PREBLE COUNTY, OHIO
ANALYSIS OF THE IMPEDIMENTS TO FAIR HOUSING CHOICE

Updated for FY 2011 CDBG

BOARD OF PREBLE COUNTY COMMISSIONERS

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1.0 INTRODUCTION

All cities and counties that receive Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) are obligated to identify, analyze, and devise solutions to impediments to fair housing choice that may exist in the community. They are required to certify that they will affirmatively further fair housing as a condition of receiving these federal funds. The tool used to establish that they are affirmatively furthering fair housing is the "Analysis of Impediments to Fair Housing Choice (AI)."

CDBG's combined what had been a multitude of various grants to cities and counties into a single grant that gave recipients a fair amount of discretion in how they spent the funds. Passage of the Housing and Community Development Act in 1974 included an instruction from Congress to recipients of Community Development Block Grant funds to "affirmatively advance fair housing."

Since 1968, the U.S. Department of Housing and Urban Development has been under an obligation to "affirmatively advance fair housing in the programs it administers." In 1996, HUD officials advised:

"The Department believes that the principles embodied in the concept of fair housing are fundamental to healthy communities, and that communities must be encouraged and supported to include real, effective, fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do."

HUD officials have determined that "Local communities will meet this obligation by performing an Analysis of Impediments to Fair Housing Choice within their communities and developing (and implementing) strategies and actions to overcome these barriers based on their history, circumstances, and experiences." In order to maintain high ethical standards, communities are encouraged by HUD to contract with an outside fair housing consultant to conduct this analysis under the valid belief that it would be a conflict of interest for a recipient of CDBG funds to conduct the analysis itself.

In all too many ways, it appears to be a conflict of interest for a CDBG recipient community to conduct an analysis of impediments itself. Try to imagine the impossible position County staff would undertake if asked to evaluate whether their own work — and the work of their superiors — posed an impediment to fair housing choice. In addition, few local government staffs have the in–depth level of expertise on the fair housing issues needed to conduct an AI.

An outside fair housing consultant can conduct a genuinely fair and balanced analysis of impediments that complies with the "Westchester County Doctrine." The doctrine, a result of the Westchester False Claims Case, will have a major impact on the way federal housing and community development funds are used throughout the country.

Fair housing advocates view this agreement in broad terms - municipalities around the country are responsible for providing what HUD Secretary Shaun Donovan refers to as "geographic opportunity" to all buyers and renters, regardless of their race. Wade Henderson of the Leadership Conference for Civil Rights, stated that the Westchester agreement was "only the first step in resolving a persistent problem of housing segregation" across the country.

For the more than 1,000 municipalities nationwide that receive federal housing grants or funding, "This is clearly a wake-up call," said John Trasviña, HUD's assistant secretary for fair housing. "HUD will no longer lay dormant its requirements that jurisdictions detail" impediments to fair housing and provide solutions.

Ron Sims, HUD's deputy secretary, added that the agreement signals that the department would no longer "confine" its funding for affordable housing to neighborhoods of color, but would seek to expand funds to other communities that heretofore have resisted racial diversity. "It's important for people to have a choice," said Sims, "and this is a new era." Later this month, HUD intends to issue new guidelines and requirements for municipalities that receive federal money for fair housing about how they use and track this money.

1.1 Westchester False Claims Case

The Westchester County Housing Settlement breaks new ground in the fight against racially segregated housing in Westchester and radically changes the County's role in land use. Early in 2009, the Honorable Denise Cote, a highly-respected federal judge, found as a matter of law that Westchester County had "utterly failed" to meet its affirmatively furthering fair housing ("AFFH") obligations during the false claims period (2000-06), and that each and all of Westchester's certifications that it had or would AFFH were "false or fraudulent."

The Anti-Discrimination Center of Metro New York brought a "False Claims" case against Westchester County based on a Civil War-era statute. The so-called "Lincoln Law" is intended to prevent fraud against the taxpayers of the United States by making sure that federal contractors do what they have contracted to do. Whistle-blowers may act as "private attorneys general" on behalf of the United States. The lawsuit alleged that Westchester County fraudulently obtained more than $50 million from the Department of Housing and Urban Development for affordable housing and municipal improvements.

As part of its obligation to be eligible to receive $51.6 million in federal money between 2000 and 2006, the County had to certify that it had "affirmatively furthered fair housing" and would do so in the future. This certification should have been based on an analysis of "impediments to fair housing choice based on race or municipal resistance." The Anti-Discrimination Center alleged that the County failed to do any of these things when it came to barriers based on race or municipal resistance. The County took the position that inadequate income, not race, was the major impediment to fair housing choice. Based on the law, each time the County took the federal money, its certification violated the act and constituted a false claim against the government.

The settlement commits the County to ending residential racial segregation in the County. On a unit-specific-level, it requires the County to spend $51.6 million to develop 750 units of affordable housing. At least 630 homes must be located in the 31 most segregated towns and villages as well as up to 120 in villages and towns with less pronounced segregation. But at least 175 units must be developed in the most segregated areas before even one unit developed in fewer segregated areas could be counted toward the County's obligation. For decades, the County has claimed that it was powerless to compel the development of affordable housing, citing Home Rule. For the first time, the Settlement Order -- compliance with which will be overseen by the federal court – requires the County to acknowledge that it does have the authority to act to override exclusionary zoning when such zoning interferes in the broad public interest in the creation of affordable housing, especially when such housing is designed to help end residential segregation.

The County decided to settle rather than risk trial because Federal District Judge Denise Cote ruled in a partial summary judgment that the County "utterly failed" to meet its "affirmatively furthering" fair housing obligations during the lawsuit period covering 2000-2006. She further determined that each and every certification that Westchester County signed to receive the federal funding was "false or fraudulent." The County faced potential treble damages liability that could have cost $150 million.

While the Settlement commits the County to sue municipalities, if necessary, to overcome opposition to the affordable units, the pace of development is no more than between 100 and 150 units per year for seven years. Most observers see little impact in a County with 350,000 units and 120,000 acres in the 31 most segregated towns and villages.

The Settlement commits the County to develop at least 50% of the units as rentals for households with annual income less than $63,000 for a family of four. The rest may be for-sale units to households with incomes up to about $85,000. Ten percent of the total units must be rentals to very low-income households of up to about $52,000 (family of four).

The U.S. Court's order attached to the Settlement requires the County to develop a blueprint by the end of the year on how it plans to implement development of the units (the "implementation plan").

1.2 Analyses of Impediments Overview

While the extent of the obligation to affirmatively advance fair housing is not defined statutorily, HUD defines it as requiring a recipient of funds to:

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

Throughout the nation, HUD interprets these broad objectives to mean:

*Analyze and eliminate housing discrimination in the jurisdiction
*Promote fair housing choice for all persons
*Provide opportunities for racially and ethnically inclusive patterns of housing occupancy
*Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities
*Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

An Analysis of Impediments to Fair Housing Choice is an examination of the impediments or barriers to fair housing that effect protected classes within a geographic region. HUD defines impediments to fair housing choice in terms of their applicability to state and federal law. In Ohio, this includes:

* Any actions, omissions or decisions taken on the basis of race, color, religion, sex, disability or familial status, national origin, creed, sexual or affectional orientation, marital status, and receipt of public assistance which restrict housing choices or the availability of housing choice.

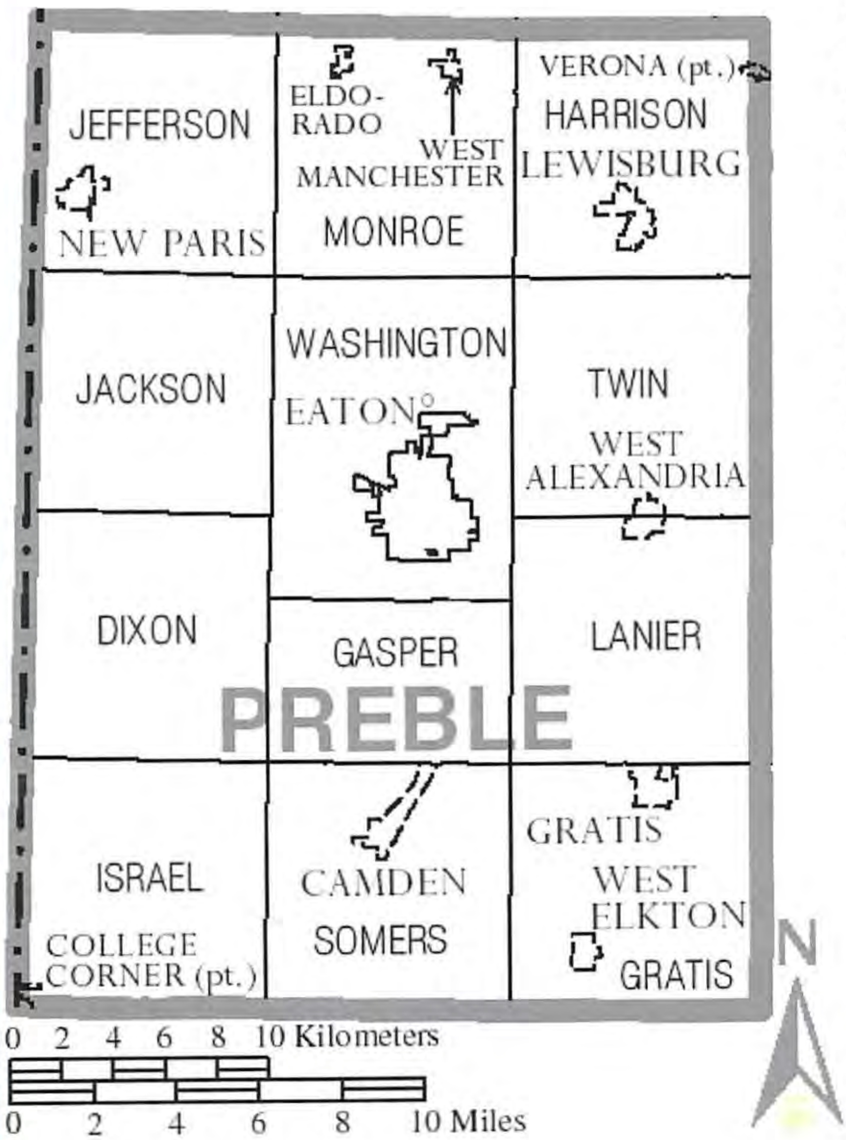
* Any actions, omissions or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of the protected classes listed previously.

The Analysis of Impediments process involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system and housing transactions, which affect people who are protected under fair housing law. It also requires active and involved public input and a review process via direct contact with stakeholders, focus group sessions with housing experts, public forums to collect input from citizens, distribution of draft reports for citizen review and formal presentation of findings. AI sources include census data; home mortgage industry data; federal, state and local housing complaint data; surveys of housing industry experts and stakeholders; and other housing information.

Conducting a comprehensive Analysis of Impediments requires an in–depth level of expertise on community fair housing issues. Panoptic County and County AI's seek to comply with the purpose and spirit of the Housing and Community Development Act and the nation's Fair Housing Act. To insure that every effort be taken to conduct a fair and balanced Analysis of Impediments to Fair Housing Choice prudent communities retain the services of an outside fair housing consultant.

2.0 COMMUNITY PROFILE FOR PREBLE COUNTY

2.1 Location and Size of the Community



Map 1 below shows Preble County with townships and communities. Table 2.1 shows the population for Preble County and its jurisdictions for 2000 and 2010. As of 2010 Preble County was home to 41,689 people, a -1.53% drop from 2000 (42,337). Of the eleven jurisdictions shown seven lost population between 2000 and 2010. West Manchester showed the largest population gain between the two censuses of 17%.

Table 2.1 - Population of Preble County and Jurisdictions, 2000-2010

Population	2000	2010	% Change 2000 - 2010
Preble County	42,337	41,689	-1.53%
Camden	2267	2046	-9.74%
Eaton	8019	8407	4.83%
Gratis	904	881	-2.54%
Lewisburg	1755	1820	3.70%
New Paris	1691	1629	-3.66%
West Alexandria	1455	1340	-7.90%
West Elkton	233	197	-15.45%
West Manchester	405	474	17.04%
Eldorado	518	509	-1.74%
Verona*	434	494	13.32%
College Corner**	423	407	-3.78%
* Verona is split between Preble and Montgomery Counties ** College Corner is split between Preble and Butler Counties			

2.2 Persons in Protected Classes

Protected classes as defined by HUD include white, African American, Hispanics, other national origins and creeds, religious beliefs, disabilities, military status (Ohio only) and familial status (presence of children under the age of 18), and gender.

2.2.1 Race

Of the people living in the County by 2010, 97.85% were White, 0.43% were African American, 0.60% were Hispanic (the largest minority), and 0.40% were Asian. Table 2.2 gives a breakdown of the racial population for the County for 2000 and 2010.

Table 2.2 - Population Distribution by Race 2000, 2010 Preble County

RACE	2000	2010	% of Total Pop. 2000	% of Total Pop. 2010
White	41,720	40,792	98.54%	97.85%
African American	80	130	0.19%	0.43%
Hispanic	173	241	0.41%	0.60%
Asian	159	237	0.38%	0.40%
Native Hawaiian or Pacific Islander, Native American, Alaskan Native	191	116	0.45%	0.28%
Some Other Race	21	61	0.05%	0.15%

Source: U.S. Census Bureau, America Fact Finder, Claritas Inc., TRF Policy Map

Table 2.3 shows population by the four major races (White, Black, Asian and Hispanic) for the County and jurisdiction. The table gives the percent of population for the year 2000 and 2010.

The Black population between 2000 and 2010 shows the largest increase than other races, 0.19% to 0.43%. But even with the increase in all races none accounted for 1% or more of the County population. White population showed a slight decrease and Hispanic and Asian population a slight increase between the two censuses. Basically the percentages show that the basic demographic between 2000 and 2010 has changed very little.

Only one jurisdiction, West Manchester, had a Black population of over 1%, 1.90%. Camden, West Alexandria and West Manchester had Hispanic population of over 1%. The minority population in the County and its jurisdictions was basically statistically insignificant. It is not unusual for the County to have such low minority populations considering its location and the rural nature of the County. As the Dayton metropolitan area grows it is assumed that eventually the County will begin to see an impact.

Table 2.3 - Composition by Race - Preble County, 2000 & 2010

JURISDICTION	WHITE		BLACK		ASIAN		HISPANIC	
	2000	2010	2000	2010	2000	2010	2000	2010
Preble County	98.54%	97.57%	0.19%	0.43%	0.38%	0.40%	0.41%	0.60%
Camden	98.90%	98.83%	0.00%	0.10%	0.00%	0.05%	0.35%	1.08%
Eaton	97.67%	96.32%	0.30%	0.56%	1.08%	0.99%	0.57%	0.82%
Gratis	99.12%	97.73%	0.00%	0.45%	0.00%	0.00%	0.00%	0.34%
Lewisburg	97.21%	97.14%	0.00%	0.22%	0.63%	0.49%	0.40%	0.77%
New Paris	99.05%	97.67%	0.24%	0.12%	0.00%	0.12%	0.89%	0.43%
West Alexandria	98.21%	96.42%	0.69%	0.97%	0.27%	0.60%	0.21%	1.42%
West Elkton	94.42%	96.95%	0.00%	0.51%	0.00%	1.52%	3.86%	0.51%
West Manchester	99.01%	95.36%	0.00%	1.90%	0.00%	0.00%	2.47%	1.05%
Eldorado	99.05%	99.02%	0.00%	0.00%	0.00%	0.59%	1.16%	0.20%
Verona*	100.00 %	98.58%	0.00%	0.00%	0.00%	0.00%	0.40%	0.00%
College Corner**	98.35%	97.05%	0.00%	0.98%	0.00%	0.25%	0.00%	0.25%
* Verona is split between Preble and Montgomery Counties ** College Corner is split between Preble and Butler Counties								

Source: U.S. Census Bureau, America Fact Finder, Claritas Inc., TRF Policy Map

2.2.2 Gender

Table 2.4 shows the relationship between males and females as a percent of population in Preble County and by family type with comparisons to the State of Ohio. The female population was slightly larger than males in both 2000 and 2010. This was also reflected in the State.

In 2010 families without children were the largest percent (60%) in the County, a 6% increase over 2000. Married with children were the next highest at 29.64%, a 7% decrease from 2000 numbers. Female headed households with children rose slightly from 2000 (6.04%) to 2010 (6.33%.) This population was lower than of the State. This family group is important in that female headed households tend to lead the statistics in poverty and their children tend to also lead the statistics in children in poverty.

Table 2.4 - Population by Gender and Family Type - Preble County - 2000-2010

	Preble County		Ohio	
	2000	2010	2000	2010
GENDER				
Male	49.67%	49.81%	48.55%	48.75%
Female	50.33%	50.19%	51.45%	51.25%
FAMILY TYPE				
Without Children	54.08%	60.00%	52.38%	54.78%
Married With Children	36.57%	29.64%	34.12%	30.20%
Single W/ Children	9.35%	10.34%	13.51%	15.02%
Single Female w/ Children	6.04%	6.33%	10.53%	11.62%

2.2.3 Special Needs Population

Table 2.5 shows the population of Preble County by percent that are disabled based on age. As would be expected those aged 65 and over had the highest percent of disabilities with more than 37%. The County's disabled population was only slightly higher than the State's. As would be expected those persons age 65 or older had the highest disability rate, 37.6%.

Table 2.5 - Percent of Population With Disability by Age - 2010

	All Disabled	Under 5 Years of Age	Age 5-17	Age 18 to 64	Age 65+
Preble County	14.6%	2.6%	4.8%	12.8%	37.6%
Ohio	13.3%	0.7%	6.4%	11.4%	36.5

Table 2.6 shows the nature of the disability for those aged 65 and over that are disabled. Physical disabilities were the most common (30.95%) in this age group followed by being able to "go outside the home" (20.11%) and sensory problems (14.09%.)

Table 2.6 - Type of Disability for Those Over 65 Years of Age - 2010

	Sensory	Physical	Mental	Self Care	Outside the Home
Preble County	14.09%	30.95%	11.92%	10.90%	20.11%
Ohio	13.52%	27.81%	9.56%	9.03%	19.87%

Notes on Table 2.6:
A sensory disability is blindness, deafness, or a severe vision or hearing impairment.
A physical disability is a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.
A mental disability is a condition lasting six months or more that made it difficult to learn, remember, concentrate, etc.
A self-care disability is a condition lasting six months or more that made it difficult to dress, bathe, get around inside the house, etc.
A "*go outside the home*" disability is a condition lasting six months or more that made it difficult to go outside the home alone to shop or visit a doctor's office, or other activities.

2.2.4 - Age Distribution

In Preble County in 2009 14.65% of the population is over the age of 65. More than 60% are working age (18-64), 23.88% are less than 18 and 6.18% are 5 years or under. Table 2.7 compares the 2009 population by age to the 2009 distribution for the State of Ohio.

Table 2.7 - Age Distribution 2009 Preble County

	2009 # People In Age Group	2009 % People In Age Group	2009 % of People in Age Group - Ohio
Preble County			
Under 5	2,576	6.18%	6.44%
Under 18	9,956	23.88%	23.98%
Working Age (18-64)	25,625	61.47%	62.44%
Aging (65+)	6,108	14.65%	13.58%

2.3 Income Characteristics

Section Notes:
A family is defined by the US Census Bureau as a group of two or more people who reside together and who are related by birth, marriage, or adoption. Family income is based on this definition. Median household income is based on the definition that a household includes all the people who occupy a housing unit as their usual place of residence. Information was suppressed in cases where the sample was less than 10 of the unit that is being described (e.g., households, people, householders, etc.). Such areas are represented as having "Insufficient Data" on any maps. Per capita income refers to how much each individual receives, in monetary terms. It is the measure of the amount of money that each person earns in the designated area, State and County.

2.3.1 Median Family and Household Income

The number of households divided by income is shown in Table 2.8. The median *household* income for the County was $48,743 compared to a state median of $47,144 in 2010. In 2010, 22.18% of households in the County had an annual income of less than $25,000, over 51% earned less than $50,000 per year.

According to Table 2.8 those earning between $50,000 and $74,999 were the largest income segment at 24.78%. Those earning $75,000 or more made up only 24% of households in the County.

Table 2.9 gives the income characteristics for Preble County, its jurisdictions and to the State of Ohio. In 2010 the median *family* income was $47,547 in Preble County compared to $59,208 in the State. Only Lewisburg had a median family income that was equal to or greater than that for the County, $47,778. New Paris had the lowest family income at $36,402.

In terms of median *household* income Camden had the lowest at $29,574 and West Manchester the highest at $48,580.

Table 2.8 - Household Income 2010

2010 Annual Income	Number of Households	Percent of Households
Preble County		
Less than $25,000	3,666	22.18%
$25,000- $34,999	1,983	12.00%
$35,000 - $49,999	2,808	16.99%
$50,000 - $74,999	4,096	24.78%
$75,000 - $99,999	2,067	12.51%
$100,000 - $124,000	936	5.66%
$125,000 - $149,000	338	2.05%
$150,000 or More	634	3.84%

Source: Policy Map community profile report Preble County

Due to the small percentages of Blacks and Hispanics in the County there was little data for the jurisdictions. In the County Blacks had a median household income of $45,703, but it should be noted that Blacks make up less than 1% of the population. For the Hispanic population much the same can be said, median household income was just $19,563. Even with a population of less than 1% this income would indicate that many of the Hispanics in the County are at poverty or below.

Table 2.9 - Income Characteristics by Jurisdiction Preble County - 2010

	All Median HHLD Income	All Median Family Income	All Per Capita Income	Median HHLD Income White	Median HHLD Income Black	Median HHLD Income Hispanic
Preble County	$48,743	$47,547	$18,444	$49,098	$45,703	$19,563
Camden	$29,574	$39,297	$14,551	$29,574	N/A	N/A
Eaton	$39,510	$42,241	$16,771	$39,122	N/A	N/A
Gratis	$45,900	$40,938	$16,304	$46,300	N/A	N/A
Lewisburg	$45,694	$47,778	$18,905	$45,694	N/A	N/A
New Paris	$37,429	$36,402	$14,422	$37,393	N/A	N/A
West Alexandria	$45,216	$41,685	$17,628	$45,819	$68,750	N/A
West Elkton	$32,500	$38,333	$16,676	$32,500	N/A	N/A
West Manchester	$48,580	$39,583	$16,968	$48,750	N/A	N/A
Eldorado	$42,396	$45,694	$17,259	$42,396	N/A	N/A
Verona	$34,107	$38,730	$14,468	$34,107	N/A	N/A
College Corner	$33,611	$40,833	$14,568	$33,333	N/A	N/A
Ohio	$47,144	$59,208	$24,830	$50,198	$28,219	$36,014

2.3.2 Poverty

Table 2.10 shows the poverty rates for Preble County by jurisdiction and compared to the State of Ohio. Preble County had 6.11% of all people living in Poverty in 2000 compared by 2010 County poverty rates had risen to 8.49%. Camden showed an increase in poverty going from 9.10% in 2000 to 23.88% in 2010, a more than doubling of the 2000 rate. West Elkton also showed a significant increase between the two censuses going from 8.19% to 32.14%, a rate almost four times higher in 2010. Eaton was the only community to show a decrease in poverty dropping from an 8.74% in 2000 to 7.70% in 2010.

Also indicated in Table 2.10 is poverty reported by race. Blacks and Hispanic poverty rates were not reported due to the small percentage of population in the jurisdictions reviewed. However, in the overall, County Blacks had a significant increase in poverty between 2000 and 2010. In 2000 the Black poverty rate was 8.11%; by 2010 it had jumped almost seven times higher to 55.91%. Hispanics showed an increase in poverty but not as high as that for Blacks, going from 34.13% in 2000 to 40.25% in 2010. Even with the small number of Blacks and Hispanics these figures show that approximately 50% of Blacks and 40% of Hispanics that live in the County live in poverty.

Whites also showed a jump from 2000 to 2010, but not as significant as that for Blacks and Hispanics going from 6.08% in 2000 to 8.16% in 2010. Camden, Eldorado, and West Elkton lead the way with the highest poverty rates for Whites at 21.02%, 25.30%, and 32.14% in 2010 respectfully. Eaton, the County's largest city, showed a decrease in poverty between the censuses for Whites.

Table 2.10 - Percent Poverty by Race - 2000

	% All In Poverty		% Whites In Poverty		% Blacks In Poverty		% Hispanics In Poverty	
	2000	2010	2000	2010	2000	2010	2000	2010
Preble County	6.11%	8.49%	6.08%	8.16%	8.11%	55.91%	34.13%	40.25%
Camden	9.10%	23.88%	9.20%	21.02%	N/A	N/A	N/A	0.00%
Eaton	8.74%	7.70%	8.71%	7.69%	0.00%	N/A	67.39%	N/A
Gratis	10.95%	12.57%	10.49%	12.13%	N/A	100.00%	N/A	0.00%
Lewisburg	6.55%	10.15%	6.74%	9.94%	N/A	N/A	N/A	N/A
New Paris	10.15%	12.38%	10.01%	11.74%	N/A	N/A	0.00%	0.00%
West Alexandria	7.42%	9.31%	7.14%	8.58%	60.00%	0.00%	N/A	0.00%
West Elkton	8.19%	32.14%	6.39%	32.14%	N/A	N/A	N/A	N/A
West Manchester	7.65%	14.62%	7.73%	14.72%	N/A	N/A	0.00%	N/A
Eldorado	2.33%	24.32%	2.35%	25.30%	N/A	N/A	N/A	N/A
Verona	8.35%	6.52%	8.35%	6.63%	N/A	N/A	N/A	N/A
College Corner	8.76%	3.46%	8.85%	3.46%	N/A	N/A	N/A	N/A
Ohio	10.60%	13.64%	8.15%	10.90%	26.55%	30.95%	20.33%	25.78%

Table 2.11 demonstrates the effects of poverty status on family type and age for the County and its jurisdiction. The table shows that 5.65% of all families live in poverty in the County. As expected female headed households had some of the highest rates of poverty in the County with 24.94% female headed households in poverty. Children under the age of 18 had a poverty rate of 29.46%, the highest in the County. Their rates can be compared to that of female headed household since their children would fall into this category.

Six of the eleven communities had poverty levels over 10% and West Elkton had a rate of 22.45% for families. In West Manchester 57% of its female headed households were in poverty.

Poverty rates for those over 65 years of age were slightly higher when compared to families in the County. West Elkton and Verona had the highest poverty rate for seniors at 15.87% and 25.64% respectively, and Eldorado had the lowest at 2.38%. West Manchester and College Corner had no seniors reported as in poverty.

Table 2.11- Poverty for Age and Family - 2010

	Age under 18	Age Over 65	All Families	Female Headed Households
Preble County	29.46%	9.35%	5.65%	24.94%
Camden	35.65%	10.97%	13.87%	46.32%
Eaton	12.65%	12.13%	5.92%	27.12%
Gratis	9.02%	6.02%	4.09%	0.00%
Lewisburg	46.00%	4.00%	6.47%	35.00%
New Paris	32.31%	7.18%	10.45%	34.62%
West Alexandria	27.44%	3.05%	10.91%	18.67%
West Elkton	34.92%	15.87%	22.45%	N/A
West Manchester	39.68%	0.00%	16.92%	57.14%
Eldorado	57.14%	2.38%	18.06%	18.18%
Verona	33.33%	25.64%	2.98%	0.00%
College Corner	0.00%	0.00%	0.00%	N/A
Ohio	34.07%	8.32%	10.00%	40.81%

3.0 TRANSPORTATION, HOUSING AND ECONOMICS

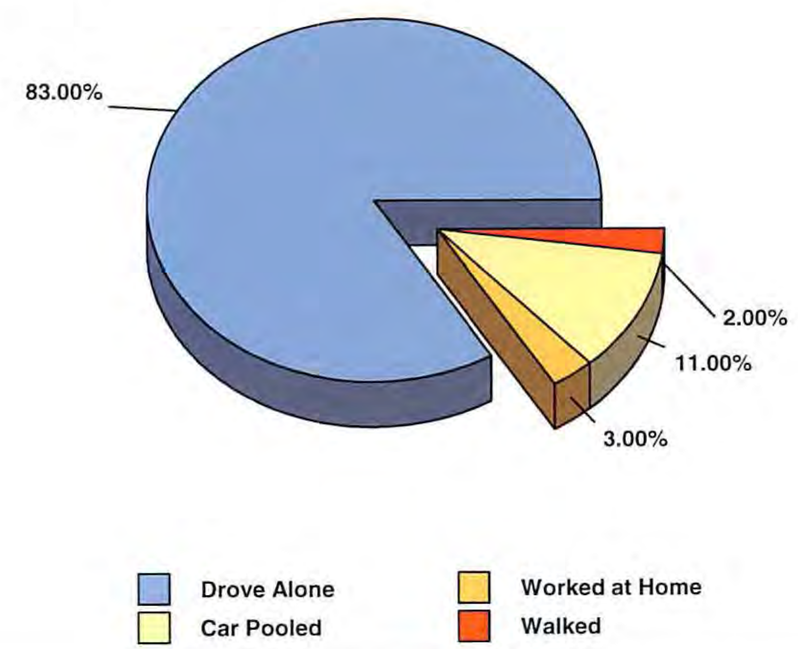
3.1 Transportation

While the public transportation system is a viable option for residents of the County, the nature of its service can have limiting impact on local citizens in terms of using it as a regular travel to work system. Its cost and the need to call ahead especially impact the persons in poverty or limited incomes. In addition, it limits the ability of local service providers to provide quality services which will enhance their quality of life, and the ability of persons with limited income to access employment opportunities. Persons with limited income and persons with physical disabilities are more likely to depend on transportation provided publicly or by a local service provider in order to maintain employment and/or to meet daily needs.

Much of the limitations regarding the transportation system are not the fault of the system itself. It is a small transit network with limited funds in area where demand might not be as great as necessary to provide a more comprehensive program. The fact that the County does offer a public transportation system to its residents is significant.

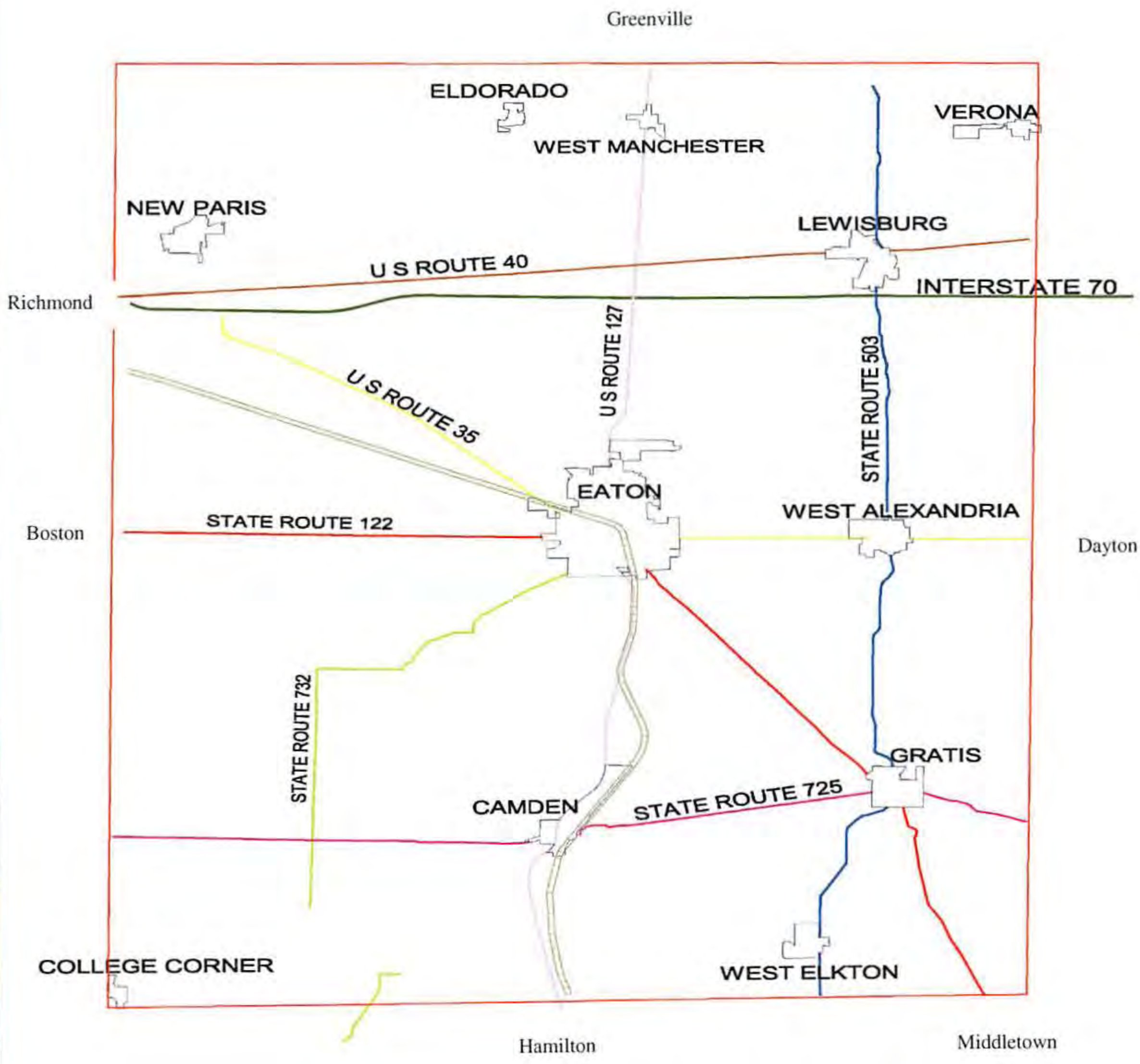
Figure 1 shows means of transportation to work and, as expected, 83% drove their own cars. Car pooling was the second most used means with 11%.

Figure 1: Means of Transportation to Work - 2010



Map 2 shows the major transportation routes in the County. The County is split east and west by Interstate 70 and has three major US Routes, 35, 40 and 127. The County also borders Indiana to the west,

MAP 2: Transportation Routes, Preble County



3.2 Economic Conditions

Table 3.1shows the percent of employment in the largest industries in the County for 2010. Manufacturing continues to be the largest industry with health care and retail trade ranked second and third in 2010. Percent of employed in each industry follows both County and State trends with Manufacturing the largest industry followed by health care and retail trade.

Table 3.1 - Largest Industries by Percent Employed - 2009

Industry	Preble County	Ohio
Manufacturing	23.96%	16.44%
Health Care	13.23%	14.22%
Retail Trade	10.36%	11.64%
Construction	9.03%	5.82%
Education	7.98%	8.50%
Accommodation / Food Service	6.10%	6.88%
Other Services	5.52%	4.45%
Transportation	4.59%	5.00%
Public Administrative	3.55%	3.61%

Unemployment continues to be a concern nationally and in the State of Ohio. Unemployment rates have been at their highest in a number of years and they do not seem to be dropping by any discernible rate. This concern is felt in Preble County as well. Since 2006 unemployment rates have shown a steady increase with the largest jump in 2009 when the rate reached 11.9%.

Unemployment is going to continue to place pressure on services from the County, social service agencies and others. The increases in unemployment make it hard for the County to meet the needs of those residents in most need. It is a vicious circle that seems to have little indication of stopping in the near future. The more that are unemployed the greater the need for affordable housing, safe and sanitary housing, medical assistance, public transportation, food and other services. Yet the number of dollars the County has to meet these needs has decreased and funds are drying up much quicker than in previous years.

The unemployment rate for the County follows the path that much of the State and the Nation has followed. The year 2001 being the lowest rate at 4.4%, by 2010 it had risen to 10.9% a 2.5 times increase. The first eight months of 2011 shows that the rate will probably be close to 2010 if not greater.

The consistent high unemployment rate places a burden on the economic health of the County especially its housing in that the need for affordable housing, foreclosure help, health and nutrition assistance increases.

Table 3.2 - Employment/Unemployment 2001-2011

Year	Period	Labor Force	Employment	Unemployment	Unemployment Rate
2001	Annual	21,991	21,024	967	4.4%
2002	Annual	22,033	20,703	1,330	6.0%
2003	Annual	21,896	20,572	1,324	6.0%
2004	Annual	21,730	20,402	1,328	6.1%
2005	Annual	21,679	20,427	1,252	5.8%
2006	Annual	21,986	20,697	1,289	5.9%
2007	Annual	21,535	20,303	1,232	5.7%
2008	Annual	21,353	19,881	1,472	6.9%
2009	Annual	21,498	18,935	2,563	11.9%
2010	Annual	21,056	18,754	2,302	10.9%
2011	August	21,025	18,968	2,057	9.8%

3.3 Housing Affordability

Communities across the country are recognizing the importance of affordable housing to their future economic and social well-being. Economic growth is at risk when growth in jobs and population are not matched by the growth in the supply of affordable housing. For businesses, the ability to attract and retain labor depends partly on the availability of decent and affordable housing.

Among the social concerns are basic issues of equity for low-moderate income working families. In many communities, people who provide the bulk of vital services - teachers, firefighters, police officers, factory workers and restaurant workers - often themselves cannot afford to live there. Yet, it is often in these communities where affordable housing for working families is most needed and that the most opposition to such housing exists. Moreover, a host of social problems can occur when working families face a shortage of affordable housing. Family disruption, overcrowding and congestion degrade the quality of life in the communities for all residents.

3.3.1 Rental Housing Market

In the County, an estimated 21.06% or 3,370 households rented their home in 2000 and, by 2010, 21.07% or 3,482 households rented, basically staying the same over the ten year period. The median rent for the County was $459.

According to the 2000 U.S. Census, 816 (27.23%) renters in the County were cost burden (paying more than 30% of their income towards rent.) In 2009 1,252 (35.96%) of all renters were cost burden. Of those renters in 2000 16.02% were over the age of 65, and by 2009 33.78% were over the age of 65, an increase of more than 50%.

In 2000 49.12% of cost burden renters earned less than $20,000. This had increased to 74.18% by 2009. In 2000 27.39% of cost burden renters earned less than $50,000 and by 2009 this had increased to 48.09%.

In 2009 less than 1.2% of renter households were receiving some type of rental assistance. Of that small amount 42% were female headed households with children and 28% were senior households.

3.3.2 Home Ownership Market

Table 3.3 shows the number of home sales in the County for 2006 through 2010 and the median sales price of those homes with comparison to Preble County. This table shows that the number of sales and the median price has remained fairly steady over the four year period. In 2008 the lowest number of homes sold and had the lowest median value of the five year period.

While it might seem that the market has dropped and suffered, compared to the drop in median price in the County and the drop in number of homes sold the County has weathered the recent crisis rather well. While the decrease is not good news for homeowners who want to sell their homes and gain a higher equity it is a good sign for those that are in the market to buy a home.

Table 3.3 - Homes Sales Preble County - 2006 -2009

Home Sales	2006	2007	2008	2009	2010
No. Preble County	400	368	286	308	353
Median Sales Price	$128,000	$119,000	$104,000	$110,000	$120,100

3.3.3 Affordability

According to a study by the National Low Income Housing Coalition (NLIHC) on housing affordability in Ohio, the Fair Market Rent (FMR) for a two-bedroom apartment is $696. In order to afford this level of rent and utilities, without paying more than 30 percent of income on housing, a household must earn $2,320 monthly or $27,843 annually. Assuming a 40-hour work week 52 weeks per year, this level of income translates into a Housing Wage of $13.39.

In Ohio, a minimum wage worker earns an hourly wage of $7.30. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 73 hours a week, 52 weeks per year. Or, a household must include 1.8 minimum wage workers working 40 hours a week year-round in order to make the two bedroom FMR affordable.

In Ohio, the estimated mean (average) wage for a renter is $11.99 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 45 hours per week, 52 weeks per year. Or, working 40 hours per week, year-round, a household must include 1.1 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

The Table 3.4 below breakouts the affordability issues for Preble County. Based on data in Table 3.4 the average working person in Preble County can only afford a zero-bedroom without paying more than 30% of their monthly income for rent. A two-bedroom unit would require 44% of monthly income. This same unit would require an annual income of $30,000 to afford. With current wages in the County the most a family could pay for rent without exceeding 30% would be $515.

Table 3.5 continues the exploration of affordable rental housing for Preble County. The estimated median renter's household income for Preble County is $33,078, with that income it would require spending 78% of that income to afford a two-bedroom apartment at Fair Market Rents. At that median income a family could afford a maximum of $827 dollars for rent. In Preble County 46% of all renters are unable to afford a 2-bedroom at Fair Market Rents.

The estimated average renter hourly wage is $10.10. At this wage the affordable rent without paying more than 30% of gross income for rent would be $525. At a minimum wage of $7.30 the affordable rent drops to $380. To afford a 2-bedroom FMR apartment minimum wage workers would have to work 68 hours a week and would require two people working 34 hours a week to afford the same unit.

The prospect of affording rents gets even slimmer for those earning Supplemental Security Income (SSI) the federal disability payment through the Social Security Administration. The average monthly SSI income for 2010 was $674 a month which means that a family could only afford to pay $202 a month for rent to assure that they could afford some of the other necessary living expenses. Even considering Medicare/Medicaid and food stamps assistance this is still a dismal prospect for disabled families.

Affordability rental housing continues to be a major issue in housing in Preble County. While the figures given are for Preble County, a look at the newspaper rental housing section shows that affordability is still an issue. The next hurdle a family in Preble County must jump is the lack of affordable housing that is safe and sanitary. The underlining issue with this is that many times the very housing that families can afford might be closed because of quality issue that the landlord does not repair and thus the family becomes homeless when the unit is condemned. This is especially the case in many of sleeping room only units in and near downtown.

Table 3.4 Rental Housing Affordability

	Ohio	Preble County
2010 Area Median Income (AMI)*		
Annual	$61,992	$58,000
Monthly	$8,166	$4,833
30% of AMI	$18,598	$17,400
Maximum Affordable** Monthly Housing Cost by % of AMI		
30%	$485	$435
50%	$775	$725
80%	$1,240	$1,160
100%	$1,550	$1,450
2010 Fair Market Rent (FMR)***		
Zero-Bedroom	$487	$519
One-Bedroom	$560	$535
Two-Bedroom	$696	$649
Three-Bedroom	$898	$840
Four-Bedroom	$972	$871
Annual Income Needed to Afford FMR		
Zero-Bedroom	$19,483	$20,760
One-Bedroom	$22,402	$24,400
Two-Bedroom	$27,843	$25,960
Three-Bedroom	$35,910	$33,600
Four-Bedroom	$38,889	$34,840
Percent of AMI Needed to Afford FMR		
Zero-Bedroom	31%	36%
One-Bedroom	36%	37%
Two-Bedroom	45%	45%
Three-Bedroom	58%	58%
Four-Bedroom	63%	60%

Table 3.5 - Affordable Rental Housing

	Ohio	Preble County
2010 Renter Household Income		
Estimated Median Renter Household Income	$30,958	$33,078
Percent Needed to Afford 2 BDRM FMR	90%	78%
Rent Affordable at Median	$774	$827
% of Renters Unable to Afford 2 BDRM FMR	44%	39%
Estimated Average Renter Wage	$11.99	$10.10
Rent Affordable at Average Wage	$623	$525
Minimum Wage	$7.30	$7.30
Rent Affordable at Minimum Wage	$380	$380
2010 Supplemental Security Income (SSI) (Disability)		
Monthly SSI Payment	$674	$674
Rent Affordable at SSI	$202	$202
Housing Wage		
Zero-Bedroom	$9.37	$9.98
One-Bedroom	$10.77	$10.29
Two-Bedroom	$13.39	$12.48
Three-Bedroom	$17.26	$16.15
Four-Bedroom	$18.70	$16.75
Housing Wage as % of Minimum Wage		
Zero-Bedroom	128%	99%
One-Bedroom	148%	102%
Two-Bedroom	183%	124%
Three-Bedroom	236%	160%
Four-Bedroom	256%	166%

* Area Median Income HUD 2010 **Not more than 30% of gross income on gross housing costs
***Fiscal Year 2010 HUD Fair Market Rent

Table 3.5 - Continued

	Ohio	Preble County
Work Hours/Week at Minimum Wage Needed to Afford FMR		
Zero-Bedroom	51	55
One-Bedroom	59	56
Two-Bedroom	73	68
Three-Bedroom	95	89
Four-Bedroom	102	92
Full Time Jobs at Minimum Wage Needed to Afford FMR		
Zero-Bedroom	1.3	1.4
One-Bedroom	1.5	1.4
Two-Bedroom	1.8	1.7
Three-Bedroom	2.4	2.2
Four-Bedroom	2.6	2.3

Ultimately, affordable housing is not only a question of bottom line economics, but of equity. The housing cost and wage review in this section attempts to put a "face" on the affordable housing problem confronting many working families.

4.0 Local Fair Housing Programs and Activities

There are numerous federal laws that cover fair housing including the following: Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968. All of these federal actions are part of every County's responsibility when conducting business. HUD does require through its community development regulations that all entitlement jurisdictions affirmatively further fair housing. It is the decision of the jurisdiction on how this is done but at the least a basic fair housing program is needed.

Preble County offers a comprehensive Fair Housing Program in both its CDBG Formula and CHIP programs. The fair housing program offers three major components to assist and combat housing discrimination throughout the County.

Outreach - The outreach program offers ongoing comprehensive education of agency staff and clients establishes a community accessibility that no amount of marketing can provide. Clearly, community groups and organizations have daily contact with residents of all walks of life. Only by a cooperative effort with these groups are they, as fair housing service providers, able to reach those in most need of the protection that fair housing law provides.

Outreach services work in two ways:

1. Education of staff and clients (where possible) to address housing related issues and remove barriers to affordable housing

2. Distribution of fair housing and fair housing related posters, brochures and other informational materials

Education - Primary to any effective fair housing program is a comprehensive fair housing education plan. This effort works in cooperation with the enforcement effort of the program by assuring that residents of the County and all members of the housing industry (lenders, real estate professional, landlords, insurance agents, etc.) have access to training that will help them understand their rights and responsibilities regarding fair housing regulations.

The fair housing education program works to address typical fair housing issues such as: fair housing law - local, state, federal; fair housing and real estate issues; fair housing as it relates to landlord/tenant issues; and fair housing and home ownership education. The program disperses fair housing materials and handouts at all trainings.

Enforcement - The State Office Housing and Community Partnerships requires fair housing programs to have in place a fair housing complaint intake and referral system. In response to this requirement, the program offers a local fair housing office telephone number. We would recommend that a link be on the main page of the County's site so that it is easy to gain the information needed regarding fair housing for County residents.

The telephone number and the office address are printed on all informational and marketing materials. Materials are mailed to various organizations and distributed at public, civic, social service and school educational meetings throughout the program year.

Fair Housing complainants are informed of fair housing rights and remedies and referred to the Ohio Civil Rights Commission regarding complaint procedures. In addition, complainants are advised that the local contact person is available to assist them in person or by phone.

5.0 Purpose and Parameters of Community Reinvestment

For most, the goal of home ownership is contingent upon their ability to obtain a mortgage. However, the issue of color, race, national origin, sex, religion, familial status or disability may still shut the door to home ownership. National studies and litigation continue to show lenders ignoring business in low-moderate income neighborhoods and minority neighborhoods.

These discriminatory policies are holdovers from a past that would not allow loans to people who would represent an "inharmonious racial group" to neighborhoods. In the past, policies of local lenders, real estate agents and even the federal government (through the Federal Housing Administration and Veterans Administration loan policies) assured that our country would grow with segregated cities. The most basic right of all Americans, to live where they want and can afford, was denied throughout the housing market.

Included within this Section are lending tables that provide the information used for this analysis. The reader is strongly encouraged to review the tables before reviewing this section (Community Reinvestment) of the report.

5.1 Foreclosures

Ohio foreclosure filings jumped sharply in 2006. Overall, according to data reported to the Ohio Supreme Court by common pleas court judges across the state, there were 79,072 new foreclosure filings, an increase of 23.6 percent from 2005. That represents the largest absolute gain in recent history and the largest relative gain since 2002. It comes after three years of smaller increases. Filings grew by double-digit rates in 68 of Ohio's 88 counties in 2006, and state-wide, they have nearly quintupled since 1995. The latest numbers indicate that Ohio's foreclosure crisis, already severe, worsened substantially in 2006.

In 2008, 85,773 new foreclosure cases were filed across the state, representing a 175 percent increase over the 31,229 cases filed in 1999. From 1999 to 2002, the annual growth rate ranged from 13 to 27 percent. Beginning in 2003, there was a sharp lessening in the annual growth, and low growth rates continued over the next two years until 2005 and 2006, when the state experienced a sharp increase in the annual growth rate. Following the spike in 2006, the rate once again slowed considerably, with the growth in 2008 over 2007 at 3 percent.

President Obama established the Housing Finance Agency Innovation Fund for the Hardest Hit-Markets in February 2010 to provide financial assistance to families in the states most impacted by the downturn of the housing market. On August 4, the U.S. Department of Treasury (U.S. Treasury) announced the approval of the Ohio Hardest-Hit Fund (Ohio HHF) plan for $172 million. Subsequently on August 11, U.S. Treasury announced another round of funding which allocated $148 million to help unemployed and underemployed homeowners pay their mortgage. The Ohio Housing Finance Agency (OHFA) will administer the program and use the total allocation of $320 million in federal foreclosure prevention funding to help families who have fallen behind on their mortgage loans, or are having trouble making monthly payments. Homeowners experiencing a financial hardship could begin submitting applications online or over the phone on September 27, 2010.

OHFA has worked with Governor Ted Strickland, the Department of Commerce and the Save the Dream Ohio partners to develop a comprehensive, statewide strategy. The plan aims to assist 26,000 unemployed and underemployed homeowners who are experiencing financial hardship and are at-risk of mortgage loan default or foreclosure. Ohio HHF program options will assist homeowners with financial hardships who have been unable to qualify for existing loan modification and foreclosure prevention programs. Available programs will include:

* Rescue Payment Assistance will provide a payment to a participating homeowner's servicer to help bring the homeowner current on his or her delinquent mortgage. The payment could cover principal, interest, fees, delinquent taxes or escrow shortage and homeowners insurance.

* Partial Mortgage Payment Assistance will support unemployed homeowners by providing partial mortgage payments while they search for a job or participate in job training.

* Modification Assistance with Principal Reduction will provide a payment incentive to loan servicers to reduce a participating homeowner's mortgage principal to the level necessary to achieve a loan modification with a target of a 115 percent loan-to–value ratio or less. This program should increase the number of loan modifications that are approved and available to both Home Affordable Modification Program (HAMP) eligible and non-HAMP eligible borrowers.

* Transitional Assistance will offer an incentive to servicers to complete short sales and deed-in-lieu agreements to help homeowners exit their homes gracefully. This will allow homeowners who cannot sustain homeownership to pursue alternatives

to foreclosure, reducing the negative impact on their credit rating and losses to the servicer.

If a homeowner uses Ohio HHF to stay in their home and then sells or refinances their home within five years, the assistance would be repayable from the net proceeds.

5.1.1 Foreclosures in Preble County

Like most counties in Ohio Preble County saw an increase in foreclosures between 2001 and 2010. The increases from year to year were steady with only 2003, 2004, and 2009 showing a decrease from the previous year. Table 5.1 shows foreclosures for Preble County over the ten year period. The year 2001 was the lowest year with 168 foreclosures, by the next year foreclosures had jumped to 256. The year 2010 had the highest number of foreclosures at 384.

Table 5.1 - Foreclosures Preble County 2001 - 2010

Year	Number of Foreclosures
2001	168
2002	256
2003	248
2004	228
2005	234
2006	307
2007	348
2008	374
2009	370
2010	384
2010 Over 2009	4%

5.2 Alternative Financial Services

Alternative financial services (AFS) is a term often used to describe the array of financial services offered by providers that operate outside of federally insured banks and thrifts. Alternative financial services are more commonly referred to as "predatory lending".

Check-cashing outlets, money transmitters, car title lenders, payday loan stores, pawnshops, and rent-to-own stores are all considered AFS providers. However, many of the products and services they provide are not "alternative"; rather, they are the same as or similar to those offered by banks. AFS also sometimes refers to financial products delivered outside brick-and-mortar bank branches or storefronts through alternative channels, such as the Internet, financial services kiosks, and mobile phones. Because of the large size of the AFS sector, some banks use less traditional products, services, and distribution methods to target new customers, particularly among un-banked and under-banked households.

Alternative financial services or predatory lending takes many forms. For example, predatory lending includes abusive lending practices that result in equity stripping, inability to repay and foreclosures. Many times predatory lending targets low-income and/or minority homeowners who cannot (or think they cannot) get financing from lenders that are not predatory.

Many check-cashing outlets and other companies are now offering "payday loans" which go by a variety of names: "check advance loans," "postdated check loans," "delayed deposit loans" or "deferred presentment loans." While they have many names, they all have the same predatory result. Typically, the consumers write personal checks payable to the lender for a future date when they are due to repay the loan, which is generally their next payday.

A recent AARP survey found that 19% of persons 50-64 years old had cashed a check at a check cashing outlet. The Center for Responsible Lending reported:

- ✓ Sixteen percent of overdraft loan users account for 71 percent of fee-based overdraft loan fees.
- ✓ Repeat users are more often low-income, single, nonwhite renters.
- ✓ Repeat users are in effect using the overdraft loans as an expensive substitute for a line-of-credit, and are paying fees that can be as costly as payday loans.

The cost for this "convenience" or "helping you out" loans can be extremely high. The "fee" being paid is really interest. In some states, a company can charge a maximum of $15 on a $10 loan for a two-week period, which, when considered over time, calculates to a 390% annual percentage rate (APR). Often, borrowing $500 results in $75 in fees and interest. As noted in the earlier section, such extremely high rates are part of the definition of what makes a loan predatory.

Rent-to-Own companies "rent" merchandise, although the structure of the transaction is more like a loan because of the interest and credit insurance involved. These businesses charge a weekly or monthly rent for a stated period, after which the property is owned by the consumer. The store does not have to report how much it is charging in interest. If a borrower is late with a payment, there is no legal limit to how much interest the store can charge in finance charges, although the company usually repossesses the rental property. Under a typical rent-to-own contract, a consumer may pay as much as $2,200 over two years to purchase a $500 TV.

Obviously these types of "financing" business prey on those who are least able to afford to carry the burden. However, the "catch 22" is that there is not a reasonable alternative for low-moderate income households. Generally they cannot go to the bank to get a short term loan, nor can they get a Sears, Penney's, etc. card to purchase appliances or furniture. Many are working service jobs that a pay minimum wage or slightly higher which makes the lure of these lenders strong when it is the end of the month and they are out of money to pay doctors' bills, buy groceries or put gas in the car. As gas prices rise in the Preble County area the use of these lenders will also increase and the abuses will continue.

5.3 Preble County Lending

This report concentrates on lenders in the mortgage lending market in Preble County. This review is based on 2004 through 2008 Loan Application Register (LAR) reports from individual lenders.

Inadequate lending performance results in long term and far ranging community problems. Disinvestment is the most devastating result. Disinvestment in neighborhoods by lenders reduces housing finance options for borrowers and weakens competition in the mortgage market for low and moderate-income neighborhoods.

High mortgage costs, fewer favorable mortgage loan terms, deteriorating neighborhoods, reduced opportunities for home ownership, reduced opportunities for home improvement and the lack of affordable housing are only a few of the consequences of inadequate lending performance. In addition, financial decay in the business sector is also a result of disinvestment – business relocation, closure and bankruptcy. On the other hand, full service local lenders, that have traditionally served residents and businesses, are the main cogs in the wheel that keep neighborhoods stable.

Significant changes are occurring in the lending market, not only in Preble County but, throughout the United States. It is becoming a common occurrence to read about national lenders buying local lenders. These national lending institutions are becoming increasingly more active locally. The market share of national corporations is growing yearly. Previous lending studies undertaken by the consultant reveal that these national lenders often place an emphasis on less risky loans such as refinancing and home improvement. Historically, when lenders "target market" their mortgage lending activity to limited segments of the market, minority and low-moderate income borrowers have less opportunity for home purchase.

This project does not examine all lending issues as they relate to performance and service. Issues such as: comparison of loan terms and conditions; patterns of branch openings and closings; and, record of investment in community development projects fall outside the scope of the HMDA database. However, this analysis does consider race, racial population, applicant income, and income.

This analysis should not be used to determine or identify discriminatory practices by individual lenders. It should be used as a tool to determine only the lending performance of lenders in the specific area based on HMDA data. Unregulated lenders who are not required to submit HMDA reports are not monitored and have not been included in this analysis.[1]

5.4 Analysis

The focus of this report is on all applications (all types and purpose) and on Conventional Home Purchase applications, originations and denials. A brief discussion is included on Conventional Refinancing also. As noted above, the Federal Financial Institutions Examination Council's (FFIEC) HMDA data is compiled giving information based on MSA, County and Tracts. However, not all data are available for all geographies. Information, in all of the tables related to lending throughout this analysis, is compiled from the HMDA unless otherwise noted.

In order to give the reader all data used in developing sections of this report reference tables are included in the Appendices. HMDA data includes data for White and Black applications in the County. Data is also reported for Hispanic, American Indian, Asian and Other Race borrowers. The data is often small, less than 3% of the total mortgage activity, and on which we have performed no analysis.

Tables report data for income and applicant income based on median household income; low-moderate income; middle income; and, upper income. These categories are defined according to U.S. Department of Housing and Urban Development (HUD) criteria as follows:

[1] List of lenders for Preble County MSA, FFIEC HMDA Data Reports 2004

- ✓ Low Income - <50% of median household income
- ✓ Moderate Income - >=50% -< 80% of median household income
- ✓ Middle Income - >=80% - <100%
- ✓ Middle Income - >=100% - <120%*
- ✓ Upper Income - >=120% of median household income

* the break down for the two middle income categories is done to reflect how the HMDA is reported.

5.5 Mortgage Activity Preble County

Table 5.1 indicates all originations made on home mortgage loans for the County in comparison with the State of Ohio and nationally. This table gives data for the years 2004 through 2009.

Table 5.1 - All Originations Preble County 2004-2008

All Originations	2004	2005	2006	2007	2008	2009
Preble County						
Number of Loans	1,533	1,477	1,247	1,093	836	1,067
Median Loan Amount	$92,000	$95,000	$94,000	$96,000	$100,000	$106,000
State of Ohio						
Number of Loans	410,281	374,176	316,290	241,206	189,403	283,267
Median Loan Amount	$109,000	$112,000	$108,000	$114,000	$123,000	$132,000

The number of originations in Preble County declined between 2004 and 2008 by over 11%. Each successive year shows a decrease in originations. Part of this could be explained that the number of applications received declined also during those years.

The median loan amount also showed some fluctuations over the five year period with 2009 being the year with the highest loan amount, showing some rebound in the value of housing in the County. Over the six year period the average loan amount was within a few thousand dollars of one another. This is a good sign for those wishing to get into the mortgage market as homes are selling for considerably less than the state average and the national average. However, it can be a bad sign for those trying to sell their homes and find that the equity they had hoped for is not there or that the sale price they need does not meet the amount needed to cover an existing mortgage.

Table 5.2 shows originations by loan purpose (home purchase or refinancing.) Preble County saw 26.24% of all loans for the purpose of purchasing a home and 73.76% for refinancing in 2009. The 47.85% for home purchase in 2007 is the highest for the five year period.

Table 5.2 - Originations by Loan Purpose

Purchase	2004	2005	2006	2007	2008	2009
Number of Loans	579	624	576	523	385	280
Median Loan Amount	$98,000	$96,500	$96,000	$98,000	$99,000	$92,500
Percent of All Loans	37.77%	42.25%	46.19%	47.85%	46.05%	26.24%
Refinance	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Number of Loans	954	853	671	570	451	787
Median Loan Amount	$88,000	$93,000	$88,000	$96,000	$102,000	$112,000
Percent of All Loans	62.23%	57.75%	53.81%	52.15%	53.95%	73.76%

The rate of Refinance originations never feel below 50% indicating that market weathered the drastic changes in the housing mortgage market due to the housing crisis. The results of this crisis are still being felt and are reflected in home purchase loans. The refinance market dominated in 2009 with 73.76% of the market compared to home purchases 26.24%.

High cost loans are always a concern in that it shows that buyers might be in mortgages that they might not be able afford. A loan is considered high cost when there is a rate spread in the reporting. The rate spread on a loan is the difference between the annual percentage rate (APR) on the loan and the treasury security yield as of the date of the loan's origination. Rate spreads are only reported by the financial institutions if the APR is three or more percentage points higher for the loan.

Federal regulators define high-cost loans as those with interest rates 3 percentage points higher than a benchmark rate for first mortgages, and 5 percentage points higher for second mortgages. That can make a big difference in payments. For example, a $300,000 loan at 6 percent costs $1,799 a month; at 9 percent it costs $2,414 or $615 more a month.

In the Preble County mortgage market more than 10% of loans originated were high cost loans in 2004, compared to 15% in the State of Ohio. By 2009 this had dropped to 5.45%. In 2005 the highest percent of high cost loans was recorded at 19.66%. The high cost loans in Preble County are shown in Table 5.3.

The number of loans made to minorities was extremely small as would be expected when compared the percent of total population minorities have in the County. Due to this the numbers and percentages have little significance when discussing high cost loans as they pertain to minorities.

Table 5.3 - High Cost Origination

High Cost Loans	2004	2005	2006	2007	2008	2009
Preble County						
Number of Loans	165	288	242	115	61	57
Median Loan Amt.	$118,000	$131,000	$120,500	$132,000	$132,000	$141,500
% of All Loans	10.96%	19.66%	19.15%	12.12%	7.24%	5.45%
State of Ohio % of All Loans	15.17%	26.32%	27.08%	16.95%	11.07%	4.92%

Table 5.5 - High Cost Lending by Race

High Cost	2004	2005	2006	2007	2008	2009
Loans to White						
Number of Loans	264	463	357	200	128	74
% of High Cost Loans	86.74%	85.53%	92.16%	92.00%	89.06%	98.65%
Loans to Blacks						
Number of Loans	2	2	3	0	1	1
% High Cost Loans	0.76%	0.43%	0.84%	0.00%	0.78%	1.35%
Loans to Asians						
Number of Loans	0	0	0	0	0	0
% High Cost Loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loans to Hispanics						
Number of Loans	3	1	2	0	1	0
% High Cost Loans	1.14%	0.22%	0.56%	0.00%	0.78%	0.00%

Table 5.6 - Home Loans Made to Whites and Blacks 2004-2009

Home Loans	2004	2005	2006	2007	2008	2009
Home Purchase Loans Preble County						
Loans to Whites	92.06%	88.14%	95.14%	94.84%	94.55%	95.36%
Median Value	$97,000	$96,000	$95,000	$98,000	$99,000	$93,000
Loans to Blacks	2	3	1	0	1	0
Median Value	N/A	N/A	N/A	N/A	N/A	N/A
Home Refinance Loans Preble County						
Loans to Whites	849	764	618	526	385	710
Median Value	$87,000	$92,000	$90,000	$96,000	$102,000	$108,000
Loans to Blacks	9	3	2	2	2	2
Median Value	$115,000	N/A	N/A	N/A	N/A	N/A

5.6 Government Backed Applications

In 2000, 70.1 million families in the U.S. owned their own homes, an increase of 10 million from 1993, in 2005 there were 75.5 million owner occupied housing units. The role of government backed loans, especially FHA, in America has been significant since the programs' inception in the 1940's. More than 30 million families have used FHA as their source for home mortgages in the last six decades. FHA's market share over recent years has remained stable at around 20% of the total housing market. This is in spite of shrinking mortgage rates that FHA often cannot match, the increase in sub-prime lending, the availability of competing mortgage programs from the conventional mortgage market and other actions.

FHA has always been the lender for low-moderate income households, minorities and those with less than stellar credit. In 1999, one fifth of all home purchases in the United States were FHA loans. Of this, two-fifths were for Blacks and Hispanics.

Table 5.7 shows how Preble County compared to the State of Ohio in FHA/VA activity.

Table 5.7 - Government Back Loans 2004-2008

Government Backed Loans	2004	2005	2006	2007	2008	2009
Preble County						
All Loans	10.37%	8.46%	11.39%	16.65%	31.10%	27.18%
White Loans	11.43%	8.52%	11.92%	17.12%	30.97%	26.82%
Black Loans	0.00%	0.00%	N/A	N/A	N/A	N/A
State of Ohio						
All Loans	8.21%	6.76%	7.62%	11.06%	30.88%	29.84%
White Loans	7.91%	6.72%	7.56%	10.53%	29.66%	28.72%
Black Loans	15.02%	11.16%	11.44%	20.24%	58.21%	66.52%

The County saw a steady increase in government backed loans over the five year period include in Table 5.7 from 10.37% in 2004 to almost tripling in size by 2008 to 31.10%. The percentage of minorities in the county is of such small percentage that there was no information for the county on government backed loans for Blacks.

6.0 - Advertising

6.1 HUD Advertising Guidance

Advertising guidelines have been the subject of great debate since they were enacted in 1988. In order to clarify the confusion over terms and phrases that were considered a violation of the regulations, the US Department of Housing and Urban Development (HUD) agency issued further guidelines that provide a more reasonable review method in order to determine what constitutes discriminatory advertising.

Originally, terms such as “excellent view”, “walk-in closet”, “bachelor” or “bachelorette” and names such as “The Baptist Home” could have been viewed as discriminatory. Currently, when these are placed in their proper context, they are not “red-flagged” as discriminatory.

Besides words indicative of race, color, religion, sex, handicap, familial status, or national origin, colloquialisms, or words or phrases used regionally or locally, which might imply or suggest race, color, religion, sex, handicap, familial status or national origin should be avoided as well. In addition, catch words and phrases such as “restricted”, “exclusive”, “private”, “integrated”, “traditional”, “board approval” or "membership approval" and symbols or logotypes which imply or suggest race, color, religion, sex, handicap, familial status or national origin should also be avoided.

It should also be noted that the liability does not exist only with publishers of any print media or broadcasters of radio and television advertising for the sale or rental transaction of a residential dwelling. It also includes persons or companies who conduct the sale or rental transaction of a residential dwelling such as advertising agencies, sales firms, real estate professionals and management companies. In addition, their clients can be held liable as well. Jury cases involving discriminatory real estate advertising in the Washington, D.C.-Baltimore, Maryland area have resulted in jury awards of $850,000 and $2 million. In addition, a successful plaintiff in a discriminatory advertising suit is generally entitled to have the court order the defendant to pay the plaintiff's attorneys' fees, which can be significant. It should also be noted that where the defendant has acted in reckless disregard of the plaintiff's civil rights, punitive damage awards are also available under federal law. (Smith v. Wade, 461 U.S. 30, 37 - in 1983)

Advertising may be described as an evolving art, science and business. Traditional forms of advertising (i.e., newspaper, radio, television) now compete with electronic publication on the World Wide Web. Internet advertising has been the subject of increasing scrutiny and debate. Most recently, the web-based Craig's List has been the defendant as a provider of housing information. The Chicago Lawyers' Committee for Civil Rights has filed a lawsuit against Craig's List because the Fair Housing Act explicitly holds publishers responsible for discriminatory ads that have been prepared by third parties[2]. This litigation is pending, but may hold broad implications for future advertising.

Caution should be noted when describing either a geographical area or giving directions as they can imply a discriminatory preference, limitation, or exclusion. These can include the names of facilities which cater to a particular racial, national origin or religious group, such as country club or private school designations. In addition, the names of facilities which are used exclusively by one sex may indicate a preference.

All forms of print media should indicate that all housing advertised in their classified sections abide by the FHAA. The HUD regulations contain a special provision applicable to publishers. They provide that all publishers should publish at the beginning of their real estate advertising section a notice including language to the following effect:

All real estate advertised herein is subject to the Federal Fair Housing Act, which makes it illegal to advertise "any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or intention to make any such preference, limitation, or discrimination." We will not knowingly accept any advertising for real estate which is in violation of the law. All persons are hereby informed that all

[2] (2006) Voice of America. *Lawsuit Calls on Craig's List to do Better Job of Policing Ads*

dwellings advertised are available on an equal opportunity basis. In addition, telephone numbers for local fair housing organizations or agencies which home seekers may call for information if they feel that they have been the victim of housing discrimination should be included in the publisher's notice.

In conjunction to the above disclaimer, all advertising for housing, including lending, should include the "Equal Housing Opportunity" slogan or logo according to HUD regulations. The logo is to be placed in all advertising that is larger than two (2) column inches and it should be legible.

Finally, the use of human models in real estate related advertising are regulated by HUD. Frequently, display advertising will include photos or drawings. Often, such advertising will depict persons enjoying the amenities of the complex or the neighborhood to make the housing seem appealing to potential home seekers. It is only common sense that a message may be sent by the race, sex, age or family status of the persons in the advertisements.

It is defined that "models should be clearly definable as reasonably representing majority and minority groups...". If models are used in photographs, drawings or other graphic techniques, they should "indicate to the general public that the housing is... (available)... to all without regard to race, color, religion, disability, familial status or national origin and is not for the exclusive use of one such group." However, one of the changes that has been seen since the fair housing advertising guidelines went into effect has been the decreasing number of these types of ads by REALTORS®, landlords, management companies and rental complexes.

While federal law prohibits any form of discrimination based upon race, color, religion, sex, handicap, familial status and national origin, the use of word, phrases and symbols to convey either overt or tacit discriminatory preferences or limitations are also prohibited. As a publisher or advertiser, it is important that you understand that the law prohibits not only advertisements that express a preference against certain home seekers (e.g., no children, no Blacks) but also those that express a preference for particular types of persons (e.g., Jewish tenants sought, ideal for female tenant). Both types of advertisements may indicate a "preference, limitation or discrimination based on" a protected class and thus violate the law.

6.2 Analysis of advertising

In order to ascertain whether advertising in Preble County and Preble County area deviates from the statutory and regulatory language of the FHAA, a representative sampling of editions of *The Register Herald, Dayton Daily News*, Craigslist and the electronic classifieds of the aforementioned newspapers with over 75 ads offered by providers of available housing information were surveyed to determine whether discriminatory practices were evident.

The Consultants examined advertisements for: 1) explicitly discriminatory statements, 2) language that could serve as a subtle discouragement, 3) use of human models, and 4) failure to print "Equal Housing Opportunity" indicia.

In the ads examined, the Consultants found no advertising that expressed an explicit discriminatory preference. There were no statements such as "no children," "adults only," "Christian home," etc. The classified advertising staff at the newspaper appears to be doing a competent job of screening out explicitly discriminatory advertising.

The consultants looked for subtly discouraging language throughout the classified advertising. A small number of the rental advertisements contained the phrase "no pets." While "pets" per se are not covered by the Fair Housing Act, people with disabilities who need animals for support or assistance are likely not to contact housing providers who run such advertisements, even though the Fair Housing Act would allow those individuals in most cases to request a reasonable accommodation allowing them to have an animal despite a "no-pets" policy. Not all people with disabilities are aware of their rights to such an accommodation, and other people would prefer not to go through the difficulty of requesting one. Specifically, one advertisement stated 'Absolutely no pets.' Clearly, this restriction would rule out the presence of a service animal or an emotional support animal.

In the display advertising published in the newspaper and on the web-based ads, the Consultants specifically examined the publication for evidence of the Equal Housing

Overall there were no major concerns regarding real estate/rental advertising in any of the publications reviewed for this report.

7.0 - Zoning

7.1 Introduction

Not In My Backyard, Removing Barriers to Affordable Housing, while published in July 1991, by the Advisory Commission on Regulatory Barriers and Affordable Housing, is still relevant today. In the forward, then HUD Secretary Jack Kemp wrote that "the Commission's disturbing conclusion is that exclusionary, discriminatory and unnecessary regulations constitute formidable barriers to affordable housing..."[3]

Not In My Backyard..., cites excessive subdivision standards, fees, slow and burdensome permitting processes, applying building codes for new construction to rehabilitation, and NIMBY as among the most serious barriers.

The Advisory Commission concluded that states should take action to alleviate barriers to affordable housing. "States are in a unique position, for both constitutional and practical reasons, to deal with regulatory barriers to affordable housing. Constitutionally, all authority exercised by units of local government over land use and development derives wholly from the State... which is therefore uniquely situated to undertake reform of the collage of local regulations, as well as the State requirements that overlay them."

Patricia E. Salkin, Director of the Government Law Center, Albany Law School, offers a balanced view of the theoretical degree to which land use and building controls add housing cost in her April 1993 article in the publication, *Land Use Law*. Ms. Salkin correctly speculates that "It is time to openly discuss and debate the Report (*Not In My Backyard...*) and perhaps launch an empirical study to refute or substantiate the document - just how much do land-use regulations drive up the cost of housing? The real public policy issue in the debate is this: What is the most constructive balance between the public interest in affordable housing versus the public interests involved in land-use control?"[4]

The Council of State Community Development Agencies (COSCDA), published *Making Housing Affordable: Breaking Down Regulatory Barriers - A Self-Assessment Guide for States* published in the late 1990's. The 'Guide' cites the common issues raised about regulatory barriers and notes that: "...most states do not easily or readily intervene in local land use matters. Few issues are as politically sensitive - and potentially damaging to state elected officials - than local zoning, subdivision, and building regulations. States can assume a leadership role in advancing and encouraging

[3] Not In My Backyard, Removing Barriers to Affordable Housing, 1991, p. 2
[4] Land Use Law, Patricia E. Salkin, 1993, page 7

thoughtful modification of land use and development regulation."[5] While this lays the burden on the State, the County should consider their role in assuring that they are not involved in promoting barriers to equal housing.

Four key areas were reviewed as part of the analysis. They were selected because of the possible adverse effects they could have on families and persons with disabilities.

1. Definitions used for "families," "group homes," "dwelling unit"
2. Regulations (if any) regarding "group homes"
3. Ability for "group homes" or other similar type housing to be developed.
4. Unreasonable restrictions, costs on developing multi-family housing units, such as lot size requirements, impact fees, setbacks.

Discriminatory zoning regarding group homes is probably one of the most litigated areas of fair housing regulations. Across the country advocacy groups for the disabled are filing complaints over restrictive zoning codes and in most cases these groups are prevailing.

Perhaps one of the most influential court rulings regarding zoning and group homes was The County of Edmonds vs. Oxford House, Inc. This case also addresses the issue of the definition of family contained in zoning regulations. The fundamental part of this case was whether a definition of family that allowed for unlimited related individuals in a unit but limited unrelated individuals to five or fewer was discriminatory.[6]

The court said that this definition of family violates the federal fair housing regulations (42 USC C. 3604(f)(3)(b). The majority of the court found that the open-ended numerical potential of a traditionally nuclear family is so much greater than the limit of five unrelated persons, that the County was not making a reasonable accommodation for disabled individuals.

Considering the impact of the Fair Housing Amendments Act of 1988, the Uniform Federal Accessibility Guidelines, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act, entitlement grantees must exercise extraordinary diligence in their efforts to conform their policies and procedures to the ever-evolving requirements of the law. This is especially true with regard to zoning and building regulations, where developers rely upon grantees to establish the boundaries within which they can operate.
Among the most important protections provided by the Fair Housing Amendments Act of 1988 are those afforded to families with children and the handicapped, or persons with disabilities. Notably, the developing crisis in affordable housing that the nation experienced in the eighties had a particularly devastating effect upon these protected

[5] Making Housing Affordable: Breaking Down Regulatory Barriers - A Self-Assessment Guide for States, p. 1
[6] Court Mandates Redefinition of Family, Robert F. Manely, O.P.C. Newsletter, December 10, 1995, p. 10 and 11

classes. Accordingly, Congress imposed specific safeguards against policies, customs and practices that, by their impact or design, discriminate against these groups.

7.2 Local Review of Zoning Codes

Since the passage of the Fair Housing Amendments Act in 1988 local public officials have expressed concern regarding the impact of the Act on local zoning and land use decisions. Since its passage there have been numerous court actions, administrative hearings and other adverse review of local ordinances. Many of these actions have centered around the definition of "family" and relationship of the ordinances to group homes or congregate living. Local officials are faced with an emerging consensus that community living as opposed to institutional living can benefit a large number of people with disabilities. Also found in the mix of these decisions and actions are restrictive definitions for "family" found in many ordinances.

In our review of the local zoning ordinance we found no major language, restrictions or other issues that were overtly discriminatory in their intent or nature. As far as can be determined, Preble County conducts their housing programs in an affirmative manner and without restrictive policies that would adversely affect members of the protected classes.

However we did question two of their definitions in terms of "elderly." The first was for Elderly Household:

"Not more than three (3) persons, related or unrelated, who occupy a single dwelling unit, of whom one person is elderly."

We found this definition could be restrictive to elderly persons who have custody of grandchildren or foster children. In many cases the household would be greater than three (3). We felt that the definition for "family" contained in the ordinance would be more than adequate to deal with an "elderly household." We are not certain what the use of this definition serves since we could not find a specific section in the Zoning that would relate directly to it.

The second was the definition for Elderly Person:

"Any person who is 62 years of age or older, or any person under 62 years of age who is handicapped such that his physical impairments are of a long-term duration and impede his ability to live independently without a suitable housing environment."

Our concern is that the latter part of the definition is more suited to a definition for a "disabled person" which the Zoning Resolution does not include. It would seem that the Zoning Resolution places all disabled in the category of "Elderly" rather than a separate definition.

We would recommend that a definition for Disabled Person be developed separately and the definition for an elderly person be simply "Any person who is 62 years of age or older."

8.0 - Insurance Redlining

Insurance redlining occurs when insurance agents, offices and/or companies decide that certain areas of the community will not be offered home owner's insurance, that the number of policies offered will be limited to a certain number or that they will not offer all the various home owner's policies that they have.

For example, an insurance company or agent may refuse to underwrite a home owner replacement cost policy. This policy allows the home owner to rebuild his home as close to its original condition as possible and is a very popular form of insurance. In many minority and low income neighborhoods, insurance companies would refuse to offer this policy and would offer only the very basic of policies or no policies at all.

Racial minorities, low-income neighborhoods and neighborhoods containing large numbers of minorities are discriminated against in the provision of property insurance. If intentional racial discrimination is not widespread, traditional industry practices still adversely affect racial minorities and minority neighborhoods. The lack of insurance coverage caused by not offering policies in these neighborhoods or limiting such policies to the most basic coverage is an impediment to the redevelopment of urban communities.

Research and investigations throughout the United States have shown that residents of minority communities have been discouraged from purchasing insurance while residents of predominately white neighborhoods have been encouraged to do so. These studies, including the U.S. Department of Housing and Urban Development's *National Housing Survey*, show evidence of a racial gap in the availability of property insurance. While part of the gap can be explained by financial considerations of the insured, conditions of properties and general risk related factors, the racial gap typically remains substantial even after these factors are taken into consideration.

Many traditional industry-underwriting practices, which may have some legitimate business purpose, also adversely affect minorities and minority neighborhoods. Many companies have minimum value and maximum age requirements for properties to qualify for their home owner's policies. For example, a home would be disqualified if it was valued at $25,000 or $35,000 or less or was constructed before 1950. In some studies minorities were required to produce a credit check or meet for an interview with the agent before being given a quote.

A review of local insurance providers in Preble County found no issue related to provision of service, location of agents or denial of insurance that is related to fair housing policies.

9.0 Conclusions, Impediments and Recommendations

Federal Law mandates that every federal entitlement community be responsible for affirmatively furthering fair housing. Federal regulations go further than merely making this a requirement. Local communities must *certify* that they will affirmatively further fair housing and assume the responsibility of fair housing planning by conducting an analysis of impediments to fair housing. This report is a search for evidence that a policy, practice, standard or method of administration, although neutral on its face, operates to deny equal housing choice to an individual because of their race, color, religion, sex, national origin, religion, familial status or disability. The document produced as a result of this research is generally called the Analysis of Impediments to Fair Housing Choice (AI).

The AI has reviewed a variety of questions that may affect the fair housing "health" of the community. It reviewed the practices and provisions of lending institutions, local housing-related codes and regulations, advertising for housing, past and present fair housing activities, the real estate and rental industry, and affordable housing programs and issues. It also reviewed the concerns of affordable housing and how housing policies can affect the low and moderate income population. While some of these concerns, on their face, do not constitute fair housing related concerns, they can have an impact on equal choice in housing.

The availability of housing and housing programs is important to a community. It does little good to provide home ownership programs if lenders that administer the programs require different terms and conditions of certain races, religions or sex. A rental rehabilitation program can offer the opportunity for individuals to live in safe and sanitary housing, but when a landlord/owner discriminates in his choice of tenants because of family status, race, disability, etc. the program does the community little good. Similarly, if a community is building affordable multi-family housing and fails to assure the accessibility of units for disabled persons, the project fails before it is begun.

Some may argue that fair housing should only be concerned with the issues of equal choice or that fair housing should have nothing to do with the development of housing programs. Another argument is that Fair Housing Law protects persons based on race, religion, color, sex, national origin, familial status and disability and that other issues such as the source of income, marital status and age has nothing to do with fair housing. However, this is not true. Recent decisions by the courts are indicating that any policy or activity however neutral on its face that denies housing is of concern to the court and should be of concern to the community. The impact of fair housing considerations on the development of accessible multifamily housing is another example illustrating this point.

Challenges are also being made in the State regarding age, marital status, sexual preference and the provision of County services to low-moderate income (LMI) housing developments. Challenges reflect how fair housing laws and regulations respond and ultimately adapt to the housing concerns of the community. Current challenges should be used as an indicator by the community to adjust established policy to meet the housing needs of the protected as well as the unprotected classes.

Below is a summary of the key findings and identified impediments and related recommendations. The consultant will both identify resources to implement these recommendations and suggest a feasible timetable.

Impediments and Action Plan

9. 1 Fair Housing Enforcement

There is a lack of knowledge of existing fair housing laws and program. While there are resources provided through the outreach and education to the County there is always room for additional activities. Fair housing education and enforcement is an effort that must constantly be in the forefront of any sound Community Development program. The relationship between the two programs must always be acknowledged and CDBG activities should always understand the fair housing ramifications.

Providing education on the State of Ohio protective class of "Military Status" should be considered in all training that the fair housing program undertakes. Information on the right to service/companion animals, reasonable accommodations and the rights of the disabled under fair housing regulations, Section 504 and the Americans With Disabilities Act should be considered as part of the program training activities.

Training to landlords, managers, rental agents and others involved in the rental market should be considered. Often this is the industry where complaints come from. With the rate of foreclosures still an issue more and more people are looking to rental market for housing it is important that both landlords and tenants be offered. It is understood that this training is provided through County's CHIP program however funding for CHIP is not guaranteed every year and provisions should be made to make sure training is available in those years that no CHIP funding is available.

Recommendations:

Develop training programs that target: 1) the rental market and both housing providers and tenants; 2) to the community on overall fair housing rights and responsibility, this training could be in addition to already planned training such as

CHIP& CDBG public hearings and other training; 3) a training to advocates and agencies that promote the rights of the disabled as well as other organizations that might have contact with the disabled community on reasonable accommodations , service/companion animals and accessibility.

On the County web site a link should be developed that would make it easy for residents to access fair housing information, including the local contact telephone number. Information should include rights under both the federal and state fair housing laws, protected classes, how to file a complaint and contact information for the Ohio Civil Rights Commission, the Department of Housing and Urban Development and any area fair housing organization that may offer assistance.

Assure that all fair housing materials include the protected class (State of Ohio) of military status with a brief explanation of what the coverage means. This should be on all posters, brochures and the printed materials that discuss the protected classes.

An annual review of the fair housing program to access the effectiveness of the program, what new issues need addressed, and any other changes that need to be made to make the program more effective.

At the beginning of each new program a yearly plan should be developed that outlines all activities that are to take place, materials to be distributed, and training to be provided.

Work to develop partnerships with local agencies, advocates and organizations that can assist in distributing materials regarding the program. This effort will help the program in getting the information out to the public and assure that those served in the community know that there is assistance when housing problems occur.

Time Frame:

Ongoing for the FY2011 program year and each year following.

9.2 Accessibility

The more critical issue today is the need to increase the amount of affordable and accessible housing stock in the community and to ensure that persons with physical or mental disabilities can fully enjoy their housing. It was noted that there are over 37% of senior households that are disabled and in age group comparisons with the State of Ohio the County has higher percentages of disabled. This will be an increasing problem as our populations grow older and the lack of accessible housing does not grow with it. Having a preference in the Housing Choice Voucher Program for the disabled might help address this growing need if only in a small way due to the total numbers of vouchers available in the County.

From our research Preble County Metropolitan Housing Authority, through its managing agency Community Action Partnerships, offers no senior or disabled housing unless it is through the housing choice voucher program and statistics were not available on who uses the vouchers.

Recommendation:

1. Educate developers, non-profit organizations and architects about ways they can enhance the accessibility of existing units and increase the availability of accessible units;

2. Systematically inform housing providers and residents about their right to reasonable accommodations and modifications under fair housing law through the development and distribution of materials.

3. Evaluate contact points where citizens with accessible housing and other housing concerns contact the various County agencies and develop a strategy to improve efficiency and effectiveness (quality) of the County's response.

4. Coordinate with the PCMHA that vouchers are being used by disabled and that there is a preference for disabled tenants.

Time Frame:

Ongoing. Initial program should be done in FY2011

9.3 Affordable Rental Housing

One of the most significant impediments identified in the Community Issues survey was the lack of affordable housing. Although some commenters felt that government/private programs were doing a good job of assisting individuals achieve affordable, safe and decent housing, others identified the need for credit counseling, financial management which could assist citizens in becoming first time home buyers.

Information provided in the section of this report on Housing Affordability clearly showed that the need for affordable housing is needed. In 2009, 35% of renters were paying more that 30% of their income for rent.

The increase in demand for affordable rental housing is becoming a major problem. As noted previously, negative attitudes and community hostility towards affordable housing are a critical barrier to increasing affordable rental stock. Finding ways to address these attitudes is covered in the earlier recommendations.

In addition, local communities must work with HUD, the state, and the public housing authority to increase efforts to provide housing to low-income residents.

Recommendation:

1. Assist in the recruitment of landlords, developers and others to increase de-concentration by increasing those housing providers willing to participate in the Section 8 Housing Choice Voucher program of MHA.

2. Develop and encourage proactive education efforts to facilitate implementation of the program by avoiding/averting/minimizing these problems. Recruiting the involvement of non-profit, faith-based, grassroots and other existing community organizations in this effort is recommended for efficiency and effectiveness.

3. Consider the adoption of a County ordinance that would protect the additional characteristic of "source of income" or "participation in Housing Choice voucher program."

4. Continue to support the cooperative efforts of the County Planning Department's code inspectors, the County Health Department, and other agencies to provide a rapid response to correct code and health violations and thus increase the supply of safe affordable rental housing.

5. Examine the composition of local boards, commissions, and advisory bodies to determine representation of individuals in protected classes in decision making positions.

Time Frame:

Ongoing each program year. Initial action in FY2011

9.4 Zoning

While overall we found the zoning codes adopted by the county and other jurisdictions to be without major issues two things did raise questions regarding the definitions related to "seniors". We provide recommendations to address these concerns below.

Recommendation

1. Elderly Person: We would recommend that a definition for Disabled Person be developed separately and the definition for an elderly person be simple "Any person who is 62 years of age or older."

2. Elderly Household: Consider rewriting the definition so it is less restrictive or use the definition for family instead.

Time Frame:

Program year FY2011

SOURCES

The following sources were used in completing this report:

1. The 1990, 2000 and 2010 US Census
2. Policy Map - The Reinvestment Fund
3. American Fact Finder - US Census Bureau - http://www.factfinder.census.gov/
4. Preble County Ohio website
5. OSU Online - Community GIS Information - Results for Preble County, Ohio
7. Ohio Data Users Center - County Profileshttp://www.sites.nppd.com/
8. Regulatory Barriers Clearinghouse -
9. Realtor.com - Find a Neighborhood
10. Employment and Training Institute, School of Continuing Education, University of Wisconsin-Milwaukee
11. National Association of Home Builders- www.nagb.org
12. Fannie Mae Foundation Research and Sources
13. Area Chamber of Commerce
14. Area Board of Realtors
15. Fair Housing Planning Guide, Vol 1, DHUD, OFHEO
16. Preble County Zoning Codes and Regulations
17. Bureau of Labor Statistics
18. County Data dot Com
19. Ohio Supreme Court - Foreclosure reports