



**Analysis of Impediments to
Fair Housing Choice**
for
The City of San Angelo, Texas

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General

This Analysis of Impediments to Fair Housing Choice (AI) examines policies and practices that may limit San Angelo area residents' ability to choose housing in an environment free from discrimination. The U.S. Department of Housing and Urban Development (HUD) requires entitlement jurisdictions to develop action plans to overcome the effects of identified impediments to fair housing choice. Therefore, the AI is the necessary first step in the Fair Housing Planning process. HUD wants entitlement jurisdictions to become fully aware of the existence, nature, extent, and causes of all fair housing problems and resources available to solve them.

The City of San Angelo in coordination and partnership with Community Development Initiatives at Angelo State University conducted research on various issues affecting fair housing to include demographics, zoning, and transportation. Additionally, the team interviewed key officials and citizens and held public meetings to obtain citizen input. The work included a comprehensive review of current information and data that impacts availability and accessibility of housing in San Angelo. The review also included an assessment of conditions (public and private) that affect and impede housing choice and included the following:

- A comprehensive review of San Angelo's laws, regulations and administrative policies, procedures and practices;
- An assessment of how laws, regulations and administrative policies, procedures and practices impact the locations, availability and accessibility of housing;
- An assessment of conditions (public or private) affecting fair housing choice for protected classes; and
- An assessment of the availability of affordable, accessible housing in diverse unit sizes.

Impediments to fair housing are defined as follows: *"Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin."* Fair Housing Planning Guide (HUD), Volume 1.

Specifically, the research and review included the following:

- A review of demographic patterns in San Angelo (using census and other readily available and accurate data), especially patterns that may indicate whether protected classes are concentrated within specific areas of the city.
- A review of local laws and ordinances that may affect the availability of housing for minorities, families with children, and people with disabilities.
- A review of public policies and actions that influence the approval process for the

construction of subsidized and private housing.

- A review of public policies and actions that prevent the extension of housing and community development resources to areas which have a large concentration of minorities or people with disabilities.
- A review of how administrative actions influence the location of public transportation and the inhibition or concentration of housing and social services for people with disabilities.
- A review of policies and practices that affect the representation of racial/ethnic minorities and religious and disabled communities on municipal boards and commissions related to housing.
- A review of private sector practices that affect the sale or rental of housing and real estate practices.
- A review of the filing and disposition of housing discrimination complaints and law suits filed within the city.
- A review of data on the degree of segregation and incidents of racial violence.

While there are many impediments that affect housing choice to some degree, the team discovered that the major barriers to affordable housing are lack of financial resources and inadequate credit scores. Extremely low income persons will have a difficult time finding affordable housing, defined as housing that costs 30% or more of their gross income. Education and job training may provide a way to higher income and better living conditions for some low income families. However, elderly and disabled individuals are often unable to increase their income or improve their living conditions through these means. In addition to inadequate income and credit worthiness, there are other issues that may indirectly affect fair housing choices. A growing elderly population, racial and ethnic divergences, and slow economic growth are examples.

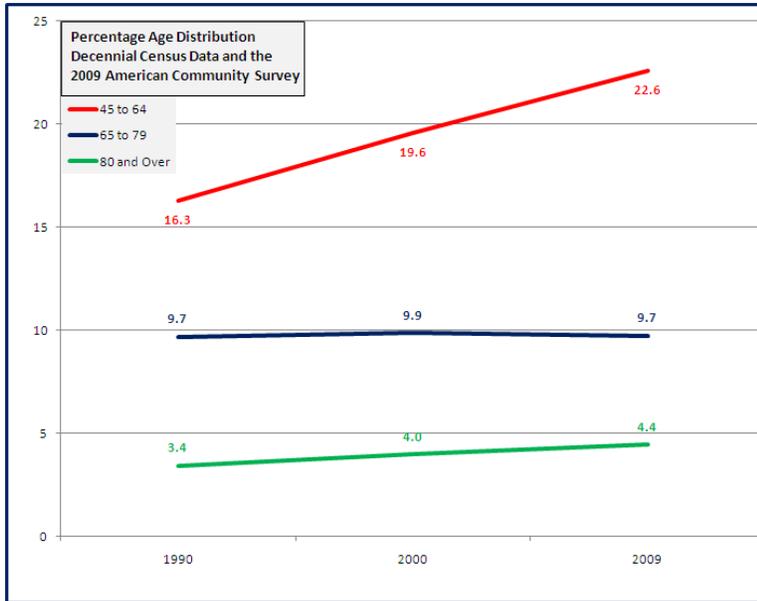
City Demography and Impediments to Fair Housing

The Census Bureau enumerated 84,474 San Angelo residents and 30,661 households for 1990. The population increased by 5 percent during the 1990s, and then by another 4 percent during the current decade. The most recent Census population estimate for San Angelo was 91,659 residents and 36,636 households in 2009.

Households increased by a more rapid clip than the population over the past two decades. During the 1990s, there was an 11 percent growth in the number of San Angelo households, and another 8 percent increase occurred since the year 2000. The Census Bureau approximated the number of households for 2009 at 36,636, a number that reduced the average size of occupied households from 2.59 in 1990 to 2.42 in 2009. San Angelo is not a city impeded as some areas are by explosive population growth and lagging numbers of housing

units. However, other aspects of the city's demographic picture do pose obstacles to fair housing choice.

The increase in the median age of the population from 30.5 years in 1990 to 32.7 in 2009 signals an aging trend that will likely challenge the City more aggressively in years ahead. It is noteworthy that the city's population under the age of 45 has steadily declined from 70.6 percent in 1990 to about 63.3 percent in 2009. The percent of children under age 18 has fallen most steeply, moving from 27 percent in 1990 to 23 percent in 2009.



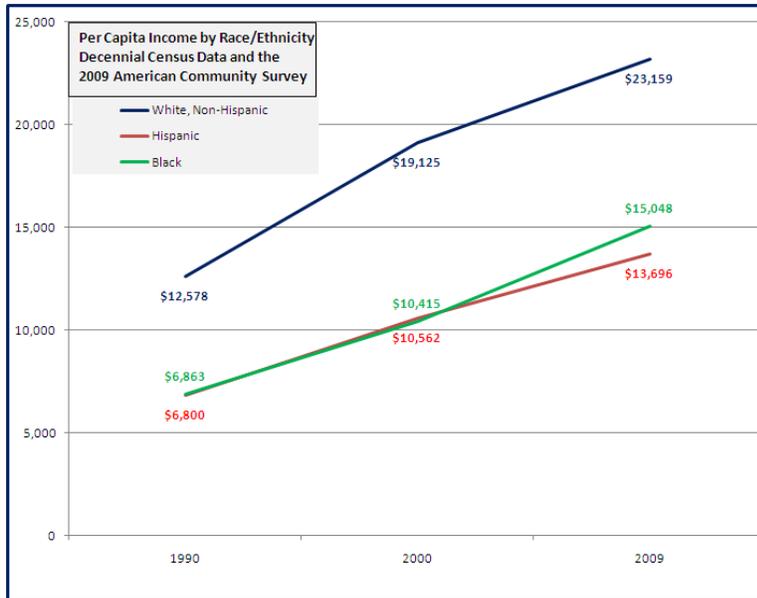
The elder population age 65 and over has grown only by a modest 1 percent (from 13.1 to 14.1) since 1990. However, the segment of the elder population that accounts for virtually all the proportional increase is age 80 and above. This part of the senior group grew from 3.4 percent of the total city population in 1990 to 4.4 percent in 2009.

Given social trends toward improved elder health and independent living, a continued surge of the senior population's housing needs and expectations

will challenge the City in the future. The coming surge, moreover, is virtually guaranteed by the current growth trend of the pre-elder segment ranging in age from 45 to 64. This is the city's most rapidly increasing age group, expanding from 16.3 percent of residents in 1990 to 22.6 percent in 2009.

Racial and ethnic divergences in the city also portend challenging impediments to housing. San Angelo is moving rapidly away from being numerically dominated by Whites with non-Hispanic cultural ancestry. The White, non-Hispanic segment of the population has fallen from 66 percent in 1990 to an estimated 53 percent for 2009. This decline is paralleled by a steep increase in the city's Hispanic population and a steady proportion of Blacks. Blacks comprised fewer than 5 percent (4.6%) in both 1990 and in 2009. Hispanics, on the other hand, grew from 28 percent of residents in 1990 to 40 percent in 2009. Other racial and ethnic groups, though small in numbers, grew from 1.5 percent to 3.7 percent of the city's people between 1990 and 2009.

Potential housing impediments rooted in the racial and ethnic makeup of the city focus along two dimensions. First is a substantial and persistent disparity of financial resources that cuts along racial and ethnic lines. Trends in per capita income are illustrative.



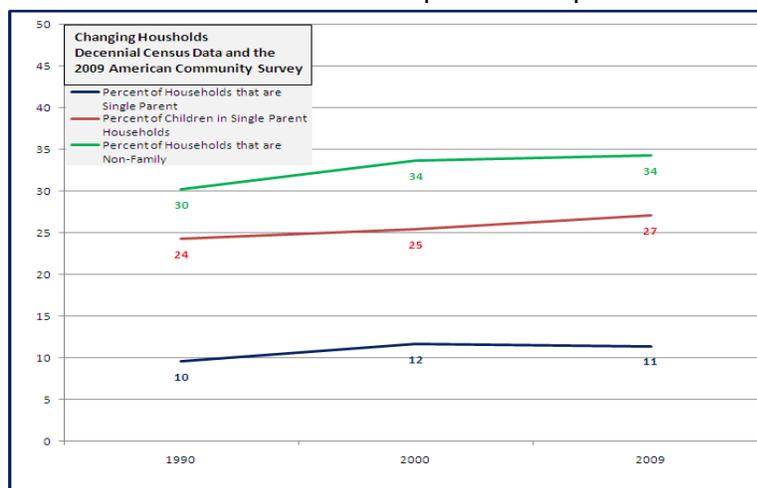
Since 1990, per capita income among the city's White, non-Hispanic population grew by 85 percent from \$12,578 per person in 1990 to \$23,159 in 2009. The percentage of increase in per capita income was even greater over this time for Blacks (a 119% gain) and Hispanics (a 101% gain). Thus, while income resources are persistently lower for Blacks and Hispanics compared to Whites, more rapid per capita income gains by minorities have begun to close the disparity over the last two

decades. Still, in 2009 the disparity between the per capita income of Hispanics (the city's lowest income group) and White, non-Hispanics was a 69 percentage-point differential. Despite improvements toward income equity, significant deficiencies of income resource continue to impede the housing opportunities of the city's Hispanic and Black populations.

A second dimension of potential impediments related to the racial and ethnic makeup of residents arises from isolation. This is particularly notable

Target Area	Census Tract	50%+ Hispanic Block Groups
Reagan	4	8
Blackshear	5	2
Fort Concho	7 & 9	8
Rio Vista	14	2
Total		20

within the city's Hispanic population. One observable form of isolation develops when neighborhoods become "ethnic enclaves" with high concentrations of residents representing a single group. The 2000 Census identified 5 census block groups in San Angelo with concentrations of more than 80 percent Hispanic households, and another 8 block groups with



Hispanic concentration ranging from 60-79 percent. Across the city, there were a total of 24 census block groups with 50 percent or more Hispanic household concentration. Overall, 20 of these were located within San Angelo's revitalization target areas. Results of the 2010 Census, when available, will provide further data on high residential concentrations within

the city.

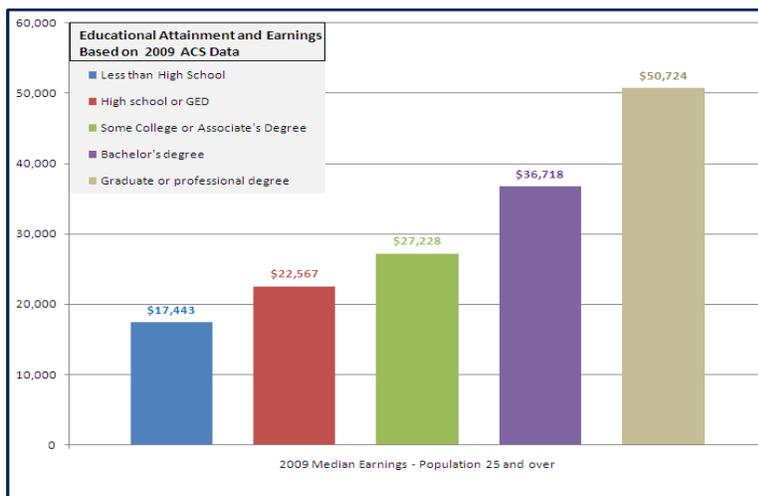
A related form of residential isolation results from language abilities within households. The Census Bureau defines a household as linguistically isolated when all members 14 years old and over have difficulty using English. In San Angelo, slightly fewer than 5 percent of households (4.9 percent in the 2000 census and 4.4 percent in the 2009 American Community Survey) are classified as linguistically isolated. Almost all of these are Spanish-speaking households, and the numbers of language isolated households are higher in the City’s target revitalization areas. Another demographic feature in San Angelo contributing to impediments to fair housing is the changing composition of households. Since 1990, the proportion of married-couple households has fallen from 56 to 48 percent, and married-couples with children decreased from 29 to 22 percent of households across the city.

Corresponding to these trends in household composition are increases in non-family households (growing from 30 to 34 percent of households since 1990) and single parent families (rising from 10 to 11 percent since 1990). Citywide, the percentage of children living with single parents has also grown from 24 percent in 1990 to 27 percent in 2009. These patterns signal changes in household lifestyles and housing needs.

San Angelo residents have attained increasing levels of education over time. In 1990, for example, some 29 percent of the population age 25 and over had failed to achieve a high school diploma or GED equivalent. This has decreased to 20 percent in 2009 while those with the high school diploma or equivalent grew from 26 to 28 percent between 1990 and 2009. During the same time, the numbers achieving at least some college level study climbed from 27 to 32 percent and those with Bachelor’s degrees or higher

Population Age 25 and Older	1990 Percent	2009 Percent
Less than High School	29.1	20.1
High School or Equivalent	26.1	27.7
Some College or Associate’s	27.3	32.0
Bachelor’s or Higher	17.6	20.1

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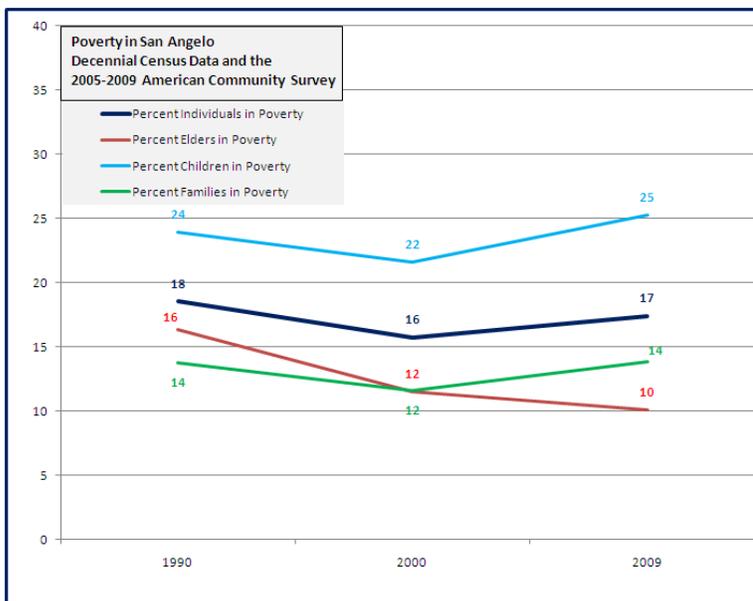
The increase of educational attainment by San Angelo residents may help remove impediments and promote fair housing choice in some ways. It may be, for example, that improved education in the community means the overall population has greater capacity to navigate credit and financial (as

well as sociological) challenges to fair housing choice, although further study is needed to confirm this speculation. Still, it is well-known that educational attainment is linked strongly to

individual earnings; a fact that points to housing impediments faced by a sizeable number of San Angelo residents at the bottom rungs of education.

Notwithstanding the community's gains in education, some 48 percent of the population age 25 and over have achieved no more than a high school level. In turn, median annual earnings for those with a high school diploma amounted to \$22,567 in 2009, while the median for those who failed to achieve the diploma or its equivalent was 29 percent less than that amount at \$17,443. The many San Angelo residents unable to attain at least some college level education face significant housing challenges due to low earnings.

The persistence of low income and poverty in San Angelo is fundamental to impediments to housing choice. Indeed, poverty rates (measured in terms of population with income below the official poverty threshold) have been high and constant since 1990. In that year, 18 percent of the overall population lived with income resources below the poverty threshold. The same number for 2009 was 17 percent. Percentages of children and families living below the poverty threshold have been similarly persistent over time.



The only subpopulation of the city with a significant reduction of poverty is seniors. In 1990, 16 percent of residents age 65 and over lived below the poverty threshold. This reduced to 10 percent in the Census Bureau's combined data for 2005-2009.

Individuals with disabilities, of course, often face challenges to acquiring housing that meets their needs. This factor is moderating as an impediment to housing in San Angelo due to a 34 percent decline in the disabled population from about 16,317 in the 2000 Census to an estimated 10,731 from the 2009 American Community Survey.

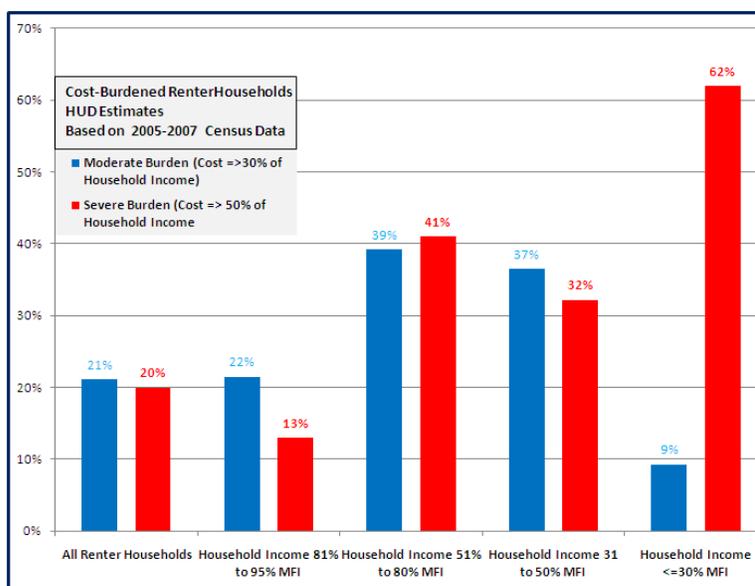
Still, there are demographic features of the disabled population that portend housing impediments. For example, 46 percent of disabled individuals are elderly. The labor force participation rate is only 37 percent for disabled persons between age 18 and 64 compared to the city's overall labor force participation rate of 62 percent among the population age 16 and over. The poverty rate for disabled individuals is 20 percent compared to the overall 17 percent rate citywide. Adults (over age 18) with impairments that interfere with independent living add up to 18 percent of the disabled population and 30 percent of those living below the poverty threshold. Disabled persons are a declining segment of the city's population, but significant numbers of disabled individuals are elderly, poor, unable to work, impaired in their ability to live independently and likely to face impediments to housing. Indeed, the latest Comprehensive

Housing Affordability Strategy (CHAS) data from HUD estimates that there are approximately 4,810 local households with disabled persons and that about 44 percent of those households have one or more housing problems.

The Market and Affordable Housing

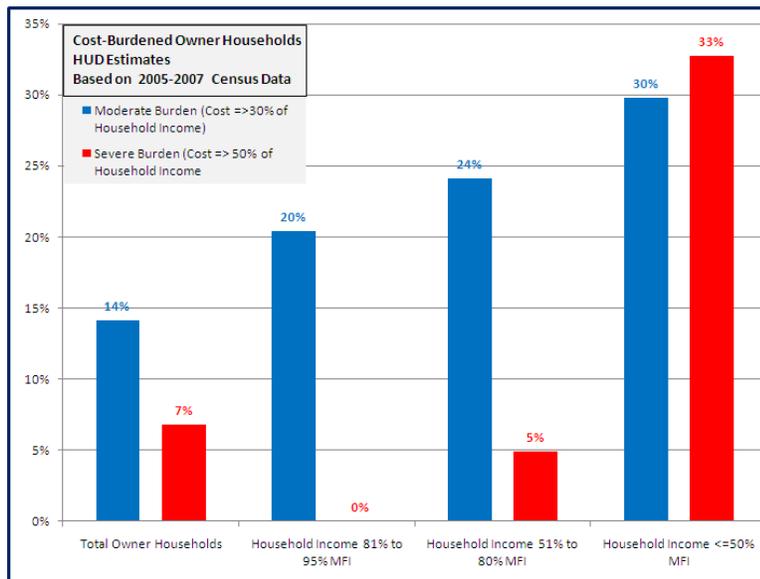
HUD estimates that 27.3 percent of local households are cost burdened based on data collected in the Census Bureau's three-year American Community Survey sample covering 2005-2007. Most of these, 16.3 percent, are moderately burdened, meaning that housing costs fall between 30 and 49 percent of household income. Another 11 percent are severely burdened with housing costs amounting to half or more of household income.

More detailed analysis shows that local market housing costs represent a significant barrier to housing, especially in the rental market serving the lowest income households below 30 percent of the median family income (MFI). Using the same Census Bureau data set, estimates are that extremely low income households in this range make up about 11 percent (some 4,500) of all households, with higher concentrations in the revitalization target areas. While rental units comprise about one-third (32%) of



available housing, only about 14 percent of local rentals (approximately 1,825 units or 5% of all housing units) are priced at levels that would allow an extremely low income household to achieve an affordable housing cost not exceeding 30 percent of household income. The HUD assessment further indicates that only about 3 percent of available unoccupied rental units are in this price range. The impact of the lack of rental housing in the affordable cost range for

extremely low income residents is that about 62 percent of households in this group are severely burdened with housing costs exceeding 50 percent of income.



The local market for homeowners produces somewhat better results. Only about 21 percent of all homeowners are moderately or

severely burdened by housing costs compared to 41 percent of all renters. In addition, HUD approximates that 57 percent of owner occupied units are affordable at the household income level of 50 percent of MFI, and as many as 77 percent of units for sale in the local market are feasible for homebuyers at this income level. Still, the cost of owning a home in the local market significantly challenges the means of low income households below half of MFI. There are about 5,000 local homeowners with income below 50 percent of MFI. They comprise about 18 percent of all owners, and the data indicates that more than 60 percent of them are moderately (30%) or severely (33%) cost burdened.

Economic Development

Slow economic development in San Angelo is a barrier preventing residents from having the financial means to access safe, decent, sanitary, and affordable housing. Between 1998 and 2007, the economy in many parts of the state saw large increases in employment numbers, with some areas experiencing as much as 56 percent growth in jobs. Several West Texas benchmark cities also maintained steady growth including Midland with 25 percent, Odessa with 18 percent, and Abilene with 8 percent increase in jobs. During that same time, San Angelo experienced very little improvement in the job market, with several years seeing decreases. The overall increase from 1998 to 2007 for San Angelo was a mere 1.58 percent.

Year	Employment	Percent Change
1998	44,200	
1999	43,800	-0.9
2000	44,300	1.1
2001	44,700	0.9
2002	44,400	-0.7
2003	44,000	-0.9
2004	43,500	-1.1
2005	43,900	0.9
2006	44,700	1.9
2007	44,900	0.4

Source: Texas Workforce Commission

The City and the Chamber of Commerce continue to place emphasis on economic development, and these efforts should be enhanced by the recent approval of San Angelo voters to eliminate the sunset on the ½ Cent Sales Tax for Economic Development. The hope is that projects funded by the tax revenue will help increase employment which in turn will provide capital for adequate housing. A recent example of the success of the economic development strategy is the incentives package of over \$5.6M the City Council and its economic development board offered in cash, tax rebates and waived fees to a European company wanting to build its first North American wind-turbine manufacturing plant. The \$30 million factory covers 170,000 square feet on 32-acres. Eventually, the plant will ship wind energy towers across the region and nation. It should attract additional wind energy-related jobs. The estimated 10-year economic impact in San Angelo is nearly \$150 million and over 225 jobs.

Other efforts to reduce barriers to economic development include:

Tax Abatements: The City of San Angelo and Tom Green County may provide personal property and real estate tax abatements for periods of 5 to 7 years. Abatement levels range from 20% to 75% and are determined by the number of new jobs created and/or the amount of new investment in the community. All companies receiving the abatements must meet the minimum job creation level of 5 new jobs and no less than \$250,000 in new valuation in either real estate and/or personal property.

Inventory Tax Exemptions: All three taxing districts within San Angelo (City, County, the San Angelo Independent School District) may provide 100 percent tax exemptions for inventory and work-in-process that will be shipped outside of the state of Texas and kept on site for less than 175 days. San Angelo is one of the few cities in Texas where all three taxing districts provide this incentive.

Tom Green County/San Angelo Enterprise Zone: The Zone was created by the Texas Department of Economic Development in 1996, and renewed in September of 2003. Unlike the local tax abatement program, all businesses are eligible for designation as a “project.” However, there are a limited number of projects selected state-wide, so job creation and job quality are important considerations for each project.

Industrial District Designation: A company that wishes to locate outside of the city limits of San Angelo and still avail themselves of City services may apply to the City for designation as an industrial district, with the expectation that they will be annexed at some future date. These agreements typically last for 7 years, but may be extended. During this period of time they are outside of the city limits, the company does not pay personal property tax (inventory and equipment), but does pay a negotiated percentage of real estate tax. Past agreements called for 10 percent of the tax in year one, 20 percent in year two, and so on.

Other Assistance: San Angelo’s public and private sectors work together to help create an atmosphere for new job creation. The Chamber of Commerce can provide coordination of services such as incentives, training, financial arrangements, finding available land and buildings, and referring business owners to helpful services provided by the Angelo State University Small Business Development Center and the Concho Valley Center for Entrepreneurial Development.

General Overview of City Policies and Procedures

The City of San Angelo staff believes that it does not have regulatory provisions which unreasonably bar or create barriers to affordable housing. The City regularly reviews its various development standards, and during that process seeks to identify any potential barriers to the construction or maintenance of affordable housing units. The City of San Angelo is situated within the approximate center of Tom Green County, Texas. According to the 2000 Census, more than 85% of the county’s population resides inside municipal limits. San Angelo

encompasses a broad diversity of housing types and sizes, as well as a broad range of household income distribution.

The City has a Comprehensive Land Use Plan, subdivision regulations, zoning, and building codes. Tom Green County does not have zoning ordinances or building codes; and under state law, the City has exclusive authority for subdivision review and approval within its extra-territorial jurisdiction, which extends for a distance up to three and one-half miles beyond the corporate city limits. This process provides an opportunity for better growth management of subdivisions that may be annexed to the City in the future. There are no growth control measures or ordinances that would unreasonably affect the supply of affordable housing or unreasonably add to housing costs. Subdivision, land use and zoning regulations are less restrictive in most instances in San Angelo than in most other cities in Texas. Additionally, there is no duplication of local jurisdictions controlling land uses and development within San Angelo. Development related ordinances are adopted and enforced solely by the City both within the corporate limits of the city and its extraterritorial jurisdiction. The development process does not involve redundant and time-consuming steps that would add unnecessarily to housing costs.

Zoning

The majority of existing housing units in San Angelo lie within the RS-1 (Single Family Residence) zoning district. The RS-1 or Single Family Residential classification has a minimum lot size of 5,000 square feet, with a minimum frontage of 50 feet. Lots are required to be 100 feet in depth, and houses have a height restriction of 35 feet. Such lots are additionally required to have building lines of five feet from the side lot boundaries and front building lines 25 feet from the street. The City permits floor area in single family homes to comprise up to 40% of each home's total lot area. Also, the City allows zero lot-line, duplex and townhouse development in the appropriate zoning districts. San Angelo's zoning ordinance requires no minimum dwelling size in any of its residential zoning classifications. Most types of residential dwelling may be built within the city so long as each type of dwelling is located in an appropriately zoned district and built in accordance with the applicable provisions for that district.

The only zoning limitation identified by Planning Department staff as potentially restricting housing is the restriction on the placement of mobile or manufactured homes within most residential zoning districts. Existing mobile and manufactured homes are scattered in the older areas of the city, mostly as a result of less restrictive policies and regulatory practices employed decades ago. On many but not all of these individual lots where mobile and manufactured housing was previously allowed, existing homes may be removed and replaced with newer models. Except in these instances, mobile and manufactured housing may now only be installed in areas where they are permitted by zoning regulations, provided that such homes are installed on an approved foundation, and provided that the utility lines and connections comply with the applicable regulations. A permit is required for the installation of a mobile or manufactured home. State laws prohibit cities from requiring modification of a state or HUD Code compliant manufactured home. The City's zoning laws and building codes do not

establish minimum dwelling sizes, regulate shape or dictate specific exterior wall or roof finishes which might conflict with this prohibition.

In the past, special use permits (SUP) were issued without regard to the affect on neighborhoods. One such instance was a SUP for a junk yard in a predominately African American neighborhood which is a violation of the City's zoning policies. However, the City rectified the situation by lifting the SUP and is currently pursuing action for the landowner to clean up the area.

Building Codes

Construction codes, as adopted by the City Council and enforced by the Inspections and Permits Department, include the following: International Building Code (2003 Edition), International Residential Code (2003 Edition), International Mechanical Code (2003 Edition), International Plumbing Code (2003 Edition), International Energy Conservation Code (2003 Edition), and International Fire Code (2003 Edition) as published by the International Code Council, Inc., and National Electrical Code (2002 Edition) as published by the National Fire Protection Association. These codes, along with certain local amendments, are in place in order to regulate minimum construction standards, contractor licensing, administrative procedures and permit fees as well as to protect the general health, safety and welfare of our citizens.

The adopted standard codes and local amendments establish minimum standards for dwellings. Those standards impact such things as: elimination of fire and shock hazards, assuring structural stability, assuring sanitary disposal of waste and sewage, providing for protection of the potable water supply, providing adequate shelter from the elements, providing for safety glass in doors subject to human impact, requiring approved smoke detectors, requiring safe electrical outlets and grounding for the electrical system; requiring adequate ventilation and sanitary facilities, and providing for adequate bracing for walls and roofs. In essence, these codes and local amendments address requirements consistent with public safety, health, and general welfare of San Angelo's residents and do not address mere aesthetics in housing construction. In some instances, the local amendments to the adopted codes may impact the cost of housing, such as minimum floor grades for house foundations and building numbering requirements. Such local amendments are designed to provide better housing over the life of the structure.

One local construction board is in place in order to function as an appeals board and to act as an advisory board to the City Council concerning construction regulations. Some Texas cities have multiple construction boards, but San Angelo has streamlined the process and made it easier for applicants by establishing a single board for all construction related activities. The Construction Board of Adjustments and Appeals is a nine member board composed of various construction, trade, professional, real estate, and citizen representatives. This Board will hear and act upon appeals from decisions of the building official concerning regulations of the various construction codes and local amendments in effect in San Angelo. The members of this Board serve without compensation and are appointed by the City Council to two-year terms. Code

review and recommended legislative action related to eliminating unnecessary or outdated requirements is carried out by the Inspections and Permits Department staff and the Construction Board of Adjustments and Appeals. Additionally, the code companies continually update their respective codes and the City obtains new editions for review and possible adoption by the City Council.

As stated previously, the Board plays an important role in the code adoption process. Amendments to the various construction codes are reviewed during public meetings, giving local industry members an opportunity to voice opinions prior to Board action. The Board then makes recommendations to the City Council concerning action on code amendments. Although the Board has no legislative power, the members who comprise the Board represent a cross section of the local industry, business, and citizen concerns and they can effectively advise the City Council on code related items.

The City allows plumbing work to be done by the homeowner or a member of the homeowner's immediate family who resides at the dwelling. This provision can provide a savings to the homeowners who wish to do plumbing repairs themselves rather than hire a licensed plumber. A similar homeowner's exemption for electrical work exists, which should also result in some cost savings. There are no substantive amendments to the mechanical code or the fire prevention code.

All contractors are required to register with the City and most residential contractors must now register with the Texas Residential Construction Commission. City registration fees are \$30.00 each year. Plumbing contractors are licensed by the state and a certificate of insurance in the amount of at least \$100,000 combined single limit liability policy is required. Mechanical contractors must meet state licensing and insurance requirements, and they must show proof of their state license and insurance prior to issuance of a permit. Electrical contractors are required to obtain a state license for apprentice, residential, journeyman and master electricians. The City also requires liability insurance for electrical contractors.

Permit fees are required prior to issuance of any permit for construction or remodeling. These fees are used to supplement the funding of the Inspections and Permits Department budget; however, present fee schedules fund only 80% - 90% of the department budget. The remainder of the budget is funded from the City's general fund revenues.

While the cost of federal government requirements enforced through mortgage insurance approval and the cost of installation of required infrastructure necessary to meet City standards are passed on to owners and renters, City staff feels confident that few local regulations exist which have an adverse impact on the ability of the private housing industry to build affordable housing. Housing rehabilitation costs are increased due to the requirements of federal regulations such as lead-based paint and asbestos abatement, removal of unvented heaters, and increases in the numbers and types of electrical outlets.

Physical Limitations

The City of San Angelo, like many cities, is located near a source of water. The city is affected by the floodplains of the North, South and Middle Concho Rivers. Mortgage lenders are encouraged and/or are required by federal regulations to require that any unit that is in the floodplain is either at or above the floodplain elevation and not be in the floodway of any of the above bodies of water. Many older areas of the city are in the floodplain because rivers meander through the original town site to their confluence. A significant portion of the floodplain area is occupied by predominantly low-income residents. This restricts the availability of funds to rehabilitate or repair older dilapidated houses of these low-income residents. Additionally, much undeveloped land, which would otherwise be available for the construction of low-income housing, is in the floodplain. The City requires that new construction within the floodplain occur at or above the base flood elevation. If a dwelling or commercial building located within the 100 year floodplain is damaged to a point where repairs would exceed 50% of the market value, reconstruction is permitted only if the floor elevation of the structure is elevated to the base flood elevation. No new construction or relocation is allowed in the floodway. Existing residential dwellings and non-residential structures in the floodway prior to June 1974 are permitted to remain. However, if a dwelling or commercial building located within the floodway is damaged to a point where repairs would exceed 50% of the market value, reconstruction is not permitted.

Revised Flood Insurance Rate Maps ("FIRM") were published by Federal Emergency Management Agency ("FEMA") effective March 2, 1994. This revision was issued to update corporate limits, to change base flood elevations, to add base flood elevations, to add special flood hazard areas, to change special flood hazard areas and to change zone designations. FEMA has advised the City that it will update the Flood Insurance Rate Maps again within the next two to three years. The City participates in the National Flood Insurance Program ("NFIP"). The City's Floodplain Ordinance was adopted and is enforced as a necessary prerequisite to meet FEMA's minimum standards for continued participation in the NFIP.

Affordability

Although the San Angelo region has relatively low-cost housing, not all groups benefit. Much of the housing is for sale and, even at the lower end, is priced beyond the means of lower-income families. While rental housing is less expensive, the majority of multi-family housing consists of smaller one- and two- bedroom units. Historically, the San Angelo region has had a sufficient stock of single-family home rentals where larger households could find three or more bedrooms. The cost to rent these larger single family homes can be expected to increase beyond the reach of many low-income minority households. Moreover, demographic data show that minority families on average have lower per capita income and larger household sizes in nearly all communities. These families find themselves in a highly competitive market for the few larger rental units available.

Per capita income in San Angelo is about one-fourth below the Texas average. Hispanic and Black per capita income is less than half of White per capita income. Poverty rates for all minority groups in San Angelo are two to three times the rate for Whites, averaging more than twenty percent for Blacks and Hispanics. Poverty rates for single females with children are high across the city.

Banking and Lending Policies

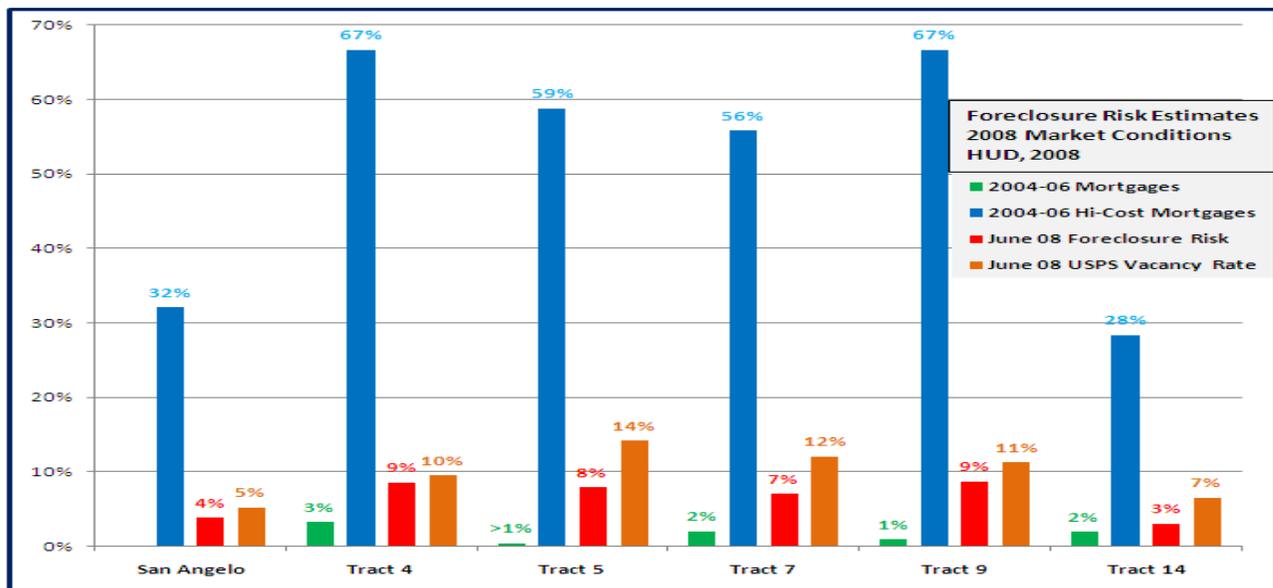
Equal opportunity to credit, or fair lending, is one of the cornerstones of fair housing. It is a step in purchasing a home where discrimination can prevent a qualified buyer from successfully obtaining a home. Lending in San Angelo does not appear to be a barrier to fair housing. Local banks and lending institutions provide loans on a relatively fair basis. However, subprime lending is still a factor that targets lower income citizens based on credit scores.

According to the banking sector representative to the City's Affordable Housing Focus Group, the two primary obstacles to obtaining mortgages are lack of sufficient household resources and credit unworthiness. There are steps families are encouraged to take to help overcome these impediments to include the pursuit of higher education to ameliorate the first obstacle and proper credit counseling will help improve credit worthiness.

There is no clear evidence of racial discrimination as related to banking and lending policies.

Financing & Foreclosure Risk

A 2008 study indicates that mortgage financing and foreclosure risks represent significant impediments in the qualified census tracts and revitalization target areas. Conducted by HUD's Neighborhood Stabilization Program (NSP), the study used Federal Reserve Home Mortgage Disclosure Act (HMDA) data on mortgages, Office of Federal Housing Enterprise Oversight data on home prices, and Bureau of Labor Statistics data on unemployment rates to estimate the number of mortgage loans sold between 2004 and 2006, the number of high-cost loans by HMDA standards, and the foreclosure risk for all US counties, places, and census tracts. In addition, the study used US Postal Service mail delivery data to estimate housing vacancy rates. The chart illustrates the findings for San Angelo and the target area census tracts.



The NSP findings estimate that only a small percentage (less than 9 percent) of mortgage loans in San Angelo between 2004 and 2006 went to households in the target area tracts, with the largest percentage (3%) going to homeowners in tract 4 (the Reagan area). In addition, the majority of mortgages in four of the five target area tracts (tracts 4, 5, 7, and 9) were high-cost by HMDA standards. Only one of the five qualified tracts (tract 14 – Rio Vista) had a high-cost mortgage rate below the citywide 32 percent. Basic HMDA standards consider a mortgage to be high-cost either when 1) the APR at consummation exceeds the yield for comparable Treasury securities by more than 8 percentage points, or when 2) total points and fees paid by the consumer exceed the greater of 8 percent of the loan amount or a set dollar amount that is adjusted annually based on the Consumer Price Index.

The 2008 NSP foreclosure risk estimates followed the same pattern. The average estimated risk across tracts 4, 5, 7, and 9) was 8 percent, double the citywide estimate of 4 percent. Only Rio Vista (tract 14) had a lower foreclosure estimate at 3 percent. The estimated vacancy rates, based on Postal Service data, were higher than the citywide 5 percent estimate in all the target area tracts. More recent NSP financing and foreclosure risk estimates based on 2010 market conditions confirm these target area tract level findings.

Transportation Policy

Public transportation plays a role in expanding the supply of affordable housing to groups in need and others protected under fair housing laws. At issue is the ease with which an individual can travel from home to work if he/she lives in a lower income area or an area of minority concentration. If public transportation from a lower cost neighborhood is inefficient in providing access to employment centers, that neighborhood becomes inaccessible to those without

dependable means of transportation, particularly very low-income residents, the elderly, and persons with disabilities.

In San Angelo, the majority of jobs are located downtown, at a nearby base, and at a nearby university. The City's public transportation system is adequate to provide the vast majority of low and moderate income citizens with access to obtain and maintain employment.

Accessibility for Persons with Disabilities

As a protected class, people with disabilities are unique because they are the only minority that can be discriminated against solely by design of the housing unit. The Fair Housing Amendments Act remedies that in part by establishing design and construction requirements for multifamily housing built for first occupancy after March 13, 1991. The law provides that failure to design and construct covered multifamily dwellings to include certain features of accessible design will be regarded as unlawful discrimination.

During May, June, and August 2008, accessibility site visits were completed at nine residential buildings in San Angelo. All sites visited had at least one violation, some major and many minor. These violations indicate that the flow-down of requirements from the FHAA to the Texas Building Code to each jurisdiction's planning department and individual building inspectors is uneven. For those persons with disabilities who find it difficult or impossible to access or use a dwelling unit, failure to comply with the accessibility provisions of the FHAA is an impediment to fair housing choice.

The City continues to require adherence to the FHAA standards and City inspectors continue to inspect residential buildings to ensure compliance.

Racially Motivated Crime

San Angelo has not experienced a significant number of racially motivated crimes over the past five years according to local police crime reports. While there may be an undercurrent of racial prejudice and bigotry, there are no outward signs of a prevailing problem. Since the last analysis of impediments update, seven crimes have been reported that were classified as having a bias to a protected group. Three of those crimes targeted Black individuals and the other four targeted gay individuals. Most incidents were verbal confrontations.

However, in December 2007 a 16-year old Black youth was murdered by a group of Hispanics who were related to each other. The perpetrators claimed the attack was not racially motivated but was revenge for an earlier episode between one of the Hispanic family members and the victim. Therefore the murder was not classified a hate crime.

San Angelo currently enjoys a relatively tolerant environment toward diversity.

Identified Impediments to Fair Housing Choice and Recommended Actions

While the primary existing impediments revolve around lack of sufficient resources and credit unworthiness, the aging of San Angelo, ethnic and racial isolation, and the growing number of single parent households are potential impediments that the City must address.

However, the current overall fair housing environment is positive in the San Angelo region. San Angelo's unique environment fosters diversity and racial tolerance. Most public and private agencies are actively engaged in and take pride in efforts to overcome those fair housing challenges that do exist. Although many new neighborhoods across the county are becoming more diverse and better integrated, and trends in older neighborhoods are in the direction of increasing diversity and reduced segregation, there are still signs of pre-1980 segregated housing patterns. Lower income Blacks and Hispanic families still isolate themselves in neighborhoods made up of predominately minority families of the same race or ethnicity.

San Angelo has taken action to address potential and existing impediments. These actions include:

- Implementation of a neighborhood revitalization program to help increase the affordable housing stock in older, predominately low income neighborhoods
- Creation of several affordable housing programs to include:
 - Rehabilitation and emergency housing repairs
 - First-time homebuyers programs that provide down payment and closing costs assistance on new and existing housing units
- The creation of the Affordable Housing Focus Group made up of representatives from various sectors of the housing industry with a mission of providing recommendations on affordable housing issues
- Support to elderly rental projects under the Low Income Housing Tax Credit program
- Creation of homebuyers and credit counseling programs
- Introduction of several economic incentives programs
- Partnerships with local educational organizations
- The appointment of a Fair Housing Officer within the Neighborhood & Family Services Department

Fair housing issues in San Angelo do not appear to be severe. It is clear that although impediments to fair housing choice cuts across all racial, ethnic and economic lines in the region, in San Angelo it falls most heavily on single parent households, persons with disabilities, and lower income persons and families. Housing cost and insufficient financial resources negatively affect the ability of low income persons to obtain housing in San Angelo, but the issues of race, gender or color are not significant factors.

The City of San Angelo shares HUD's commitment to fair housing practices, and places a high priority on promoting and ensuring open and free choice in housing for all persons. The City recognizes that free and equal access to residential housing (housing choice) is fundamental to meeting essential needs and pursuing personal, educational, employment or other goals. It is the City's intent to maintain and promote a nondiscriminatory environment in all aspects of the private and publicly funded housing markets within San Angelo, and to foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The City intends to continue its strong support of the ongoing fair and affordable housing programs and policies. The actual amount of funding each year for focused fair housing activities will need to be balanced with other community needs including the development of

affordable housing and the provision of supportive services for low-income residents. The City's ability to achieve measurable objectives within a given timeframe is subject to the funding available and within the context of prohibitive costs for developing and preserving affordable housing resources in this area.

Data Sources: 1990 and 2000 Decennial Census.

2005-2009 American Community Survey Combined Sample.

2009 American Community Survey.

U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) Data, 2005-2007, includes "custom tabulations" by the U.S. Census Bureau based on underlying data from the 2005-2007 American Community Survey Combined Sample.

U.S. Department of Housing and Urban Development (HUD), Neighborhood Stabilization Program (NSP) NSP 2 Data, 2008, includes underlying data from the Federal Reserve Home Mortgage Disclosure Act (HMDA), Office of Federal Housing Enterprise Oversight, and Bureau of Labor Statistics.

Texas Workforce Commission.

City of San Angelo Police Department Crime Rate Reports.

Chapters 4, 12 of the City's Code of Ordinances.

**Copies of "Analysis of Impediments to Fair Housing Choice" are available at:
622 South Oakes, Suite G, San Angelo, TX 76902 and can be viewed on the City of San Angelo's website www.sanangleotexas.org**

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