

Outreach Efforts Target Fair Lending in Arizona

There has been a long-standing, pervasive need to provide fair housing financial education and outreach services, especially in economically disadvantaged and minority communities. A recent look at the State of Arizona shows many impoverished neighborhoods facing language and other cultural barriers to the availability of fair mortgage lending. To meet the challenges of educating populations like those in Arizona, HUD allocates funds to organizations that promote fair housing education; not only through state grants and Community Development Block Grants, but also through the Fair Housing Initiative Program (FHIP) Education and Outreach Initiative grants. FHIP grantees in all 50 states have used this funding to educate the public about the rights and obligations contained within federal, state and local fair housing laws.



More than 130 colonias residents received training on the fundamentals of homeownership, credit, banking, budgeting, and borrowers' rights in a two-day workshop series.

Over the past 18 years, the Southwest Fair Housing Council (SWFHC) has served as the state's — and now the entire Southwest region's — leading non-profit organization providing fair housing education and enforcement. SWFHC connects with everyone from first-time homebuyers to housing industry professionals. Fifty percent of SWFHC efforts focus on traditional and non-traditional programs offered in English, Spanish, and a host of Native American languages indigenous to the region, such as Hopi and Navajo. Over the past three years, SWFHC's primary educational goal has been to teach fair lending practices that support pending anti-predatory lending legislation at the state level. SWFHC funds their efforts through several sources, including a FY2002 FHIP grant.

The key to SWFHC's success is their ability to partner with local private organizations, municipal and county governments, and associations such as the National Community Reinvestment Coalition (NCRC). In 2002, SWFHC and NCRC

contents

PATH in the Colonias Building Homes and Communities	2
New Research Explores Patterns of Discrimination	3
New Education Program Combats Barriers to Housing Accessibility	4
Three Ways of Getting to Change	5



PATH in the Colonias: Building Homes and Communities through Partnerships

Cameron Park, a Texas community identified as the nation's poorest in the 2000 census, has recently earned a happier distinction: it's the site of a PATH demonstration home that's setting a new standard for quality in affordable housing. Thanks to the financing efforts of the Community Development Corporation of Brownsville (CDCB), PATH's partner in the project, residents of the Cameron Park "colonia" are beginning to leave behind shelters of cardboard and tin to move into homes built with advanced building technologies. The PATH project – which centers on an energy-efficient home built for just \$29,000 – is a success story that has drawn the attention of other low-income housing providers across the country. "By using PATH's technical assistance, we were able to reduce costs and improve construction," said Nick Mitchell, housing program manager for CDCB.

PATH joined forces with CDCB last year as part of a larger replacement housing project in the colonia. The largest nonprofit organization in Texas, CDCB has been building and financing homes in the Texas border region since 1997, with the backing of six investor banks. Sharing the common goal of building low-cost, energy-efficient homes for people with the greatest housing needs, the match was a perfect fit.

"We told them from the start that we could not afford any special construction techniques," said Mitchell. "So, we gave them the plans to see how they would implement new features while keeping the initial costs down." In response, a PATH team of technical advisors was tasked with crafting recommendations to fit CDCB's limited budget for the project.

Building Affordable Homes

PATH accepted CDCB's challenge. The result: a highly energy-efficient, 900-square-foot, three-bedroom, one-bathroom demonstration home that cost \$1,000 less to build than the originally planned construction. PATH-profiled technologies integrated into the home included advanced framing that reduces lumber and meets wind resistance codes in Texas; preplanned roof sheathing that cuts waste; improved insulation materials and sealants to improve comfort and reduce energy use; specially glazed windows to keep out the heat; economical plastic manifold plumbing systems; and air conditioning that complies with stricter energy efficiency codes recently mandated in the state. Efficient construction techniques and materials reduced the pur-



The crew that erected the framing on the PATH demonstration home in Cameron Park takes time out to pose for a picture.

chase price and will yield long-term utility bill savings, making the homes more affordable to operate over time. "The residents are now saving \$25 per month on their utility bills," said Mitchell. "That's a lot when you're only making \$10,000 a year."

Most importantly, said Mitchell, living conditions in the colonias are improving exponentially. The demonstration home was the first to be built in the colonias using PATH-evaluated technologies. Since June, another two houses were completed and the construction of two more began in January.

Building Better Communities

The colonias located along the Texas-Mexico border are the only housing option for many Mexican immigrants. For as little as \$20 down and \$40 a month, they can purchase a scrap of unregulated land. But the land is often deeply isolated from neighboring cities and filled with rows of old buses, vans, trailers, or self-built dwellings made from cardboard, cinderblocks, wood, and tin.

The Texas Department of Human Services conducted a needs assessment in the colonias and found that one home in five lacks adequate heating and cooling; 24 percent of households are not connected to treated water; and 44 percent have outhouses or cesspools. For many of the residents who settle in the colonias, it's enough just to be able to say "Esto es mío" – *this is mine*.

continued on page 6

New Research Explores Patterns of Housing Discrimination

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research news

Excited to have finally found the perfect condo with all of the right features and even convenient to work, but turned away because of the "no kids" policy at the complex.

Lived in an apartment complex for five years, but when a new management company purchased the complex, forced out because I was Hispanic. The company said it was because of the rent increase that I even offered to pay.

Found an apartment with "For Rent" signs on the front yard and left several messages for the landlord. Frustrated, I had a friend call the landlord and his message was returned promptly. He was "white sounding". I was "black sounding."¹

This is housing discrimination, and it happens every day in the United States.

HUD recently completed the Housing Discrimination Study (HDS 2000), the third in a series of studies commissioned by HUD that measure the patterns of discrimination in urban housing markets in the U.S. The report details Phase 1, 2, and 3 of HDS 2000, in which tests were conducted to measure adverse treatment for African Americans, Hispanics, Asians, Pacific Islanders, and Native Americans in home rental and sales markets in 2000/2001. This is HUD's third nationwide effort to measure the amount of discrimination faced by minority home seekers.

According to the HDS 2000, the overall incidence of discrimination against minority home-seekers ranges from 17 percent for black homebuyers to 28.5 percent for Native American renters. In roughly one out of five visits to a real

estate or rental office, a minority customer is not going to get as much information or as much help and assistance as a comparably qualified white customer.

Phase 1 of HDS 2000 measured discrimination against African Americans and Hispanics. The results indicated that discrimination had declined since 1989, except for Hispanic renters whose levels remained the same. Although African American and Hispanic home seekers experienced a decline in discrimination, it is still a pervasive problem that creates a barrier to fair housing. The report found that non-Hispanic whites were favored in more than half of the rental tests, while Hispanics were favored in only 37.6 percent of the tests. Hispanic Americans are facing discrimination in rental markets at about 25 percent, which means that in one out of four housing transactions that a Hispanic person participates in, they will be discriminated against. This does not even look at Hispanics who are not fluent in English, so the true amount of discrimination against Hispanics may be even greater. Whites were also more likely to receive favorable treatment than African Americans in rental tests. Non-Hispanic whites were also more likely to be favored in sales tests than were Hispanics. Preferential treatment was also given to whites in sales tests in comparison to African Americans. The study also showed that non-Hispanic whites were more likely to receive information about available housing and to inspect available housing than were Hispanic whites or African Americans.

The "Discrimination in Metropolitan Housing Markets: National Results from Phase 1 of Housing Discrimination Study" is available at <http://www.huduser.org/publications/hsgfin/phase1.html>



Phase 2 of HDS 2000 measured discrimination levels against Asian and Pacific Islander homebuyers across the nation, and specifically, in the State of California. The study also took a closer look at discrimination faced by Chinese and Koreans in the Los Angeles metropolitan area, and by Southeast Asians in the Minneapolis metropolitan area. The report found that Asian and Pacific Islander prospective renters experienced consistent adverse treatment relative to comparable whites in 21.5 percent of tests, which is about the same as the level for

continued on page 7

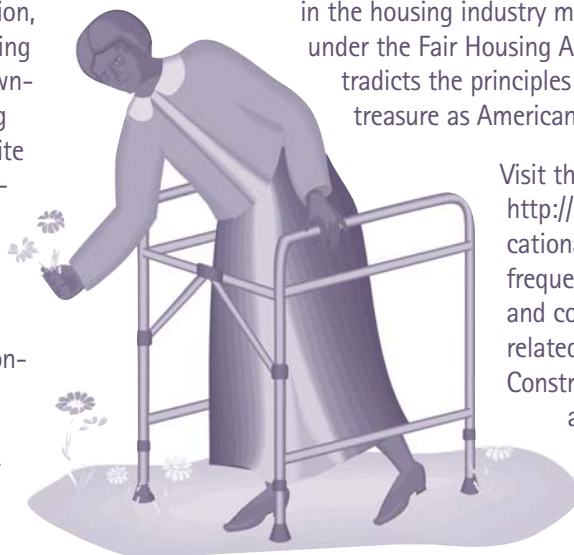
New Education Program Combats Barriers to Housing Accessibility

Unable to get in, unable to move around your home, and virtually unlivable without assistance. That was everyday life for Paul Abrahamsen, Susannah Braiman, and Carol Lorio, who lived in the Twinbrook Village Apartments in Ocean, New Jersey. Each of them is disabled and cannot walk without assistance. Abrahamsen and Braiman use wheelchairs, and Lorio uses a cane, a walker, a wheelchair, and an electric scooter. The entrances to the apartments in which the three lived each had a single step of five- to six-inches leading to the entrance, as well as five-inch curbs and no curb cuts on the path to the complex's handi-capped parking spaces.

One out of every five persons in the nation has some type of moderate or severe physical disability. And yet many of the nation's communities suffer a critical shortage of accessible housing. A new education program sponsored by the U.S. Department of Housing and Urban Development — Fair Housing Accessibility FIRST — seeks to provide home-builders, developers, architects, and designers with the latest training and technical guidance on how to comply with the accessibility requirements of the Fair Housing Act.

The Act requires housing providers to make reasonable accommodations for persons with disabilities. Fair Housing Accessibility FIRST raises awareness on the part of builders and architects as to their responsibilities under the Fair Housing Act, and encourages builders to plan for compliance well before construction begins. By planning ahead, builders can avoid costly renovations and callbacks, while persons with disabilities enjoy greater choice in their housing opportunities.

There are three key components to the FIRST initiative. For those interested in formal instruction, HUD offers a series of structured training opportunities for public and private owners, developers, architects, and housing managers. HUD also supports a Web site dedicated to educating these key audiences on the requirements of the Fair Housing Act, and about accessible housing design strategies and building materials. The FIRST Web site offers downloadable training, educational, and legal materials; a conference and training calendar; answers to frequently asked questions; and information about the training program. Finally, as part of the FIRST initiative,



HUD offers housing experts access to technical guidance through the Design and Construction Resource Center. The Center provides builders and architects with individualized guidance from design experts, who are available through a toll-free information line.

The FIRST program's training curriculum is approved by the American Institute of Architects for continuing education credits, and includes nine modules that can be presented individually or in any combination. The modules include an overview of the Fair Housing Act Accessibility Requirements, Disability Rights Laws, Fair Housing Act Enforcement, Strategies for Compliant Kitchens, Strategies for Compliant Bathrooms, Common Design and Construction Violations and Solutions, Accessible Routes, and Accessible Public and Common-Use Areas.

In its first 11 months, FIRST has held 34 workshops and trained over 2,000 individuals nationwide. Through its Design and Construction Resource Center, FIRST has received and resolved nearly 2,000 inquiries for technical guidance. Some architectural firms now require architects to contact the DCRC with design and construction questions. Over 66 Web sites with audiences ranging from the housing industry to advocates have linked FIRST to their Web site. FIRST has also provided training programs at conferences sponsored by the American Institute of Architects, Build Boston 2003, and the National Association of Home Builders International Builders Show.

In a news release in February of 2003, HUD's Assistant Secretary for Fair Housing and Equal Opportunity Carolyn Peoples praised the program's efforts. "The education and outreach activities of this project will help to make those in the housing industry more aware of their responsibilities under the Fair Housing Act. Housing discrimination contradicts the principles of freedom and opportunity we treasure as Americans."

Visit the FIRST Web site at <http://www.fairhousingfirst.org> for educational and legal materials, answers to frequently asked questions, a training and conference calendar, and links to related sites. Contact the Design and Construction Resource Center toll-free at 1-888-341-7781.

Three Ways of Getting to Change: UW COPC Program Makes a Difference

The University of Washington (UW) Community Outreach Partnership Center (COPC) program knows that being a good neighbor requires more than a smile and a few pleasantries exchanged in passing. Sometimes, it means rolling up your sleeves, reaching out, and changing peoples' lives for the better.

UW's COPC is focused on doing just that – making a difference. Through an integrated outreach and community revitalization effort in the neighborhoods of Toppenish, WA, UW engages with its local community by providing valuable opportunities for their students to learn while doing. UW's COPC activities are organized into three areas: Neighborhood Revitalization, Small Business Assistance, and Information Technology (IT) Job Skills Training.

Neighborhood Revitalization

Revitalizing neighborhoods isn't an easy task; it requires an understanding of the community's current needs, working closely with residents to plan for the future, and ensuring that the appropriate resources are available so that residents can help themselves.

At UW, faculty, staff, students, and community partners are working together to revitalize several local neighborhoods in Toppenish. This effort has included an informal housing neighborhood assessment and community planning meetings on specific projects. A large Homeownership Fair was also held to raise awareness, followed by a smaller homeownership training workshop for residents.

The first neighborhood revitalization project for UW's COPC program in Lincoln Park is presently in the design stages. The first step in the process involves information collection from local neighbors. For one full weekend, nine UW students, faculty from the University of Washington College of Architecture & Urban Planning, and staff from the UW-Yakima Valley Community Partnership canvassed door-to-door throughout the nine-block area near Lincoln Park that was identified as the focus for revitalization efforts. Of the 117 houses approached, the surveyors collected data from 48 households. The results of the neighborhood survey and the neighborhood fiesta day concluded that there is an overwhelming need for revitalization of their local neighborhood park.

Following the neighborhood survey, residents were invited to the Sunday Community Vision Day/Fiesta. The event was held in tandem with the UW-Yakima Valley Community Partnership office in Toppenish and the City of Toppenish.



UW Professor Sergio Palleroni and a student conduct the door-to-door community vision and priorities survey.

The Vision Day and Fiesta served as an opportunity to meet more residents and to generate ideas for neighborhood projects. Participants identified the following priorities during the visioning session:

- Traffic circles in the neighborhood;
- Lighting for safety on alleys and streets;
- Playground equipment at Lincoln Park; and
- Tree limb removal.

Small Business Assistance

Building on the success of these events and activities, students and faculty from the business school have completed a Downtown Business Survey. A total of 69 businesses participated in a survey to assess their training needs. As a result of the survey, a series of English and Spanish business seminars have been launched, and 36 small business owners have received training.

The University of Washington COPC program and the UW Business School recently announced the results of the Downtown Business Survey at an event sponsored by the City of Toppenish, Toppenish Chamber of Commerce, UW Business School, and the UW-Yakima Valley Community Partnership office. Participation by downtown businesses was strong, and the resulting news coverage positive.

continued on page 7

Fair Lending in Arizona *cont. from page 1*

completed a HUD-sponsored "Train the Trainer" workshop in Tucson, AZ. The workshop targeted the colonias communities in the eight Arizona counties along the U.S.-Mexico border. The colonias, a largely Hispanic population living in clusters of impoverished settlements on agriculturally valueless land, frequently lack basic services and infrastructure. Unscrupulous land development and financial practices have compounded these problems. This has often led to predatory practices wherein colonias residents are never permitted title to their homes, or gain title only after making extremely high payments. The Train the Trainer event brought community-based volunteers together with nonprofit and for-profit organizations, teaching them how to inform and advise colonias residents on the basics of personal finance.

Before 2001, there was a dearth of information about predatory lending; a condition borne out by the large number of complaint calls from area consumers. SWFHC recognized the need for fair lending education in Arizona after seeing Predatory Lending in Arizona, a recent HUD-funded report by the Association of Community Organization for Reform Now. This report quantified diminished home equity in Arizona at over \$140 million in 2001. Borrowers who received loans in Arizona in 2001 lost over \$47 million in stripped equity through prepayment penalties alone.¹ Pima County, AZ recently completed a HUD-funded lending report that will offer data on foreclosed homes later this year.

The Education and Outreach Initiative FHIP grant SWFHC received in 2002 has made it possible to offer conventional and creative opportunities to educate the community on fair lending issues. SWFHC speaks to first-time borrowers

and consumer groups on a monthly basis about practices that constitute predatory lending. SWFHC also conducts predatory lending workshops at the Association for Mortgage Women and state homeownership fairs on an annual basis. In addition, SWFHC teaches professionals by including fair lending education in a three-hour course that's required for re-licensing of real estate specialists.

When working with local Native American populations, SWFHC uses 'promotoros' — lay people in the community who are trained to lead education and outreach efforts. SWFHC also uses media resources such as cable television and bilingual call-in radio shows to reach the public. Other inventive efforts center on a faith-based approach, wherein Catholic masses are followed by an informal tutorial session. SWFHC has even gotten children involved by conducting a fair lending poster contest at local schools.

In 2002, SWFHC received HUD Best Practices recognition through the Equal Rights Center for their Housing Industry Collaboration Program, in which fair housing training is provided to builders, developers, and property managers. And while the group faces a long road in their efforts to achieve equal lending practices among the financially disadvantaged, with the assistance of their partners in the state legislature who are working to pass anti-predatory lending legislation, they're well on their way to achieving that goal. For more information about the Southwest Fair Housing Council, visit <http://www.swfhc.com> or contact Sandy Fagan, Deputy Executive Director, (520) 798-1568 or e-mail soazhocen@dakotacom.net

¹ Association of Community Organizations for Reform Now, Predatory Lending in Arizona (February 2003), p. 9.

PATH in the Colonias *cont. from page 2*

"Owning a home is very important to them," said Mitchell. "They will go without a car and as far as not eating in order to make their monthly mortgage payments."

CDCB's Rural and Colonia Loan program helps to finance the construction of affordable homes in this and other poverty stricken areas in the region. According to Mitchell, lenders look at the future potential of making payments, not at past mistakes. The CDCB has built and financed 157 homes for families earning an average of 34 percent of the area median income. Once the application process is complete, construction starts in as little as four weeks.

Efforts to replicate the success of the Cameron Park demonstration home are on the horizon in other Texas CDCs, which serve some of the 1,450 colonias in the state. In a report on energy-efficient, affordable housing produced by the Texas Association of CDCs, the Cameron Park home is offered as a case study, complete with details on cost-savings, framing techniques, and illustrations of other best practices. The creative collaboration between PATH and CDCB could be the beginning of a slowly turning tide for colonias residents. What's more, the project's lessons have much to teach low-income housing providers everywhere about how investing in advanced homebuilding technologies can pay great dividends in the form of better communities.

Three Ways cont. from page 5

Following the event, the University of Washington Business School and the UW-Yakima Valley Community Partnership launched a Business Seminar Series for Spanish speaking Toppenish business owners. The first seminar, *How to Make a Business Plan*, was conducted by a UW Business School faculty member and attended by nine business owners who expressed their appreciation for the Spanish seminar. Another UW professor later conducted the same seminar in English. A third seminar, entitled *Attracting New Customers*, was delivered in Spanish and attended by 15 business owners. These events have been an overwhelming success, and business owners are eager to continue to learn from the expertise of University of Washington faculty.

Information Technology Job Skills Training

The third element of this three-tiered approach centers on technology. UW, Heritage College faculty, and students developed a series of IT Job Skills training work-

shops for Yakama Nation Tribal members and employees. Training was provided to 102 participants in 32 training sessions on 11 different IT topics. The Yakama Nation and the UW-Yakima Valley Community Partnership worked with the University of Washington Student Access and Computing Group to provide the training. This group developed the curriculum and trained over 20 Yakama Nation members in Windows XP, Digital Camera Editing, Digital Video, Adobe Photoshop, and Adobe Illustrator.

In the end, the UW COPC program serves as a win-win for both the University as well as the community: faculty and students get the opportunity to see how classroom learning can be applied in the real world, while the community gets the benefit of the University's valuable community development and business expertise. Through its strong commitment to outreach and hands-on learning, UW is making a positive impact on its surrounding community.

Patterns of Housing Discrimination cont. from page 3

African Americans and Hispanic renters. Asian and Pacific Islander prospective homebuyers also experienced consistent adverse treatment relative to comparable whites 20.4 percent of the time, with systematic discrimination occurring in housing availability, inspections, financing assistance, and agent enforcement.

The "Discrimination in Metropolitan Housing Markets: National Results from Phase 2 of Housing Discrimination Study" is available at:
http://www.huduser.org/publications/hsgfin/hds_phase2.html

Phase 3 of HDS 2000 measured discrimination levels against Native American homebuyers in Montana, New Mexico, and Minnesota. Because the Native American population is relatively small and highly concentrated in only a few states, the estimates of discrimination in these states tend to be more useful for policy purposes. The report found that the level of discrimination faced by Native Americans in the rental markets of the three states is greater than the national levels of housing discrimination experienced by African American, Hispanic, and Asian and Pacific Islander renters. In all three states, Native American renters were significantly more

likely to be denied information about available housing units than would comparable whites. Discrimination against Native American renters ranged from 25.7 percent in New Mexico to 33.3 percent in Minnesota. The report also showed that Native American homebuyers in New Mexico experience significant levels of geographic steering at 16.9 percent

The "Discrimination in Metropolitan Housing Markets: National Results from Phase 3 of Housing Discrimination Study" is available at:
<http://www.huduser.org/publications/hsgfin/hds.html>

Housing discrimination happens every day in the U.S., and HUD is working to address the issue by promoting fair housing through awarding organizations who develop programs that prevent or eliminate discriminatory housing practices and helping state and local governments administer laws that are consistent with the Federal Fair Housing Act. They also develop educational and promotional materials about fair housing, including Public Service Announcements.

¹ Examples taken from fairhousinglaw.org, a website sponsored by Leadership Conference on Civil Rights Education Fund

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In the Next Issue of ^{research} *works* ...

- A review of recent PATH research on Low Impact Development and how this land development practice can ease environmental concerns related to housing while also providing cost-effective and marketable solutions for builders.
- A primer on realities faced by those entering the architectural profession and the role that architects play in shaping America's cities and towns.
- A look back at the first 20 months of HUD's Regulatory Barriers Clearinghouse—a look at where we've been and the challenges ahead.
- An in-depth look at a 100 percent energy neutral affordable housing project in Santa Monica, CA.
- A closer look at HUD's Brownfields Economic Development Initiative and how communities have used it to redevelop economically-challenged land.

