22
53.31	53.32	53.33	53.34	53.35	53.36	53.37	53.38	53.39	53.41
53.42	53.43	53.45	54.11	54.12	54.21	54.22	54.23	54.31	54.32
54.33	55.01	55.02	55.03	55.04	56.06	56.07	56.08	56.09	56.11
56.12	56.13	57.02	57.03	57.04	57.05	57.10	58.03	58.04	58.05
58.06	58.07	58.08	58.09	58.10	58.11	58.12	58.13	58.16	58.17
58.18	58.19	58.20	58.21	59.01	59.02	60	61.01	61.02	61.03
62.01	62.02	62.03	62.04	94.05					

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In comparing changes in population the specific categories compared are:

Total population
White population
African American population
Asian population
Latino/Hispanic* (not counted as a race in 2000)

Only one-race categories are compared. Excluded from the comparisons are 'other' and the new two race categories of the 2000 Census. Two race category selections are discussed under the section on "Minority Populations".

Minority Population Changes

Over the last ten years, specifically 1990 to 2000, Southern Nevada has seen both an increase in population, as well as a change in living patterns of minorities.

In the region as a whole, the minority population increased significantly from 1990 to 2000, with the largest increase occurring in the Hispanic population. Sixteen census tracts experienced a population increase of three times the prior period.

From 1990 to 2000, the African American population, as a percentage of the total population, increased in three of the five jurisdictions discussed in this report. Clark County decreased from 9.5% to 9.1%; Boulder City increased from 0.6% to 0.7%; Mesquite 0.3% to 0.6%; Henderson 2.6% to 3.8% and North Las Vegas decreased from 36.8% to 19%. A total of 69,839 persons selected the two or more races category in the five jurisdictions reviewed for this report. Please note raw numbers of African Americans increased in all jurisdictions.

The number of minorities living in traditionally minority census tracts changed. When reviewed at the census block group, eight census tracts contained the highest African American or Black population.¹⁰

Eighteen census tracts experienced a decrease in African American or Black population. The most significant occurred in census tract 46 in which the Black population decreased by 1,499 people. The second largest decrease was census tract 44 with a decrease of 873 African Americans.

The City of North Las Vegas lost 17.8% of its African American or Black population. The Hispanic population in the City increased by 15.4%. The White population of Clark County decreased by fewer than 10%. The Hispanic population increased by 10.8%. The City of Henderson experienced a 2% decrease in the White population; a 1.2% increase in the African American or Black population and 2.6% increase in the Hispanic population. As noted in the introduction, this report is limited in that no data is

¹⁰ 3.01, 3.02, 5.14, 35, 36.02, 37, 18.03 and 47.10.
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available on in-migration/out-migration patterns by jurisdiction. Some changes can be attributed to the method of self selection used in the 2000 Census. **Table 11**, at the end of this section, contains the number of persons selecting two or more races as a category. For example, in Clark County, 4.2% of the census respondents selected the 'two or more race' category. North Las Vegas had the highest number of persons, 4.6% that selected two or more races as a category.

REGIONAL ANALYSIS OF IMPEDIMENTS

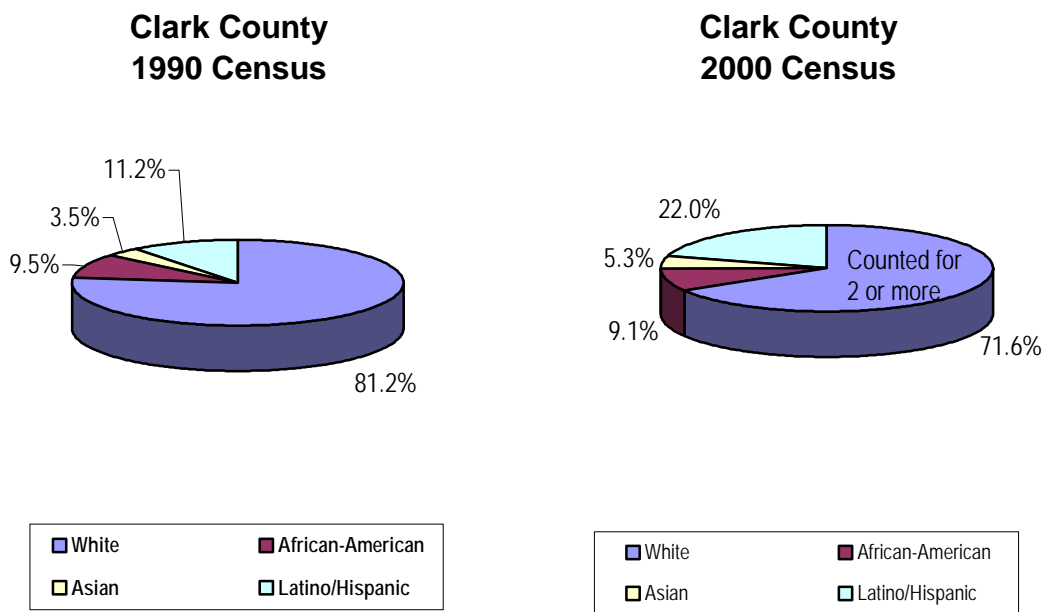
Clark County

County's total population in the 2000 Census increased by 86% to 1,375,765. The one race only category accounts for 95.8 % of the total population. Whites make up 71.6% of the population or 984,796 people (See Table 3 below). Blacks account for 9.1% of the population, followed by Asians at 5.3% of the population. Hispanics account for 22% of the population.

The new race category makes up 0.04% of the population changes. That is, 57,765 people in Clark County selected two or more races on the 2000 Census.

To the extent that this growth fueled other markets such as housing, significant changes are also noted. The total number of Clark County housing units in 2000 was 559,799. Of these, 512,253 were occupied. Only 47,546 or 8.5% were vacant.

Table 3



Clark County, as a whole experienced a 50% increase in the Latino/Hispanic population.¹¹ The White population grew by 10%. The Asian population experienced a slight increase. There was no change in the African American or Black population.

The total population of Clark County is 50.9% male and 49.1% female. The median age is 34.4. Families make up 66.3% of all households. This category is the largest, with married couples ranking as second with 48.7%.

¹¹ Percentages shown for 2000 do not include the "two or more" race category and will not equal 100%
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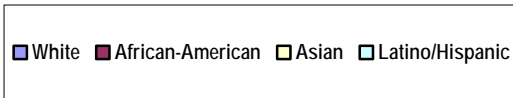
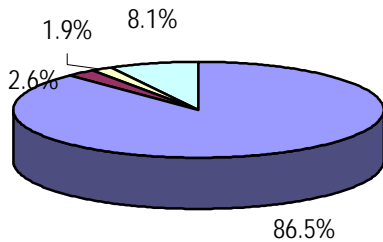
City of Henderson

Henderson experienced major population growth similar to Clark County. From 1990 to 2000, the overall population increased from 64,942 to 175,381. Whites account for 84.5% of the population. The Asian community doubled in population to 9,270 and accounts for 4% of the total population. African Americans are the smallest in number at only 3.8% of the population.¹²

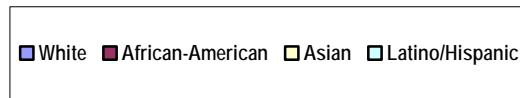
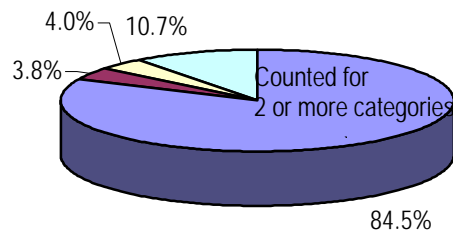
By gender, males rank lower with 49.6% of the population or 87,001 persons. There are 88,380 females in the jurisdiction. The median age is 35.9 years. Of the 66,331 households, families account for 47,111 or 71.0%. Of the families, married couples account for 56.4 % of the population or 37,386 persons. A total of 12,723 households are sixty-five years of age or older. Henderson is the third largest city in Clark County.¹³

Table 4

**City of Henderson
1990 Census**



**City of Henderson
2000 Census**



¹² Id.

¹³ The City of Las Vegas is not a part of this study. The 2000 population is 478,434. Of those, 50.8% are male. Nevada Fair Housing Center, Inc – March 2004

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City of North Las Vegas

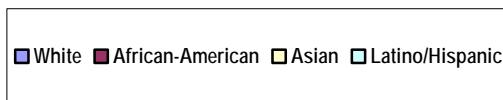
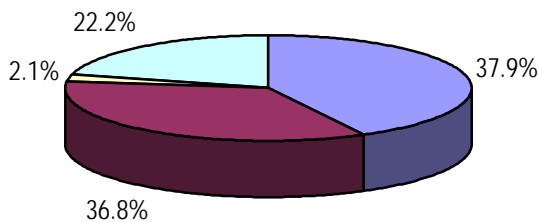
The City of North Las Vegas has seen a significant change. The population in 1990 was 47,707; of those, 21,578 were White, 17,827 were African American, 1,127 Asian, 500 American Indian and 10,590 Hispanics. According to the 2000 Census, 115,488 persons reside in North Las Vegas. Whites increased by 18% of the population to 56% of the population.¹⁴

51% of the population is male; 49% are female. The median age is 28.8 years. There are 34,018 total households in the City of North Las Vegas consisting of 27,119 families (79.7%), with married couples accounting for 19,500 of all households or 57.3%. With respect to households, 65 years of age or older, only 3.2 % of the population fall in this category.

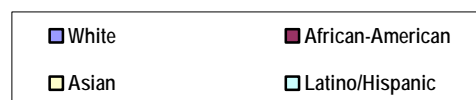
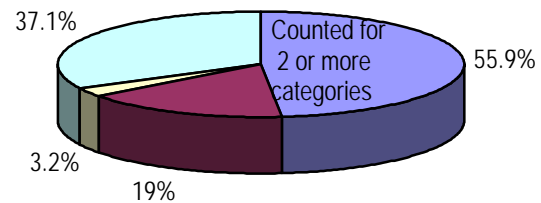
Most notable is the 49% decrease in population of African Americans or Blacks within the City of North Las Vegas jurisdiction.¹⁵ The second largest segment of the population is Hispanic, which accounts for 37.6% of the population. Asians represent the smallest part of the population at 3.2%. **Table 5** demonstrates these changes.¹⁶

Table 5

**City of North Las Vegas
1990 Census**



**City of North Las Vegas
2000 Census**



¹⁴ Percentages shown for 2000 do not include the "two or more" race category and will not equal 100%

¹⁵ Decreases in minority population will be discussed later in this report.

¹⁶ Percentages shown for 2000 do not include the "two or more" race category and will not equal 100%.

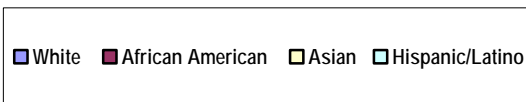
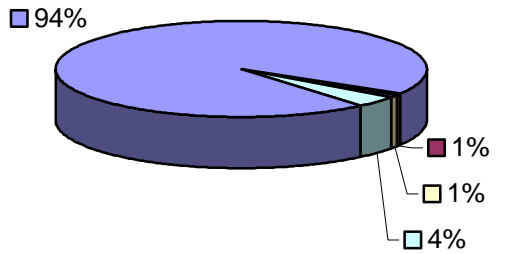
REGIONAL ANALYSIS OF IMPEDIMENTS

Boulder City

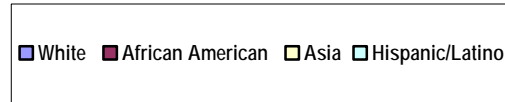
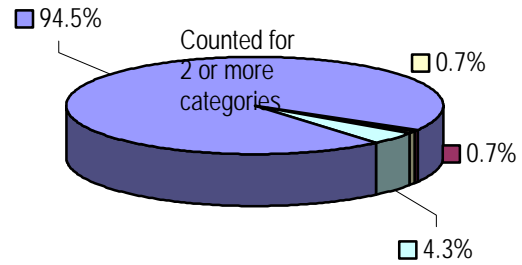
Boulder City has a population of 14,966; of this amount, 94.5% are White, 0.7% Black 0.7% American Indian, 0.7% Asian, 0.2% Pacific Islander. Individuals selecting some other race accounts for 1.3% of the population. Those selecting more than one race are 1.9%. The Hispanic population is 4.3%.¹⁷

Table 6

**Boulder City
1990 Census**



**Boulder City
2000 Census**



¹⁷ Id
Nevada Fair Housing Center, Inc – March 2004

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City of Mesquite

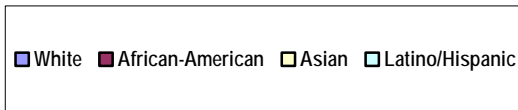
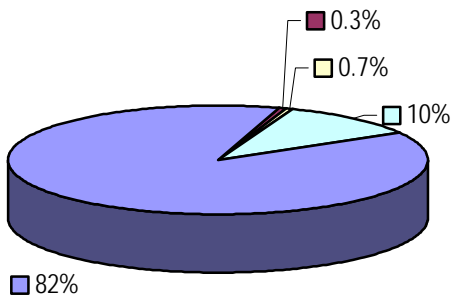
Mesquite represents the second smallest of all the cities in Clark County. The total population of Mesquite increased from 2,086 to 11,713 between 1990 and 2000. The White population experienced a 1.7% decrease.

The most significant increase occurred in the Latino/Hispanic population. The Latino/Hispanic community increased from 10% of the population to over 24.8% of the population. The Asian population now accounts for 1.3% of the overall population.

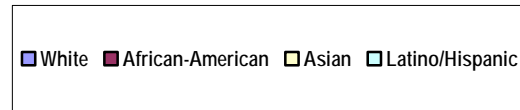
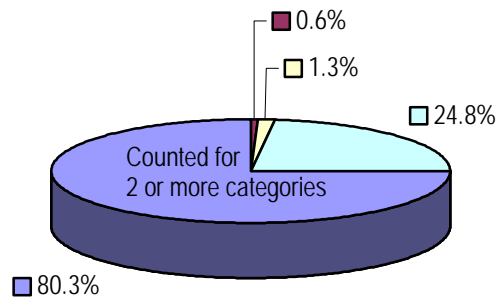
Mesquite boasts a total of 2,232 households in the 2000 Census, of these families account for 78.2% or 1,746 households. Married couples rank second at 72% or 1,608 households, of the total population, 11.2% are male; 10.5% are female.

Table 7

**City of Mesquite
1990 Census**



**City of mesquite
2000 Census**

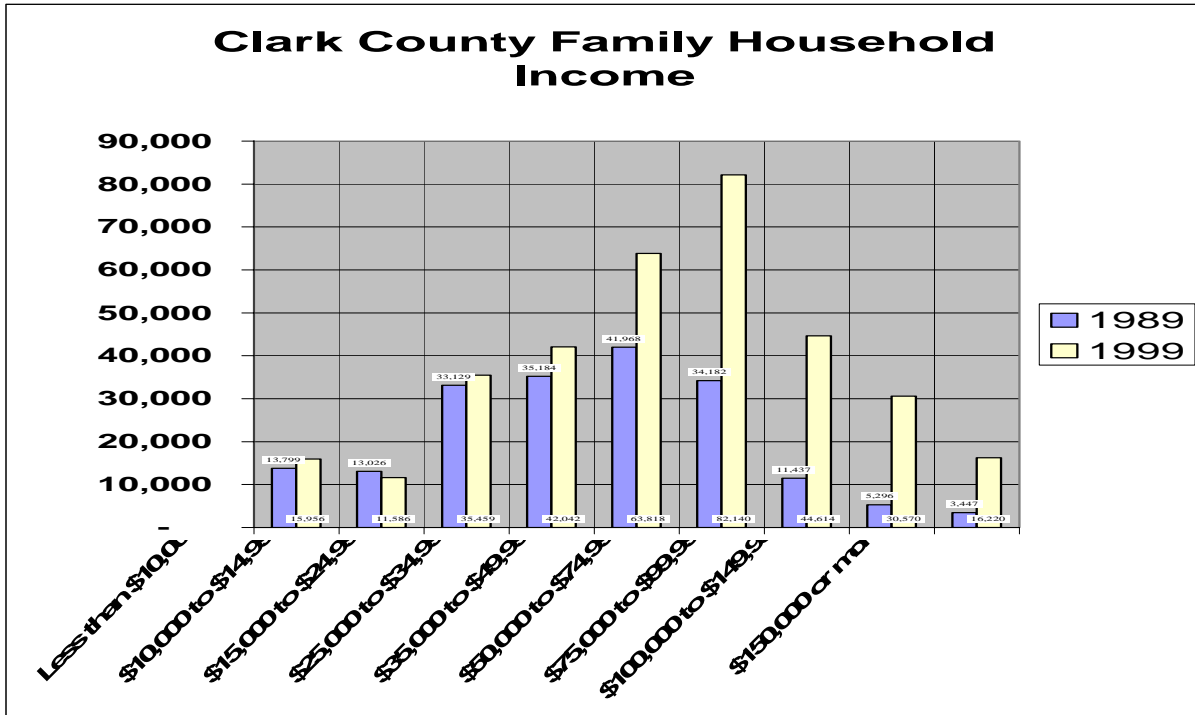


REGIONAL ANALYSIS OF IMPEDIMENTS

Income Data

According to the 2000 Census, rather than an increase in low to moderate-income families, many areas actually saw a decline.

Table 8



This decline by definition also affects the tax base benefits and more of these households are likely to achieve a higher standard of living.¹⁸ Income data is reported, according to the Census, in 1989 and 1999. The area median income is \$54,700. In Clark County, the median household income is \$44,616. The percentage of households that earn between \$50,000 to \$74,999 is 21.5%. The majority of families – 24.0% - earn between \$35,000 to \$49,999. The income of Clark County residents parallels that of the State as a whole.

¹⁸ This report provides only a summary of economic data in so much as a full review of economic markets will be completed during the annual update.
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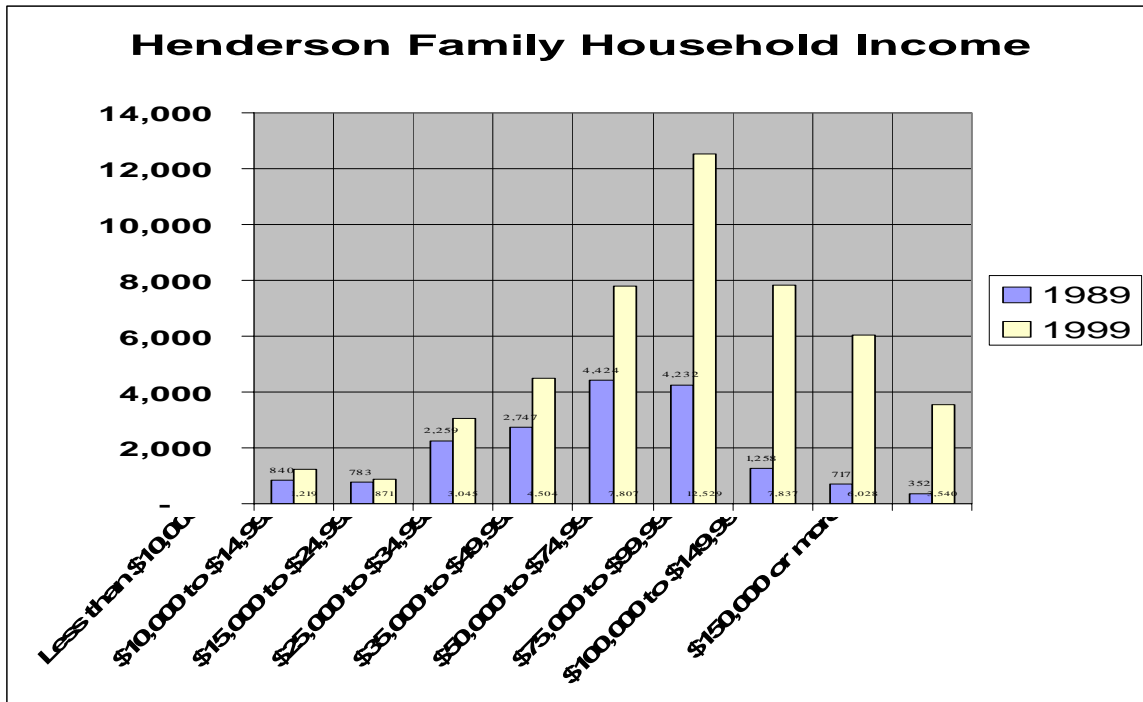
City of Henderson

The City of Henderson has a median household income of \$55,949, the highest of all the jurisdictions. The percentage of households earning \$50,000 to \$74,999 is 25.1%. The second highest household income for Henderson residents – 16.5% - is \$35,000 to \$49,999.

Henderson outpaces the other jurisdictions with the number of households – 3.4% - that earn \$200,000 or more.

Only 5.6% of individuals live below the poverty line.

Table 9



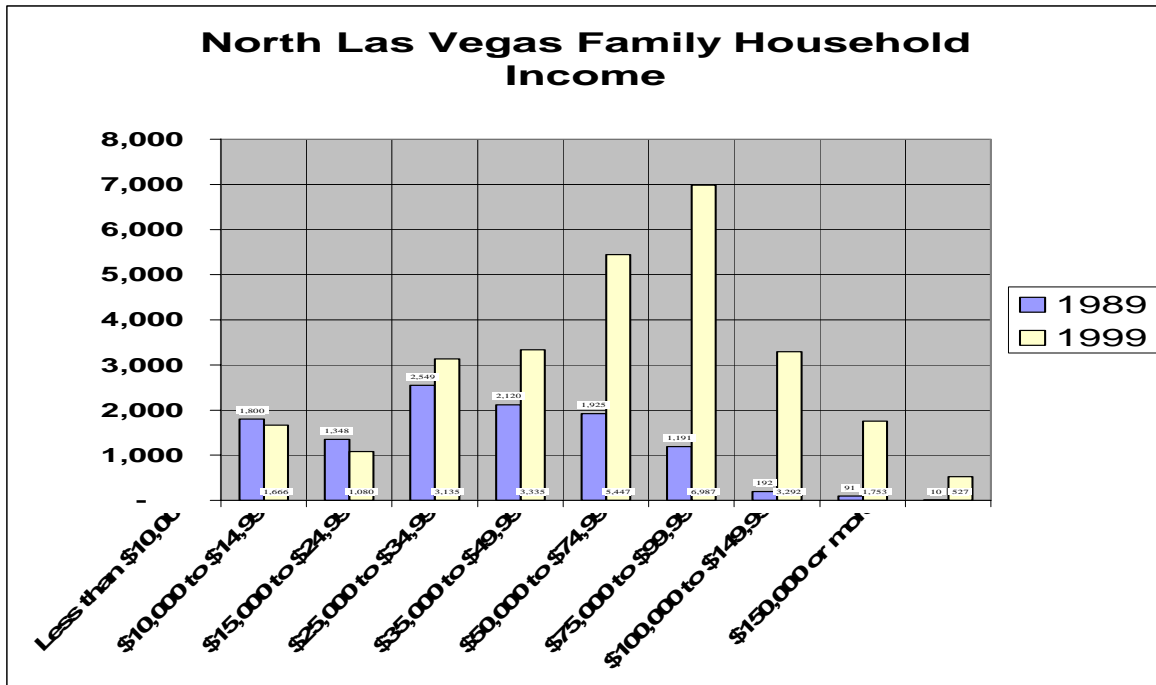
REGIONAL ANALYSIS OF IMPEDIMENTS

City of North Las Vegas

The City of North Las Vegas experienced an increase in the number of persons earning more than 80% of area median income. The median household income is \$46,540. The largest number of households – 25.5% - earns \$50,000 to \$74,999. The next highest income bracket, 19.4%, is a household earning \$35,000 to \$49,999.

Only 6.1% of households reported earning less than \$10,000. Although higher than other jurisdictions, it represents a decrease in households since the 1990 Census.¹⁹ A total of 14.8% of individuals live below the poverty line.

Table 10



Southern Nevada contains a dynamic mix. Demographic changes show a consistent growth in population. The addition of two hundred thirty-nine new census tracts is evidence of the fast influx of persons to the region.

Despite the increase in income, 11% of Clark County residents live below the poverty line.

¹⁹ the 2000 Census Summary File.
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REGIONAL ANALYSIS OF IMPEDIMENTS

Conclusion

Demographic patterns, while not an absolute model for demonstrating the existence of Fair Housing choice, can show trends. From 1990 to 2000, the changes in population reflect the in migration of White and Hispanic residents. The City of North Las Vegas has changed due to the development of new residential subdivisions north of Cheyenne, offering a more diverse selection of housing types. This new housing development has helped to change the population mix in that jurisdiction.

Throughout the Valley, we have seen low and moderate income families moving to the older single-family units in the central core. New, more affluent residents have moved to the newer, higher priced units constructed on the periphery of the established urban core.

This concentric circle development pattern, combined with infill development of the areas previously leap-frogged, is typical of growth patterns in the Southwest. The older housing stock in the urban core is then purchased by the lower and moderate-income households that can afford this generally lower cost, older housing. This pattern is similar to more urban areas throughout the country, with the urban core then reflecting higher percentages of lower income and minority populations.

The maps that follow demonstrate the minority population within the Valley. Although a census tract by census tract analysis is insufficient because of the number of census tracts that did not exist in 1990 and the changes in the collection of race data, **Table 11** demonstrates some overall changes.

REGIONAL ANALYSIS OF IMPEDIMENTS

Table 11
CENSUS TRACT SINGLE RACE 1990 VS 2000

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races ¹	
	1990	2000	1990	2000	1990	2000
1.01	5608	6401	5608	6146		255
1.02	6177	7166	6177	6856		310
1.03	4868	5470	4868	5120		350
1.04	6286	7821	6286	7535		286
1.05	3119	3458	3119	3296		162
2.01	2878	3844	2878	3744		100
2.03	DNE*	4419	DNE	4262	DNE	157
2.04	DNE	1345	DNE	1325	DNE	20
3.01	3452	3501	3452	3423		78
3.02	4193	5348	4193	5181		167
4	6887	9041	6887	8565		476
5.03	5478	7023	5478	6700		323
5.04	6304	6442	6304	6191		251
5.10	DNE	5581	DNE	5377	DNE	204
5.11	DNE	6618	DNE	6289	DNE	329
5.12	DNE	9879	DNE	9392	DNE	487
5.13	DNE	3387	DNE	3228	DNE	159
5.14	DNE	6146	DNE	5918	DNE	228
5.15	DNE	4329	DNE	4112	DNE	217
5.16	DNE	4504	DNE	4238	DNE	266
5.17	DNE	5091	DNE	4830	DNE	261
5.18	DNE	6567	DNE	6116	DNE	451
5.19	DNE	5433	DNE	5180	DNE	253
6	2878	3282	2878	3126		156
7	3564	4898	3564	4726		172
8	2374	2266	2374	2161		105
9	1696	1163	1696	1093		70
10.03	DNE	3706	DNE	3572	DNE	134
10.04	DNE	6397	DNE	6086	DNE	311
10.05	DNE	1724	DNE	1684	DNE	40
10.06	DNE	4160	DNE	4049	DNE	111
11	4867	3624	4867	3394		230
12	3397	4302	3397	4054		248
13	4079	4750	4079	4484		266
14	5395	7157	5395	6752		405
15	5182	7731	5182	7483		248

1) The 1990 Census did not provide an option for those who are bi- or multi-racial.
* DNE-Did Not Exist.

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
16.06	DNE	0	DNE	0	DNE	0
16.07	DNE	4965	DNE	4794	DNE	171
16.08	DNE	1753	DNE	1687	DNE	66
16.09	DNE	4354	DNE	4165	DNE	189
16.10	DNE	2701	DNE	2591	DNE	110
16.11	DNE	3787	DNE	3609	DNE	178
16.12	DNE	6616	DNE	6251	DNE	365
16.13	DNE	3696	DNE	3525	DNE	171
17.06	DNE	2901	DNE	2820	DNE	81
17.07	DNE	1462	DNE	1375	DNE	87
17.08	DNE	3315	DNE	3198	DNE	117
17.09	DNE	1568	DNE	1517	DNE	51
17.10	DNE	4127	DNE	3943	DNE	184
17.11	DNE	3115	DNE	3001	DNE	114
17.12	DNE	3715	DNE	3587	DNE	128
17.13	DNE	2905	DNE	2827	DNE	78
17.14	DNE	3300	DNE	3147	DNE	153
17.15	DNE	2412	DNE	2294	DNE	118
17.16	DNE	1972	DNE	1894	DNE	78
17.17	DNE	1363	DNE	1343	DNE	20
17.18	DNE	2650	DNE	2532	DNE	118
18.01	5154	5921	5154	5677		244
18.03	DNE	2653	DNE	2545	DNE	108
18.04	DNE	3361	DNE	3182	DNE	179
19.01	DNE	5339	DNE	5021	DNE	318
19.02	DNE	3933	DNE	3734	DNE	199
20	3895	4452	3895	4288		164
22.01	3818	4217	3818	4057		160
22.03	DNE	4556	DNE	4350	DNE	206
22.04	DNE	5203	DNE	4967	DNE	236
22.05	DNE	7418	DNE	6961	DNE	457
23	3944	6082	3944	5771		311
24.03	DNE	5060	DNE	4737	DNE	323
24.04	DNE	6283	DNE	5924	DNE	359
24.05	DNE	5166	DNE	4668	DNE	498
24.06	DNE	2350	DNE	2217	DNE	133
25.01	4001	4735	4001	4489		246
25.04	DNE	3726	DNE	3547	DNE	179

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
25.05	DNE	2153	DNE	2061	DNE	92
25.06	DNE	3528	DNE	3356	DNE	172
26.01	DNE	35	DNE	34	DNE	1
26.02	DNE	7519	DNE	7059	DNE	160
26.03	DNE	4172	DNE	3933	DNE	239
27.02	5460	5655	5460	5321		334
27.06	DNE	3510	DNE	3350	DNE	160
27.07	DNE	3972	DNE	3874	DNE	98
27.08	DNE	3010	DNE	2852	DNE	158
27.09	DNE	6	DNE	6	DNE	0
28.07	DNE	7528	DNE	7171	DNE	357
28.08	DNE	1553	DNE	1511	DNE	42
28.09	DNE	9649	DNE	9290	DNE	359
28.10	DNE	2587	DNE	2432	DNE	155
28.11	DNE	2034	DNE	1967	DNE	67
28.14	DNE	4858	DNE	4668	DNE	190
28.15	DNE	1337	DNE	1310	DNE	27
28.16	DNE	2616	DNE	2518	DNE	98
28.17	DNE	744	DNE	740	DNE	4
28.18	DNE	529	DNE	523	DNE	6
28.21	DNE	4148	DNE	3940	DNE	208
28.22	DNE	3774	DNE	3560	DNE	214
28.23	DNE	3228	DNE	3082	DNE	146
28.24	DNE	1685	DNE	1636	DNE	49
28.25	DNE	3265	DNE	3147	DNE	118
28.26	DNE	2772	DNE	2657	DNE	115
28.27	DNE	2557	DNE	2474	DNE	83
28.28	DNE	1977	DNE	1906	DNE	71
28.29	DNE	3814	DNE	3638	DNE	176
28.30	DNE	3442	DNE	3315	DNE	127
28.31	DNE	1958	DNE	1849	DNE	109
28.32	DNE	2574	DNE	2476	DNE	98
28.33	DNE	3169	DNE	3015	DNE	154
28.34	DNE	3863	DNE	3662	DNE	201
28.35	DNE	2102	DNE	2017	DNE	85
28.36	DNE	1582	DNE	1500	DNE	82
29.05	5192	5185	5192	4967		218

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
29.12	6923	12160	6923	11491		669
29.15	DNE	4919	DNE	4778	DNE	141
29.16	DNE	2641	DNE	2568	DNE	73
29.19	DNE	3917	DNE	3722	DNE	195
29.25	DNE	9916	DNE	9273	DNE	643
29.27	DNE	0	DNE	0	DNE	0
29.35	DNE	1445	DNE	1391	DNE	54
29.36	DNE	2994	DNE	2875	DNE	119
29.37	DNE	4743	DNE	4524	DNE	219
29.38	DNE	1233	DNE	1208	DNE	25
29.39	DNE	1855	DNE	1793	DNE	62
29.40	DNE	2659	DNE	2527	DNE	132
29.41	DNE	5093	DNE	4796	DNE	297
29.42	DNE	4117	DNE	3948	DNE	169
29.44	DNE	2871	DNE	2791	DNE	80
29.46	DNE	2011	DNE	1944	DNE	67
29.47	DNE	2628	DNE	2536	DNE	92
29.48	DNE	3718	DNE	3540	DNE	178
29.49	DNE	2720	DNE	2611	DNE	1109
29.50	DNE	4491	DNE	4289	DNE	202
29.51	DNE	4734	DNE	4481	DNE	253
29.52	DNE	2244	DNE	2178	DNE	66
29.53	DNE	4406	DNE	4210	DNE	196
29.54	DNE	4448	DNE	4253	DNE	195
29.55	DNE	7124	DNE	6700	DNE	424
29.56	DNE	2463	DNE	2322	DNE	141
29.57	DNE	2106	DNE	2071	DNE	35
29.58	DNE	6057	DNE	5756	DNE	301
29.60	DNE	6356	DNE	6048	DNE	308
29.61	DNE	1354	DNE	1321	DNE	33
29.62	DNE	1141	DNE	1117	DNE	24
29.63	DNE	2194	DNE	2129	DNE	65
30.01	3937	3968	3937	3797		171
30.03	DNE	5538	DNE	5342	DNE	196
30.04	DNE	2408	DNE	2313	DNE	95
30.05	DNE	3643	DNE	3486	DNE	157
30.06	DNE	3548	DNE	3361	DNE	187
31.01	DNE	7182	DNE	6861	DNE	321

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
31.02	DNE	5435	DNE	5243	DNE	192
32.03	DNE	6448	DNE	6287	DNE	161
32.04	DNE	5152	DNE	5029	DNE	123
32.05	DNE	760	DNE	723	DNE	37
32.06	DNE	6163	DNE	5936	DNE	227
32.07	DNE	8377	DNE	8064	DNE	313
32.08	DNE	2302	DNE	2249	DNE	53
32.09	DNE	7447	DNE	7106	DNE	341
32.10	DNE	2625	DNE	2611	DNE	14
32.11	DNE	3229	DNE	3203	DNE	26
32.12	DNE	7276	DNE	7039	DNE	237
32.13	DNE	2131	DNE	2112	DNE	19
32.14	DNE	1722	DNE	1718	DNE	4
32.15	DNE	4584	DNE	4400	DNE	184
32.16	DNE	2642	DNE	2619	DNE	23
32.17	DNE	6715	DNE	6499	DNE	216
32.18	DNE	5943	DNE	5803	DNE	140
32.19	DNE	5971	DNE	5792	DNE	179
32.20	DNE	6559	DNE	6259	DNE	300
32.21	DNE	5070	DNE	4843	DNE	227
32.22	DNE	4702	DNE	4544	DNE	158
32.23	DNE	1450	DNE	1417	DNE	33
32.24	DNE	7138	DNE	6875	DNE	263
32.25	DNE	6866	DNE	6567	DNE	299
32.26	DNE	872	DNE	855	DNE	17
32.27	DNE	908	DNE	895	DNE	13
33.01	DNE	9040	DNE	8634	DNE	406
33.02	DNE	4369	DNE	4234	DNE	135
33.03	DNE	4368	DNE	4210	DNE	158
33.04	DNE	3846	DNE	3714	DNE	132
33.05	DNE	5046	DNE	4910	DNE	136
33.06	DNE	4282	DNE	4180	DNE	102
34.08	DNE	3245	DNE	3135	DNE	110
34.09	DNE	3860	DNE	3755	DNE	105
34.10	DNE	4218	DNE	4076	DNE	142
34.11	DNE	3953	DNE	3830	DNE	123
34.12	DNE	4713	DNE	4561	DNE	152
34.13	DNE	4879	DNE	4655	DNE	224

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
34.14	DNE	2317	DNE	2239	DNE	78
34.15	DNE	6446	DNE	6041	DNE	405
34.16	DNE	3491	DNE	3359	DNE	132
34.17	DNE	4931	DNE	4731	DNE	200
34.18	DNE	3850	DNE	3646	DNE	204
34.19	DNE	6136	DNE	5781	DNE	355
34.20	DNE	3722	DNE	3563	DNE	159
34.21	DNE	3269	DNE	3152	DNE	117
34.22	DNE	6268	DNE	5985	DNE	283
34.23	DNE	6055	DNE	5779	DNE	276
34.24	DNE	6351	DNE	6081	DNE	270
34.25	DNE	5806	DNE	5576	DNE	230
35	2458	1616	2458	1597		19
36.02	3992	6636	3992	6369		267
36.03	DNE	176	DNE	164	DNE	12
36.04	DNE	4075	DNE	3934	DNE	141
36.05	DNE	6019	DNE	5784	DNE	235
36.06	DNE	6566	DNE	6242	DNE	324
36.07	DNE	4378	DNE	4136	DNE	242
36.08	DNE	4471	DNE	4238	DNE	233
36.09	DNE	4027	DNE	3889	DNE	138
36.10	DNE	4020	DNE	3809	DNE	211
36.11	DNE	4950	DNE	4701	DNE	249
36.12	DNE	4603	DNE	4381	DNE	222
36.13	DNE	4148	DNE	3941	DNE	207
36.14	DNE	6497	DNE	6149	DNE	348
36.15	DNE	2520	DNE	2436	DNE	84
37	3223	3172	3223	3079		93
38	3865	6799	3865	6494		305
40	2748	3579	2748	3401		178
41	4539	5809	4539	5522		287
42	4675	5509	4675	5214		295
43	5637	8020	5637	7682		338
44	5612	7145	5612	6747		398
45	4134	4881	4134	4640		241
46	6023	7608	6023	7238		370
47.03	3953	4332	3953	4127		205
47.07	DNE	2607	DNE	2523	DNE	84

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
47.08	DNE	2760	DNE	2611	DNE	149
47.09	DNE	5829	DNE	5534	DNE	295
47.10	DNE	5228	DNE	5004	DNE	224
47.11	DNE	491	DNE	480	DNE	11
47.12	DNE	6661	DNE	6295	DNE	366
47.13	DNE	4525	DNE	4373	DNE	152
47.14	DNE	4252	DNE	4042	DNE	210
47.15	DNE	2801	DNE	2627	DNE	174
47.16	DNE	2913	DNE	2729	DNE	184
47.17	DNE	3073	DNE	2958	DNE	115
49.07	DNE	1696	DNE	1636	DNE	60
49.10	DNE	2851	DNE	2746	DNE	105
49.11	DNE	3496	DNE	3320	DNE	176
49.12	DNE	5297	DNE	5004	DNE	293
49.14	DNE	2118	DNE	2018	DNE	100
49.15	DNE	2922	DNE	2757	DNE	165
49.16	DNE	2181	DNE	2076	DNE	105
49.17	DNE	2337	DNE	2207	DNE	130
49.18	DNE	3531	DNE	3339	DNE	192
49.19	DNE	1819	DNE	1737	DNE	82
49.20	DNE	4374	DNE	4047	DNE	327
49.21	DNE	5425	DNE	5154	DNE	271
49.22	DNE	4973	DNE	4725	DNE	248
49.23	DNE	2023	DNE	1944	DNE	79
49.24	DNE	3647	DNE	3471	DNE	176
50.05	DNE	4948	DNE	4809	DNE	139
50.06	DNE	4746	DNE	4619	DNE	127
50.07	DNE	333	DNE	325	DNE	8
50.08	DNE	3291	DNE	3121	DNE	170
50.09	DNE	3729	DNE	3581	DNE	148
50.10	DNE	3338	DNE	3182	DNE	156
50.11	DNE	3122	DNE	2981	DNE	141
50.12	DNE	2886	DNE	2750	DNE	136
51.01	DNE	6663	DNE	6356	DNE	307
51.02	DNE	5364	DNE	5106	DNE	258
51.03	DNE	4764	DNE	4557	DNE	207
51.04	DNE	3261	DNE	3130	DNE	131
51.05	DNE	2203	DNE	2128	DNE	75

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
51.06	DNE	3036	DNE	2907	DNE	129
51.07	DNE	4095	DNE	3952	DNE	143
51.08	DNE	3018	DNE	2924	DNE	94
51.09	DNE	5874	DNE	5610	DNE	264
52	3814	4121	3814	4007		114
53.11	DNE	2493	DNE	2389	DNE	104
53.12	DNE	2517	DNE	2430	DNE	87
53.13	DNE	6013	DNE	5774	DNE	239
53.14	DNE	2931	DNE	2823	DNE	108
53.15	DNE	3984	DNE	3841	DNE	143
53.16	DNE	4401	DNE	4255	DNE	146
53.17	DNE	5514	DNE	5317	DNE	197
53.18	DNE	3118	DNE	3042	DNE	76
53.19	DNE	2894	DNE	2787	DNE	107
53.20	DNE	2972	DNE	2886	DNE	86
53.21	DNE	3744	DNE	3621	DNE	123
53.22	DNE	1361	DNE	1324	DNE	37
53.31	DNE	4701	DNE	4549	DNE	152
53.32	DNE	6135	DNE	5891	DNE	244
53.33	DNE	2607	DNE	2529	DNE	78
53.34	DNE	4722	DNE	4548	DNE	174
53.35	DNE	4721	DNE	4606	DNE	115
53.36	DNE	3516	DNE	3401	DNE	115
53.37	DNE	2554	DNE	2504	DNE	50
53.38	DNE	2094	DNE	2078	DNE	16
53.39	DNE	5371	DNE	5163	DNE	208
53.41	DNE	2492	DNE	2421	DNE	71
53.42	DNE	3393	DNE	3274	DNE	119
53.43	DNE	2507	DNE	2463	DNE	44
53.45	DNE	4758	DNE	4613	DNE	145
54.11	DNE	4865	DNE	4704	DNE	161
54.12	DNE	7045	DNE	6765	DNE	280
54.21	DNE	3478	DNE	3355	DNE	123
54.22	DNE	4547	DNE	4393	DNE	154
54.23	DNE	4340	DNE	4150	DNE	190
54.31	DNE	4353	DNE	4227	DNE	126
54.32	DNE	4574	DNE	4449	DNE	125
54.33	DNE	5243	DNE	5124	DNE	119

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
55.01	3604	4365	3604	4317		48
55.02	3773	4091	3773	4017		74
55.03	3217	3043	3217	2967		76
55.04	2973	3467	2973	3384		83
56.06	DNE	2035	DNE	1990	DNE	45
56.07	DNE	3354	DNE	3263	DNE	91
56.08	DNE	1619	DNE	1581	DNE	38
56.09	DNE	908	DNE	888	DNE	20
56.11	DNE	1113	DNE	1052	DNE	61
56.12	DNE	1536	DNE	1517	DNE	19
56.13	DNE	4165	DNE	4087	DNE	78
57.02	DNE	3910	DNE	3818	DNE	92
57.03	DNE	2702	DNE	2457	DNE	245
57.04	DNE	1989	DNE	1935	DNE	54
57.05	DNE	1177	DNE	1161	DNE	16
57.10	DNE	2774	DNE	2730	DNE	44
58.03	DNE	4603	DNE	4436	DNE	167
58.04	DNE	4770	DNE	4617	DNE	153
58.05	DNE	3453	DNE	3353	DNE	100
58.06	DNE	4334	DNE	4135	DNE	199
58.07	DNE	4589	DNE	4416	DNE	173
58.08	DNE	3446	DNE	3351	DNE	95
58.09	DNE	4247	DNE	4039	DNE	208
58.10	DNE	106	DNE	102	DNE	4
58.11	DNE	6850	DNE	6574	DNE	276
58.12	DNE	7626	DNE	7319	DNE	307
58.13	DNE	3181	DNE	2983	DNE	198
58.16	DNE	3877	DNE	3786	DNE	91
58.17	DNE	1058	DNE	1030	DNE	28
58.18	DNE	3017	DNE	2983	DNE	34
58.19	DNE	3877	DNE	3757	DNE	120
58.20	DNE	282	DNE	273	DNE	9
58.21	DNE	4145	DNE	3925	DNE	220
59.01	DNE	2381	DNE	2351	DNE	30
59.02	DNE	1525	DNE	1488	DNE	37
60	DNE	10065	DNE	9550	DNE	515
61.01	DNE	2055	DNE	1982	DNE	73
61.02	DNE	3952	DNE	3740	DNE	212

REGIONAL ANALYSIS OF IMPEDIMENTS

Census Tract	Total Population		Total, Single Race and Hispanic or Latino		Two or More Races	
	1990	2000	1990	2000	1990	2000
61.03	DNE	2559	DNE	2428	DNE	131
62.01	DNE	2963	DNE	2876	DNE	87
62.02	DNE	3281	DNE	3088	DNE	193
62.03	DNE	2555	DNE	2436	DNE	119
62.04	DNE	3376	DNE	3182	DNE	194
94.05	DNE	19	DNE	18	DNE	1

REGIONAL ANALYSIS OF IMPEDIMENTS

Analysis of Previous Fair Housing Activities

Jurisdictions in the region have engaged in activities to affirmatively further Fair Housing choice since 1993. As the population, issues and demands change, efforts have been made to adapt programs and policies in line with those changes. There is a recognition that external barriers also exist. To that end, ideas and proposed approaches are not always viable. Fair Housing Plans adopted by the jurisdiction, in some instances, have not been implemented. In an effort to evaluate past progress, an evaluation tool was developed for each jurisdiction in the region. The tool factors in both internal and external constraints. What follows is a brief summary.

Programs

Each of the jurisdictions engaged in a range of programs to promote Fair Housing. The basis of the programs undertaken was a direct response to previously identified barriers. Examples of programs include, but are not limited to ongoing education, both on site and continuing education by outside professionals. Community programs have been developed at the neighborhood level, in some jurisdictions, to deal with NIMBYism (Not In My Backyard). Staffs, at varying levels, participate on community boards. Examples of Fair Housing partnerships and collaborations are listed below. An (*) indicates that not every jurisdiction is a member of the collaboration.

- Southern Nevada Reinvestment & Accountable Banking Committee (SNRABC)*
- Community Housing Resource Board (CHRB)
- Freddie Mac Alliance Committee
- Don't Borrow Trouble Loan Committee
- Fair Housing Advisory Council
- Southern Nevada Homeless Coalition

A summary of barriers *previously identified* in the last Analysis of Impediments submitted by the jurisdictions – Clark County, City of Henderson, City of North Las Vegas – may be condensed into eleven specific areas:¹⁴

Since 1997, as a region, eleven barriers have been addressed in the jurisdiction. As noted by the community focus group, the region as a whole faces several external barriers. For example, laws are inconsistent as related to occupancy and land use issues. In some instances, State law also conflicts with local definitions.

Barrier 1:

¹⁴ The barriers represent a total of all items identified by each jurisdiction in prior reports.

REGIONAL ANALYSIS OF IMPEDIMENTS

Lack of consistent process within the jurisdiction to ensure compliance with design and construction requirements.

Barrier 2:

Consistent and continuous substantive education of department personnel within local governments was also identified as a need in all jurisdictions. For example many of the building departments and planning departments are unaware when updating their land use code and/or building codes of the requirements of the Fair Housing Act.

Barrier 3:

Ongoing public dialogue to address the intolerance of the newer neighborhoods to encourage diversity. There is a need for a public dialogue on tolerance and the cultural divide.

Barrier 4:

Failed efforts to de-concentrate older formerly concentrated neighborhoods.

Barrier 5:

No State FHAP agency, despite correction of State Fair Housing law, N.R.S. 118.

Barrier 6:

Public policies that allow development policies to flourish and make it difficult to build affordable housing.

Barrier 7:

Lack of compliance with Fair Housing advertising guidelines by private sector.

Barrier 8:

Occurrences of discrimination in the sale and marketing of new single-family developments.

Barrier 9:

Discrimination in the rental market in application of credit qualification standards (requires full application testing).

Barrier 10:

REGIONAL ANALYSIS OF IMPEDIMENTS

Lack of reasonable local ordinances to address occupancy issues.

Barrier 11:

Exclusionary zoning policies that impact protected class members and the available housing stock within a community.

One limitation on participation, as noted on the evaluation, is access to human resources that would allow further work. This, in many instances, is a part of overall jurisdictional budget constraints. Those areas marked under development, in most instances represent planned or ongoing activities by the jurisdiction at the decision making level.

Activities under development include but are not limited to marketing of governmental programs and the establishment of public/private partnerships. For example, each jurisdiction uses federal HOME funds to offer first time homebuyer programs. However, advertising and marketing of the program is not conducted by the local jurisdictions. Sub-recipients are charged with outreach. Sub-recipients often face resource limitations. By contrast, unscrupulous lenders, who seek to prey on vulnerable first time buyers, compete with legitimate programs. They offer glossy, visually impressive marketing that captures interest within sixty seconds of presentation. "Free seller paid upgrades, no credit, poor credit, second chance financing".....the buzzwords abound on a mass marketing scale never seen before in financial services. Their materials are often simple and appeal to the common denominator of 'even you can do this'. The services are marketed both on television and in paid newspaper advertisements. Government sponsored programs use free public service announcements (PSAs) that are limited in word number and circulation. Currently new HOME Training is scheduled for late 2003 to address some of these issues.

Data used in completing the evaluation section beginning on pages 28 - 34 is based on information gathered from the Community Focus Group, input from local government and information gathered from group meetings.

Evaluation Comments – Areas Under Development

Within the region, six areas are currently under development by local jurisdictions. They are:

1. Identification of barriers in Federal programs such as HOME, CDBG.

In 2001, Clark County began to encourage subrecipients to ask questions of participating lenders in the HOME program that identified whether Fair Housing and/or predatory lending complaints had been filed against the company. Based on the HOME survey (Appendix 2), some subrecipients have incorporated that process. Other jurisdictions are considering similar policies.

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2. Support of Fair Housing through local ordinances

As reported in Section 2 of this report, three jurisdictions – Clark County, Henderson and City of North Las Vegas -have adopted the IBC, which includes safe harbor provisions for accessibility. This represents a 100% increase over what existed in 2001.

3. Marketing - Government sponsored programs

Through public / private partnerships, local governments are meeting to develop methods of marketing government services and informing the public of the benefit of these programs versus balloon payment mortgages and seller sponsored down payment programs that require a second non-deferred mortgage. No formal process has been adopted to date

4. Preventive approach /risk management

Two jurisdictions – Clark County and the City of Henderson - actively encourage their City and County Attorney's office to communicate with private Fair Housing Agencies about cases that pose a potential issue for the jurisdiction. This informal process allows jurisdictions to participate in an open dialogue on issues that may affect local government and its residents. Jurisdictions are also provided a copy of federal court complaints scheduled to be filed. A formalized process to expand this dialogue is being discussed. In addition, the Clark County District Attorney's office immediately contacts Fair Housing agencies when Fair Housing issues arise in County Departments. The involvement of the City Attorney, as a risk management strategy on an ongoing basis is under development in the City of North Las Vegas.

5. Policy changes that affect Fair Housing

Since 1999, two jurisdictions – Clark County and the City of Henderson – instituted a process to bring stakeholders together to discuss new policy changes that impact Fair Housing choice. Examples include, but are not limited to, the proposed group home ordinance in 2000 in Clark County and the proposed inclusionary zoning ordinance in the City of Henderson in 2003.

6. Programs encouraged for other departments within the jurisdiction

Jurisdictions are discussing a process to continue to encourage frequent consistent departmental training for Staff and managers on Fair Housing issues. All three jurisdictions have conducted training over the last three years.

REGIONAL ANALYSIS OF IMPEDIMENTS

CLARK COUNTY

Creative Approach

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Engages in creative ways to affirmatively further Fair Housing	X			

Identification Of Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Barrier consistently identified for all civil rights areas	X			
2. Address Fair Housing violations using a preventive approach	X			
3. Various affected departments involved in the identification of barriers through continuous education and meetings	X			
4. Involvement with proposed policy changes that affect the potential creation of new barriers	X			
5. Internal departmental barriers are identified on an ongoing basis		X		
6. HOME, CDBG and other federal programs identify barriers during monitoring to ensure compliance			X	
7. Barriers are considered in the administration of federal programs		X		

Ongoing Education

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Education is encouraged and provided to Staff of departments administering key programs	X			
2. Programs are encouraged for other departments within the jurisdiction that may be affected by Fair Housing policies through intradepartmental meetings	X			

Continuous Support From Jurisdiction / Human Resource Allocation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Jurisdiction supports Fair Housing through the promulgation of new ordinances		X		
2. Existing staff resources are allocated to substantive activities that affirmatively further Fair Housing choice	X			
3. Jurisdiction has sufficient resources in its budget to hire the appropriate number of staff needed to carry out proposed activities			X	Lending program
4. Jurisdiction includes Fair Housing issues in the preparation of the Consolidated Plan	X			

REGIONAL ANALYSIS OF IMPEDIMENTS

Progress In Fair Housing Planning Implementation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Prior Fair Housing Plans have been implemented by the jurisdiction and proposed goals achieved.	X			
2. Internal barriers to the achievement of Fair Housing Planning Goals have been addressed.		X		Staff resources

Collaborative Efforts / Public Private Partnerships

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Substantively participates in collaborative efforts and public private partnerships that affirmatively further Fair Housing choice	X			
2. Assists with the development of public private partnerships that address previously identified barriers	X			
3. Collaborative efforts cover the full range of Fair Housing issues (i.e. lending, zoning, insurance)	X			
4. Encourages the non-profit sector to develop collaborative efforts in government sponsored programs that affirmatively further Fair Housing choice	X			
5. Encourages and helps with the development of non-traditional partners such as out of state foundations and corporations	X			
6. Acknowledges successful collaborations and private sector initiatives from non-traditional entities such as corporations and out of state foundations		X		

Nongovernmental External Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Address issues such as NIMBYism and seeks an appropriate preventive resolution	X			
2. Markets government sponsored programs to inform and educate the public at large about Fair Housing choice			X	
3. Continuously notes those issues outside the control of the jurisdiction	X			
4. Implements risk management strategies to protect the jurisdiction from external barriers (i.e. design & construction violations by private sector)		X		

REGIONAL ANALYSIS OF IMPEDIMENTS

CITY OF HENDERSON

Creative Approach

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Engages in creative ways to affirmatively further Fair Housing	X			

Identification Of Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Barrier consistently identified for all civil rights areas	X			
2. Address Fair Housing violations using a preventive approach	X			
3. Various affected departments involved in the identification of barriers through continuous education and meetings	X			
4. Involvement with proposed policy changes that affect the potential creation of new barriers	X			
5. Internal departmental barriers are identified on an ongoing basis		X		
6. HOME, CDBG and other federal programs identify barriers during monitoring to ensure compliance			X	
7. Barriers are considered in the administration of federal programs		X		

Ongoing Education

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Education is encouraged and provided to staff of departments administering key programs	X			
2. Programs are encouraged for other departments within the jurisdiction that may be affected by Fair Housing policies through intradepartmental meetings		X		

Continuous Support From Jurisdiction / Human Resource Allocation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Jurisdiction supports Fair Housing through the promulgation of new ordinances		X		
2. Existing staff resources are allocated to substantive activities that affirmatively further Fair Housing choice		X		
3. Jurisdiction has sufficient resources in its budget to hire the appropriate number of Staff needed to carry out proposed activities			X	CDBG, lending
4. Jurisdiction includes Fair Housing issues in the preparation of the Consolidated Plan	X			

REGIONAL ANALYSIS OF IMPEDIMENTS

Progress In Fair Housing Planning Implementation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Prior Fair Housing Plans have been implemented by the jurisdiction and proposed goals achieved.	X			One exception
2. Internal barriers to the achievement of Fair Housing Planning Goals have been addressed.			X	Staff resources

Collaborative Efforts / Public Private Partnerships

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Substantively participates in collaborative efforts and public private partnerships that affirmatively further Fair Housing choice		X		2003 declined banking
2. Assists with the development of public private partnerships that address previously identified barriers	X			
3. Collaborative efforts cover the full range of Fair Housing issues (i.e. lending, zoning, insurance)	X			Legal participates
4. Encourages the non-profit sector to develop collaborative efforts in government sponsored programs that affirmatively further Fair Housing choice	X			
5. Encourages and helps with the development of non-traditional partners such as out of state foundations and corporations		X		
6. Acknowledges successful collaborations and private sector initiatives from non-traditional entities such as corporations and out of state foundations		X		

Nongovernmental External Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Address issues such as NIMBYism and seeks an appropriate preventive resolution		X		
2. Markets government sponsored programs to inform and educate the public at large about Fair Housing choice			X	
3. Continuously notes those issues outside the control of the jurisdiction		X		
4. Implements risk management strategies to protect the jurisdiction from external barriers (i.e. design & construction violations by private sector)		X		

REGIONAL ANALYSIS OF IMPEDIMENTS

CITY OF NORTH LAS VEGAS Creative Approach

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Engages in creative ways to affirmatively further Fair Housing		X		

Identification Of Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Barrier consistently identified for all civil rights areas	X			
2. Address Fair Housing violations using a preventive approach			X	
3. Various affected departments involved in the identification of barriers through continuous education and meetings		X		
4. Involvement with proposed policy changes that affect the potential creation of new barriers			X	
5. Internal departmental barriers are identified on an ongoing basis		X		
6. HOME, CDBG and other federal programs identify barriers during monitoring to ensure compliance			X	
7. Barriers are considered in the administration of federal programs		X		

Ongoing Education

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Education is encouraged and provided to staff of departments administering key programs		X		
2. Programs are encouraged for other departments within the jurisdiction that may be affected by Fair Housing policies through intradepartmental meetings			X	

Continuous Support From Jurisdiction / Human Resource Allocation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Jurisdiction supports Fair Housing through the promulgation of new ordinances		X		
2. Existing Staff resources are allocated to substantive activities that affirmatively further Fair Housing choice		X		
3. Jurisdiction has sufficient resources in its budget to hire the appropriate number of staff needed to carry out proposed activities			X	CDBG, lending
4. Jurisdiction includes Fair Housing issues in the preparation of the Consolidated Plan	X			

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Progress In Fair Housing Planning Implementation

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Prior Fair Housing Plans have been implemented by the jurisdiction and proposed goals achieved.		X		One exception
2. Internal barriers to the achievement of Fair Housing Planning Goals have been addressed.			X	Staff resources

Collaborative Efforts / Public Private Partnerships

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Substantively participates in collaborative efforts and public private partnerships that affirmatively further Fair Housing choice		X		
2. Assists with the development of public private partnerships that address previously identified barriers		X		
3. Collaborative efforts cover the full range of Fair Housing issues (i.e. lending, zoning, insurance)		X		
4. Encourages the non-profit sector to develop collaborative efforts in government sponsored programs that affirmatively further Fair Housing choice		X		
5. Encourages and helps with the development of non-traditional partners such as out of state foundations and corporations		X		
6. Acknowledges successful collaborations and private sector initiatives from non-traditional entities such as corporations and out of state foundations		X		

Nongovernmental External Barriers

	Exceeds Federal Standard	Meets Federal Standard	Under Development	Other Comment
1. Address issues such as NIMBYism and seeks an appropriate preventive resolution		X		
2. Markets government sponsored programs to inform and educate the public at large about Fair Housing choice			X	
3. Continuously notes those issues outside the control of the jurisdiction		X		
4. Implements risk management strategies to protect the jurisdiction from external barriers (i.e. design & construction violations by private sector)			X	

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Fair Housing Complaint Profile

The need for an Analysis of Impediments study and proactive Fair Housing Plan is best evidenced in the context of complaints filed about violations. Southern Nevada residents have articulated varying types of complaints, both through the formal complaint process and the media.

The State is and has always held a strong individualistic mentality. This mentality is prevalent in activities carried on throughout the State by local governments, private developers, lenders, mortgage brokers, private landlords, and other providers of housing and/or real estate related transactions. Despite the increased number charged with enforcement of Title VIII, the 1988 Fair Housing Act, as amended, ensuring compliance has not been easy.

John F. Kennedy once said, "Economics was the rising tide that lifts all boats". If we accept this proposition as true, the crucial question for protected class members living in Nevada is (a) whether or not they have a boat and (b) if allowed to acquire a boat, whether or not it will remain afloat.

Despite economic ability, many minorities, persons with disabilities, persons of different national origins and families face barriers in both the housing and lending markets. Incidents of discrimination against the backdrop of four decades of consistent economic growth raises grave public policy concerns.

A diverse group of approximately 8,000 people per month move to Nevada for housing and economic opportunities. Asian Americans, for example, when interviewed, admit that, "moving from one culture to another is no easy task for a group or individual", and, like other ethnic minorities they endure discrimination. (Las Vegas Sun, Sunday, April 18, 1999, page 4E).

When asked, many minorities readily admit there is prejudice in the region, although subtle. Prejudice may take many forms. One example is intentional conduct or a blatant refusal to comply with the law. Another example of prejudice is acts of omission that have a disparate impact on one group of protected class members.

Data contained herein on complaints from aggrieved parties is based on direct complaints received by Nevada Fair Housing Center and those administrative complaints filed with FHEO and court records. The litigation, where reported, is based on the allegations contained in the complaint.

Complaints from aggrieved parties alleging an issue of refusal to sell or rent capture these types of issues. In 2000, approximately 363 complaints were filed locally alleging a violation under Title VIII. The chart below provides a

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breakdown of cases by basis (protected class) and issue. Please note that one case may have several issues.

Table 12

Complaints			
Breakdown of cases by basis		Breakdown of cases by issue	
<u>Protected Basis</u>	<u>Total Number</u>	<u>Type of Complaint</u>	<u>Total Number</u>
Race	161	Rental	223
Religion	12	Sales	32
Color	10	Advertising	12
Sex	14	Lending	7
Handicap	69	Insurance	4
National Origin	17	Zoning: Disability	41
Familial Status	83	Zoning: Other	44

There were 223 issues of discrimination in rental housing raised. The next highest issue was disability discrimination and zoning discrimination.

In terms of '*protected class*' status, aggrieved parties filed more complaints in the area of racial discrimination, followed by handicap discrimination. Of those, 223 raised an issue in the area of rental housing. Sales discrimination accounted for thirty-two of the complaints.

In 2001, 294 complaints of discrimination were filed locally. Of those, design and construction was one of the issues, reasonable accommodation was another. The number one *issue* raised was discrimination in rental housing, either in terms and conditions or refusal to sell or rent. The correlation between allegations of race discrimination occurred more often in the "rental context" than any place else.

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Complaints from *protected class* members were highest in 2001 from persons with disabilities – one hundred twenty – than any other group, even race. Families filed thirty complaints of discrimination.

A correlation between intimidation and race was also seen in the complaints filed. With respect to fair lending, aggrieved parties raised about ten issues of intentional discrimination. Predatory lending is discussed in Section IV, pages 47 through 59.

The overall number of Fair Housing complaints that were filed locally dropped between 2000 - 2001 by 69 cases. However, lending cases increased exponentially. Predatory lending cases that did not immediately provide evidence of intentional discrimination are listed in Appendix II.

With respect to complaint-based tests, that is, testing for discrimination based on the refusal to sell or rent, only 15 tests were conducted in 2001. Less than ten percent of the issues raised in the rental market involved 'refusal to sell or rent'.¹⁵

Audit tests however were conducted in the design and construction arena. Please see pages 39 to 42 for details.

Design And Construction In Multi-Family Housing

Complaints filed in Southern Nevada from 2000 to 2002 evidence a growing impediment in design and construction and the area of reasonable accommodation. Eliminating impediments in these areas has been slow. The responsibility for the high number of complaints is three fold in the area of design and construction. Reasonable accommodation is a separate issue.

As used in this report, a housing "*accessibility impediment*", is defined as non-compliance with the design and construction guidelines.¹⁶ The Fair Housing Amendments Act (FHAA) requires residential buildings, newly constructed for first occupancy after March 13, 1991, be designed and constructed in accordance with ANSI accessible guidelines.¹⁷ Congress' intent was to place, "*modest accessibility requirements on covered multifamily dwellings.... These modest requirements will be incorporated into the design of new buildings, resulting in features that do not look unusual and will not add significant additional costs*".¹⁸ The congressional intent of the provision is to further Fair Housing choice by

¹⁵ Testing is used to gather evidence in rental and sales areas. Other types of investigative methods are used to determine good cause for other issues.

¹⁶ 42 U.S.C. 3604(f)(c)

¹⁷ 24 CFR Chap. 1, Subchapter A, Appendix II & III

¹⁸ House report 711, 100th Congress, 2nd Session, at 25 & 18

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integrating awareness of the needs of disabled persons at all levels of the development process. The design requirements are:

- 1) There must be an accessible building entrance on an accessible route.
- 2) Common use areas must be accessible and usable
- 3) Doors must be usable (to allow passage by disabled persons in wheelchairs)
- 4) There must be an accessible route into and through the covered dwelling unit
- 5) Environmental controls (light switches, electrical outlets, and thermostats) must be accessible and located at heights prescribed by ANSI;
- 6) Bathroom walls must be reinforced for the installation of grab bars.
- 7) Kitchens and bathrooms must be usable.

In short, by statute, local governments have a reasonable responsibility to abate barriers that might otherwise exist in the multi-family housing area. Those who actually design and construct such dwellings have a legal obligation to comply with the law. Local jurisdictions for example are legally prohibited from passing exclusionary zoning laws.

This obligation and the role of local government in ensuring adequate housing choice for protected class members were addressed in prior Analysis of Impediments studies. In multi-family housing, jurisdictions are not required to inspect or pass codes, but rather to follow those in existence set by ANSI.

However, some developers and designers of multi-family housing, argue that if a jurisdiction approves their plans it can only mean that all legal standards have been followed. This is a fallacy. Evidence of this fallacy is seen in a sampling of over one hundred multi-family properties audited for design and construction compliance by Nevada Fair Housing. Although numerous properties were surveyed, only sample findings are listed on pages 39 through 42.¹⁹

Unfortunately, serious accessibility impediments were identified at several sites and in documentation contained in local federal litigation dockets. Examples of specific deficiencies are discussed for four separate properties, one in each jurisdiction. One property was developed using federal funds.

¹⁹ Audits were conducted under the rules of Attorney client privilege. This study will not comment on pending or past action against any entity mentioned.

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Table 13 depicts deficiencies at Lake Tonopah Apartments, a development that was built using various layers of financing, some of which were federal funds. The project is an affordable development. All ground floor units in the development are covered by the Fair Housing Act and required to meet minimum standards.

Table 13

Lake Tonopah Apartments – Buildings	Buildings 22 Ground Floor 180
Building Entrances and Accessible Route	Building (22) with half units not on accessible route
Accessible Public and Common Use Areas	Buildings (2) with no units on accessible route
	Curb ramps near building too steep or non-compliant with ANSI
Unit Interior Review	Not usable hardware on the exterior of the primary entrance door
	Outlets lower than minimum 15" required
	No 30 x 48 clear floor area parallel to and centered on the sink in both bathrooms
	Thermostat higher than 48" maximum allowed.
	No nominal 32" clear opening in the laundry room

Oasis Canyon, at the time of inspection, was plagued by a systemic problem. Sidewalks that lead from the entrances terminated at the parking area and were blocked in many cases by cars. Access to ground floor units would be virtually impossible when cars are parked.

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Table 14

Oasis Canyon	Buildings 25 Ground Floor 100
Building Entrances and Accessible Routes	Ramps, units not on access aisle
Accessible Public and Common Use Areas	Spa not on accessible route Usable hardware not installed on door to exercise room, pool, gate, tennis court
Unit Interior	Doors do not provide nominal 32" clear opening Sliding door does not have a beveled transition (1:2 max) Vertical level change at the exterior of the primary entrance; ¾" step at primary entrance

Located in Mesquite Nevada, Mesa Townhomes was built in two phases. Only 68 of the total units in the development are covered by the requirements of FHA.

Table 15

Mesa Town homes	Buildings 23 Ground Floor 82
Building Entrances / Accessible Route	Units not on accessible route (47 units) Severe cross slopes occur on the access walk Steps at access walk servicing units
Accessible Public/Common Use Area	Insufficient accessible covered parking Insufficient accessible garage Pool not served with an accessible parking space Pool gate not equipped with usable hardware Mailbox clusters not on accessible route Dumpster not on an accessible route

A two-story walk up development, Oasis Del Mar offers several pools and spas, an exercise building and tennis courts. A compliance review revealed the following deficiencies listed in Table 16.

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Table 16

Oasis Del Mar	Buildings 69 Ground Floor 276
Building Entrances/Accessible Route	
	Buildings served by curb ramps without permanent designated access aides (30)
	Buildings served by curb ramps without permanent designated access aisles and curb ramp non-compliant (6)
	Buildings not served by curb ramps (3)
	Buildings with non-compliant curb ramps and other combinations of barriers (4)
Accessible Public/Common Use Areas	
	Mail room door not equipped with usable hardware
	Fitness center racquetball court door not equipped with usable hardware
	No 18" clear floor area of the mail room roll side of the door

Several non-compliant developments are engaged in litigation because of pattern and practice concerns. The next section discusses several cases.

Pattern And Practice Cases

In Nevada, over the last three years, several pattern and practice design and construction cases have been filed. The largest was brought by the Department of Justice and clarified the professional responsibility of the various parties in the construction of multifamily housing,

A pattern and practice as set out in 42 U.S.C. § 3601 - § 3619, is stated as “ a discriminatory rule, policy, practice, or service which may resist the full enjoyment of rights granted by the Fair Housing Act”. Existence of a *policy of discrimination* in housing is sufficient to constitute pattern and practice as prohibited by 42 U.S.C.

In **U.S. v. Rock Springs (“Rock Springs”) Vista Development Corp., Inc. J.A. Black Construction Company, Inc. and James A. Black** CV: 0-97-1825-JBR- (RLH), the developer failed to design and construct five multi-family housing properties in compliance with ANSI standards. The property consists of 566 ground floor units, all which are subject to Fair Housing accessibility requirements. The defendant was found to have engaged in a pattern and

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practice that as a business practice did not result in the full enjoyment of rights guaranteed by the Fair Housing Act. The parties settled on 1.3 million dollars, which included a retrofit fund that would remain in existence for ten years.

The violations alleged in **Nevada Fair Housing Center, Inc and Verso vs. Green Valley Country Club Partnership, et. al.**, involve non-compliance with accessible features, such as an accessible and usable public and common use area, accessible route into units, accessible doors, and other non-compliance with design and construction requirements. The development is composed of 204 housing units, 79 of which are ground floor units. Fourteen buildings were alleged to have steps on the route to the ground floor units. Some buildings were alleged to have a sloped path of more than a 5% grade, in violation of ANSI A117.1-1986. Two percent of the detached garages provided did not contain the minimum 14'2" X 10'0" wide vehicle passage door required by ANSI. The curb ramps serving the accessible parking space between buildings and the leasing office were alleged to be located in the access aisle, in violation of Section 4.3.7. Additional violations affecting both the interior and exterior were alleged.

The case is pending in federal court. After the federal court action was filed, a change of discrimination was also issued by the Department of Housing and Urban Development on September 30, 2002.

Nevada Fair Housing Center, Inc and Sinclair v. Warmington Homes-Nevada, etc., et al., Case No. CV-S-01-0871-KJD-RJJ involves a 96 unit development with 48 ground floor units. Designed by an Arizona architect, the case involves a retired disabled Plaintiff who, prior to purchase, visited the sales office and specifically inquired about accessibility. Based upon representations made by the sales agents, Plaintiffs purchased a condominium as a retirement home.

Although the property was constructed in three separate phases, the same architect and contractor designed and developed each phase. Alleged inaccessible features are:

- Ground floor units not on an accessible route
- Failure to provide an accessible route between units
- Failure to provide accessible public and common use areas (i.e. inaccessible garbage dumpsters)
- Failure to provide an accessible mail room

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- Failure to provide outlets, switches and environmental controls at usable locations, including inaccessible thermostat and alarm controls
- Failure to reinforce bathroom walls for later installation of grab bars; and failure to provide usable kitchens and bathrooms

As of the writing of this report, this case is pending in federal court. It is important to note that each non-compliant feature in a design and construction Fair Housing case constitutes a separate and independent violation of the federal Fair Housing Act.

Economic Impact Of Non-compliance/Other Implications

The economic impact of non-compliance is both tangible and intangible. In the federally funded development scenario, the sole question is what is the direct financial cost of retrofits and who will bear that cost. Often in these types of developments, the pro forma barely shows a break-even point. Moreover, absent the developer fee these costs would have to come from the rent stream.

The intangible impact of non-compliance is the potential loss of accessible housing units for persons with disabilities. For example, if a development contains one hundred ground floor units, all of which must meet accessibility guidelines but are all non-compliant, that equates to a loss of 100 units of potential disabled housing. It is estimated that as of 1997, 21.36% of Nevada's population could be considered disabled, at some level.²⁰

One question often asked by Defendants and local governments is why should local government or private housing providers (developers and architects) bear the cost of accessibility compliance, *"since the majority of housing market consumers are not disabled?"* The answer is simple. First, research has shown that design features, such as levered door hardware, wider door openings and routes into and through such dwellings benefit *"all"* occupants, not only the disabled. Second, all consumers are temporarily able bodied, depending on life expectancy. Compliance with accessible design allows housing consumers to potentially *"age in place"*. Third, the Disabled Housing Consumer's choices are measurably expanded within the community. Fourth, local jurisdictions can cheaply and conveniently affirmatively further Fair Housing choice by simply providing guidance and clarity. Fifth, compliance with legal requirements decreases post construction retrofit and possible litigation costs. Finally, complying with the law is the right thing to do.

²⁰ Special Needs - Housing Assessment For The State of Nevada.

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Relative to the current Court precedents concerning accessibility compliance, failing to comply with the federal requirements of the Fair Housing Act can prove costly post litigation. Sample retrofit costs, by item are set forth in Table 17. Projected costs are based on the cost of supplies in the market at the time of the writing of this report. Costs may vary by region.

Table 17
Sample Retrofit Costs

Design Feature	Projected Cost (by item)
Insufficient Access Points	\$ 1,000
Ramp Landings (60 x 60)	\$ 3,000
Slopes (Less than 8.33%)	\$ 10,000
Public/Common Use Dumpster Parking	\$ 1,500
Mail Room	\$ 500
Extended Sidewalk	\$ 500
Patio (1:2 or less threshold)	\$ 1,500
Environmental Controls	\$ 3,600
Kitchen/Bathroom ²¹	\$1 00,000
Replace Sink (w/adaptable cabinet) ²²	\$ 34,000
Replace Sink Base ²³	\$ 23,800
Usable Doors	\$ 1,000
Accessible Route Through Unit	\$ 4,800

²¹ Cost estimates based on figures presented in negotiated settlements in Nevada Federal Court cases. The Fair Housing Focus Group also discussed and agreed with the estimated retrofit costs.

²² Id.

²³ Id.

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Based on the illustration above, clearly the post construction costs of retrofitting a multi-family development to comply with design and construction requirements **are not** cost efficient. Front-end compliance would increase profitably over time. It is usually more economical to design and construct the development in accordance with Fair Housing accessibility standards than to retrofit the property post development.²⁴

Sample audits and alleged facts in pending litigation demonstrate that housing providers believe that after approval is granted, all legal requirements have been satisfied. In short, they believe approval equals compliance; however, local jurisdictions do not inspect for accessibility compliance. The impact of the decision not to inspect during the approval process directly impacts disabled persons, the community at large, developers and architects. Indirectly, the lack of inspection impacts project costs post development.

For this reason, a more cohesive community approach is needed. Local governments should more actively review plans submitted for approval. Consistent community codes should be adopted. Local government Planning and Building Departments should, at a minimum stamp plans as “accepted but not reviewed for accessibility compliance”. This step would provide constructive notice to developers and architects that they remain legally liable for non-compliance with Fair Housing accessibility guidelines.

With respect to projects built with federal funds of any type, non-profits and private developers should be required, as a normal part of the expense associated with the project, to obtain an independent accessibility inspection of plans and the site at various stages of development. Community education is a continued need.

Finally, although local governments cannot mandate that private developers obtain training, the legal departments of local government can encourage it by providing notification that the jurisdiction is not responsible for the developer meeting Federal accessibility requirements.

Reasonable Accommodation

The issues raised by the reasonable accommodation provisions of Fair Housing pose a different concern. In this instance, housing providers must make a reasonable accommodation in rules and regulations, if it is required for the full enjoyment of the property.

²⁴ In some instances, Federal funds may not be used to ensure compliance with civil rights laws. The funding restrictions from the funding source should be adhered to and noted.

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The issue of reasonable accommodation arises most often in the context of group homes. Under the Fair Housing Act²⁵ handicapped means a person with a physical or mental impairment, or being regarded as having such an impairment. The term excludes from coverage current illegal drug or alcohol use; however, past use or an individual in recovery is covered.²⁶ Courts have held recently that the statute makes it unlawful to otherwise make housing unavailable to any buyer or renter because of a disability.²⁷ Thus, evicting a handicapped person merely based on physical limitation would violate this provision. Similarly while a jurisdiction may regulate occupancy, such regulation must be reasonable and may not be merely based on the physical condition of the person residing or intending to reside in the property.

The Southern Nevada region addressed the issue in its past Fair Housing Analysis of Impediments. The study found that none of the jurisdictions had a consistent appropriate process to address the location of group homes in residential neighborhoods. Many had restrictions in their land use codes. By contrast, building codes failed to address the issue. A comparison of the definitions contained in State law and local ordinances produced increased confusion about rules related to group homes and residential treatment facilities.

In 2001, this lack of process culminated into litigation in both federal and state court. **Living Sober, Inc vs. Barninske et. al.**, involves a case that sought to enjoin the members of the Oakcrest and Hazelcrest subdivisions from seeking to close the houses to handicapped persons under the Fair Housing Act. Living Sober, despite obtaining all the required business licenses and the operation of other group facilities, was prohibited from operating several facilities. Defendants sought to stop the operation of two homes that housed fewer than eight recovering alcoholics or addicts. While State law allows a facility located within 660 feet of another such facility to be subject to local zoning control,²⁸ Clark County had never enacted a zoning code concerning the spacing requirement.²⁹ Plaintiffs also alleged that fourteen other business licenses had been issued to addresses located within the Oakcrest and Hazelcrest subdivisions at the time Defendants attempted to block the opening of the group home. Under the Fair Housing Act, such action not only limited the housing opportunities of unrelated disabled persons by denying them the right to live

²⁵ 42 U.S. 3602(h)

²⁶ 24 C.F.R. Section 100.201.

²⁷ 42 U.S.C. 3604(f)(1)

²⁸ N.R.S. 278.021.

²⁹ Clark County enacted an ordinance after the filing of the lawsuit. A copy of the complaint is provided in Appendix 1, Tab 3.

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together as a group, but also imposed harsher deed restrictions on the disabled persons.³⁰

In both cases, the underlying issues were the interpretation of covenants, conditions and restrictions, in light of the Fair Housing Amendments Acts. Southern Nevada jurisdictions recognized the lack of standards for group homes, in light of their obligation to affirmatively further Fair Housing in past Analysis of Impediments. However, no ordinance was passed to address the lack of registration, licensing or proliferation of group homes in some neighborhoods.³¹

During the 2003 Legislative session, SB 236 was introduced to prohibit the location of a “halfway house” for recovering alcohol and drug abusers from being located within a specified distance of a school, park or other locations where children normally congregate.

The “group home” debate, which inherently affects the disabled has proliferated into an emotional debate in Nevada for several reasons. First, “halfway houses” for the disabled is an outdated concept, yet more than two separate statutes³² use this definition. The connotation alone confuses the issue. Second, the disabled are confused with those needing true residential care because of State law definitions. Third, neighborhood NIMBYs (Not In My Back Yard) have also protested group homes for Alzheimer’s patients.³³

Conclusion or Recommendation

A cohesive regional task force is needed to develop a comprehensive approach to the issue. Certainly, technical changes need to be made to state law. Language should be updated and corrected. This process will require a working group to propose legislation before the session starts. Second, communities need to be educated about who the disabled population is – our parents, grandparents, children – or working people who need care. Third, proactive steps should be taken to balance neighborhood use against the civil rights of the disabled. Concentration of any protected class groups is unacceptable. Just as segregating based on race is unacceptable, so is segregation based on a disability. A failure to develop an affirmative approach will result in continued litigation.

³⁰ Please see related case of Barniske, et al vs. Judy Nelson, et al. Case No. A432881, Department No. IX in the District Court for Clark County, Nevada.

³¹ The City of Henderson, in 2000 deleted group homes from the land use ordinance and placed it in the licensing section. All group homes were required to obtain a license and register. Clark County passed an ordinance in late 2001. The City of North Las Vegas has not addressed the issue.

³² N.R.S. 449.008; N.R.S. 278.021, to name a few

³³ See Kolezar and Nevada Fair Housing Center vs. Royal Homeowner’s Association, a HUD conciliated case.

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Nevada Lending Issues

A dual lending market exists in Nevada and around the Country. This market, up until 1999 consisted mostly of prime and sub-prime lending. That all changed in late 1999 when, due to several factors,¹ the market fragmented into three separate and distinct categories, prime, legitimate sub-prime and predatory lending.

The issue of predatory lending, as it relates to diverse neighborhoods, cannot be oversimplified. Section four will discuss four distinctive parts of the issue; (1) the magnitude of predatory lending in Nevada; (2) the economic impact of predatory lending on poor and minority neighborhoods; (3) the impact on government sponsored programs designed to increase homeownership, and (4) foreclosure and the impact on affordable housing stock.

According to recent studies, the practice began in the sub-prime market. Like a poisonous vine, it quickly spread to other markets, including prime.²

Predatory Lending Defined

Predatory Lending has been defined in many ways. The definition of predatory lending, as of the writing of this report, is a topic of intense debate. Unscrupulous lending practices range from equity stripping,³ frequent refinancing,⁴ failure to post and credit legitimate timely mortgage payments, lending without regard to a borrower's ability to repay, incomplete loan disclosure, excessive fees, unnecessary insurance, and outright fraud and abuse.

Most notably, Predatory Lending is the absence of loan terms that result in a net benefit to the borrower. Think of it as a continuum of possible factors, when taken as a whole result in one of five characteristics:

- Loans involving fraud or deceptive practices
- Terms that result in the waiver of legitimate legal rights
- Loans to borrowers with insufficient means to repay, structured to result in foreclosure
- Predatory loan servicing
- Loans that coerce borrowers into waiving legal rights

¹ Factors include lack of available access to credit and capital in some communities, passage of AMPTA rules and passage of Gramm Leach-Bliley.

² U.S. Department of Housing and Urban Development 2000. Curbing Predatory Home Mortgage Lending. Washington, D.C.: U.S. Department of Housing and Urban Development.

³ Equity stripping is the practice of a loan based on equity rather than on a borrowers ability to pay the loan.

⁴ Flipping is the official name for this practice.

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Predatory practices normally occur in marketing, sales, loan terms and servicing. Lack of disclosure to borrowers represents only one in a series of targeted attacks that can result in devastation to the consumer and economy as a whole, when allowed to go unchecked. Most of the debate, however, has focused on predatory lending as related to the marketing and sales arena, with an emphasis on equity stripping and high interest rates.

A lack of industry regulation specifically tailored to the abusive practice is missing.⁵ Currently, in order to address the plethora of practices and issues, numerous federal and state laws are weaved together to form a patchwork of remedies to address the symptoms rather than the real problem.

To understand the debate, some knowledge of financial markets is necessary. The American financial system is based on the concept that access to credit and capital is essential. It was this recognition in 1977 that spawned the passage of the Community Reinvestment Act (CRA). Despite this law, the monitoring of banks based on performance did not actively occur until advocates complained and the regulations were revised in 1995. Mandated by regulatory CRA changes, banks reluctantly ventured into the low to moderate-income markets. The 1995 regulatory changes resulted in almost two billion dollars in community reinvestment loans being securitized by Wall Street in 2000.

A Federal Reserve study looked at loan profitability from 1993 through 1995, found that banks which had higher volumes and percentages of loans in minority and low-income neighborhoods were slightly more profitable than banks with few loans to lower income communities.

Another less helpful change in the financial system was also taking shape and, by 2000, a bill to break down the walls between banks, insurance and investment was introduced. The stated purpose of the Bank Modernization law was to address the older law of Glass Stegall rule, which prohibited cross ownership among banks, thrifts, and non-depository institutions. Community advocates predicted removal of these firewalls would accelerate the drainage of assets out of banks and thrifts.⁶ Not only was the prediction true, but the gains made in the mid-90s in the amount of access to credit and capital for low to moderate income and minority communities all but vanished.

The consolidation of banking services began in late 1998 and by the end of 2000, more mergers and acquisitions had occurred than in the previous three years.

⁵ But see page 52 on legislative efforts.

⁶ National Community Reinvestment Coalition February 25, 1999 testimony before the Committee on Banking, Housing, A and Urban Affairs.

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The Scope Of Predatory Lending In Nevada

Prior to 1999, loans made to consumers with less than perfect⁷ credit histories required a combination of approaches to ensure credit worthiness. Institutions, which wanted to increase CRA lending, worked to creatively address credit barriers. Three distinct attributes of products to address consumers with blemished credit existed. For example, consumers with blemished credit histories or insufficient credit histories seeking a mortgage, were often offered non-traditional credit sources and products that were 'held in portfolio'. This allowed loans to be seasoned, thus bringing a better price when sold on the secondary market.

By the end of 1999, mass mergers led to the decline in CRA related investments and loans to low to moderate income and minority communities. The need for capital, which saw small gains at the beginning of the 1990s, came full circle to declines in all areas. What filled the void created by a lack of access to credit and capital in low to moderate-income and minority communities left by banks? The sub-prime market emerged to serve this type of customer. The sub-prime market began to increasingly serve consumers from lower income and minority neighborhoods where traditional banking services were in short supply.

"Fringe banking", characterized as check cashing outlets, pawnshops, payday loan institutions, rent-to-own, auto title lenders and rapid refund lenders, was born. Today, it is estimated that these institutions engage in 280 million transactions per year. The value of these transactions is more than 168 billion dollars.⁸ As of April 2000, conservative estimates showed that 11,000 check cashing outlets existed in the U.S. and handled 180 million checks annually worth about 60 million in revenue.⁹ These "lenders" target low and moderate-income families, minority neighborhoods, seniors and those who have limited access to mainstream sources. They are lured by such characteristics as lower monthly payments and the ability of easy, small no hassle loans. While some people would argue that sub-prime loans provide a valuable service, predatory lending, typical of this market, does not.

In some instances, the lack of access to credit and capital is by design. Freddie Mac, a secondary market source found that the sub prime market often serves those with "A" – quality loans. A mortgage industry survey estimated that 63% of the sub prime loans made in the first nine months of 1998 were "A-Minus" quality or higher.

⁷ Perfect means a credit score of 620 or better.

⁸ Carr, James and Schuetz, Jenny. Financial Services In Distressed Communities: Issues And Answers. Fannie Mae Foundation, 2001

⁹ Id.

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It was not until Chairman of the Federal Reserve, Alan Greenspan, spoke out against predatory lending on March 22, 2000 to a group of housing and CRA advocates at the national conference of the National Community Reinvestment Coalition that regulatory agencies began to take notice and the move for congressional intervention picked up steam. Within months, the Federal Reserve and HUD held hearings throughout the country. Despite all the animosity and expressions of concern, none of the five Congressional bills introduced in 2000 passed.

Table 18

2000 Congressional Anti-Predatory Lending Bills

Bill No.	Title	Author	Date Introduced
H.R. 3901	Anti-Predatory Lending Act	Schakowski	March 9 2000
H.R. 4213	Consumer Mortgage Protection Act	Ney	April 6 2000
H.R. 4250	Predatory Lending Consumer Protection Act	LaFalce	April 12 2000
S 2415	Predatory Lending Consumer Protection Act	Sarbanes	April 12 2000
S 2405	Predatory Lending Deterrence Act ¹⁰	Schumer	April 12 2000

Many in the industry, focusing on interest rate concerns alone, argued and still contend that any legislation which caps interest rates could have the effect of drying up the market.

Nevada Issues

Nowhere in the Southwest is the proliferation of fringe banking more prevalent than in Nevada. During testimony in 1999 on the deferred deposit bill, it was estimated that check-cashing outlets easily surpassed five million dollars a year in revenue. This profit margin existed, even after accounting for losses.

¹⁰ Updated Congressional data provided by the National Community Reinvestment Coalition, a non-profit trade association with over six hundred members throughout the U.S., Canada, South Africa, United Kingdom, and India.

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Testimony on AB 284 demonstrated similar profitability in the payday lending market.¹¹

To put the point in perspective, a review of Nevada specific problems is necessary. Listed below in **Table 19** is a list of banks operating in Nevada. One legitimate problem is the inability of the average consumer to know who is in charge of decision making for their particular Metropolitan Statistical Area (MSA).

Table 19

Bank Name	Holding Company	Deposit Size (Millions)
Bank of America	Bank of America Corporation 101 S. Tryon Street Charlotte, N.C. 28255	769 B
Bank of Commerce, LV	4343 E. Sunset Road Las Vegas, NV 89014	91.5
Bank of Las Vegas, LV	Capital Bancorp, Ltd 5961 Decatur Blvd Las Vegas, NV 89118	20.8
Bank of Nevada, LV	8275 W. Flamingo Las Vegas, NV 89147	123
Bank West	2700 W. Sahara Las Vegas, NV 89102	757.1
Black Mountain Community, HN	1700 W. Horizon Ridge Pkwy Las Vegas, NV 89102	58
Business Bank	6085 Twain Avenue Las Vegas, NV 89103	158
Citicorp	399 Park Ave New York, NY 10043	1.1 T
Colonial Bank	One Commerce Street Montgomery, AL 36101	16
Community Bank Of Nevada	400 S. Fourth Street Las Vegas, NV 89101	356.6
Desert Community Bank, LV	Capitol Bancorp, Ltd 5961 Decatur Blvd Las Vegas, NV 89118	49.9
Household Bank, NV	1111 Town Center Drive Las Vegas, NV 89134	6.1

¹¹ AB 284 was introduced in the 2003 Nevada Legislative session to prevent predatory lending and provide a defense to those in foreclosure because of the actions of a predatory servicer

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Marshall & Isley FSB, LV	M & I Bank FSG 3993 Howard Hughes Pkwy Suite 100 Las Vegas, NV 89109	34
Nevada Commerce, LV	3200 S. Valley View Las Vegas, NV 89102	62.1
Nevada First Bank, LV	777 N. Rainbow Ste 100 Las Vegas, NV 89102	197.6
Nevada State Bank, LV	201 4 th Street Las Vegas, NV 89101	1.8 B
Red Rock Community, LV	Capital Bancorp, Ltd 5961 Decatur Blvd Las Vegas, NV 89118	88
Security State Savings, LV	7161 South Eastern Ave Suite 3F Las Vegas, NV 89119	17.7
Silver State Bank, Henderson	400 N. Green Valley Las Vegas, NV 89014	292.2
Southwest USA Bank, LV	SouthwestUSA Corporation 4043 S. Eastern Ave Las Vegas, NV 89119	41.8
Sun West Bank, LV	5830 Flamingo Dr Las Vegas, NV 89103	161.9
Town & Country Bank, LV	8626 W. Tropicana Ave Las Vegas, NV 89147	17.7
US Bank, LV	601 Second Ave., South Minneapolis, MN 55480	194 B
Valley Bank	370 North Stephanie St Henderson, NV 89014	140.1
Wells Fargo Bank Nevada	National Association 3200 S. Howard Hughes Pkwy Las Vegas, NV 89102	10.8

Unfortunately, many of the lenders listed in the above table do not adequately meet their Community Reinvestment Act requirements with products and services tailored to community needs. At best, the late 1990's – early 2000 climate of mergers and acquisitions has caused a decrease in retail niches and products designed for the local market.

Not only are banks failing to meet Community Reinvestment Act requirements but also the volunteer efforts, which were successful in the 1990's, have dwindled. Local governments and volunteers have not kept pace with the

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changing rules and impact of new transaction based practices that, by definition, require more efforts to monitor.

Every year, it is estimated that Nevadans lose over 100 million dollars to predatory lending.¹² What to date has not been quantified are specific patterns as related to Nevada borrowers.

State and Local Government Efforts to Combat Predatory Lending

As a starting point to address these issues, Freddie Mac initiated the Don't Borrow Trouble program in twelve metropolitan areas. One of the jurisdictions selected to test the pilot program was Clark County. The program was designed specifically to address Predatory Lending issues in Nevada with four components, (1) education; (2) foreclosure prevention; (3) refinancing and (4) enforcement.

During the first year, the statistics were astounding. Of the total 417 clients seeking assistance from the program, 47% were in foreclosure as a direct result of a predatory practice (i.e. a practice which was a violation of one of the many consumer laws used to address predatory lending). Perhaps the most interesting statistic is that 21% of the clients had obtained some type of homeownership education prior to purchasing a home. Predatory issues raised by category were:

- Predatory Marketing 47%
- Predatory Sales Practice 12%
- Predatory Loan Terms 36%
- Predatory Servicing (post closing) 34%

The ethnic breakdown of complaints mirrored the population:

- African American / Black 27%
- Latino 25%
- Caucasian 30%
- Senior Citizens 11%
- Disabled 7%

67% of the clients seeking assistance earned less than 80% of the area median income and would qualify as *'first time buyers'*, 70% of the clients needed a new loan that was structured appropriately to provide a benefit to the borrower. In the second year of the program (2002), the number of clients served rose to 585.

¹² Quantifying the Economic Cost of Predatory Lending: A Report from the Coalition of Responsible Lending, 2001.

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Legal Efforts to Combat Predatory Lending

Current existing laws, while helpful, are non-specific in offering a redress against predatory lending. In a free market economy, the idea is that consumers should be free to make financial choices absent regulation. This approach is only effective where there is equal bargaining power and a lack of deliberate efforts to deceive. Both are lacking in the area of predatory lending.

Existing federal consumer protections rest in statutes such as Truth In Lending Act (TILA),¹³ Home Ownership Equity Protection Act (HOEPA)¹⁴ and the Real Estate Settlement Procedures Act (RESPA).¹⁵ Nevada remedies, with the exception of cases that meet the standard of Unfair and Deceptive Acts and Practices (UDAP),¹⁶ are non-existent. None of the statutes listed, addresses the specific practices that are most prevalent in predatory lending. Each addresses a symptom of the problem but not the core of the problem. Contributing to the void of legislative and regulatory regulations are market forces and changes in the lending market. No laws have kept pace with this change.

Currently, in Nevada our non-judicial foreclosure process is making it difficult to raise defenses even under existing federal statutes. For example, under RESPA, 12 U.S.C. 2605, a company that services mortgage loans, upon receiving a qualified written request for verification of mortgage payments and an explanation of how payments have been applied, has twenty days to acknowledge receipt of the letter and sixty (60) days to respond. Some lenders simply let the clock run out.

The cost and resource intensity required to pursue these types of cases without a specific predatory lending statute is evident in the complaints filed in Nevada in Federal Court.

Following are case examples:

Nixon Hilliard vs. Doug Moreau, Inc., et. al CV-S-03-0528-RLH-PAL, is a case involving a disabled mother and daughter who wanted to obtain a mortgage. The defendant offered to provide assistance and obtained financing through International Home Capital in August 2002. The Plaintiffs did not participate in any first time buyer program. The Plaintiffs paid a yield-spread premium of

¹³ 15 U.S.C. 1601-1693

¹⁴ HOEPA is a subsection of TILA. 15 U.S.C. 1601. It requires an additional three day disclosure before closing, but only for non-purchase money high rate loans.

¹⁵ 12 U.S.C. 2601-2617.

¹⁶ N.R.S. 598

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\$2,317.26 and a service loan premium of \$1,103.44. Additional charges¹⁷ included:

- Settlement costs \$5,015.43
- Credit Report \$ 126.00
- Loan Discount to broker \$ 505.00
- Mortgage Insurance Premium \$1,655.16

By November 2002, Plaintiffs began experiencing difficulty making their mortgage. The total arrears at that time were \$1823.42. Defendant offered them a loan of \$1,263.42; the clients provided \$560 in cash. Plaintiffs signed what they thought was a 0% note to repay the funds at \$100 a month. What Defendant Moreau later produced was a Short Form Deed of Trust and Assignment of Rents. By January 2003, Defendant Moreau had signed a Notice of Default and Election to Sell Under the Deed of Trust for a claimed \$100 delinquency. The case is pending in federal court for violations of RESPA, specifically receiving a kickback, failure to provide disclosure under Truth and Lending, violation of state law for improperly advancing money and other violations.

Andreu vs. EMC Mortgage CV-S-03-0348-JCM-RJJ involves an FHA loan and the HUD assignment program. In this case, the clients originally obtained an FHA loan in 1990. Three years later, the Plaintiff, Mr. Andreu became disabled. He sought and obtained assistance under the HUD mortgage assignment program. In 1996, HUD discontinued the program and sold this mortgage portfolio to EMC Mortgage. After EMC took over, Andreu's payments consistently changed. In 1997 the payments were \$797. In April 1998, they increased to \$801. In September 1999 they decreased back to \$767 and peaked to \$860 in December 2000. On numerous occasions, Plaintiff would tender payments only to be told that more funds were needed. In some instances, EMC delayed crediting Plaintiff's payments and assessed late fees.

Despite Plaintiff's attempts to obtain information about his mortgage, through the prescribed legal method of sending a Qualified Written Request for verification of mortgage, the company did not provide a written explanation within the required sixty-day time period.

It was not until the Nevada Financial Institutions Division sent another qualified written request in December 2002 that it was acknowledged; however, no explanations and adjustments were made. EMC attempted to continue with the foreclosure despite a proper accounting of monies paid. The case is pending in federal court.

¹⁷ Appendix 1, Tab 4, Exhibit 2

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Perhaps the most egregious servicing case is that of **Serrano vs. Fairbanks Capital Corporation**, a class action case pending in the Federal District court in Nevada. In this case, the Plaintiff's loan had changed hands several times. Finally, on July 14, 2000, ContiMortgage Corporation and Fairbanks Capital Corporation entered into an Assignment and Assumption Agreement by which ContiMortgage assigned and Fairbanks assumed all interest and rights in certain contracts. Plaintiff's loan was a part of this assignment. At the time of the assignment, Plaintiff's July loan payment had not been made. It was subsequently made on July 29, 2000, along with a late fee.

After the assignment, Plaintiff did not receive monthly statements, despite repeated calls to customer service to learn the amount due, plus late fees. Payments would then be tendered. On different occasions, Plaintiff would be informed that large lump sum payments were due. Plaintiff would make the payment but the loan would never be caught up. Plaintiff even tried using the EZ Pay system by which customers authorize Fairbanks to debit their checking accounts over the phone. However, when Fairbanks attempted to debit Plaintiff's bank account, the company used an erroneous account number and the debit did not clear. However, the Plaintiff's bank account showed that funds were available.

It is these sophisticated schemes that are alleged and will be addressed in Federal District Court. It is important to note that over twenty class action lawsuits are pending against Fairbanks in other parts of the country.

Predatory Lending In Nevada Government Sponsored Programs

In focus groups conducted for this study, a consistent theme was the inability of non-profit sub-recipients to monitor lenders participating in First Time Home Buyer Programs for predatory practices. Under the current system, non-profits develop a list of participating lenders based on the products a lender agrees to offer to eligible consumers. Local governments have established no guidelines to ensure that predatory lending does not occur. Clients are provided a list and select their lender from this list only. If a client chooses a lender that is not on the participating list, the client is ineligible for down payment assistance (DAP) funds. While government sponsored programs may establish rules of eligibility, no standards exist in which to weed out unscrupulous lenders. In addition, standards exist for non-predatory originators that may subsequently assign the loans to a predatory servicer. For example, in the case of **Serrano vs. Fairbanks**, Defendant is not an originator but a loan servicer. Many of the lenders that participate in First Time Buyer programs actually sell loans to Fairbanks.

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As part of this report, all agencies that receive or operate programs using federal HOME dollars were asked to complete a survey. The survey asked for knowledge data, as well as the procedure used to select participating lenders. Only two respondents knew the difference between a mortgage broker and a mortgage lender. Similarly, only one jurisdiction monitors for predatory lending activity. In terms of sub-recipient knowledge base, only one recipient received annual continuing education on Fair Housing and lending issues.

A review of data from one non-profit collected on recipients of DAP funds demonstrated three disturbing trends.¹⁷ First, all of the clients, with one exception, paid in excess of two thousand two hundred dollars to refinance their loan. Second, the savings realized was less than one hundred dollars in six out of eight instances. Third, the difference in loan amounts increased more than two thousand four hundred dollars in all but one case. The Loan Comparison Analysis Sheet for Subordinations sets forth these trends.

State Legislative Efforts

Nevada has made two attempts to address the issue of predatory lending. In 2000, Assembly Bill 147 was introduced as an effort to curb predatory practices. The bill did not pass.

In 2003, Assembly Bill 284 was introduced to address the most offensive and harmful practices. Certain practices were classified as misdemeanors. Three key sections of the bill would address the impact on the community. Section 7(1)(a) prohibits the requirement that a borrower provide property insurance on improvements to home property in an amount that exceeds the reasonable replacement value of the improvements.

Asset based lending, that is lending money to a borrower based solely on the equity of a home, with complete disregard for the borrower's ability to repay is prohibited, along with flipping. Section 7(1)(c) prohibits the refinancing of a prepayment penalty.

Coverage such as single premium credit insurance, life insurance and disability insurance financed over the thirty-year life of the loan is not allowed, absent clear notice and disclosure to the consumer. For example, it is estimated that predatory lenders earn anywhere from 40% to 70% of the premiums on this type of coverage. On average, consumers reap no benefit from this type of insurance.

¹⁷ Provided by Women's Development Center, Inc.

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The most economically long term portion of the bill is provided in Section 10, which allows a consumer to raise the issue of predatory lending and mandates a judicial foreclosure proceeding as a defense.¹⁸ To date, twenty states have passed foreclosure statutes.¹⁹

The bill also, in Section 6, defines a lender as mortgage beneficiary of a deed of trust or other creditor who “holds a mortgage”. This language, if passed, would specifically apply to the Serrano v. Fairbanks issue. Section 10 would also address these types of cases - loan terms and servicing - and **limit** foreclosures in situations where a loan is made to a consumer who has no ability to pay the loan.

Conclusion

Several disclosure statutes exist that require lenders to give accurate information to consumers about loans. RESPA and TILA are two examples previously discussed. Disclosure alone however is insufficient for three reasons. First, there is an inherent disconnect and difference in the availability of information between buyer and seller. Second, in the initial mortgage stages, some borrowers lack the sophistication to grasp the maze of details inherent in a mortgage. The economic reality is that a few hours of disclosure and/or credit counseling cannot educate someone about the impact of economics, financial markets and their role in the overall global economy. The more inherent problem is a reliance on the idea of “just educate them” assumes that predatory lending is a result of poor choice versus predator activity.

Third, a survey of agencies providing DAP and housing counseling demonstrates that final document reviews, along with an analysis of the final HUD-1 are not always conducted. In fact, most agencies are not trained in loan analysis and predatory practices to provide adequate advice.

Fourth, on average, a DAP agency spends an average of less than fifteen hours per client with a new first time homebuyer. This includes class time. Despite its population, Nevada is not funded adequately to provide these types of services. On the back end, contesting a foreclosure due to predatory practices requires advocacy staff with legal training.

Finally, in terms of assistance from the mortgage and banking industry, there are false beliefs that, as a practical matter, mortgage brokers represent – through a fiduciary relationship – borrowers. The reality is mortgage brokers, like most

¹⁸ In Nevada, non-judicial foreclosure may be exercised within sixty days, following a thirty-day noticed of default.

¹⁹ AB 284 passed the Assembly Labor & Commerce Committee in March. The bill also passed out of the Senate Judiciary

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industry professionals, such as lawyers or doctors, represent the client who pays the bill. Brokers are “retained” by lenders and mortgage originators to reduce labor costs. Moreover, they have a direct financial incentive to close loans with rates and fees that make the most profit. In addition, most borrowers don’t know when they are dealing with a mortgage broker versus a lender. In short, there is a disincentive to protect borrowers.

Economic Impact Of Increased Foreclosures In Nevada

Nevada’s FHA foreclosure rate currently exceeds 7%. Specific lenders in Nevada have foreclosure rates in excess of 13%.²⁰ The impact on the economy, while not immediate, can be devastating. Whole neighborhoods can see decline when the “boom” of mortgage lending due to reduced interest rates subsides.

Currently, only one of the three local jurisdictions actively participates in creating community reinvestment plans for the community. While two are members, the knowledge, commitment and staff resources are missing. The North Las Vegas jurisdiction, which has the least brick and mortar branches and access to capital for the community has not been active since 1993. The process of preserving communities should be jointly borne both by consumers and local government.

For example, in some communities an institution with poor CRA performance is ineligible for providing banking services to local government. Regulation of predatory lending is also non-existent at the local level. In some states, for example the City of Chicago, local anti-predatory lending ordinances have been introduced.

Nevada needs a supplemental approach to existing efforts that includes (1) more funding for non-profit agencies that operate Down Payment Assistance Programs (DAP), (2) monitoring by local jurisdictions to ensure compliance and (3) intensive education around the changing schemes in financial services. Where possible, investment pools should be created to purchase at risk properties to preserve housing stock.

Finally at a minimum a ‘testing late’ policy should be in place through some form of mystery shopping to ensure, especially in the area of mortgages, that minorities and low to moderate income consumers receive proper disclosures and information on available services.

Consumer education, as well as banking education for those departments responsible for the administration of federal programs should be required.

²⁰ It is estimated that the foreclosure rate for Fairbanks exceeds 13%

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Title VI

One of the least understood statutes is related to non-discrimination provisions set forth in Title VI.¹ The law prohibits discrimination in federally assisted programs, and states that:

“No person shall be discriminated against on the basis of race, color, or national origin”

Individuals may bring a cause of action under Title VI if they are excluded from participation in, denied the benefits of or subjected to discrimination under any Federal assistance program.

To understand the applicability of Title VI, components under the statute must be explained. The meaning of *federal financial assistance*, as used in the statute must be defined. The *applicability* of the statute as explained in current case law will be analyzed. The definition of *'recipient'* under Title VI will be explained. Finally, a definition of eligible *programs* or activities under Title VI will be discussed. It is this four-part analysis that triggers mandatory compliance under the law.

Federal Financial Assistance

In general, the words “federal financial assistance” trigger the idea of grant dollars. While this is the most common form of assistance, the regulations and federal courts that have examined the issue have set forth five different types of assistance that apply to Title VI. Federal financial assistance includes:

- An award of grant money
- Use or rent of federal land
- Use or rent of federal property at below market value
- Federal training, or
- A loan of federal personnel²

Applicability

Applicability for the receipt of an award of grant money often becomes blurred. For example, pass through funds from the Department of Health and Human Services to a State health department for emergency room services at a private hospital, constitutes an award of grant money. In this instance, both the State Health Department and the private hospital must comply with Title VI.³ Another example of how the indirect receipt of federal financial assistance subjects an entity to the requirements of Title VI was discussed Grove City College v. Bell 465 U.S. 555 (1984). In that case, the court held that when veterans, who receive payments from the federal government in the

¹ 42 U.S.C. 2000(d). See Adarand Constructors, Inc., v. Peña, 515 U.S. 200, 217 (1995)

² 28 CFR Section 42.403(d)

³ 42 U.S.C.2000d-4a (1)(a), 4a(3)(A)(ii).

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form of educational benefits, use such funds for a portion of their tuition, then the university receiving the Federal financial assistance must comply with Title VI.

A non-traditional example of Federal financial assistance is the use or rent of federal land at or below market rate. To trigger Title VI compliance, courts look to whether or not the land is being used at the time of the alleged discriminatory act, regardless of when the land was donated or granted.⁴ Courts have looked at land and determined that federal financial assistance was involved where a police department - subject to free rent - opened a branch office in a housing project built, subsidized and operated with Housing and Urban Development (HUD) funds. Under this definition, the police sub-station would be subject to Title VI. Similarly, the use of a closed military base by a state agency is deemed to be receiving federal financial assistance.⁵

Training by Federal personnel is another example of Federal financial assistance. For instance, if a city police department sends several police officers to training at the FBI Academy at Quantico without cost to the city, the police department is considered to have received Federal financial assistance.⁶

Excluded from coverage are contracts of guarantee or insurance, procurement contracts by the Federal government at market value or programs that provide direct benefits. Licenses are not federal financial assistance. Nor are statutory programs or regulation that directly or indirectly support or establish guidelines for an entity's operations. Similarly, default insurance for bank's disbursement of Federal student loans is a contract of insurance but not Federal financial assistance.⁷

A more complicated set of programs excluded from the definition of Federal financial assistance is programs owned and operated by the Federal government. The air traffic control system is one example.⁸ National weather service programs are another example.⁹

Other exclusions include:

- Procurement contracts
- Direct unconditional assistance to ultimate beneficiaries
- Social security payments
- Direct benefit programs

In crafting exclusions to Title VI, courts have made clear that the applicability of Title VI in the procurement arena hinges on a clear distinction between procurements and subsidies.

⁴ 28 CFR Section 42.105

⁵ 32 C.F.R. Section 195.6

⁶ Delmonte v. Department of Business & Professional Regulation, 877 F. Supp 1563 (S.D. Fla 1995)

⁷ Gallagher v. Croghan Colonial Bank, 89 F.3d 275, 277 (6th Cir. 1996).

⁸ Jacobson v. Delta Airlines, 742 F.2d 1202, 1213 (9th Cir. 1984).

⁹ Id.

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Subsidy programs fall within the purview of Title VI. Another important exclusion is that of individuals receiving direct federal benefits, such as social security, veteran's benefits or widow's benefits.¹⁰

Recipient Defined

Defining a 'recipient' of federal funds is also quite complex. The act generally applies to those in a contractual relationship with the Federal government. Recipient means any State, political subdivision, instrumentality of any State or political subdivision, any public or private entity, organization or institution or other entity or any individual in State to whom Federal financial assistance is extended.¹¹ The extension of funds may be direct or indirect. Compliance requirements for a direct recipient (or primary/subrecipient) result from either a contract or the acceptance of funds.¹² Exemplary of this direct relationship is the McCarran Airport in Clark County, which receives Federal financial assistance for airport construction. Similarly, a contractor to a hospital that receives Medicare or Medicaid payments has been found to be a direct recipient.¹³

The most complicated relationship to identify for purposes of Title VI coverage is that of the '**indirect recipient**'. In addition to colleges and universities,¹⁴ contractors, assignees, transferees and successors may be indirect recipients of Federal financial assistance. Courts look not only to the assurances provided but also the intent of Title VI.

For example, in Graves v. Methodist Youth Services, 624 F.Supp 429 (N.D. Ill1985), the court defined a local social services agency as an indirect recipient because the agency received Federal money that flowed through another recipient (i.e. the State).

Courts have been hesitant to release recipients from liability because of the actions of a contractor. For example, a social services program that contracts with landlords to provide housing to eligible clients would be liable under Title VI for the housing providers actions since the housing provider is performing a program function of the recipient.¹⁵ The test is whether the contractor's actions are integral to the function of the recipient.¹⁶

¹⁰ 110 Cong. Rec. 6544 (1963).

¹¹ 28 CFR Section 42.102(f)

¹² Department of Transportation v. Paralyzed Veterans, 477 U.S. 597, 607 (1986)

¹³ Frazier v. Board of Trustees of Northwest Mississippi Regional Medical Center, 777 F.2d 329 (5th Cir 1985).

¹⁴ Bob Jones, supra

¹⁵ Please note, the Department of Social Services would also be liable under Title VIII of the Fair Housing Act.

¹⁶ Horner v. Kentucky High School Athletic Association, 43 F.3d 265, 272 (6th Cir. 1994)

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Program or Activity

Title VI defines a 'program' or 'activity' as:

- A department, agency, special purpose district, or other instrumentality of a State or of a local government; or
- The entity of such state or local government that distributes such assistance and each such department or agency (and each other State or local government entity) to which the assistance is extended, in the case of assistance to a State or local government;
- Any part, which is extended financial assistance.¹⁷

In short, receipt of Federal financial assistance by an entire department or office within a State or local government does not mean the State or local government unit is a program or activity; however, the department receiving the funding is a program or activity.¹⁸ It is important to note courts have held that a state or local government may be sued under Title VI even if it is not a program or activity. Where a State or local government participates in the discriminatory conduct, the jurisdiction may be sued.¹⁹

Where private corporations receive funds to continue their operations, they meet the definition of program or activity under Title VI. For example a private hospital with several locations that receives Federal financial assistance to operate only the emergency room would subject the entire corporation to the requirements of Title VI.

Enforcement

Three methods of enforcement may be used to ensure Title VI compliance. First, the agency providing Federal financial assistance may seek voluntary compliance. This is accomplished through Pre-Award signed assurances and monitoring. Second, a federal agency may refer a case to the Department of Justice to file a suit for injunctive relief, asking that a court order termination of Federal financial assistance. Finally, like Title VIII, a private lawsuit may be filed by an aggrieved party. Both injunctive relief and damages are available.²⁰ States expressly agree to waive Eleventh Amendment Constitutional protections for violations of civil rights laws.²¹

¹⁷ 42 U.S.C. Section 2000d-4a(a); Civil Rights Restoration Act, Pub. L.No. 100-259, 102 Stat. 28 (1988).

¹⁸ Huber v. Hodges by Hodges v. Public Building Commission of Chicago, 864 F.Supp 1493, 150 (N.D. Ill 1994). But see Knight v. State of Alabama, 787 F.Supp. 1030, 1364 (N.D. Ala 1991) holding the school system was a program or activity.

¹⁹ United States v. City of Yonkers, 96 F.3d 600 (2nd Cir. 1996), 42 U.S.C. Section 2000d-4

²⁰ Chester Residents Concerned for Quality Living vs. Seif, 132 F.3d 925 (3rd Cir. 1997)

²¹ 42 U.S.C. 2000d-7.

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Methodology To Determine Barriers To Title VI Compliance In The Region

To determine the extent of Title VI compliance within the region, a four-part methodology was developed. First, the survey tool was developed to test general knowledge of the legal requirements; it was distributed to all units of local government within the region that are a part of this study. The nine-question survey, set forth on page 65 tested applicability as defined in the statute and determined which units received Federal financial assistance.

Second the survey sought to delineate direct recipients, indirect recipients, contractors, transferees and assignees. Third, the survey tested on-going education provided by responsible units of local government. Fourth, the survey tested knowledge and compliance with one specific form of discrimination under the provisions of Title VI – national origin discrimination based on a person’s inability to speak, read, write, or understand English.²²

Under Executive Order 13166, recipients of Federal financial assistance must reduce language barriers that preclude meaningful access to important government services. In Nichols, the court articulated four elements to consider in determining the level of discrimination. The starting point of the analysis is the number or proportion of persons the department serves that have Limited English Proficiency (LEP) . Departments must also consider the frequency of services requested by LEP clients. The last two elements that should be considered are the nature and importance of the program, along with resources available to the recipient. Courts have consistently held that State agencies, local agencies, sub recipients, direct and indirect recipients must comply with Executive Order 13166.

This specific form of discrimination was selected based on three factors, namely, (1) demographics that depict an increase in Hispanic and Latino populations in the region; (2) the current national visibility of the issue and, (3) the ease of compliance. All municipalities were asked to complete the same survey.²³ Please note that not all departments within the jurisdictions believed that compliance with Title VI was required of their department. In those instances, notes are included that incorporate a jurisdiction’s separate comments. The questions posed are:

²² Executive Order 13166; Lau v. Nichols (1974)

²³ Clark County, City of Henderson, City of North Las Vegas, Mesquite and Boulder City. Nevada Fair Housing Center, Inc. – March 2004

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Number	Question
1	Does your department have a policy statement regarding non-discrimination under Title VI?
2	List the types of federal funds received by the department.
3	Does the department have people who can translate for non-English speaking customers?
4	What are the barriers to providing services in languages other than English?
5	Please provide the name of the translation services company used for the hearing and visually impaired?
6	Does Staff receive on-going regular training on federal non-discrimination and equal access policy?
7	Does the department have a policy for handling complaints of discrimination and equal access to services?
8	How are department services marketed to the public at large?
9	Does the department provide contract opportunities for minority and/or women owned businesses? 24 C.F.R. 85.36(e)

In evaluating responses to the survey, this report looked at the number of Departments that meet the four elements of Title VI and the level of current versus required compliance.

Clark County

The most comprehensive summary and response to Title VI was provided by Clark County. Thirty-two departments responded, of those, four departments reported that they had a separate specific Title VI policy.²⁴ Eight additional departments stated that they adhere to the County's non-discrimination policy; however, the accompanying comments indicated confusion between Title VII and Title VI.²⁵ Fifteen receive some type of Federal financial assistance. Three responded not applicable. One did not answer the question. One reported being an indirect recipient of Federal financial assistance. With respect to Limited English Proficiency service providers, sixteen

²⁴ University Medical Center (UMC) attached a copy of the specific Title VI policy. It meets the standards for an appropriate policy.

²⁵ While an employment claim may be brought under Title VI, it's requirements are in addition to Title VII compliance.

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departments contract for the service. Twelve have employees within the department that perform the service.

Question four received the most diverse answers. Eleven departments reported no barriers to providing services in non-English languages. Nineteen articulate barriers in some form. Two departments stated that they served other County departments only.²⁶ One department offers paperwork in Spanish. Two departments stated that services were not provided because they were uncertain when services would be needed.

Of the sixteen departments that responded that Limited English Proficiency services were contracted out, only one provided the name of the service provider in question five. Six departments reported receiving education. In terms of processing complaints, nine departments reported having a specific policy. Twenty-eight departments used some form of marketing and outreach, including, but not limited to television, Internet, radio, flyers and community bulletin boards. In terms of minority contract opportunities, seven provided the opportunity; ten departments were uncertain or stated that the provision did not apply to them.

Table 20

Clark County Title VI Survey Responses

<i>Question No.</i>	<i>Yes</i>	<i>No</i>	<i>Uncertain/Other</i>
No. 1	4	10	8
No. 2	15	11	4
No. 3	12	2	16
No. 4	19	19	2
No. 5	1	13	1
No. 6	6	6	10
No. 7	9	3	10
No. 8	28	2	0
No. 9	7	5	10

City Of Henderson

Thirteen departments responded to the survey from the City of Henderson. Of those responding, four departments have a Title VI policy. One department stated that they relied on the City and assumed that a broad policy was in place. The type of Federal financial assistance received was broadly described. One department reported receiving assistance from time to time, but did not have a policy. Three departments

²⁶ One department issues payments for purchase / contractors. Communication under Title VI would be required.

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reported that no Federal financial assistance was received. No distinction was made between direct versus indirect assistance.

With respect to languages offered, one department offered Spanish, Dutch, French, German, Japanese, and Sign Language internally. Training on Title VI was reported as being offered by seven departments; however, the explanations listed focused on Title VII training.

Barriers to providing Title VI services were specifically discussed by ten departments. They included, but are not limited to, lack of Staff that speaks a second language, the number of languages encountered 'in the field', and the ability to pay for Title VI compliance. Only one department reported no requests for their program in other languages.

Only two departments used outside vendors for translation services, namely the Court, Nevada Relay and Blind Connect. The other departments that did not provide the services in house also did not use an outside contractor. Nine departments stated that there was a City or department policy for handling complaints. All departments reported marketing through four mediums: fact sheets, City web page, brochures or pamphlets. Eight departments reported that contract opportunities for minorities were provided; of these only one stated that the contracts contained the appropriate language.

The City of Henderson also has the "Top 10" computer program that allows a greater number of departments to program services in different languages.

Table 21

City of Henderson Title VI Survey Responses

<i>Question No.</i>	<i>Yes</i>	<i>No</i>	<i>Uncertain / Other</i>
<i>No. 1</i>	4	9	0
<i>No. 2</i>	10	3	0
<i>No. 3</i>	10	3	0
<i>No. 4</i>	7	6	0
<i>No. 5</i>	11	1	1
<i>No. 6</i>	3	10	0
<i>No. 7</i>	9	4	0
<i>No. 8</i>	13	0	0
<i>No. 9</i>	8	4	1

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City of North Las Vegas

Eleven responses were received from the City of North Las Vegas. Of these 99% reported that they had a Title VI policy statement. One relied on the City general Title VI statement. Only the finance department reported not receiving Federal financial assistance.

With respect to translators, currently there are 16 different translators available for six different languages. Each employee has the listing available in the City's telephone directory and on the website. This website includes information in Spanish, as well as English on City Departments and City business. Also, the City of North Las Vegas is the first in the Southern Nevada Region to provide Workplace Spanish as part of their training curriculum. The City Clerk's office has hired a full time certified interpreter to translate all documents generated by the City Clerk's office. This office maintains the official records for the City. Nine departments articulated barriers ranging from lack of funding/high cost, to lack of qualified internal Staff. Only one department said that no barriers existed to compliance. The three independent contractors used for translation services related only to disabilities, not Limited English Proficiency (LEP)²⁷ All the departments reported that they followed the City's policy to address complaints.²⁸ Similarly, all the departments reported conducting outreach through such avenues as the City's web page, media, brochures, publications and/or job fairs. While the complaint process is not specific to Title VI, the Citizen's Hotline is a specific telephone number for complaints and all complaints are recorded and tracked. The City of North Las Vegas, through Human Resources, provides job preference to persons who are bilingual. Also, training is provided to departments on Limited English Proficiency (LEP) compliance. Eight departments provide minority contract opportunities. Overall the charted results for the City of North Las Vegas are as follows:

Table 22

City of North Las Vegas Title VI Survey Responses

<i>Question No.</i>	<i>Yes</i>	<i>No</i>	<i>Uncertain/Other</i>
<i>No. 1</i>	10	0	1
<i>No. 2</i>	10	1	0
<i>No. 3</i>	9	2	0
<i>No. 4</i>	10	1	0
<i>No. 5</i>	9	1	1
<i>No. 6</i>	3	7	0
<i>No. 7</i>	11	0	0
<i>No. 8</i>	11	0	0
<i>No. 9</i>	8	3	0

²⁷ Sign Language Solution, Nevada Relay, Nevada Blind Center, (ISGHT)

²⁸ No copy of the City policy was provided.

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Boulder City

At the time of survey distribution, Boulder City did not have a Title VI policy.²⁹ Eleven departments responded to the survey. Despite the lack of formal policy, five (5) of the departments reported that they receive Federal financial assistance. Departments unanimously answered that they relied on the District Court to provide interpreters when needed. None had Staff to deal with Limited English Proficiency (LEP) requirements.

All respondents stated that, "this isn't a need at this time to provide City services in other languages...residents speak English very well." Unanimously departments reported that their Staffs received training on Title VII type issues. None specifically addressed Title VI training. Complaints, if any, are all sent to the personnel department. The City made no distinction between personnel complaints and those from the public.

Outreach and marketing is only done through the City's website www.bcnv.org. The City also reported difficulty with getting outside contractors to bid on projects.³⁰

Table 23

Boulder City Title VI Survey Responses

<i>Question No.</i>	<i>Yes</i>	<i>No</i>	<i>Uncertain/Other</i>
<i>No. 1</i>	0	11	0
<i>No. 2</i>	5	6	1
<i>No. 3</i>	0	11	0
<i>No. 4</i>	0	0	11
<i>No. 5</i>	11	0	0
<i>No. 6</i>	11	0	0
<i>No. 7</i>	11	0	0
<i>No. 8</i>	0	0	11
<i>No. 9</i>	0	0	11

City of Mesquite

The City of Mesquite submitted a policy statement regarding Title VII Equal Employment Opportunity. Only one department actually responded to the survey.

²⁹ The City Council was scheduled to adopt one on December 10, 2002.

³⁰ The author notes that this might be due to the distinction between LEP outreach and other outreach. Nevada Fair Housing Center, Inc. – March 2004

REGIONAL ANALYSIS OF IMPEDIMENTS

Conclusion

Although there is a growing sensitivity on the part of local governments to Limited English Proficiency, Title VI requirements, in all the jurisdictions surveyed, are confused by most units and departments, with Title VII. In many instances, departments make no distinction between the definitions for Title VI compliance, as contained in the statute or current case law. For example, many departments of local governments rely on some broad municipal policy. The knowledge of department applicability versus City or County wide applicability is not recognized.

In addition, the recipient of indirect Federal financial assistance as a trigger for Title VI compliance was not noted by any responding department. For example, a jurisdiction that receives flow through Federal financial assistance must comply with Title VI.

The region's most prevalent non-English language is Spanish. Despite the lack of funds for compliance and training, many departments have attempted compliance, based on the best information available. It is recommended that each department take the following steps to ensure compliance:

1. Encourage a re-assessment of whether they receive Federal financial assistance, with special attention to the issue of indirect recipients, as defined in case law;
2. Determine and define all program activities based on the legal definition contained in Title VI;
3. Conduct a series of Title VI trainings for all departments after one and two are complete (distinguish between Title VI and Title VII);
4. Adopt policies, where necessary (the County UMC policy could be used as a model);
5. Determine compliance by sub recipients, assignees and transferees;
6. Address Limited English Proficiency (LEP) requirements as a separate issue;
7. Provide public notice of Limited English Proficiency (LEP) compliance;
8. Identify all language assistance services and ensure that each department has appropriate access to the services; and
9. Put in place a mechanism to specifically monitor and evaluate Title VI compliance.

REGIONAL ANALYSIS OF IMPEDIMENTS

The State OF Fair Housing – Next Steps

This regional report identifies areas where the jurisdictions – Clark County, City of Henderson and City of North Las Vegas – exceed federal standards and where creative approaches to affirmatively further Fair Housing choices have been successful. The report also outlines where additional strategies are needed to address continuing impediments.

Within the past eight to ten years, each jurisdiction exceeded standards in the area of identifying barriers, education, and planning and partnership development.

Not all jurisdictions are engaged in community participation at the same level. In a rapidly changing Fair Housing market, issues that affect minorities in the area of fair and equal access to lending, is not adequately addressed. The jurisdictions exceed federal standards in supporting education for both the public and aggrieved parties.

All three jurisdictions face external barriers such as the adoption of appropriate ordinances that is sorely needed but difficult to accomplish is one example.

Five new barriers have been identified from independent source documentation, the FHCFG and the federal court Fair Housing litigation docket. In as much as Title VIII applies also to lending and zoning those barriers are also identified. Current barriers include:

- ❖ Accessibility non-compliance (private sector)
- ❖ Reasonable accommodation non-compliance (private sector)
- ❖ Inconsistent building codes that do not provide a “safe harbor” for private or non-profit developers
- ❖ Lack of and in some instances, occupancy codes that are confusing, thus resulting in Fair Housing litigation¹
- ❖ Higher rate of subprime lending to African Americans and Latino populations
- ❖ Loss of affordable housing stock because of wrongful foreclosures, some involving HOME clients; and
- ❖ Lack of understanding, at the department level, on the requirements of Title VI compliance.

Three of the identified barriers, accessibility, occupancy and lending, require complex solutions. For example, to address the accessibility issue, a revamp of

¹ This issue was addressed in the region in the last Fair Housing Plan for Clark County, City of Henderson and the City of North Las Vegas.

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the building codes is required. The jurisdictions undertook this process at the regional level in 2002; however, it has not yet been completed. Two jurisdictions, City of North Las Vegas and the City of Henderson have passed the safe harbor code. Both entities also, in July 2003 began stamping plans with the notice, "not inspected for Fair Housing accessibility".

A consistent approach to address barriers raised by the lack of an occupancy ordinance are also complex. On two separate occasions, the State legislature attempt to pass an ordinance. To date, efforts have been unsuccessful.

While the need for increased access to capital and credit by financial institutions has been documented consistently, required CRA activities are insufficient. Subprime lenders provide a service to consumers with blemished credit; however, the subset of predatory lending has increased in minority neighborhoods. This practice, according to recent court cases, has also impacted low to moderate-income consumers that benefit from government sponsored housing programs such as HOME and CDBG. Traditional housing counseling agencies lack the resources to assist consumers or to advertise their government sponsored programs. A solution must address the issue of marketing and loan flipping.

Less complex barriers could be addressed to education, public private partnerships and increased compliance monitoring.

Listed on the next page are seventeen different strategies. It is recommended that the strategies be incorporated into the Consolidated Action Plan.

It is estimated that the growth of Southern Nevada will continue over the next several years. As the protected class populations grow, the need to affirmatively further Fair Housing will increase.

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Identified Impediments

<i>Impediment</i>	<i>Recommendation</i>	<i>Timeline For Completion</i>
<i>Accessibility Compliance² (Code enforcement)</i>	Adopt, via ordinance the safe harbor provisions recommended by HUD	Completed July 2004
<i>Accessibility Compliance (Education)</i>	Educate housing providers, developers, architects and internal department staff on accessibility requirements	January 2005
<i>Accessibility (Zoning/planning approval)</i>	Stamp plans approved but not for ANSI or accessibility to properly put developers on notice	March 2005
<i>Reasonable Accommodation (External barrier)</i>	Encourage and support training for housing providers	April 2005
<i>Predatory Lending (Participating lenders)</i>	Request and support federal reform on predatory lending. Support and educate Congressional representatives, federal agencies and the public about the economic impact of predatory lending on the Southern Nevada affordable housing market.	December 2006
<i>Predatory Lending (Government programs)</i>	Establish a regional policy on subordination requests under the HOME program.	May 2005

² The three jurisdictions are adoption the safe harbor provision of the building code, as recommended by HUD. The City of Henderson has already passed the ordinance.

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<i>Group Home Ordinance (State/local task force)</i>	Work with the State legislature to reconcile definitions and provisions to prevent future law suits	January 2006
<i>Group Home Ordinance (Local clarification)</i>	Remove from the land use code all references to 'related individual'; make licensing disputes for group homes a separate division and fast track requests, as an accommodation	December 2005
<i>Group Homes (HOA)</i>	Publish policy that distinguishes plans approval from CCRs that may have Fair Housing violations contained therein	February 2005
<i>Title VI (education)</i>	Train all units of each jurisdiction on legal requirements of Title VI	February 2005
<i>Title VI (policy)</i>	Assess each unit of local government to determine status (direct recipient, indirect recipient, contractor, assignee, transferee, etc)	March 2005
<i>Title VI (implementation)</i>	Where appropriate, institute departmental Limited English Proficiency Programs	July 2005
<i>Title VI (sub recipients)</i>	Monitor and provide sub recipients with technical assistance to comply with Title VI	January 2005
<i>Anti-Discrimination Education (External)</i>	Develop public service announcements on television and the Internet about discrimination.	August 2005
<i>Fair Lending</i>	Participate in efforts to increase fair and equal access to credit	Ongoing

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Glossary

Affiliate – Any Company that controls, is controlled by, or is under common control with another Company. A company is under common control with another company if, both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore an affiliate.

Appraisal – An estimate of the value of property usually made by a qualified professional called an appraiser.

Analysis of Impediments (AI) – A Fair Housing study required by the Department of Housing and Urban Development of all entitlement jurisdictions.

Assessment Area (AA) – A geographic area that consists generally of one or more MAs (using the MA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivision, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

Balloon Payment – A loan payment that can equal all of the remaining loan balance or a large fraction of the initial balance in one payment. In prime lending, balloon payments can be used on second mortgages and other instruments to help finance the loan by making monthly payments lower.

Census Tract (CT) – Small, locally defined statistical areas within Metropolitan Areas. These area are determined by the United States Census Bureau in an attempt to group homogenous populations.

Community Development – Affordable housing for low-or moderate income individuals; community services targeted to low-or moderate-income individuals; activities that promote economic development.

Community Reinvestment Act (CRA) – A federal Law that requires financial institutions to serve all communities, including low-and moderate –income communities. CRA ensures that banks do not provide services solely in middle class or wealthy neighborhoods.

Concentration – As defined by HUD, a census tract with more than 7% of one race in any one category.

Deed – The legal document, which conveys title to a property.

Deed of Trust – An instrument given by the borrower to a trustee vesting title to the property in the trustee as security for the borrower's repayment of the mortgage loan.

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Equal Credit Opportunity Act (ECOA) – A federal law that requires lenders and other creditors to make credit equally available to persons without regards to their race, color, religion, national origin, age, sex, marital status, etc.

Equity Stripping – A loan based on equity in a property rather than on the borrower's ability to repay the loan.

Fair Housing Act (FHA) – Fair Housing Act definition– this law makes it illegal to discriminate in housing sales or rentals or in housing lending and insurance on the basis of race, color, national origin, familial status, disability, sex, and religion.

Fair Housing Community Focus Group (FHCFG) – A committee of community stakeholders formed to develop the scope of the AI, review raw data and provide community input about Fair Housing issues in the community.

Fair Housing Plan (FHP) – Document adopted by local jurisdictions that provides specific strategies to affirmatively further Fair Housing.

Federal Deposit Insurance Corporation (FDIC) - A federal agency that insures deposits in member banks and thrifts up to \$100,000.

Flipping – Inducing a consumer to refinance a loan repeatedly – often charging high points and fees each time.

Foreclosure – The legal process by which a lender takes possession of real estate that was used to secure a loan. This most often occurs when the borrower defaults or fails to pay a loan.

Geography – A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Good Faith Estimate (GFE) – A document that provides an extensive itemization of the costs that the consumer is expected to incur in connection with the closing of the mortgage loan.

Home Mortgage Disclosure Act (HMDA) – Federal law requiring some financial institutions to disclose certain information about their home mortgage activities to the government and the public.

Household -- A group of persons whose usual place of residence is a specific housing unit; these persons may or may not be related to each other. The total of all U.S. households represents the total civilian non-institutionalized population. Does not include group quarters (i.e., 10 or more persons living together, none of whom are related).

Household Income -- The money income of all family members in a household, including those temporarily absent. Annual income is asked for the 12 months preceding the interview. Includes income from all sources, such as wages and salary, commissions, tips, cash bonuses, income from a business or farm, pensions, dividends, interest, unemployment or work men's compensation, social security, veterans' payments, rent received from owned property (minus the operating costs),

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public assistance payments, regular gifts of money from friends or relatives not living in the household, alimony, child support, and other kinds of periodic money income other than earnings. Excludes in-kind income such as room and board, insurance payments, lump-sum inheritances, occasional gifts of money from persons not living in the same household, withdrawal of savings from banks, tax refunds, and the proceeds of the sale of one's house, car or other personal property.

Housing & Urban Development (HUD) – Federal agency responsible for encouraging housing development.

HUD 1/HUD –1A Settlement Sheet – A document which shows an itemized list of costs payable at the closing or settlement. Borrowers receive this document when entering into a mortgage or when entering into a loan that uses real property as collateral.

Impediments to Fair Housing Choice – Any action, commission or decision taken because of race, color, religion, sex, disability, familial status or national origin which restricts housing choices or the availability of housing choices; or decisions that have an effect of *restricting* housing choices on the basis of race color, religion, sex, disability, familial status or national origin.

Increasingly White – Area (census tract) with a 5% to 20% decrease in minority population.

Legislative – Law making; Governmental

Living Patterns – Emerging trends in where people live.

Minority Population Increase – Area with a 5% to 20% increase in minority population.

Mortgage – A voluntary lien placed on a property to ensure that a borrower repays the loan. It gives the lender a security interest in the borrower's property.

Mortgage Broker – An individual or company that brings borrowers and lenders together for the purpose of loan origination. Unlike a traditional bank, brokers do not fund the loan, but work on behalf of several lenders. Brokers typically require a fee or a commission for their services.

Office of the Comptroller of the Currency (OCC) – A bureau of the U.S. Treasury Department designed to safeguard bank operations and the public interest through its general supervision over the operations of national banks.

Packing - Adding Credit Insurance or other credits to increase lenders, brokers profit (Federal Law does not prohibit this, but the lender, broker of financial institution has to include the amount of the premium in the finance charge & annual interest rate).

Plaintiff - A person who brings an action in a court of law; the party that initiates a lawsuit.

Predatory Lending – Making unaffordable loans based on the assets of the borrower rather than on the borrower's ability to repay an obligation; including a borrower to refinance a loan, often

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repeatedly, in order to charge high points and fees on the refinance; and engaging in fraud and deception to conceal from an unsuspecting or unsophisticated borrower the true nature of the loan obligation. Resulting in devastating effects on the families' financial status.

Real State Settlement Procedures Act (RESPA) – A law enacted in 1974 to protect homebuyers/homeowners from unnecessary high settlement costs, fraud and abuse in the home purchase/home refinance process. It currently covers virtually all loans secured by borrower's home. It imposes disclosure requirements and prohibits kickbacks for referrals in a real estate transaction.

Statutes – A legislative act or law; a decree, verdict, declaration, law, bill and or proposal.

Title VI – Title VI is designed to provide flexibility to assist states in the development of strategies to target Federal funds to Federal programs that most effectively address the unique needs of States and localities. Funds will be provided to enhance state and local assessment systems and to improve the dissemination of information on student achievement and school performance to parents, community and other interested parties. States and local educational agencies will have the flexibility to target Federal funds to Federal programs that most effectively address the unique needs of States and localities. Additionally, there are allocations for certain activities authorized under this act.

Title VIII – The short name for the Fair Housing Act as codified in 42 U.S.C. Section 3601 et. seq.

Truth in Lending Act (TILA) – A federal law that imposes disclosure requirements on lenders. The disclosures are intended to facilitate the consumer's understanding of the loan transaction.

Yield Spread Premiums (YSP) – Payments by lenders to mortgage brokers that reflect the value to a lender making a loan higher interest rate rather than the borrowers qualifies for.