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## Executive Summary

This Analysis of Impediments to Fair Housing Choice was developed by the Fair Housing Center in conjunction with Lucas County, the City of Toledo, the City of Oregon, the Ohio Department of Development and the Department of Housing and Urban Development.

Jurisdictions that receive federal dollars, either directly or as a pass through, are required to complete an Analysis of Impediments. The Analysis of Impediments process is prescribed and monitored by the Department of Housing and Urban Development. The state's Department of Development has some monitoring responsibilities as well.

The City of Toledo, Lucas County and the City of Oregon took the initiative to collaborate in this regional Analysis of Impediments. Developing a regional Analysis is by far the best approach as often impediments cross over district lines. And designing solutions to address those impediments will inevitably require the participation of the entire community, not just one jurisdiction.

The analysis is a comprehensive review of barriers in the community that inhibit consumers from acquiring the housing of their choice based on race, color, ancestry, national origin, religion, sex, familial status, or disability. The process for identifying impediments was broad based and included a series of community forums to solicit public comments, interviews with housing providers, consumers and public officials, research of local zoning codes and ordinances, and document reviews.

The Analysis of Impediments will be used as a jumping board for the region to develop a Fair Housing Plan. The Fair Housing Plan lists action items that will be completed in order to curtail and eliminate the impediments identified in the Analysis.

The Analysis is broken down by factors that impact open housing choice and provides a discussion of any identified impediments and follows with conclusions and recommendations for addressing the impediments.

There were a number of Impediments identified in seven areas. These areas include; Market Conditions, Economic Development, Transportation, Education, Assisted Housing, Homeless, Fair Housing Enforcement and Zoning and Code Issues. Lucas County has suffered as a result of the area's inelasticity and fragmentation. The isolated evolution of the suburban communities surrounding Toledo has resulted in the concentration of racial minorities and the poor in the urban center and have exacerbated negative social conditions in the urban core. There are, as a result, huge disparities in housing access and quality of life issues between Toledo and the surrounding communities.

What's more, the growth in the suburban districts has not occurred according to a comprehensive regional plan, but rather has happened in a more piecemeal fashion. In fact, some of the growth, and parallel economic and residential loss in the City of Toledo, occurred due to racial considerations. Long held beliefs in the housing industry, government, and general public, that the most stable community was a racially homogenous one, have spurred much of the flight from

Toledo into surrounding districts. As a result, northwest Ohio is extremely segregated and housing choices are limited and impacted by those segregation patterns.

Over the past several decades, the City of Toledo has experienced a decline in population, while adjacent communities experienced a surge in population. However, the adjoining jurisdictions did not absorb all of Toledo's loss. The entire region has experienced a drop in population, and for the first time, Lucas County's population has dropped.

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

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

Poor planning has contributed to the fractured growth as well. Many racial and ethnic minorities argue that their concerns are not central in the development plans of local jurisdictions and that some districts have adopted zoning codes that purposefully exclude them. They argue that exclusions are camouflaged under the guise of economic stability and progress. Consumers are also concerned that districts have lost a considerable amount of farm land and have not adopted smart land use policies.

But in order to address segregation and alleviate the extreme social tax on the City of Toledo, all of the jurisdictions in Lucas County need to operate with a regional focus and better coordinated goals and resources. The recommendations outlined in this Analysis provide a basis for suggesting ways in which the districts in Lucas County can work together to expand housing opportunities.

A summarization of the recommendations that are detailed in this document include:

- **Affirmative Measures to Improve Market Conditions:** All of the districts need to collaborate to stem and reverse the residential loss trends the region has been experiencing. The economic and residential losses should be considered catastrophic and require bold initiatives. Districts should adopt affirmative measures such as adopting affordable housing goals, conducting aggressive marketing and regional image campaigns, adopting a strategic, comprehensive plan for land utilization that includes Brownfield development, establishing pro-integration initiatives, and improving housing stock and services and amenities in under-served areas.
- **Economic Development/ Transportation:** The districts should work together to attract higher-paying jobs to the region with special emphasis placed on under-served areas. The districts should also work with the Toledo Area Regional Transit Authority to assess the need and feasibility of expanding into additional markets.

- **Education:** Due to negative publicity and other factors, the broader community perceives the Toledo Public School system to be a troubled organization while problems that plague other districts are rarely highlighted. All of the school districts should adopt a regional approach to addressing the educational needs of area children and to improve the public's image of local school systems.
- **Assisted Homeless Housing & Homeless Issues:** In conjunction with LMHA and the Toledo Area Alliance to End Homelessness, the districts should adopt an affirmative affordable housing plan that targets geographic dispersal.
- **Fair Housing Enforcement Goals:** The districts need to ensure that comprehensive fair housing programs are operating within each community. Housing industry professionals and groups should adopt fair housing goals and affirmative measures designed to eliminate prohibitive practices.
- **Zoning and Code Issues:** Each district should immediately assess its codes to ferret out any violations of fair housing statutes and take action to eliminate the impediments identified in this document.

Adopting these measures will ensure that the region will not only eliminate artificial barriers to consumer choice but improve overall market conditions and poise Lucas County for a healthy, economic and social environment.

## INTRODUCTION

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

The state of Ohio, in an effort to more thoroughly define what would qualify as “affirmatively furthering fair housing”, laid out the standards it expected for non-entitlement communities who received federal or state dollars.

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

Lucas County, the City of Toledo and the City of Oregon have chosen to adopt a regional effort and collaborate on the identification of impediments to fair housing choice. The communities have selected the Fair Housing Center to identify the impediments to fair housing choice in their jurisdictions.

An Analysis of Impediments is a comprehensive review of a community’s laws, regulations, administrative policies, housing market, and housing practices to determine whether there exists any barriers to fair and equal access to housing. It requires an analysis of how local laws, the market conditions, and housing practices affect the location, availability, and accessibility of housing. It is an assessment of private and public conditions affecting fair housing choice.

“Impediments” are defined as any actions, omissions, or decisions taken that would inhibit a person’s access to housing because of race, color, religion, sex, disability, familial status, national origin, or ancestry.

The Impediments Analysis is not just an examination tool. It is also a resource. It includes recommendations that a jurisdiction can take to begin to address and cure the impediments identified in the document.

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

HUD and the state of Ohio encourage communities to assess themselves in a holistic fashion. They believe that a regional approach to identifying impediments and developing recommendations and solutions to expand equal housing opportunities can best be accomplished when communities do so in collaboration with one another. Typically, what happens in one community affects what is happening or will happen in another. Communities, while artificially separated by invisible boundaries are really interwoven. The market conditions in one community ultimately have consequences on the marketplace in another. When communities recognize their inter-connectedness, they can jointly develop win/win proposals that benefit the

entire metropolitan area.

This document focuses with broad issues as they affect the larger region, Lucas County, and then addresses with the smaller segments of the larger area and how those smaller segments may be impacted by particular practice or circumstances.

Likewise, the recommendations that are more broad in nature are listed first followed by more specific recommendations for each jurisdiction.

The Center considered a variety of data to identify impediments. Those data sources included:

- HUD Intake & Complaint data
- Ohio Civil Rights Commission Intake & complaint data
- Fair Housing Center Intake & Complaint data
- Board of Community Relations statistics
- FBI statistics
- Toledo Police Department statistics
- Community Development Corporation Strategic Plans
- Home Mortgage Disclosure Act data
- Auditors' records and data
- Homeowners Insurance Questionnaire data
- Public Interviews
- Farmland Preservation data
- Demographic data
- Census data
- Community Reinvestment Act data
- City of Toledo Consolidated Plan;
- Lucas County CHIS ;
- City of Oregon CHIS;
- 2020 Plan;

This Analysis of Impediments for Toledo, Oregon, and the remaining districts in Lucas County utilizes a thematic approach to explain the existing barriers to fair housing opportunities. The housing patterns of the City of Toledo resemble the Concentric Zone Model as devised by E. W. Burgess in the 1920s to help explain the racial distribution patterns found in Chicago. According to the Concentric Zone Model, a city expands outward from its central area. Five concentric circles that represent five zones Burgess identified represent this growth. The innermost zone is the Central Business District (CBD). The second zone is called the zone of transition that contains industries, businesses and housing for low-income families. The third zone is comprised of homes for middle-income families. The fourth zone has newer and more spacious homes for upper-middle income families. The fifth zone is called the zone of commuters –where upper-income families reside and commute to-and-from work.

In addition, the Analysis looks at the elasticity and inelasticity of the Toledo metropolitan area as described by David Rusk, the former mayor of Albuquerque, New Mexico. Lucas County, in

following the Concentric Zone Model, is a community with low elasticity. That is, the region is fragmented with many municipalities with restrictive borders. Both the region's inelasticity and parallel to the Concentric Zone Model have stifled growth and development and caused the concentration of African-Americans and Hispanics and low-income residents in Toledo's central city.

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

This model proved appropriate after the research for the Analysis of Impediments was completed. Qualitative evidence was collected through three public forums and numerous interviews with community leaders, politicians and private citizens. A staff member for the Fair Housing Center recommended a formation of a committee to address the issue of improving interagency coordination. This commission should consist of the Fair Housing Center, the Community Development Corporations (CDCs), nonprofit organizations that deal with housing issues, law enforcement agencies, the Attorney General of the State of Ohio and HUD. Furthermore, every individual who contributed to this report urged for devising better education about credit and the available programs that exist to help people purchase homes. Above all, the contributing individuals expressed a concern for generating more public interest in knowing and battling the barriers to fair housing choice.

The information these people provided was further supported by the maps produced through the Geographic Information Systems (GIS) for the report. The GIS maps visually tell a viewer the prevailing patterns and trends found within the City of Toledo. Essentially, the text for this Analysis of Impediments supports the visual maps.

## **BACKGROUND**

With the passage of the Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), Congress mandated the Department of Housing and Urban Development (HUD) to administer all housing and urban development programs in a manner that would affirmatively further fair housing. Accordingly, every program managed by HUD includes provisions that require recipients to comply with the Fair Housing Act and adopt fair housing goals. HUD has required recipients of HUD dollars to certify that they affirmatively promote fair housing. Further, HUD has strongly encouraged recipients to analyze impediments to fair housing that exist in their jurisdictions and to develop measures that sufficiently address those barriers.

Recognizing that barriers to open and free housing continue to exist, the past three administrations under Presidents Reagan, Bush, and Clinton have engaged measures to enhance and encourage compliance with fair housing laws. President Reagan signed into law the Fair Housing Amendments Act that broadened the authority of HUD to promote and execute the statute.

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

During President Bush's administration, Assistant Secretaries Gordon Mansfield and Anna Kondratas reissued this memorandum citing the recent passage of the National Affordable Housing Act and its requirement that all participating jurisdictions certify their intention to affirmatively further fair housing. Moreover, Secretary Kemp and President Bush made fair housing one of six priorities at HUD.

On January 17, 1994, President Clinton signed Executive Order 12892 entitled, "Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing." The order was signed to enhance the promotion of fair housing in all federal programs as well as activities relating to housing and urban development. The Order reiterates the Secretary of Housing & Urban Development's role in furthering fair housing and underscores the responsibility of the head of each executive agency to ensure "its programs and activities relating to housing and urban development are administered in a manner to affirmatively further the goal of fair housing ..." The Order also established the President's Fair Housing Council consisting of all Cabinet members, the Chair of the Federal Reserve, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the Chair of the Federal Deposit Insurance Corporation. The President's Executive Order expands the authority of the Secretary of HUD to take necessary measures to provide leadership and coordinate efforts in all deferral programs to make fair housing a reality.

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

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

The state's standard is clear. Appendix A includes a detailed description of the state's minimum requirements. In summary, each community must have:

- General Information Contact so that residents can call someone regarding fair housing issues;

- Fair Housing complaint Intake and Referral System;
- Education and Outreach on Fair Housing Rights and Definition of Housing Discrimination;
- Impediments Analysis

The Training and Technical Assistance Section of the Ohio Department of Development monitors small cities to ensure their fair housing compliance. According to the Civil Rights Specialist with the Training and Technical Assistance Section, neither Lucas County nor Oregon have ever had a violation with respect to fair housing requirements.

Each municipality has met and exceeded the fair housing requirements established by the state. Each also incorporates other fair housing tools, such as ensuring that there are accessibility and affirmative marketing requirements associated with the housing projects they oversee.

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

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

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

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

## **ABOUT THE CONSULTANT**

The Fair Housing Center is a professional, non-profit, civil rights agency dedicated to the elimination of discrimination and the enforcement of fair housing laws by assuring equal

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<sup>1</sup> Fair Housing Planning Guide, Volume 1, U.S. Department of Housing and Urban Development, March, 1996; page i.

<sup>2</sup> Id, page i.

accessibility to public accommodations, lending, insurance, and choice of neighborhood for all persons. The Center accomplishes these goals by conducting multiple educational outreach programs, providing housing counseling services, advocating for the rights of victims, investigating and litigating allegations of housing discrimination, and facilitating neighborhood tours. It is the only agency in northwest Ohio that conducts fair housing enforcement, training, outreach and victim's assistance activities.

The Center was founded on the principles of community, tolerance, and justice. It was a commitment to these principles that ignited the League of Women Voters and the Old West End Neighborhood Association, along with several concerned citizens and community groups, to establish an organization that would combat discriminatory housing practices. In 1975, the Center took its first steps toward fulfilling a mission of eliminating housing discrimination. Over the past 25 years, the Center has carried out its founding principles through the investigation of over 7,500 complaints. Through the litigation of complaints, resulting in over \$21 million in damages for the victims of housing discrimination, the Center has demonstrated a talent for setting national precedents that have expanded housing opportunities for millions of Americans.

The Center has extensive experience in investigating lending complaints and eliminating barriers in this area. Eleven lending lawsuits and dozens of administrative complaints have been successfully resolved through the Center's efforts. The Center also recently completed the nation's first full-application lending testing project. This project enabled staff to analyze and document the experiences of bona fide applicants and resulted in the expansion of services and opportunities for historically under-served communities and applicants.

The Center has also worked to remove systemic barriers in the insurance industry that often precluded urban residents from obtaining quality insurance. The Center's endeavors to eliminate barriers in the insurance industry have proven equally successful. The agency has conducted hundreds of insurance tests and investigated over 100 complaints of insurance discrimination and redlining – more than any other fair housing organization in the country. The Center pioneered the insurance testing methodologies used in its investigations and its procedures and testing forms became the basis for the National Fair Housing Alliance's (NFHA) insurance testing program. The Center's staff provided the first insurance testing and investigation training for the sub-contractors NFHA used in its first national insurance testing project.

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

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

An extremely capable staff has placed the Center in a pioneering role and has enabled the Center to establish precedents in every facet of the housing industry. The agency and its staff has been recognized for their fair housing abilities on a local, regional and national level. The Center has received a number of fair housing awards from the U.S. Department of Housing and Urban Development (HUD) and units of local government. Staff has provided fair housing training for HUD, the Ohio Civil Rights Commission, the Federal Reserve Bank, the Center for Community Change, the Alliance of Allied Insurers, the National Fair Housing Alliance and a host of other fair housing, community and housing industry organizations. The Center has also been invited by the Senate's Bank & Lending Committee and the House of Representatives' Committee of Banking, Finance and Urban Affairs to testify concerning issues of housing discrimination including lending and insurance discrimination.

While its advancements in the lending and insurance areas have garnered the most media attention, the Center has established precedents in every segment of the housing arena. The Center tried the first sexual harassment case in the country under the Fair Housing Act. Additionally, the Center has made great strides in the areas of rental and real estate sales. Finally, the Center has expanded housing opportunities for persons with disabilities and families with children. The Center remains a national leader in the fair housing movement.

## **DEMOGRAPHIC DATA**

Lucas County is one of the largest counties in northwest Ohio. Situated on Lake Erie and the Michigan state line, Lucas County is home to a number of major corporations and is an important transportation hub for northwest Ohio as well as the states of Ohio, Michigan and Indiana. The County map, located in Appendix A, depicts the major transportation thoroughfares that cross through Lucas County. They include major highways, I-75 and I-475, the Ohio Turnpike I80-90, and major routes.

Lucas County is also the business mecca for northwest Ohio in particular because of its choice situation on Lake Erie and its transportation ease. The region's largest city and urban community is located in Lucas County, the City of Toledo. Lucas County is also the most diverse county in the region with the region's largest African-American, Asian and Hispanic populations located in the county.

There are 23 civil divisions. They include the County, Maumee City, Oregon City, Sylvania City, Toledo City, Village of Berkey, Village of Harbor View, Village of Holland, Village of Ottawa Hills, Village of Waterville, Village of Whitehouse, Harding Township, Jerusalem Township, Monclova Township, Providence Township, Richfield Township, Spencer Township, Springfield Township, Swanton Township, Sylvania Township, Washington Township, Waterville Township, and the Village of Swanton. (See district map at the end of this section.)

Toledo is the largest city in Lucas County with a population of 309,115. The city is located at the northern most tip of the County located between other jurisdictions. Toledo abuts the Michigan state line. The city is also geographically split in two by the Maumee River with the bulk of the city located to the west of the river and a small portion of Toledo situated to the east of the river.

Oregon is the largest suburb in Lucas County at 28.5 square miles and a population of 19,136. Oregon has approximately five miles of shoreline along the Maumee Bay and Lake Erie.

A close examination of the population of Lucas County reveals a significant trend. Since 1970, the population for the districts surrounding Toledo have experienced growth while the City of Toledo and the County as a whole have experienced a decline in population. In 1970, the population in the Townships of Lucas County numbered 58,768, while projections for 2020 estimate the townships population will be at 88,840. However, in 1970 the City of Toledo had a population of 383,818 people. The projections for 2020 estimate the population would stabilize at 307,842.

The Toledo Metropolitan Area Council of Government (TMACOG) estimates the 1999 population for Lucas County at 447,514 and the City of Toledo at 309,115. TMACOG estimates the populations for the cities of Maumee, Oregon, and Sylvania at 14,955, 19,136 and 17,664 respectively. In addition, the village communities of Berkey, Harbor View, Holland, Ottawa Hills, Swanton, Waterville and Whitehouse numbered 261, 137, 1210, 4214, 207, 4854 and 2711 people respectively. The total population of all townships of Lucas County numbered 71,153.

However, because of the severe decline in population in the City of Toledo, the overall population for the County has decreased since 1970. Lucas County's population peaked several

decades ago. However, since 1970 Toledo has lost over 70,000 residents. This has had a major impact on population demographics for the County as a whole. The decline continues. In 1990, Lucas County population was 462,361. The Ohio Department of Development (ODOD) estimates that Lucas County population for 1998 dropped to 447,514. This represents a 3.21% reduction in the County's population.

These figures indicate the desire and willingness of individuals to reside outside the principle urban area. The population decline of the urban area also means a loss of taxes, revenues and income for the city of Toledo. In addition, the population figures also show how the elongation of the concentric zone model is taking place. People who can afford to, move to the adjoining communities. Historically, these smaller cities, villages and townships were once rural, but now are transforming themselves into residential communities.

Toledo is a medium-sized city and the regional center of Lucas County. The 1990 Census indicated the population for the City of Toledo was 332,943. For 1999, the Ohio Department of Development, Office of Strategic Research (ODOD) and the Toledo Metropolitan Area Council of Governments (TMACOG) indicated that 309,115 people resided in the city. This represents a reduction of 23,828 people or a 7.2% population reduction for the City of Toledo since 1990.

Between 1990 and 1999, the total number of whites in the City of Toledo declined by 12.6 percent or 37,129 people. During this same time period the populations of African-Americans and Hispanics have increased by 5.6 percent or 3,641 people and 31.1 percent or 3,715 people, respectively. In raw numbers, the Hispanic population increased more than the African-American population.

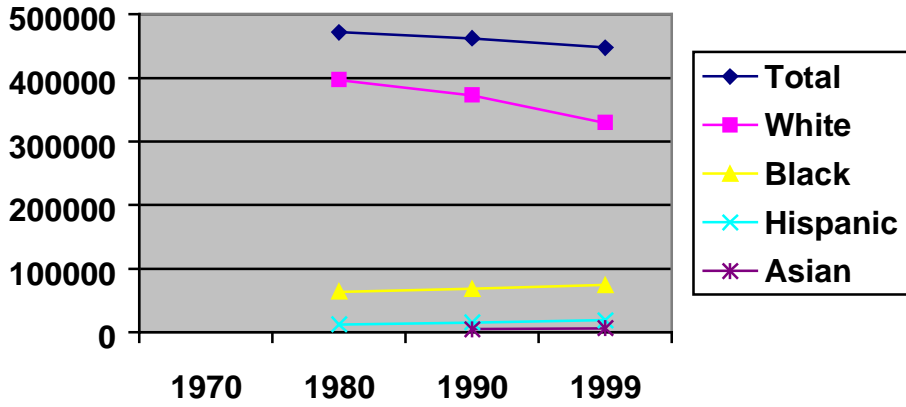
This pattern of declining population in the City of Toledo has been occurring since the 1970s. Between 1980 and 1990, the population of Toledo decreased six percent. During the 1970s, the population of Toledo decreased by 13.5 percent.

While the Caucasian population is decreasing in Toledo, the African-American and Hispanic populations are on the rise. Comparatively, the population in the remainder of the jurisdictions of Lucas County is increasing. While a number of people are leaving Toledo and moving to other parts of the region, most of Toledo's population is relocating across jurisdictional lines into adjacent cities or townships.

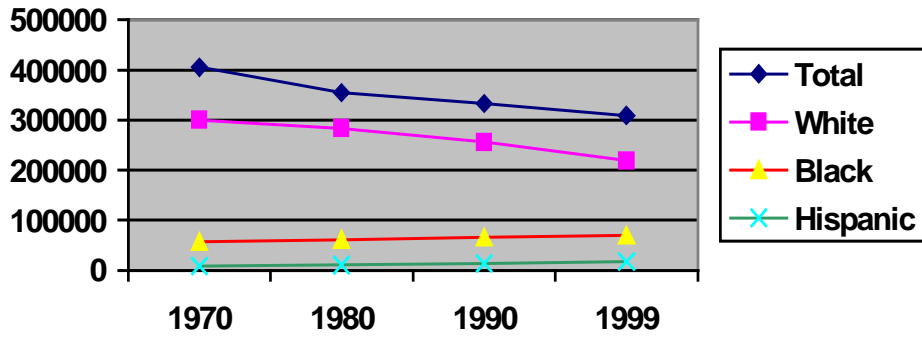
While Toledo has decreased in population, the City of Oregon, the second largest city in Lucas County has increased. The 1998 population estimates by the Toledo Metropolitan Area Council of Government (TMACOG) had the population of Oregon at 19,136. In 1990, the population of Oregon was 18,334. In comparison, Oregon's population in 1970 was 16,563. Between 1990 and 1999 Oregon increased in population by 4.3%. Projections for 2004 indicate that Oregon's population will grow slightly to 19,385.

The charts below depict the residential patterns, by race, for Lucas County, the City of Toledo and the City of Oregon from 1970 to 1999.

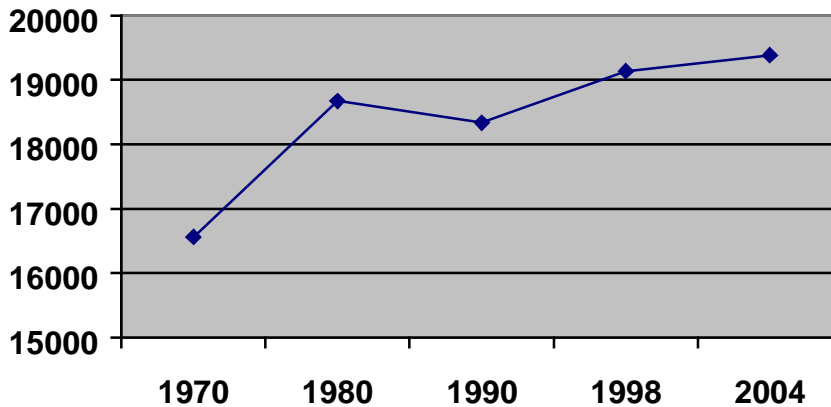
### Lucas County Residential Patterns by Race & National Origin



### City of Toledo Residential Patterns by Race & National Origin



## City of Oregon Population Growth



Given its locale (Oregon is accessible to the Ohio Turnpike, State Route 51, Pearson Park, Maumee Bay State Park, and I 80-90) and the growth of economic opportunities in recent years, Oregon has experienced a growth in population. This trend has occurred for a number of reasons. As stated later in this document, the University of Toledo has assessed why suburban areas like Oregon have gained in popularity. The reasons include, the availability of higher priced and larger homes, the availability of larger lot sizes, amenities, quality of schools, safety issues, and racial issues.

In addition, transportation has become more accessible, and since the end of World War II, the City's overall infrastructure has improved considerably. The events taking place in Oregon illustrate the negative and positive implications of people adhering to the economic principles summarized by the Tiebout model. The Tiebout Model was introduced by Charles Tiebout in 1956. Essentially argued that citizens act as consumers when choosing where they will live. The amenities of services provided to residents, the quality of education and the types of work and recreation opportunities thus become "selling points" meant to lure those who can afford it to the communities that consumers believe have those attributes.

However, a considerable price is paid for this transformation. Agriculture was the historical foundation of the economy of Oregon. With the changing pattern of where people desire to live, these communities transformed themselves into suburban dwelling places. In order to accomplish this transformation, farmlands became real estate lots or prospective sites for gated communities. Therefore, issues of farmland preservation and smart growth policies have emerged in Oregon. Moreover, these issues are further intertwined in the economic and political pursuit of maintaining the whole of Lucas County as a healthy region. Simply put, the major issue Oregon faces is developing a set of policies to maintain its growth, preserve its natural and agricultural resources and to work with the remaining communities of Lucas County in balancing the economic and physical integrity of Northwest Ohio.

As a result of the changes taking place in Lucas County, an increasing dialogue is occurring

among the communities of Northwest Ohio to consider regional cooperation as a desirable and achievable goal. An important step in this dialogue is the cooperation that took place between Lucas County, the City of Toledo and the City of Oregon in developing this Analysis of Impediments.

The surge of homebuilding over the past six years in Toledo's suburbs represents an exodus from the City that rivals the urban blight during the 1950s and 60s. If the present trend continues, by the year 2000, Toledo will have lost one out of every four people since 1970. The current flight from Toledo - loss of people and property taxes - has taken a toll on public services and schools and has led to a dramatic rise in unsightly and abandoned homes that number nearly 12,000 according to University of Toledo Urban researchers. The substantial loss of urban population has taken and will continue to take its toll on the City of Toledo and the entire region.

The loss will have a negative impact on the County as a whole. As pointed out earlier, this will be the first decade that Lucas County will experience a loss in population. A 3.21% reduction in the County's population and a corresponding 7.2% reduction in the City of Toledo's population will no doubt result in a lower tax base for Toledo and the County. It may also have negative repercussions for federal and state dollars coming into the area.

## **ELASTICITY MEASURES**

David Rusk, in his book **Cities Without Suburbs**, ascribes an elasticity grade to cities (over 200,000 in population) measuring population and economic growth. Rusk pictures communities as being drawn on a rubber sheet. If there is existing vacant land available for development within the city's existing limits, the area's density will probably be low, and the area has room for additional growth. The city is elastic; it can stretch to accommodate new growth. On the other hand, if the area is already densely populated with little existing available land, the city will not be able to accommodate additional growth and is inelastic. Rusk categorized the City of Toledo as having medium elasticity. However, over the past several years, the City has probably moved to a grade of low elasticity. While the inelasticity label is applied to the City of Toledo, it also negatively impacts the surrounding communities.

Generally, elastic cities tend to gain population while inelastic cities tend to lose population. Growth for areas with low elasticity occurs outside of the major urban area – in the surrounding suburban communities. When a city stops growing, it starts shrinking. This is largely because post-war American consumers have opted for low-density living environments. If a city is already densely populated, with little room for movement or growth, consumers will turn to suburban communities searching for low-density living opportunities. The real estate community recognizes this and often uses the low-density attributes of suburban or outer-lying areas as selling points describing them as “quiet,” “spacious”, and lacking the “hustle and bustle” of an urban setting. Suburban communities are described in idyllic terms while their urban counterparts are not.

As a result, inelastic cities are viewed and described differently than elastic cities. For example, cities like Toledo and Detroit are described in much different terms than Columbus and Charlotte. Toledo and Detroit are both inelastic areas which have lost population and jobs while Columbus and Charlotte have both considerably gained in population and jobs.

Understandably, elastic cities absorb and capture suburban growth while inelastic cities lose growth to their suburban neighbors. This pattern can be seen very plainly in the demographic migration patterns for the metropolitan Toledo area. Many of the people leaving the city of Toledo simply migrated to suburban communities surrounding Toledo. Toledo lost its population to its suburban neighbors.

Coupled with the region's inelasticity is the severe loss of farmland and the suburbanization of historical farmland. Between 1960 and 1990, land in Lucas County was consumed at a rate 3.5 times greater than the population growth rate.

## **RACIAL PATTERNS**

Race has played a major role in shaping growth patterns. And, in fact, inelastic cities tend to be more segregated than elastic cities. Compare Toledo to Columbus. Approximately 87% of the African-American population in the Toledo metropolitan area is concentrated in the central city while only 65% of the African-American population in the Columbus metropolitan area is concentrated in Columbus's central city.

Rusk assigns a Dissimilarity Index to cities across the country. The Dissimilarity Index reveals the level of concentration or segregation of African-Americans. Toledo's Dissimilarity Index is 74 indicating that in order for there to be racial parity, 74% of the African-American population would have to move into areas where their race did not predominate. Columbus's dissimilarity index is 67.

The University of Toledo's Urban Affairs Center conducted a survey of all Lucas County homeowners who sold homes between June 1, 1990 and December 31, 1990 to determine what factors contributed to the city's population loss.<sup>3</sup> Respondents were asked a series of questions related to their reasons for moving and their level of satisfaction with city services and quality of life issues.

The responses were very telling. The Urban Affairs Center was able to identify a number of factors, which it categorized into two areas – "push" and "pull". "Push" factors are elements that drove residents from the city. "Pull" factors are factors that enticed home purchasers to move to an area. The four "push" factors that compelled residents to move to suburban communities were: 1) Safer neighborhoods; 2) Better schools; 3) Better city services; and 4) Racial issues. Revealingly, racial issues turned out to be a major "push" factor that drove residents from the City of Toledo. It is unfortunate that such a large segment, 24%, of those who responded would list race as a major factor in their decision to relocate.

While this statistic bodes a deep concern for the plight of our communities, this is not a trend limited to Lucas County. In a Detroit study of racial segregation, researchers discovered that whites held three beliefs about integrated neighborhoods:

- "Stable inter-racial neighborhoods are . . . rare; once a few blacks move in, whites believe more will follow and that the neighborhood is destined to become largely black."

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<sup>3</sup> Attoh and Randall, "Toledo Area Homesellers Favor move to Suburbs," *Cities & Villages: The Journal of the Ohio Municipal League*, page 6.  
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Lucas County, City of Toledo & City of Oregon

- “Residential property values are lowered by the presence of blacks, and whites [sic] consider it risky to own housing in a racially changing neighborhood.”
- “Crime rates are higher in black neighborhoods than in white neighborhoods and [sic] if whites were in an area with a black majority, they would be exposed to a high risk of victimization.”<sup>4</sup>

Rusk also points out in his research that inelastic areas that segregate blacks also tend to segregate Hispanics. While Toledo’s Hispanic population is not as heavily segregated as its African-American population, the Hispanic population is concentrated in the near East side and south side of Toledo. (See population maps at the end of this section.)

In general, Toledo's African-American and Hispanic populations have increased by 30% from 1980 to 1990. The African-American population represented 17% of the total population in 1980. In 1990 it represented 20% of the total population. In 1999, it represented 22% of the total population.

The Asian and Native American populations have seen a 150% increase from .7% of the total population in 1980 to 1.3% of the total population in 1990. In contrast, Toledo's White population has decreased by 10%. In 1980, Whites represented 80% of total population and in 1990 whites represented 77% of total population. In 1999 Whites represented 71% of the total population. While the populations of African-Americans, Hispanics, and other ethnic groups are increasing, these groups are not locating in integrated communities. Toledo’s population is highly segregated.

## **SUBURBAN – URBAN INCOME GAPS**

There is another attribute of inelastic communities that impedes the economic growth in the larger metropolitan area. Inelastic cities experience severe city-suburb income gaps. However, studies<sup>5</sup> show that the smaller the income gap between city and suburb, the greater the economic progress for the whole metropolitan community.

Toledo has a comparatively wide suburb/city income gap. For example, the city-suburban income gap for the Toledo MSA is 70% compared to 81% for Columbus. The per capita income for the Toledo suburbs is \$17,014 while the per capita income for Toledo is \$11,894. Some elastic cities like Albuquerque and Raleigh actually have higher per capita incomes in the city as compared to suburban areas.

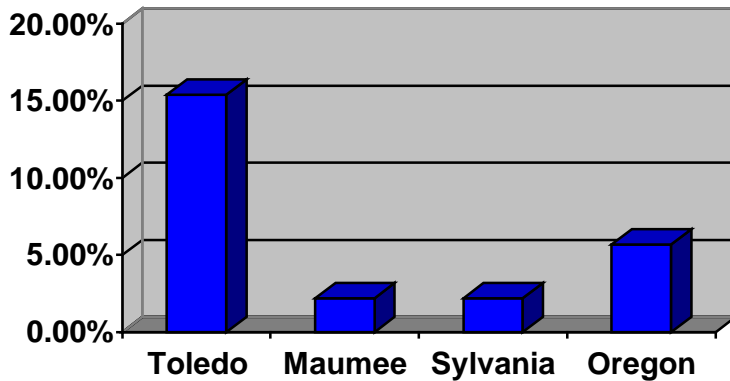
Poverty is more concentrated in inelastic cities than in elastic cities. According to the 1990 census, 15.4% of Toledo’s population is below poverty. While in both Maumee and Sylvania, only 2.2% of the population is below poverty. In Oregon, 5.7% of the population is below poverty.

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<sup>4</sup> Committee on the Status of Black Americans, Commission on Behavioral and Social Sciences and Education, and National Research Council; Gerald Jaynes and Robin Williams, Editors, A Common Destiny: Blacks and American Society, National Academy Press, Washington, D.C. 1989.

<sup>5</sup> Barnes and Ledebur. City Distress, Metropolitan Disparities, and Economic Growth. Washington, D.C., National League of Cities, September, 1992.

## Poverty Rates



In addition, elastic areas tend to have a higher educated workforce and higher job growth than inelastic areas<sup>6</sup> and higher job growth. The higher job growth occurred even among cities that may have suffered the same global economic catastrophes. For example, both Toledo, Columbus, and Cleveland have suffered from the loss of many manufacturing jobs. However, Columbus, a city with high elasticity, has boomed while Toledo and Cleveland, cities with low elasticity, have not fared as well.

## BOND RATINGS

Finally, Rust discovered that elastic cities had higher bond rates than inelastic cities. The bond rating for the City of Toledo is A as is the bond rating for Cleveland. The bond rating for Detroit is BA1. However, the bond rating for Columbus is AA1.

## POPULATION GROWTH PATTERNS

New census data show that the nation's population may grow even faster than previously projected, reaching 392 million by 2050. The new projection is contained in a Census Bureau report entitled, Population Projections of the United States, by Age, Sex, Race, and Hispanic Origin: 1993 to 2050 (p25-1104). Jennifer Day, author of the report says, "Particularly striking in these new projections is greater growth in births in Hispanic communities. After 1996, the Hispanic population is projected to add over 870,000 people to the nation's population each year. By 2010, the Hispanic origin population may become the second largest race/ethnic group. Other information contained in this report includes:

- 1) The number of babies born in the U.S. is projected to decrease slightly as the century ends,

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<sup>6</sup> This may well be a function of the public school systems. Elastic cities tend to have a consolidated unified public school system while inelastic areas tend to have fragmented school systems with some of the systems performing well and others not performing well. The likelihood of students opting to further their education beyond high school is higher in elastic communities than inelastic communities.

- 2) The racial/ethnic distribution of the nation's population is expected to continue changing. By 2050, the White portion of the population is projected to decline from today's 75 percent to 53 percent,
- 3) Asian Americans and Native Americans will continue as the fastest growing segment of the population (over 4 percent a year - making up 10 percent of the population in 2050),
- 4) The African-American population is projected to grow from 12% in 1990 to 16% by 2050. After 2012, this report projects that more African-Americans will be added to the population each year than Whites (LaPrensa Weekly - October 6-12, 1993).

These trends are mirrored in Toledo's population patterns. While the city's white population steadily erodes, the African American and Hispanic populations are growing. Both groups have experienced actual growth in terms of population numbers and percentage of total population. In the 1980 census, Toledo's African American and Hispanic population were 17% and 3% respectively. In the 1990 census, African American and Hispanic populations grew to 20% and 4% respectively.

The maps at the end of this section indicate Lucas County by racial and ethnic demographics. The maps depict the composition for the entire county and then are broken down by the cities of Toledo and Oregon.

## **Aging & Household Demographics**

Lucas County residents, like the rest of the nation, are getting older. This holds true for the larger metropolises like Oregon and Toledo and for smaller areas like Berkey Village and Harbor View. Many factors contribute to the aging of these communities. They include better health coverage, improved health care facilities, accessibility of health care facilities, and preventive health care. In addition, as the baby boomer population ages, America ages, and the Lucas County region is no stranger to this national trend.

The 1990 Census further indicated that the median age in Toledo rose to 31.7 years of age from the 1980 Census figure of 29.3 years of age. In particular two age group categories experienced growth, 25-44 years of age and 75 or older years of age.

The median age in Lucas County rose to 32.5 in 1990 from the 1980 Census figure of 29.5 years of age. Likewise, in Oregon, the median age rose from 30.7 in 1980 to 35.8 in 1990.

In the vast majority of the municipalities in Lucas County, including Toledo and Oregon, the largest population numbers can be found among people aged 20 – 59 years, a 39 year span. On the whole, in Lucas County, according to the 1990 Census, there are 244,142 people in the County between the ages of 20 – 59. The remaining 210,059 are below the age of 20 or 60 and over.

This holds basically true for most of the communities in Lucas County. For example, in Berkey Village, with a total population of 250, there are 137 people between the ages of 20 – 59. There are 109 people in the other age categories. In the City of Maumee, there are 8,691 people between 20 – 59 while there are 6,672 people in the other age categories. Likewise, in the City of Oregon, there are 9,737 aged between 20 – 59 and 8,287 people in the remaining age categories. In the City of Toledo, there are 173,963 people between the ages of 20 – 59 and 152,409 people in the remaining age groups.

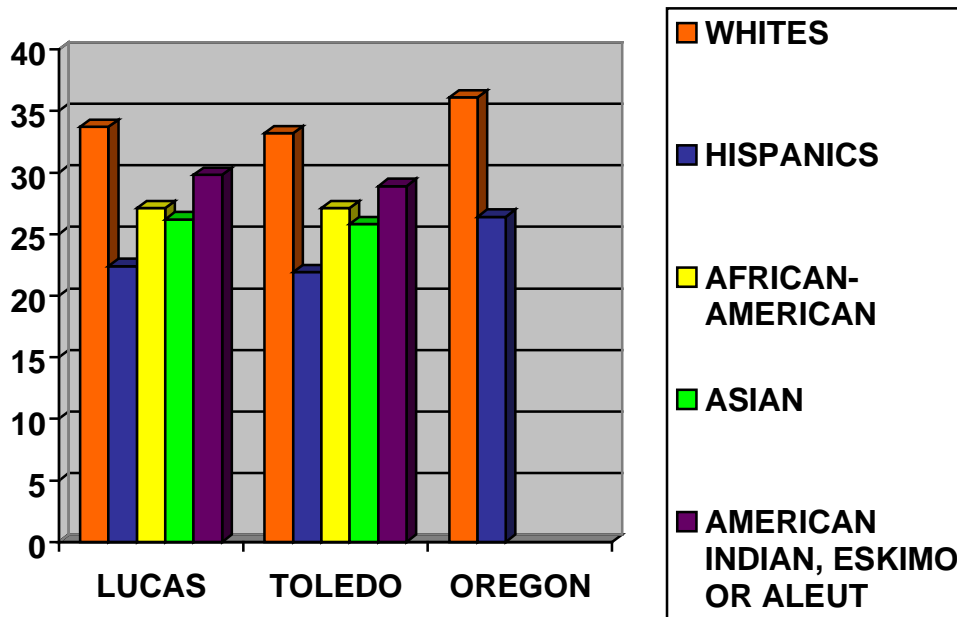
There are several communities whose populations are even older. Harbor View Village, Holland Village, and Ottawa Hills Village all have larger representation among those aged 40 and above than those below 40. Harbor View has 69 persons aged 40 and above and 53 persons below the age of 40. Holland has 623 persons aged 40 and above while only 571 aged below 40. Comparatively, Ottawa Hills has 2,386 persons aged 40 and above and 2,131 below the age of 40.

While the trends point to a general aging of the population and longer longevity for the community's residents as a whole, there are still gaps when aging information is analyzed by race or ethnicity. Generally, African-Americans, Hispanics and Asians have lower median ages than whites. The median age of all white persons in Lucas County is 33.7. The median age for whites in Oregon is 36.1; and the median age for whites in Toledo is 33.2. However, these numbers don't hold true when compared to Hispanics, African-Americans or Asians. The following chart depicts the median age based on geography and race or ethnicity.

# Median Age

	LUCAS	TOLEDO	OREGON
WHITES	33.7	33.2	36.1
HISPANICS	22.4	21.9	26.4
AFRICAN-AMERICAN	27.1	27.1	***
ASIAN	26.2	25.8	***
AMERICAN INDIAN, ESKIMO OR ALEUT	29.8	28.9	***

## Median Age by Income



\*\*\* Figures not available.

The age disparities are due to several reasons, disparities in access to quality health care, immigration patterns, and family constituency. African-Americans, Asians and Hispanics, on average, have more children per household than whites.

In addition, people newly migrating to the Lucas County area from other countries tend to be younger. Therefore, for groups that have higher new immigration percentages, like Asians and Hispanics, there tend to be more people of a younger age.

The disparity between whites and African-Americans is more likely due to the disparity in health coverage, health awareness, access to quality health care, health care costs, and access to preventative treatment and the disparity in family constituency than new immigration.

## **FAMILY HOUSEHOLD ISSUES**

Toledo experienced a 10% increase in family households. This included a 19% increase in female-headed households with children and a 6% increase in overall single-headed households.

Approximately 55% of the households in Lucas County are comprised with either married couples with children or single-headed households with children. In about 45% of the households in Lucas County, there are no children under 18. Out of the 107,890 households in the County, 48,257 have no children under 18 present and 59,633 have children under 18 present.

Eighty percent (80%) of the homes with children under the age of 18 are headed by married couples. Twenty-four percent (24%) are female headed households and 4% are male-headed households.

The vast majority of households not headed by married couples are headed by women. Eighty-five percent (85%) of such households in the County are female-headed households while fifteen percent are male-headed households.

These figures change dramatically when comparing the City of Toledo to other municipalities in the County. For example, according to 1990 Census data, there are a total of 130,883 households in the City of Toledo. There are approximately 40,985 family households with children. Of that figure, 64% or 26,443 represent married couples with children, while 35% represent single heads-of household with children. The vast majority of single heads-of-households in the City of Toledo are headed by women. Eighty-six percent (86%) of the single head-of-households with children are headed by women.

Comparatively, in the City of Oregon, there are a total of 6,864 households with 2,262 family households with children. Of that, 81% represent married couples with children, while 19% represent single heads-of households with children. However, as in most communities in the County, most single heads-of-households are women. Seventy-nine percent (79%) of the single head-of-households with children present are headed by women.

	<b>LUCAS</b>	<b>TOLEDO</b>	<b>OREGON</b>
<b>TOTAL HOUSEHOLDS</b>	177,500	130,883	6,864
<b>FAMILY HOUSEHOLDER</b>	119,709	84,344	5,006
<b>NON-FAMILY HOUSEHOLDER</b>	57,791	46,539	1,858
<b>FAMILIES W/ CHILDREN</b>	58,691	40,985	2,262
<b>MARRIED W/ CHILDREN</b>	41,309	26,443	1,837
<b>SINGLE W/ CHILDREN</b>	17,382	14,542	425
<b>FEMALE HEAD W/ CH</b>	14,737	12,455	335
<b>MALE HEAD W/ CH</b>	2,645	2,087	90

The preponderance of female-headed households with children has serious implications for the well being of children and women in Lucas County. The income for women is substantially less than that of men. The median income for full-time employed males in Lucas County is \$31,476, while the median income for full-time employed women in Lucas County is \$19,768. This pattern holds true for other communities in the County. The median income for full-time employed males in Toledo is \$29,208, while for women it is \$19,357. In the City of Sylvania, the median income for full-time employed males is \$43,892, while it is \$21,909 for full-time employed women. And in Oregon, the median income for males is \$33,414 and \$19,437 for women.

Additionally, the gap in income is even wider for married couples with children as compared to female headed households with children. For example, for the County, the median income for married couples with children is \$50,402 while that for female heads of households with children is \$13,873.

This gap in income suggests that there are fewer resources available for female headed households. This, in turn, has an impact on quality of life issues such a housing affordability and housing choice. The lower one's income, obviously, the fewer choices one has available to oneself to choose the type of housing in which one will reside or where that housing is located and what services and amenities one has available. This has a negative impact on families with children that are headed by women.

### **HOUSING FOR THE ELDERLY**

The 1990 Census indicated there were 80,730 people 65 and older living in Lucas County. This number was a 6.5 percent increase from the 1980 Census figure of 75,774. A directory provided by the Area Office on Aging offered significant information concerning the housing impediments that the elderly of Toledo and the remainder of Lucas County endure.

There are eight congregate housing facilities with a total of 762 units within the County. Congregate housing facilities offer numerous support services with the exception of personal care. They provide services which include meals, housekeeping, laundry, transportation, recreation, and educational programs. The rent for congregate housing facilities ranges from \$750 per month to \$1,335 per month. Therefore, congregate housing is not an option available to low-income individuals.

For the people who cannot afford congregate housing, non-subsidized apartments are an alternative option. No government assistance is provided for paying the monthly rent, and private firms and individuals own these facilities. The Fair Housing Act provides exclusions for privately owned complexes who wish to focus their services for older persons. For senior citizen apartment complexes who comply with the law, there are no requirements to rent to families with children. However, these complexes must meet specific criteria as defined by HUD.

According to a study conducted by the Justice Department, there are an abundant number of facilities throughout Lucas County who provide housing for senior citizens.

Shared Living Facilities are another option. Between two and sixteen unrelated individuals live together in a housing unit. Each resident has a private or semi-private room and shared common space, and the residential manager provides amenities. Within Lucas County, 99 beds in a shared residential setting are available. Rent cost ranges between \$500 and \$1,100 per month.

Subsidized apartments are an additional housing option available for the elderly. Built in cooperation with the Section 8 Rental Assistance Program, the rent for subsidized apartments cannot exceed 30% of the tenant's income.

There are a number of programs that provide services to senior citizens regardless of where they live in the county. For example, Mobile Market and Meals on Wheels deliver food to senior citizens throughout Lucas County.

### **SERVICES & AMENITIES**

While independent developers, neighborhood organizations, the City and the County have worked to improve conditions in under-served areas, there still remains a large gap in the quality, quantity and type of services available to residents in under-served communities. The caliber of services and amenities changes dramatically between urban and non-urban areas. For example, community development corporations and neighborhood groups report that they have long advocated for quality, large-chain, grocery stores in the urban center. Currently, there are small grocers that operate in urban communities. However, these stores don't have the supply and diversity of products available at larger stores. In many cases, the prices in these stores are higher than those at larger stores.

The result is that in areas where there is large African-American and/or Hispanic representation, there are no grocery stores. As stated above and as depicted on the racial demographic maps, these are areas concentrated in the urban core. More importantly, residents who reside in central city areas have to travel long distances to outer-lying communities in order to shop for grocery and household items.

Residents also argue that there is a lack of services that contribute to quality of life issues. For example, only a smattering of pizza shops deliver to neighborhoods in the central city. And there are many urban neighborhoods that cannot get pizza delivery service at all. The central city lacks other types of services that are in abundance in outer-lying areas such as shoe repair shops, movie theatres, movie rental stores, and department stores.

In addition, when consumers are able to find establishments in central city areas, they are treated unfavorably. Residents report that there is a different, less consumer-friendly treatment in stores located in central city areas than other areas. One commentator described it as "being treated like a criminal."

Prevalent in urban centers are auto supply stores, check-cashing facilities, and liquor stores. Residents of urban communities argue that the lack of quality services and amenities in their neighborhoods contributes to residential flight and the deterioration and devaluation of their properties.

## **INCOME & POVERTY DATA**

As previously stated, 1999 per capita income rate for Lucas County was \$20,786. In 1989, the per capita income for Lucas County was \$13,769. In comparison, the per capita income for the State of Ohio in 1999 was \$20,437 compared to the 1989 average of \$13,442. While the per capita income rate for Lucas County is slightly higher than that for the rest of the state, x number of families live below the poverty level.

Moreover, a test of an area's quality of life for low-income households can be completed by looking at socioeconomic indicators including income comparisons between the County and the State, changes in median household income and the number of people living in poverty. Twelve point four percent (12.4%) of Lucas County's population (21,426) earn between \$0-\$10,000, while 14.5% (25,047) earn between \$10,000 and \$19,000. These figures do not take into account how many people reside in a household. For instance, the federal poverty limits for 1998, which have been adopted by the State of Ohio, state the poverty limit for one person is \$8,050. For each additional person in a household, the poverty limits increases \$2850. These figures are used as guidelines for determining eligibility for programs including Head Start, the Food Stamps, the National School Lunch Program and Low-Income Home Energy Assistance Program.

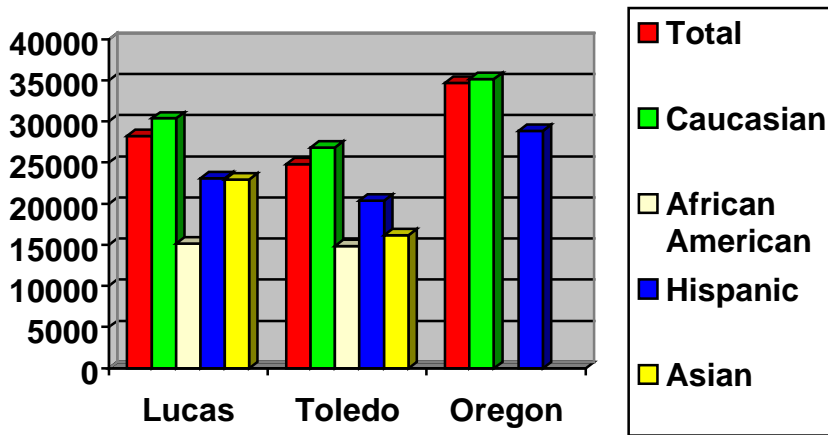
According to the 1990 Census, 15.3% (69,374) of Lucas County residents lived below poverty. In 1993, the ODOD estimated that the percentage of Lucas County residents living below poverty grew by 1.2% to 16.5% or 75,631 individuals. 24.1% of the people living below poverty in 1993 were children between the ages of five and 17 (20,582 children) . Since 1990, that number has risen by 5%.

These trends remain even in the face of a strong regional economy and while the economy of Toledo and the surrounding communities of Lucas County are diversifying and moving toward a non-manufacturing emphasis. The results of the economic changes occurring in Toledo and Lucas County indicate an increase of 1.31 percent in white-collar positions is expected, while a 1.77 percent decline in the numbers of blue-collar positions will take place by 2000. Increases are expected in managerial, professional, technical, administrative, clerical, sales, protective and service positions. Decreases are expected in labor, machine operator, and transportation, production, craft, and repair positions. The variation in employment trends and rates of growth and decline in each sector will demonstrate and even expand the income disparities existing in Toledo and its adjacent communities.

The central city region in Toledo and Lucas County is the most devastated economic area of Northwest Ohio. In 1990, the median household income in the central city was \$13,352 compared to the \$24,819 for the rest of the city of Toledo. Median household income for the county was \$28,245. For Oregon, the median household income was \$34,704.

The following chart depicts median household income by racial demographics for the county, Toledo and Oregon.

## Median Household Income



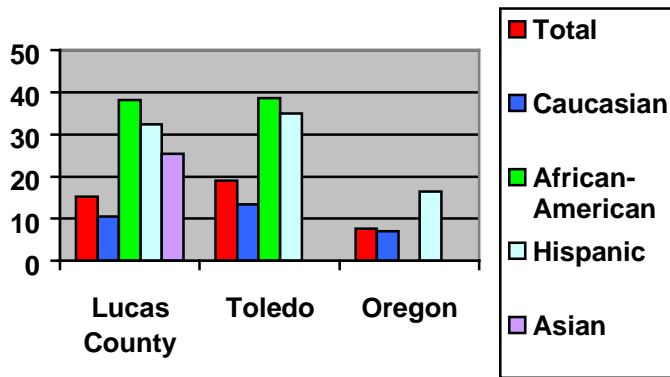
Census data revealed median income and personal asset levels of African-Americans and Hispanics were significantly lower compared to other racial populations. This trend parallels the migration trends of Toledo residents leaving the city. Whites leave Toledo, especially the central city area, while African-Americans and Hispanics remain.

Overall income figures reveal the existing and varying economic opportunities. The poorest households are located within the central city. However, race was not the only factor – gender income differences also prevailed. Men over 25 years of age with a high school education earned \$26,766, while the average earnings for male college graduates was \$40,381. However, women over 25 years of age and with a high school education earned \$18,648 compared to the \$29,284 earnings of female college graduates.

According to the 1990 Census figures, the City of Toledo had 62,426 people living below the poverty line. That number represents 19 percent of the total population of the city. This percentage is considerably higher than the 14.5 percent of the nation’s total population living below the poverty line. The higher rate in Toledo reflects the household patterns prevalent within the community. Growth of female-headed households with children is a prominent explanation for the income disparities. Female heads of households often obtain employment that pays low wages.

The situation is further complicated by the lack of access to available, affordable, quality childcare services. Without this service, women are caught in a perplexing bind of balancing school, work, and care for their children. Women and children who do not have the means are all victimized by this structural deficiency. Reducing and even eliminating this source of poverty requires long-term programs to train and educate female workers, reward companies and businesses that provide quality childcare opportunities to employees, and to develop skills necessary to empower female-headed households with children.

### % Below Poverty



As indicated earlier, Toledo has the largest percentage of residents living below poverty. (Also see Poverty Rate Chart on page 16.)

## **HOUSING PROFILE**

Between 1990 and 1999, Lucas County lost 4,615 households. By 2004, the County will lose an additional 321. According to the U.S. Census and Claritas Incorporated, between 1980 and 1990 Lucas County experienced a growth in the number of households from 172,238 to 177,500. That figure represented an increase of 3.10%. However, the drop taking place between 1990 and 1999 was -2.60%.

In terms of the number of housing units, Lucas County experienced a decline by -1.8% from 1980 and 1999. In 1980, Lucas County had 191,388 housing units, but in 1999 the county had 187,946 housing units.

When examining the 1999 specified owner-occupied housing units by value, an interesting trend is revealed. The greatest numbers of owner-occupied units were those valued between \$50,000 to \$74,999 (25.1%), \$75,000 to \$99,999 (20.2%) and \$100,000 to \$149,999 (17.9%) Yet a careful examination shows that these owner-occupied units are emerging not from the central urban area, but concentrated in the townships and suburban communities. Therefore, these figures also illustrate the further elongating of the concentric circles referred to earlier.

For example, the City of Oregon currently has 7,653 housing units, up from 7,265 in 1990. This represents a 5.3% increase in units. By 2004, it is estimated that Oregon will gain another 241 units. Moreover, there are 7,171 households in Oregon, up from the 1990 figure of 6,684 representing an increase of 307 households. It is projected that Oregon will gain another 219 households by 2004. In 1999, 33% of the owner-occupied units in Oregon were valued between \$100,000 and \$149,999, 26% in the \$75,000 to \$99,999 range and 19% in the \$50,000 to \$74,999 range.

Toledo's housing stock is old, older than that of the adjacent districts. Approximately 35% of the housing stock is older than 61 years. Over 40% is older than 53 years, while 35% falls between 33-53 years old. Therefore, 75% of the housing stock in Toledo is at least 33 years old. Given the general age of the housing stock found in Toledo, numerous properties are eligible for the National Register. Thirteen Historic Districts are listed on the National Register of Historic Places, and 27 individual properties are additionally listed.

However, not all houses benefit from such preservation efforts. Lead-based paints contaminate 45% of the housing stock in Toledo, posing a potential hazard to 11,000 preschool-aged children. Twenty percent of all housing units within the central city area are vacant, while 70% are judged substandard because rehabilitation costs exceed the after rehab value, and the structural defects require complete renovation. Of the substandard units that are occupied, low-income families occupy two out of three units. Great difficulty exists in determining the actual number of habitable vacant units and the degree of repairs required to make the units livable.

Compared to Toledo, the suburban communities generally have newer housing stock. For example, in Sylvania, most of the housing has been built since 1960. The majority of housing in Sylvania (54%) was built between 1960 and 1979. Likewise, in Oregon, a significant portion of housing (47%) was built between 1960 and 1979. Since 1990 Oregon has added 388 houses.

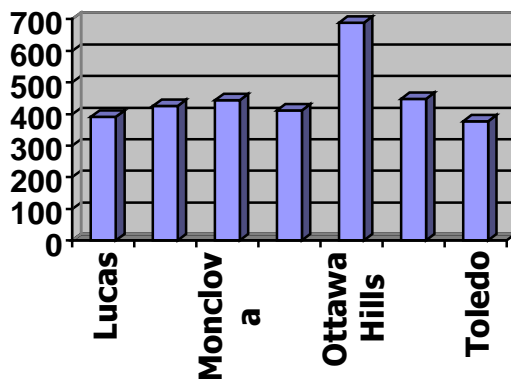
Between 1980 and 1990 there was a 6% increase of total renter/owner occupied units within the City of Toledo. Rental units in the City of Toledo comprise 39% of all occupied units. Census data further reveal that 34% of Toledo's rental units are occupied by people earning 30% or less of the median income. Elderly citizens occupy 24% of available rental units, while families occupy 36.4%. The average number of people living in these units averages 2.5 persons per unit.

The diminishing quality of housing stock in Toledo invites numerous problems. Irresponsible absentee landlords had gone unpunished for quite some time. However, the city has beefed up its efforts to make landlords accountable through the Housing Court. The Housing Court's activities may well correct this issue.

From the economic perspective, the rental housing stock in Toledo is valued less than the housing stock in suburban communities. According to the 1990 Census, the median rent in the City of Toledo was \$377 and 94 percent of rental units in Toledo were under \$499 per month.

Rental units in the communities adjacent to Toledo are not as affordable. For example, the median rent for Berkey Village is \$425. Median rent for Monclova Township, Oregon, and Ottawa Hills are \$444, \$412, and \$689 respectively. The median rent for Lucas County is \$390. Clearly, the lower rents are in the City of Toledo.

### Median Rents



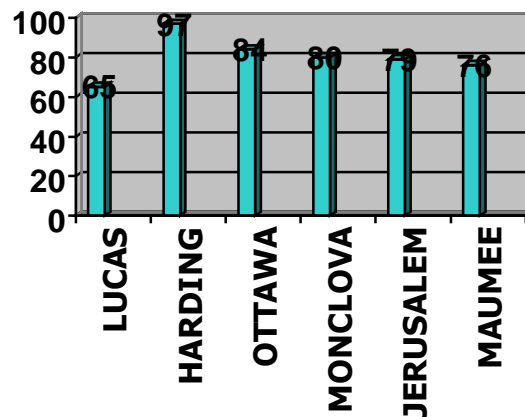
As per 1990 U.S. Census Data

Further data show 18,181 renter households in the City of Toledo pay rent that is 35% or more of their incomes. Of household renters earning less than \$10,000, 70% (13,597) were paying over 35% of their income toward their rent. In households with incomes over \$35,000, 94% spend less than 20 percent of their income toward rent.

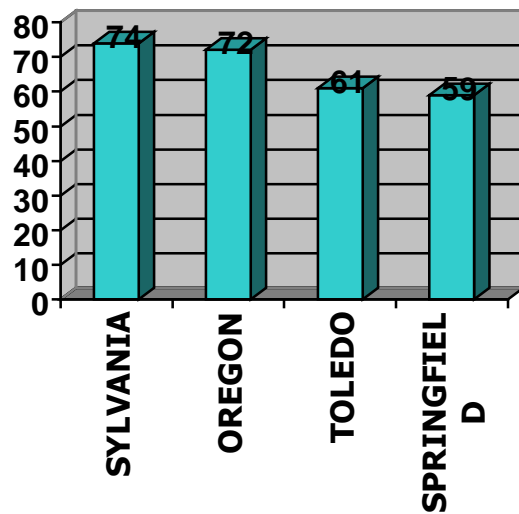
Between 1980 and 1990, Census data showed a decline of 6% in home ownership in the City of Toledo. The decline in home ownership is a severe threat to neighborhood stability. However, over the years since the '90 census, the City of Toledo and Community Development Corporations have endeavored to drastically change the face and condition of housing in central city neighborhoods where the most prevalent problems related to homeownership lie. Over the past years, CDCs in conjunction with the City have built houses and renovated housing units. Their efforts have paid off. The City of Toledo has experienced a steady incline in the average price of housing while other communities have tapered off. This represents a powerful opportunity for the City of Toledo and the entire region.

Homeownership rates vary greatly between the municipalities in Lucas County. Rates also vary greatly based on race and national origin. The following chart depicts homeownership rates for various municipalities. It illustrates the lower percentage of homeownership within the City of Toledo.

## HOMEOWNERSHIP RATES



## HOMEOWNERSHIP RATES



According to data from Transamerica, the median home price for Lucas County increased by 5.3% from 1998 to 1999. The average home price for the county increased by 1.7% from 1998 to 1999. For some communities like Holland and Maumee, prices remained flat. For others like Oregon, Springfield Township and Providence Township, prices dropped slightly. Still for others like the City of Toledo, prices showed healthy increases. The table below depicts some communities and their percentage change in median and average home price from 1998 to 1999.

	LUCAS	HARDING	HOLLAND	JERUSALM TWNShP	MAUMEE	MONCLOVA	OREGON
Median Home Price % Change	5.3%	20%	0.0%	4%	0.0%	-1.6%	-5.4%
Average Home Price % Change	1.7%	32.4%	3.1%	20.5%	-0.4%	3.5%	-3.4%
1999 Median Home Price	\$75K	\$96K	\$80K	\$86K	\$95K	\$195K	\$96,5K

	<b>OTTAWA HILLS</b>	<b>PROV-IDENCE</b>	<b>SPRING-FIELD</b>	<b>SWANTON</b>	<b>SYLV. TWNSHP</b>	<b>TOLEDO</b>	<b>WATERV VILLAGE</b>
Median Home Price % Change	<b>2.7%</b>	<b>-1.9%</b>	<b>-5%</b>	<b>-17%</b>	<b>2.8%</b>	<b>11.6%</b>	<b>8.4%</b>
Average Home Price % Change	<b>2.5%</b>	<b>-5.4%</b>	<b>-2.1%</b>	<b>-5.4%</b>	<b>-3.2%</b>	<b>10%</b>	<b>6.6%</b>
1999 Median Home Price	<b>\$231</b>	<b>\$130K</b>	<b>\$152K</b>	<b>\$117K</b>	<b>\$163K</b>	<b>\$62,5K</b>	<b>\$135K</b>

In the 1990 Census ,52% of owner-occupied units in the City are valued under \$50,000. The 2000 Census should show marked improvement in that figure for the City of Toledo. However, housing costs are affordable in the City of Toledo as in other communities including the cities of Oregon and Maumee.

Although the cost to purchase a home is most affordable in the City of Toledo, the City has a lower homeownership rate than its neighboring communities. For example, Maumee has a homeownership rate of 76%. Oregon's rate is 72% and Sylvania's rate is 74.2%. In addition, many portions of the City – portions where housing is most affordable – have surprisingly low homeownership rates. Most of the communities in Toledo's urban core have homeownership rates well below the City's rate of 60.7% and the county's rate of 65%.

A recent Market Analysis conducted by Shorebank Advisory Services of Chicago, Illinois suggests that one reason Toledo's homeownership rate is so low is due to the lack of qualified borrowers for this purchase bracket. HMDA figures for the reporting area lenders suggest that the number one reason for loan denials in urban neighborhoods is credit. Local housing agencies also site the lack of funds for down payment and closing costs as barriers to homeownership.

These barriers are exacerbated among African-American and Hispanic potential home buyers because lending data reveal that they tend to have lower credit scores than their Caucasian counterparts. HMDA data also reveal that African-Americans and Hispanics have higher denial rates than their Caucasian counterparts. Unfortunately, credit reporting bureaus have kept their credit-scoring systems closed. The factors and weights of the factors credit scoring companies such as Fair Isaac use in the systems are deemed privileged and trade secret information. Fannie Mae, Freddie Mac and Fair Isaac recently released data revealing the categories that the companies assess to determine credit scores. However, exactly what factors the companies use to ascertain these categories and how they are weighed are still kept confidential. This prohibits potential buyers from being able to improve their credit scores.

Homeownership for lower-income persons is further impacted by the increasing energy costs. In the City of Toledo, households with income at or below 12.5 percent of the poverty line and

utilize 20percent of their income to pay for energy costs. These figures do not take into account the inability to pay for energy costs if unemployment occurs.

Within the City of Toledo access to the affordable housing stock is stymied due to consumer credit problems and prohibitory practices in the marketplace.

In addition, no consensus prevails among community leaders and local residents as to what direction ought to be pursued. Throughout the interviews with local leaders and residents, no single theme dominated. People advocated single issues – be it better code enforcement, renovation and rehabilitation of older homes, or the removal of older homes. Therefore, the ultimate impediment housing advocates in Toledo and Lucas County must address is the creation of a cohesive theme meant to jettison the issues affecting people who are denied opportunities to fair housing.

## **DEMOGRAPHIC DATA CONCLUSIONS, FINDINGS & RECOMMENDATIONS**

Lucas County has suffered as a result of the area's inelasticity and fragmentation. The isolated evolution of the suburban communities surrounding Toledo has resulted in the concentration of racial minorities and the poor in the urban center and have exacerbated negative social conditions in the urban core. This phenomenon will be discussed in more detail throughout other sections of this analysis.

In order to alleviate the extreme social tax on the City of Toledo, all of the jurisdictions in Lucas County need to operate with a regional focus and better coordinated goals and resources.

According to Paul Jargowsky, University of Texas at Dallas social scientist, aggressive fair housing enforcement can play a major role in improving quality of life issues for residents and improving social and economic conditions. He cites "Vigorous enforcement of anti-discrimination in housing, scatter-site public housing, and zoning requirements that encourage mixed-income developments can all play a role in reducing the segregation of Blacks..." He also adds "This has both an immediate effect – reducing ghetto poverty – and an indirect, long-term effect – the increased earnings potential of children who attend better schools, grow up in safer, more stimulating environments, and see better role models of success in the mainstream economy."<sup>7</sup>

The following recommendations address the fair housing issues/impediments raised thus far in the analysis.

- The City of Toledo and Lucas County must treat their residential losses as a crisis problem for which every department bares some responsibility. The City and County must adopt bold and courageous measures to address the reasons why many are leaving the community:  
1) Lack of higher-priced, attractive housing; 2) Poorer quality education and low proficiency examination scores; 3) Community safety; 4) Improve services and amenities in the City; 5) Deal effectively with diversity issues and the challenges they bring; and 6) Improve on the City's overall attractions and image.
- Municipalities should cooperate to adopt measures to lessen racial and economic segregation. This would include planning and zoning issues, affordable housing goals, dispersal of subsidized housing, incorporating initiatives to encourage private developers and housing providers to develop more mixed-income housing, utilizing rent-subsidy programs, and dispersing homeless shelters and transitional housing facilities throughout the region. For example, the Gautreaux Program in Chicago, which seeks to provide housing opportunities for racial minorities and low-income persons in non-impacted areas, has shown that the families it places in high or moderate income communities actually excel faster in terms of economics and education than their counterparts who remain in public housing.

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<sup>7</sup> Paul A. Jargowsky, "Ghetto Poverty among Blacks in the 1980s" (January 15, 1993; unpublished paper) U.S. News and World Report reported jargowsky's findings in an article entitled "The Shifting State of Black Ghettos" (January 18, 1993.)

- Some communities in Lucas County can rely on stable and slightly increasing populations if current trends continue, however, the growth of many communities in Lucas County come at the expense of residential loss in the area's largest metropolis, Toledo. If current trends continue, Toledo's population will decrease while the population in the suburban rings grows. Furthermore, the drastic decline in Toledo's population negatively impacts the County and for the first time will result in a population loss for the County. The municipalities in Lucas County must take a more pro-active regional approach to stemming residential loss, enhancing economic growth, decreasing racial and economic segregation, and attracting people to their areas.
- While population demographics are changing, racial and ethnic segregation remains high. Toledo is becoming increasingly diverse, while its outerlying communities are not. Outerlying communities must address the lack of diversity in their areas to ensure that the impediments that contribute to segregation are dismantled. (Other recommendations outlined in this document also address this issue.)
- The municipalities operating in Lucas County need to look at ways to collaborate, share resources, and consolidate certain functions, such as zoning/planning, social services, and affordable housing. For example, the Minneapolis/St. Paul region in Minnesota has utilized the Metropolitan Council for over twenty years. The Metropolitan Council includes over 189 municipalities and has a "fiscal disparities plan" that is a comprehensive regionalized revenue sharing mechanism. The Council uses the plan to help bring resources to the areas that most need it.
- The City, County, neighborhood organizations and community-based groups must collaborate to develop a strategy to acquire a major, quality grocer in the central city.
- Racial minorities, low-income persons, and single-female headed households, occupy a preponderance of housing with lead-based paint. Much of the housing stock in Toledo has lead-based paint. Therefore, the City should seek additional funding from the state or the federal government to collaborate with neighborhood housing organizations, faith-based institutions and community organizations to conduct lead-abatement activities, and conduct educational and preventive activities.
- Lucas County and the municipalities within the County should adopt a smart growth plan for the region that includes re-building and re-shaping the river-front, preserving undeveloped land, tempering urban sprawl, renovating and re-using land that has already been developed (such as Brownfields), and creating a more unified zoning/planning structure. The region must develop a strategic, comprehensive plan for land utilization. Any plan must include affordable housing provisions.
- The median age of residents in Toledo is steadily increasing due to improved healthcare and loss of youth to other areas of the country. However, some segments of the population are aging more than others. African-Americans, Hispanics and Asians tend to have lower median ages than whites. Inaccessibility to health care facilities is a contributing factor. Because this quality of life issue has such social significance, if they have not already done so, municipalities should make the improvement of and accessibility to quality health care a policy issue. The County, cities and townships should collaborate with health institutions

such as hospitals, insurance companies, commerce groups, and government agencies to improve conditions for those who do not have equal access to healthcare. This is an important issue for the region as it impacts on the ability to attract residents and businesses.

- The Department of Housing & Urban Development should develop more flexible guidelines to allow for increased mobility. The Department should also fund a mobility program in Lucas County to enable the communities to develop a regionalized solution to address economic integration.
- Racial patterns in Toledo and Lucas County, as in the entire country, are changing. While Toledo's racial patterns may not be changing as drastically as some other areas of the country, like Los Angeles or San Antonio, its demographics are changing nonetheless. Government, private agencies and, educational institutions need to prepare now for the growth and change that the community will experience. Specifically, groups like lenders, insurers, real estate companies, the Fair Housing Center, Lucas County Housing Metropolitan Housing Authority, and municipality agencies and departments should begin now to work toward staff diversity, acquiring materials in multiple languages, and performing systems evaluations to ensure that persons from a variety of cultures will not be impeded as they attempt to obtain housing or housing-related services.
- The growing number of female headed households with children under the age of 18 will place more and more families and children at a disadvantage when it comes to housing choice and accessibility. Because women tend to make much less money than men, their housing choices are severely limited, and their quality of life is impaired. This phenomenon has a greater negative impact on women and families with children. Municipalities need to work closely with social service, child support and child protection agencies to expand opportunities for families with children and to lessen the number of children living in poverty.
- Housing groups, such as the Fair Housing Center, Lucas County Metropolitan Housing Authority, Catholic Charities, La Posada and the Greater Toledo Housing Coalition should continue and strengthen alliances with groups who serve new immigrants such as the Farm Labor Organizing Committee and Rural Opportunities to keep abreast of housing needs and issues facing new immigrant groups.
- The City of Toledo has formed good alliances with CDCs, the Fair Housing Center, lenders and other organizations. As a result, housing values in the City have substantially increased over the past several years. To continue this trend in Toledo and to improve the overall housing values in the region, all the districts should expand upon this alliance to include more collaboration from real estate professionals and major corporations to improve marketing of the region's under-served communities.
- All of the municipalities in Lucas County should collaborate to develop a marketing and promotional package to affirmatively market neighborhoods and communities. The municipalities should work closely with real estate professionals to strongly encourage promoting communities in Lucas County.

- The municipalities should work together to re-structure the County's river and river-front land. Currently, the under-utilization and inappropriate utilization of the river-front are creating a further drain on the region's growth and development. Many real estate professionals are concerned that the Toledo metropolitan area is not using its prime land effectively.

## **ECONOMIC CLIMATE & EMPLOYMENT ISSUES**

Like many midwestern communities, Lucas County, the City of Oregon and the City of Toledo are experiencing a strong economic recovery. In fact, Oregon benefits from having the lowest property taxes in Lucas County. It also benefits as the site of several of the region's major employers – British Petroleum Oil, Sun Refining, St. Charles Hospital, and First Energy.

Toledo has diverse businesses and corporations as well. Dana, Owens Corning, Pilkington, and Daimler-Chrysler Jeep are the most well known. Keeping the Jeep plant in Toledo was a major victory for the City, because the potential loss of that plant would have meant 4,000 people without employment. In addition, the individuals employed in "support" industries would have lost their jobs creating a difficult economic problem. In another display of the region's positive economic picture, the Toledo-Lucas County Port Authority, during 1997, created 5,600 jobs adding \$866 million to the economy.

Access to other cities gives Toledo and the remainder of Northwest Ohio certain advantages. The I-75 highway runs from northern Michigan to southern Florida and provides Lucas county with a strategic location where the most traveled west and north-south routes come together. The Ohio Turnpike (I-80/90) which goes to both the east and west coasts, crosses Northwest Ohio. Interstate 280, U.S. Routes 20, 23 and 24 and State Routes 2, 25 and 795 all provide additional access to the industrial sites in Northwest Ohio.

The economic rebound of the 1990s and the geographical advantages of the Lucas County area meant increased opportunities. In November 1999, 331,700 people were employed, an increase of 900 people from October 1999 and 0.8% increase from November 1998. During November 1999, manufacturing jobs numbered 60,000, an increase of 100 from October 1999, but a loss from the November 1998 figure of 60, 100.

Evaluating the incomes of the employed is a complex situation. The U.S. Census reports the average income of the Toledo Metropolitan Area in 1996 was \$23,770, and in 1997 the figure was \$24,630. This was an increase of \$860 or 3.5%. The U.S. Census reported the median income in the Toledo Metropolitan Area in 1986 was \$25,726, while in 1990 it was \$24,819, or a -3.5% decline. On the other hand, the median household income in the City of Oregon in 1989 was \$34,729 compared to \$46,887 in 1999, an increase of 35%.

The measurement of income depends upon what method is used. Based upon the Effective Buying Income scale (EBI) the impact of inflation is taken into account, while other reports of income do not utilize this check for inflation's impact upon individual income. In all, incomes in the suburban rung have increased at good paces while income levels in the City of Toledo have not. The region needs to do a better job of attracting higher paying jobs. Many of the newly formed jobs have been in the service industries which tend to be lower paying.

In addition, the economic picture is further complicated by the fact that while overall the economy is better, it does not mean that all previously disadvantaged people are reaping the benefits of the present status of the economy found in the City of Toledo and the surrounding communities. While Lucas County has done a fine job in attracting major employers to the area, more emphasis needs to be placed on creating businesses jobs by and for residents in under-

served communities. This direction would only strengthen the value of the region and further create and attract more opportunities for the economic well-being of the region.

## **ECONOMIC & EMPLOYMENT CONCLUSIONS & RECOMMENDATIONS**

- While the region has done a fine job in attracting major employers to the area, there needs to be an emphasis placed upon creating non-service related businesses and jobs in the urban core.

## **PUBLIC TRANSPORTATION**

One of the most important assets in the City of Toledo and the entire Toledo Metropolitan area is the Toledo Regional Transit Authority (TARTA). TARTA is a publicly supported entity that acquires funding through local tax levies. TARTA serves Toledo, Sylvania, Sylvania Township, Ottawa Hills, Perrysburg, Rossford, Maumee, Waterville and Spencer Township with over 57 regular express routes.

While TARTA does extend past the City of Toledo into some outer-lying areas, it does not cover all of the suburban communities in Lucas County. For example, TARTA does not service Swanton, where the airport is located. Nor does it service Oregon or Whitehouse. Currently, TARTA does not have plans to expand its service market. If it did, because it is publicly supported, any proposed expansion would have to go on a ballot.

TARTA's limited transportation service market has a negative impact on lower income residents throughout the region. The restricted service market limits opportunities in three ways. First, it limits the ability of those who don't have cars and who live in the central city to access jobs, services and amenities that exist in the suburban areas. For example, someone living in the central city who did not have transportation could not access good-paying jobs at Burlington or BP Oil. Second, people who reside in suburban communities with no TARTA service are unable to travel without their own transportation. This means that persons who do not or cannot drive have limited access to the jobs, services and amenities in their communities or in other communities throughout the region. Third, businesses lose the benefit of the entire regional community as an employee or customer pool source. This is particularly crippling for businesses located in suburban communities who would like to diversify their employee base. The lack of available public transportation restricts the potential employee market.

Persons who use wheelchairs can travel on TARTA, including all Saturdays, Sundays and Holidays. In addition, the Toledo Area Regional Para-Transit Service (TARPS) provides door-to-door service within its market.

TARTA does utilize an interlined route concept. An interlined route means two different routes have intersect points allowing individuals greater flexibility when traveling by bus. This flexibility means that a person could switch buses at a stop and take another bus running a different route.

Many people in the Toledo area perceive TARTA as being a service for people who cannot afford their own transportation. Therefore, the value of public transportation as a means to reduce economic, environmental and social pressures are not amply stressed within the community. In short, TARTA is viewed as transportation means for the poor and those who cannot drive a vehicle for various reasons. Toledo is not the only community in the United States to equate public transportation with issues of class and socioeconomic status, but the City of Toledo and surrounding communities of Lucas County could take a more aggressive approach in advocating TARTA. Many cities who utilize public transportation view it as a major asset and tourist attraction device. This effort would further improve an effective public transportation system.

The TARTA system is extremely important because it provides access from urban centers to places of employment in outer-lying communities. TARTA's boundaries are limited, however, and the buses do not, for example, travel to the Airport. Nor does TARTA travel to the outer suburban rings. This prohibits the system from being full-service.

### **PUBLIC TRANSPORTATION CONCLUSIONS & RECOMMENDATIONS**

- TARTA should assess, as part of a regional growth plan initiative, the feasibility of expanding its service market into areas like Oregon and Swanton.
- TARTA, The City of Toledo and surrounding communities should take a more aggressive approach to marketing and promoting TARTA. The system should be promoted as a service, convenience, pro-environment initiative, and attraction as opposed to a system to which people resort who cannot afford private transportation.

### **EDUCATION**

Educational opportunities in Lucas County are multifaceted. Educational programs are in place to enhance community interaction with the local school systems. These programs offer access to adult education programs, provide opportunities for persons with disabilities and offer assistance in the development of skills and job training. Within Lucas County, eleven public school systems operate, and the City of Toledo has two public school systems, Toledo Public Schools and Washington Local Schools. In addition, numerous private schools provide learning opportunities, and a growing number of charter schools exist as well.

An abundant number of higher education institutions also serve Toledo and the whole of Northwest Ohio. The Medical College of Ohio (MCO), located in Toledo, is the sole "free-standing academic health center in the region." MCO is comprised of a medical school, a school of nursing, a school of allied health, and a graduate school. The University of Toledo, Lourdes College, and Owens Community College provide higher education opportunities and attract people from outside the region. Stautzenberger and Davis Colleges provide training in business and technical areas. Given its location, people residing in Toledo and Lucas County can take

advantage of nearby alternatives- Bowling Green State University located in Wood County, and several colleges, community colleges and universities located in Southeastern Michigan.

Generally, the state of education throughout Lucas County is good. However, deep disparities exist between the City of Toledo and surrounding areas. Despite the abundance of education institutions, the 1990 Census indicated the percentage of people living in the City of Toledo completing twelve years of schooling was 63.9 percent, while 12.2 percent completed 16 years of schooling. Compared to the overall rate of 67 percent and 13.7, percent respectively, for the State of Ohio. Further, the graduation rate in the State of Ohio was 82 percent, whereas the City of Toledo recorded a 54 percent graduation rate.

There are also large disparities in other areas when comparing students in the Toledo Public School system to other school systems. Those disparities include:

- Number of students graduating from high school,
- Number of students continuing their education,
- Number of students attending college,
- Proficiency test scores,
- Number of students who take the ACT test,
- Number of students who take the SAT test

The following chart compares statistics for several area high schools.

	Washington Local	Springfield	Sylvania North	Ottawa Hills	Oregon	Toledo Start	Toledo Libbey	Scott	Bowsher
Student Popul.	7525	3920	4580	976	3719	6464	5036	7068	4681
Teacher Popul.	355	200	226	59	207	309	241	338	224
Student Teacher Ratio	21%	19%	20%	16%	17%	20%	20%	20%	20%
% HS Diploma	86	99	97	100	95	81	95	85	89
% 4-Year College	35	51	76	95	38	30	30	35	30
% 2-Year Junior College	26	15	11	2	35	10	10	15	10
Business Technical School	14	NA	NA	NA	3	NA	10	10	10
Armed Forces	3	15	NA	NA	NA	NA	NA	NA	5
% Seniors Taking ACT	52	44	66	100	50	NA	60	41	NA
% Seniors Taking SAT	13	NA	24	88	NA	35	NA	NA	50

Statistics from The School Report™

As the chart depicts, the highest percentages of students receiving their high school diplomas, continuing on to college and taking college entrance examinations are in suburban school districts like Ottawa Hills, Oregon, and Sylvania. The students in the Toledo Public School system are less likely to continue on to higher education. TPS also has the largest number of students. This does not bode well for the Lucas County economy. New businesses seeking to relocate or establish their offices look at the education and experience level of the workforce as a component of their decision-making process. Improving educational levels for the TPS system will not only improve opportunities for lower income persons and racial minorities who primarily attend Toledo Public schools, but also the economic growth of the region.

Numerous explanations exist to explain these disparities. These explanations include: disparities in the experience and quality of those teaching in the Toledo Public School system; perceived

conflicts between the administration and teaching staff; lack of resources; the increase in low-skill entry jobs that lure students away from school; state-mandated increases in credit hours completed needed for graduation; “hidden” public costs resulting from various public assistance programs, drug-related problems, and criminal activities.

Though those explanations appear sound and possess validity, a more complicated reason explains the education impediment. The desire to create a sound public school system is perceived to be a valuable objective in improving the well being of the population of the City of Toledo. It is an extremely important consideration in the housing context. In fact, many families choose where they will live not based on their economic resources, but on the quality of education in a geographic area. Quality education was cited in the Urban Affairs study as a factor of why people move and where they choose to move.

It is also an important consideration for businesses seeking to start or relocate to a particular area. Businesses outside of this community consider the quality of education as an important quality of life indicator. This is because the quality of education is considered an important benefit for employees. Businesses are also concerned about the pool of employees to which they will have access. If a community has very low graduation rates, this may well result in an unqualified employee pool and increased costs to the employer in training and other expenses.

Throughout Lucas County, Toledo Public Schools are clearly deemed the least optimum. In fact, as cited earlier in the University of Toledo’s study, a large percentage of families who moved from Toledo to outer-lying communities expressed concerns about the quality of education in the TPS as a reason for moving.

Given the importance of the community’s stability, growth and development on the provision of quality education, one might anticipate more collaboration to save resources and improve services. However, the city has two public school systems- Toledo Public Schools and Washington local Schools. Toledo is one of the few cities in the nation to have two public school systems.

To compound issues, the school systems are segregated by race and socioeconomic status. Even the two school systems within the city of Toledo exhibit sharp contrasts. The Toledo Public School system has a substantial African-American and Hispanic population; the Washington Local School system does not. Of course, this is largely a matter of neighborhood demographics. Washington Township is predominately Caucasian, and the remainder of the city is much more diverse. The remaining school systems in the county are likewise overwhelmingly comprised of Caucasian students. There is very little diversity in the systems.

TPS has the most diverse student body of all of the eleven public school systems in Lucas County. Some of this is, again, the result of local demographics; some of this is by design. For example, Spencer Township is an integrated, moderate-income suburban community north of Toledo. It lies adjacent to several more affluent suburban communities. Recently, a foster/group residential facility was opened to house and care for children under the age of 18. These children, many of whom are racial minorities will not attend school at one of the local school systems. Instead, they will be bussed passed predominately Caucasian schools in one of the adjacent communities to attend the Toledo Public School system.

Additionally, because TPS is the largest school system and has put many programs in place to address special and unique learning needs of a large student population, many communities have become “Stepford Schools” in that they will not provide education for students with learning disabilities. These students are sent to attend classes in the TPS system, and TPS receives payment, set by the State, for these children from the school system in which the children actually live.

To the credit of many of the jurisdictions, there are comprehensive educational programs in the community to provide quality education for residents. For example, the Oregon School System educates children who reside in Oregon, Jerusalem and Harbor View. Special needs children are educated within the Oregon system.

Unfortunately, the Toledo Public School system has received more than its share of negative publicity while other school communities hardly ever experience bad press. As a result, the TPS and the City of Toledo are victims of negative hype about the system. This exacerbates concerns about perceived poor quality in education in the TPS.

Multi-cooperation between human service agencies and the private sector indicates willingness and determination to resolve educational problems. Issues ranging from economic empowerment, family guidance and orientation, individual growth, support of junior and high school-aged females to remain in school during and after pregnancies, exploring the possible creation of schools as “hubs” providing skill training, enrichment programs, and recreation have been discussed. Efforts by local corporations – Dana and Champion Spark Plug, the Seed Development Fund programs by Glasstech, Solar Cells, Anatrace, Owens-Illinois, Autotec, and Flue Gas Resources exemplify private sector efforts. Public and non-profit organization efforts in providing educational and skills training programs complement these efforts.

Despite the efforts, a long-term, substitute teacher at a Toledo Public High School stated: “I’m preparing grades for this quarter, and I have a student who will have only 18 out of the total 280 points possible. The only reason for this, I believe, is the number of absences she had. She is not showing up because she is supposed to be suspended. By the way, I have many students who will fail because they have not turned in their homework and missed so many days.” To explain this situation, one must go deeper.

A member of the Toledo Public School Board stated the problem in education reflects the socioeconomic conditions found in the City of Toledo. He said: “Education and housing patterns do not only parallel one another, but are intertwined factors.” Toledo Public Schools do not have the money to renovate their facilities and to meet existing federal guidelines. “Elevators are not found in Toledo Public Schools,” injected the board member who elaborated that the lack of elevators violated provisions for the Americans with Disabilities Act. He added: “To get the physical structures of the schools to meet federal standards and then bring some form of educational order to the school district requires \$238 million.”

As noted, the population in the city of Toledo has dropped dramatically, as has the number of homeowners. Toledo has experienced a loss of 6% in home ownership between 1980 and 1990. The loss of population and the loss in homeowners has resulted in a loss of revenue for the City. This loss in revenue will only continue to decline if more people continue to leave the city. The loss in revenue results in a lack of funds for the public school system.

The City of Toledo has also lost a number of Fortune 500 companies and has had to creatively bargain for the retention of several larger companies. Unfortunately for the City of Toledo, one of the largest companies in the area – Jeep – has relocated its facility. While it is still located in the City of Toledo, Jeep is in the Washington Local School district. This change may also prove to have a devastating effect on the Toledo Public school system, as it will result in decreased revenues for the school system. Moreover, the revenue that lawmakers anticipated to be generated through the state lottery system has not panned out. This has also resulted in lower than expected funding for public education.

The TPS board member commented on the lack of permanence prevalent in Toledo Public Schools. “Most teaching job openings occur at schools found in the central city. Beginning teachers start there, get some experience, then leave those schools for schools in the suburbs or away from the central city.” Teacher flight from central city schools parallels the phenomenon of white flight from the city to suburbs. The public schools located within the Central City area are left with a consistent pool of inexperienced teachers. “These teachers are intimidated by their working environment and the population they serve because they lack any cultural understanding of the populace.”

The end result is that Toledo Public Schools, and its customers – the students- serve the career needs of young teachers. But it is the opposite that should occur. The teaching system should be organized so that the needs of the customers – the students – are considered foremost. Continuing a system where teachers gain work experience and then leave for what they understand to be better working opportunities can leave a void in the quality of education for central city students. This process impedes the schools located in the Central City area since no permanence among the teaching staff is established. Whereas many students going to the schools are third or fourth generations of people residing in public housing. An imbalance is created. Education as a tool for enhancing the employment opportunities for children becomes nullified, while it is the teachers who benefit from working in the schools because “they get their feet into the door.”

This atmosphere, fueled by the lack of money, generates diminishing cooperation between administrators, parents, teachers, and students. “Given the low tax base in the City of Toledo and how poverty affects parent/guardian participation, the coming together of all individuals with a stake in the success of public education becomes more difficult.” This situation further intensifies the existing low morale. In addition, the failure of the November 1999 school levy led to cuts resulting in the closing of two schools, the Jefferson Center and Old West End Junior High.

Consequently, the socioeconomic conditions found within the City of Toledo and the perception young teachers have about the prospects of working for Toledo Public Schools must be addressed. Educators assert smaller class size will alleviate problems. However, the population of students attending Toledo Public Schools appears not to support that solution. “60,000 students attended Toledo Public Schools in 1970, while 38,000 currently attend.” Overcrowding becomes a misnomer. Lack of adequate funding, incentives to keep teachers in the school, and a commitment to improving the facilities will diminish calls for dealing with overcrowding.

Integrated with the socioeconomic issues is the perceptual issue. People perceive public schools,

in particular central city schools, to be places of gang violence and drug culture. Motion pictures, television news, and other forms of popular culture create an impression of public schools being violent, crime infested and places without any moral foundations. However, as one participant at the Fair Housing Community Forums noted, “between 75%-85% of Americans have attended Public Schools and acquired an education.” And little or no attention is paid to the drug and behavioral problems plaguing the region’s suburban school systems. Last year, the Toledo Blade ran several articles about heroine and cocaine problems plaguing districts like Anthony Wayne, Maumee, and Sylvania. However, those articles have come and gone and negative articles about TPS remain commonplace with the periodical.

All of these factors illustrate the existence of a double standard. Extensive resources and time are needed to address problems pertaining to the disparities that exist in the Toledo Public School system.

### **EDUCATION CONCLUSIONS, FINDINGS & RECOMMENDATIONS**

- Because quality of education plays such an important role in housing choice, TPS, the City of Toledo and Washington Local must collaborate more on improving educational resources, quality of education, and public school images.
- All of the school systems operating in Lucas County should collaborate to share educational goals and resources and to assess educational programming and its distribution.
- The Toledo community needs to gauge the effectiveness of having two public school systems. An independent council should be convened to analyze the pros and cons of maintaining two separate systems.
- The City of Toledo should collaborate with TPS and the state to develop programming to increase school retention (particularly for Hispanic students), decrease staff turn-over, and increase proficiency scores. For example, the state or private foundations could make money available so that incentives could be paid to teachers who excel in their professions, and stay in their school districts.
- TPS should expand its horizons to form more partnerships and alliances with worship institutions, community organizations and neighborhood agencies to develop and implement programming designed to reach educational goals like student retention, decreasing absenteeism, improving student grades, and increasing parental involvement.
- TPS and the City should draw on the resources of private industry more to improve conditions in the system.
- All of the school districts in Lucas County should review and collaborate on their efforts to improve educational standards by developing a regional approach to education. The districts in the county might be able to leverage more resources by collaborating around themes and might be more effective at attracting resources to the area.

## **ASSISTED HOUSING INVENTORY**

The Lucas Metropolitan Housing Authority (LMHA) is the principal public housing provider serving the metropolitan area. The Lucas County Metropolitan Housing Authority (LMHA) provides housing for more than 25,000 residents and operates 6,195 subsidized units. The 6,195 housing units include 3,091 conventional public housing units, 1,823 existing Section 8 units (an additional 598 completed or near completion), 217 rehabilitation units, 345 voucher units and 121 home ownership units. In addition, there are 1,670 privately owned units available for low-income tenants to rent, and the Lucas County Mental Health Board subsidizes 232 rental apartments. Overall, the total number of assisted housing for low-income residents is 8,097 units. Yet, there are still a large number of persons seeking housing assistance.

LMHA operates 34 development sites serving the needs of individuals requiring public assisted housing. There are three types of housing programs available through LMHA - the rental units owned and managed by the LMHA staff; Section 8 Program where rental units are privately owned, but subsidized by LMHA; and the Homeownership Program when the houses owned by LMHA are resold ( dependent upon meeting the requirement of having a stable source of income).

The Section 8 program remains the most popular program at LMHA among its customers because families get to choose where they will live using the Section 8 Certificate. However, many families complain that the quality of housing from which they have to choose is severely lacking. This is because many housing providers in the private market do not accept Section 8 Certificates. Thus the doors of opportunity and housing choice remain somewhat closed even in this highly mobile program.

Like all housing providers, LMHA must comply with all laws relating to Civil Rights. Moreover, LMHA declares that it will not discriminate because of race, color, sex religion, familial status, or disability in the leasing, rental, or other disposition of housing or related facilities. These requirements include any project or projects under the jurisdiction of LMHA covered by a contract for annual contributions.

In addition, LMHA will not deny admission to any group or category of otherwise qualified applicants. This practice occurs because LMHA advocates the treatment of each applicant in a particular group or category as an individual case, not part of a routine process. Furthermore, LMHA states in its Strategic Plan that it will identify and eliminate situations or procedures that create barriers to equal housing opportunities. In conjunction to the previous statement, LMHA makes every attempt to adhere to Section 504 requirements and the Fair Housing Amendments Act of 1988, which require the housing authority to make structural modifications and reasonable accommodations. Therefore, individuals with disabilities can take advantage of the LMHA's housing program and non-housing program.

In order to use the services of LMHA, an applicant must be qualified by meeting the following criteria. The applicant or applicants must be a family. LMHA defines family as being two or more persons (with or without children) who will live together in LMHA housing; the people may or may not be related, but the cohabitation can be verified by sources showing shared income or resources. Moreover, it includes the elderly, near elderly, disabled families, displaced persons, children at a foster home and college students temporarily at college. The applicant

must also meet the HUD requirements on citizenship or noncitizen immigration status. Also, the applicant has an annual income that does not exceed the income limits based upon family size, as determined by HUD. Additionally, the potential applicant must provide documentation of Social Security numbers for all family members aged six and over.

Given the need for public housing, LMHA must utilize a waiting list. The management of waiting list by LMHA utilizes the possibility of restricting application intake, close waiting lists (in particular if LMHA has sufficient numbers to anticipate applications to fill for the coming 12 months). Subsequently, the processing of applications and the interviewing of applicants take considerable time. Additionally, third party verification of information provided by the applicants is the preferred form of verification. Moreover, the LMHA's records with respect to applications for admission to any low-income housing assisted under the United States Housing Act of 1937 as amended, must indicate when applications were received and the time of receipt; race and ethnicity; LMHA determination of eligibility and non-eligibility; unit size; the preference of unit; and the date, location, identification and circumstances of each vacancy offered and accepted or rejected.

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

Despite the best intentions, the successful implementation of public housing policy by LMHA remains unclear. In addition, the efforts by other entities such as banking institutions in partnership with the Fair Housing Center of Toledo have taken a more prominent role in enhancing the housing opportunities and rights for those requiring public aid in acquiring adequate housing. Moreover, the placement of LMHA developments demonstrates the propensity of public housing to be predominately focused into areas populated by minorities. This situation occurs despite the claims of creating a greater mix of races and socioeconomic classes within the Toledo area.

As the map following this section illustrates, the majority of subsidized housing units are located in the City of Toledo in either well integrated or predominately African-American and Hispanic neighborhoods. There is only one privately owned subsidized housing complex in Oregon. There are none in communities like Maumee, Providence, or Whitehouse. There are no publicly owned subsidized housing complexes in Oregon and other suburban communities like Sylvania, Richfield, or Swanton. While privately owned subsidized complexes are slightly more dispersed throughout the area, as the maps indicate, there are no subsidized complexes in the outer lying suburban rings. Moreover, LMHA's complexes are racially segregated with the majority of African-American tenants residing in conventional housing facilities located in low-income, minority areas.

Since it is highly unlikely that any new subsidized housing will be built in the region, the only avenue available for the dispersal of persons who use these HUD subsidies is through the Section 8 and scatter-site program. The Section 8 programs allow low-income persons who have Section 8 certificates or vouchers to rent units wherever they might be accepted. The scatter-site

programs allow for more geographic distribution because in this program, the housing authority purchases housing, preferably in non-impacted areas, for its housing programs. The housing authority can purchase housing anywhere in Lucas County.

The Department of Housing & Urban Development provides rent subsidies to low and moderate income persons. Some of these subsidies come in the form of direct payments to benefit individuals – Section 8 certificates – which enable the beneficiary to rent housing in the open or private market. However, HUD has limitations on what it will pay in rent subsidies. The fair market rents pose many restrictions on where families using the Section 8 Certificates and Vouchers can live. Because of the ceilings, many families with Section 8 certificates are limited to rental housing in the City of Toledo because the rents are lower. This further exacerbates the concentration of low income persons in the City and weakens voluntary mobility. Families who might, on their own volition, choose to live in a non-concentrated community would be prohibited from doing so because of the rent restrictions of HUD’s program.

Only in recent years has HUD increased its fair market rents in an attempt to promote racial and economic integration. The HUD fair market rents are the same for the City of Toledo, Oregon, and Lucas County and are illustrated in the table below.

**FAIR MARKET RENTS FOR  
LUCAS COUNTY  
EFFECTIVE OCTOBER 1, 1999**

Efficiency	\$360.00
One Bedroom	\$438.00
Two Bedroom	\$535.00
Three Bedroom	\$689.00
Four Bedroom	\$748.00

In addition, LMHA can go 10% higher for rents in non-concentrated areas. In other words, a family of five renting a three bedroom apartment could live in a unit with rent up to \$758.00.

Families can also now pay up to 40% of their income toward their rent if they are moving into a non-impacted area. Generally, families cannot pay over 30% of their income towards their rent payment.

While these changes have resulted in more dispersal of low-income families into outerlying communities, there are several impediments that preclude low-income and racial minority families from accessing housing opportunities outside of the urban core. They include:

- Landlords are hesitant to use the Section 8 program even though the rent is guaranteed because they either do not know about the program or have misperceptions about the

program.

- Landlords decline to participate in the Section 8 program because of NIMBYist attitudes.
- Landlords who previously used the program and had negative experiences are not aware of the programmatic changes.
- Many landlords are not participating because of the old rules that were more prohibitory. But with the new rules, landlords can benefit more. With the new changes, landlords may well choose to participate. But landlords lack knowledge about the program and its benefits.
- Consumers using the program are not aware of their housing opportunities in outerlying communities.
- Consumers using the program are being turned down because of poor landlord references or criminal history.

LMHA's biggest task is to sell the Section 8 program to landlords. Since LMHA guarantees and pays the rents, it encourages landlords not to look at credit histories; this has turned out to be a plus. However, LMHA does not currently partner with landlord/tenant or fair housing agencies to train consumers on how to improve their landlord references, how to be a good tenant or how they might patch their criminal records.

Recent efforts to enhance the availability of affordable and quality housing were made through the Section 8 Certificate and Voucher Program. These efforts resulted in a 20% growth in the number of families receiving aid from participating in these programs. A net gain of 400 households receiving assistance fueled a stronger commitment to assurance maintenance of Housing Quality Standards (HQS). The achieved HQS complemented the work the Department of Neighborhoods did for the City of Toledo to reverse the process of not investing into disenfranchised neighborhoods.

Despite this progress LMHA does not provide a clear and focused list of objectives the organization wants to accomplish. One result of this weakness is that the desire of individuals to gain public housing cannot be fully reached. Moreover, the current lack of racially and economically diverse neighborhoods hinders LMHA's goals. Any rectification of this issue must begin by looking at maintaining or creating an economically and financially healthy population within the central city area.

## **ASSISTED HOUSING CONCLUSIONS & RECOMMENDATIONS**

- LMHA should include specific provisions in its Strategic Plan to reach full compliance with the Jaimez decision by the year 2005.
- LMHA and HUD should take every step available to secure scattered-site housing in non-impacted areas. Districts that have no or little subsidized housing, like Oregon, Ottawa Hills and Maumee should work with LMHA and HUD to develop and/or locate housing for LMHA's affordability programs.
- Districts with little or no subsidized housing should develop affordable housing goals and seek "out-of-the-box" solutions for reaching affordable housing goals. For example,

a district may opt to partner with a housing service provider such as Neighborhood Housing Services or a private developer to develop affordable housing using tax credits or grants from the Ohio Housing Trust Fund.

- HUD should grant funding to LMHA and the Fair Housing Center to operate a mobility program to decrease the number of assisted persons from residing in concentrated areas.
- LMHA should embark upon a major promotional campaign to alert landlords of the benefits of participating in the Section 8 program with specific emphasis on recruiting landlords in non-impacted areas to participate in the program.
- LMHA should collaborate with landlord tenant and fair housing organizations to provide training opportunities for consumers on how to improve credit ratings, improve their rental histories, and clean up their criminal history reports.
- HUD, LMHA, private developers and local municipalities should search for ways to increase the dispersal of subsidized housing throughout the entire metropolitan area.
- The Fair Housing Center should begin to negotiate for Section 8 units in settlement agreements to increase the number of units available for Section 8 housing in historically closed communities.

## **HOMELESS ISSUES**

In the total inventory of the emergency housing agencies and feeding programs throughout Lucas County, there is a total capacity of 360 beds and six cribs available for emergency use. These shelters provide crisis relief for a 30-60 day period without fees, sliding scale fees or requirement of religious participation. The shelters do not discriminate on the basis of race, religion, national origin, or disability.

On an annual basis, the shelters in Toledo serve the needs of 7,500 people. Of these 7,500 people, single men and women, single women with children, families, migrant farm workers, recent immigrants, persons with disabilities, and people suffering from various types of addiction and dependency comprise the clientele. The needs of clients and the services these shelters provide are far ranging. Immediate needs such as shelter, balanced and nutritious meals, clothing, and personal hygiene are met. Staff members of the shelters meet additional needs by providing counseling services. Counseling covers a broad range of issues including long-term educational needs, employment, benefits and housing. Shelter care providers also make referrals to other social care providers within the physical and mental health, criminal justice, and welfare arenas.

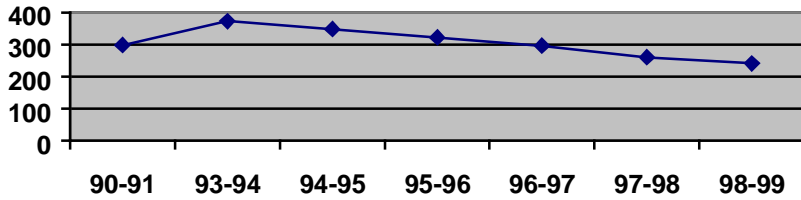
The locations of these shelters reflect the economic reality found within the central city region of Toledo. With the exception of one shelter located in North Toledo, the remaining shelters are housed within the central city of Toledo. There are no shelters in communities like Oregon, Monclova, or Ottawa Hills. This trend of locating within the central city is evident even in the 11 transitional housing facilities, where 10 are located within the central city, and one is located in Sylvania, an adjacent suburban community. This further exacerbates the compounding of problematic socioeconomic characteristics in the central city. Many of the people who utilize the services of the shelters do not come from central city communities. They lived elsewhere and upon arriving in the Lucas county area and needing assistance, they find that assistance in shelter facilities that happened to be located in the urban core.

## **CONCLUSIONS AND RECOMMENDATIONS**

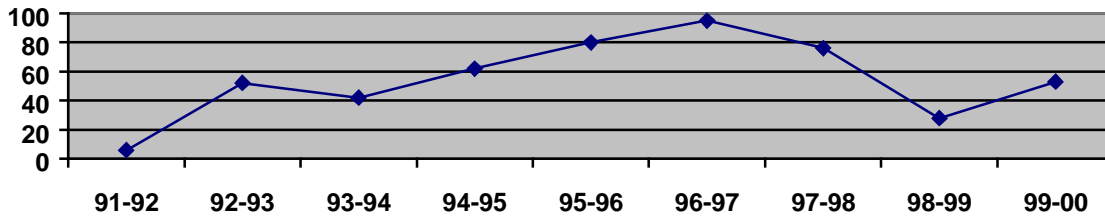
- The local districts should collaborate with the Toledo Area Alliance to End Homelessness to analyze the feasibility of relocating several of the shelter facilities to non-concentrated communities.

**CURRENT STATE OF FAIR HOUSING**

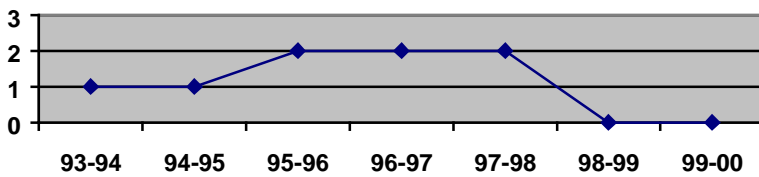
**FAIR HOUSING CENTER  
COMPLAINT VOLUME  
ALL JURISDICTIONS  
LUCAS & WOOD COUNTIES**



**FAIR HOUSING CENTER  
COMPLAINT VOLUME  
LUCAS COUNTY**



**FAIR HOUSING CENTER  
COMPLAINT VOLUME  
CITY OF OREGON**



The Fair Housing Center has implemented complaint intake and servicing systems for its service area. The vast majority of complaints the Center receives involve residents of the City of Toledo who are seeking housing in the City of Toledo. However, a large number also involve persons seeking housing in suburban communities. The previous charts illustrate the Center's complaint volumes broken down by jurisdictions. The chart for all jurisdictions shows the Center's overall caseload. The Lucas County chart shows the number of complaints received from persons who resided in Lucas County but not in the City of Toledo. The Oregon chart depicts the number of complaints received by Oregon residents. The Lucas County and Oregon charts do not reflect whether or not a respondent in a complaint resided in the County or the City of Oregon.

During the 1990-91 fiscal year, the Center received 298 complaints. Complaint volume steadily increased, reaching its peak during the 1993-94 fiscal year. Complaint volumes tapered off reaching their lowest level of 241 during the 1998-99 fiscal year.

While the figures suggest a decrease in the occurrence of housing discrimination, the numbers can be deceiving. The Center reported that for several years, 1997-98 and 1998-99, the agency actually stopped receiving complaints due to a lack of resources. During the 97-98 fiscal year the Center deferred 25 complaints. During the 1998-99 fiscal year, the Center deferred 10 complaints.

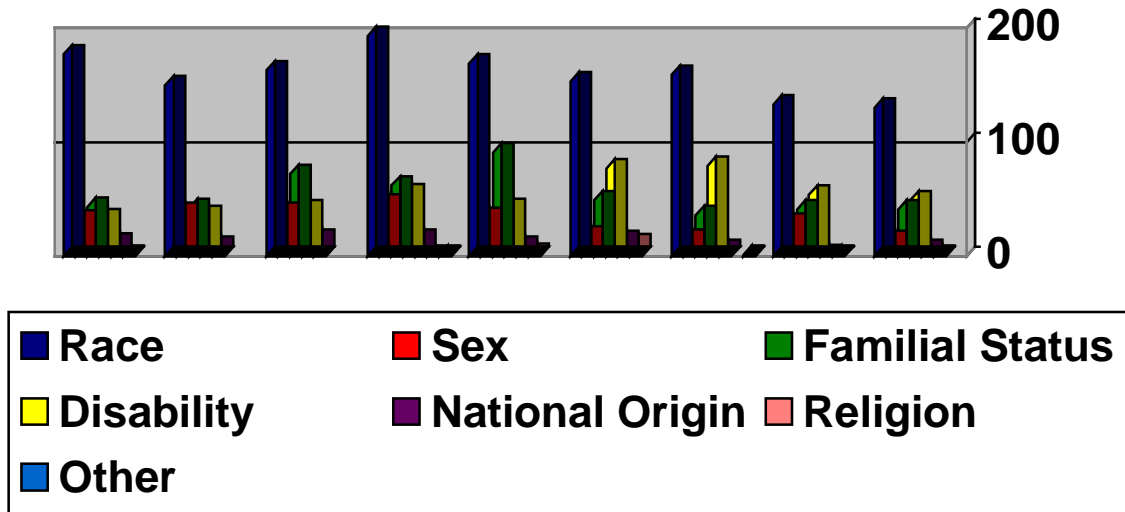
During the 1993-94 fiscal year, when the Center reached its peak in complaint volume, the Center out-paced itself in advertising and outreach initiatives having received an education and outreach grant from the Department of Housing and Urban Development. The Center reached over 400,000 residents in northwest Ohio through its outreach activities. The Center also set a record in the level of advertising after collaborating with the National Fair Housing Alliance's national "Fair Housing Opens Doors" marketing campaign. During the campaign, local television and radio stations placed numerous public service announcements featuring celebrities Rita Moreno, Ed Asner, Mary Chapin Carpenter and Ruby Dee.

The Center has focused its outreach and enforcement initiatives in the City of Toledo primarily because of funding and grant considerations. Most of the dollars the Center receives for outreach and enforcement are for activities that target the City of Toledo. This may account for the high volume of complaints generated from residents in the City of Toledo. As the previous charts illustrate, the majority of the complaints the Center receives are filed by residents of Toledo. While 69% of the Lucas County population resides in the City of Toledo, typically 80% of those who file complaints with the Center reside in Toledo.

A large number of complaints also emanate from Toledo because most residents who file complaints do so alleging race discrimination. African-Americans are the largest pool of complainants making up 69% of the complaint load. Caucasians only account for 29% of the Center's complaint load. As described earlier in the section on demography, the largest percentage of African-Americans reside in the city of Toledo.

## Basis of Allegations

### 1990-91 Fiscal Year Through 1998-99 Fiscal Year



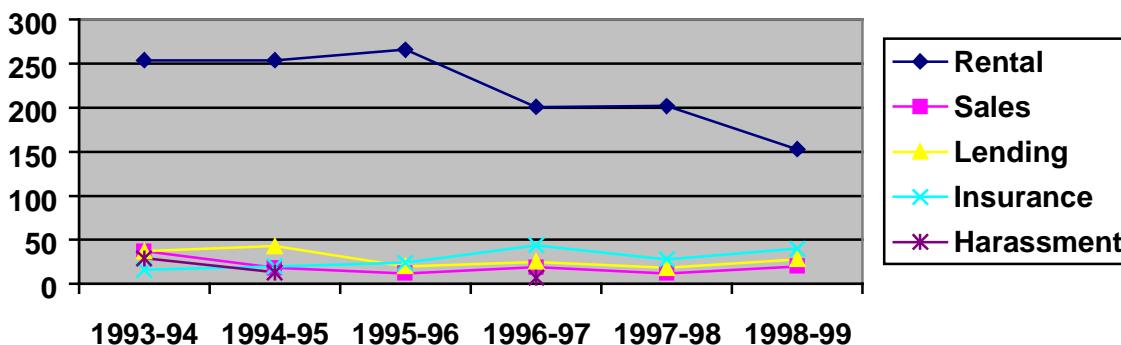
The Federal Fair Housing Act was passed in 1968 in response to the assassination of Dr. Martin Luther King, Jr. there were five protected classes under the 1968 Fair Housing Act and they were race, color, sex, religion and national origin. In 1988 President Reagan signed the Fair Housing Amendments Act. The Amendments Act added disability and familial status as protected classes. As the chart depicts, the number of familial status complaints increased rapidly and peaked during the 1994-95 fiscal year. Likewise, the number of disability complaints increased, peaking during the 1996-97 fiscal year. Still no other basis of allegation has out-numbered race. Race was the number one issue over 30 years ago when the Fair Housing Act was passed exactly 7 days after the assassination of Dr. Martin Luther King. Race still remains the number one fair housing issue today.

While race is the largest basis for allegations throughout the region, complaints alleging race discrimination are seldom raised from residents in outer-lying jurisdictions. For example, in Oregon, most complaints the Center receives allege sex or disability discrimination. However, African-American and Hispanic residents of Toledo do encounter racial and ethnic discrimination when attempting to move into suburban areas. For example, the Center recently assisted two African-American couples who had both attempted to purchase a house in Sylvania. Both couples' efforts were thwarted by the discriminatory behavior of the sellers and the real estate agent.

Disability discrimination in the housing arena has become the second largest basis of complaints. This is true for the northwest Ohio region and for the rest of the country. HUD, the entity mandated to enforce the Fair Housing Act, receives the largest number of complaints alleging race discrimination and the second largest number of complaints alleging disability discrimination.

According to the Center’s data, the largest number of complaints stem from problems in the rental market. Each year, rental complaints make up the largest percentage for types complaints.

### TYPES OF ALLEGATIONS



While the largest number of complainants who file housing discrimination allegations are still finding problems in the rental market, an increasing number of complainants are experiencing difficulties in the insurance arena. Since the Center filed a class action lawsuit alleging homeowners insurance discrimination on behalf of homeowners in predominately African-American neighborhoods, the number of complaints filed against insurance companies has risen sharply.

Overall, the number of rental complaints has decreased while the number of insurance complaints has increased. This can be attributed to more education and training endeavors involving the rental industry. Every year since its inception, the Center has provided training for trade organizations such as the Home Builders Association. In addition, the Center has conducted trainings for private landlords as well as landlords who own public or subsidized housing facilities as a result, landlords and managers are more responsive to fair housing concerns. For example, most of the larger apartment owners use either the fair housing logo or slogan when advertising available units. In addition, most post a fair housing poster in the manager’s office to alert consumers that the company adheres to the letter and spirit of fair housing laws. The trainings and fair housing compliance endeavors have paid off. As more landlords and managers adhere to fair housing laws, the number of complaints in this arena has decreased.

On the other hand, the insurance industry has long held the belief that insurance does not come under the jurisdiction of fair housing laws. The industry argues that since states’ insurance departments regulate its commerce issues, federal, state or local fair housing statutes do not apply to insurance companies. The industry has held that the McCarran-Ferguson Act<sup>8</sup> exempts them from civil rights laws such as the Fair Housing Act.

<sup>8</sup> The McCarran Ferguson Act prohibits the application of any federal law to the “business of insurance” to the extent the federal law will inhibit, impair, or impede state regulation of insurance.

However, the courts have not subscribed to this theory. In fact, the courts have ruled overwhelmingly that the McCarran Ferguson Act does not prohibit the application of the Fair Housing Act to the business of insurance. The issue has been firmly resolved in several cases including:

- Mackey v. Nationwide Insurance Companies, 724 F.2d 419 (4<sup>th</sup> Circ. 1984)
- McDiarmid v. Economy Fire & Casualty Co., 604 f.Supp. 105 (S.D. Ohio 1984)
- NAACP v. American Family Mutual Ins. Co., 978 F.2d 287 (7<sup>th</sup> Circ. 1992), cert denied, 113 s. Ct. 2335 (1993).
- Koontz v. Grange Mutual Casualty C., No. C2-98-318 (S.D. Ohio, 3/31/99).
- Toledo Fair Housing Center, et al. v. Nationwide Insurance Company
- Toledo Fair Housing Center, et al. v. Farmers Insurance Company
- HOME of Richmond v. Nationwide Insurance Company

Great strides have been made in Lucas County regarding insurance redlining issues. The agency has conducted hundreds of insurance tests and investigated over 100 complaints of insurance discrimination and redlining – more than any other fair housing organization in the country. The Center pioneered the insurance testing methodologies used in its investigations and its procedures and testing forms became the basis for the National Fair Housing Alliance's (NFHA) insurance testing program. The Center's staff provided the first insurance testing and investigation training for the sub-contractors NFHA used in its first national insurance testing project.

The Center entered into partnerships with major insurance companies, including State Farm, Allstate, Nationwide and Liberty Mutual. The Center persuaded the insurers to change their underwriting guidelines to eliminate the use of dwelling age, minimum values and the relationship between a home's market value and replacement cost as the basis for denying homeowners insurance. The partnerships also resulted in over \$10 million in investments for Toledo's urban community in the form of below-market rate and market rate loans to consumers to purchase and rehab central city housing stock. Finally, the insurance companies agreed to open service centers in Toledo's urban markets, which had previously been devoid of such facilities.

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

Efforts to increase lending opportunities have proven equally successful. For example, the Center has led community based charges to build and preserve bank branches in under-served areas. Lucas county is like many other districts that contain an urban center. What currently exists is the donut effect. This is because when bank branches are mapped throughout the Toledo metropolitan area, what one sees is a preponderance of the branches surrounding and encircling

the urban center. In other words, there is a donut of branches in outer-lying and suburban areas and an empty hole where urban neighborhoods are located. The problem is that the hole in the middle, where very few offices and branches are located, is the area where the majority of the African-American and Hispanic populations reside. The resultant gap in physical presence has a grave impact on the quality and quantity of services provided to these communities. Specifically, all of the bank branches that are currently located in predominately African-American and Hispanic communities, would be closed or would never have been built without the Center's intervention.

In addition, the Center has entered into agreements with lenders that include the elimination of discriminatory practices and policies and the establishment of incentive loan products and lending goals for under-served communities. These provisions have resulted in millions of mortgage dollars for central city neighborhoods and residents. They have also resulted in improved products and services for low and moderate-income consumers.

The number of complaints alleging problems in the lending, sales, and harassment areas fluctuates from year to year. However, lending complaints comprise the third largest number of complaints the Center receives followed by sales complaints and harassment complaints.

These numbers do not correspond with figures generated by HUD and OCRC. While both agencies receive the largest number of complaints involving the rental industry, the second largest number of complaints involves the real estate sales industry.

## **HOUSING FOR PERSONS WITH DISABILITIES**

People with physical or mental disabilities remain one of the most disenfranchised groups. The 1990 Census estimated 53,260 people living in Toledo alone had either physical or mental disabilities. Given the existing economic structure, the shortage of housing options, the inability to pay, or unwillingness to pay for the requirements established by the Fair Housing Act, over 540 persons with disabilities remain homeless. The housing facilities for the homeless population are often not accessible for people with physical disabilities because of the architectural structure and style of the dwellings. Individuals who have physical disabilities do not have access to the second floor bedrooms. Preferred Properties and David's House provide some housing opportunities. Preferred Properties only develops accessible housing. David's House provides a residence for up to five persons living with HIV or AIDS>

Yet, solutions to any requests or repairing any impediments remain a frustrating process. Individuals may contact area agencies but do not qualify for admission for various reasons that usually center on the mission of a particular program. An individual working in a shelter said: "Once we turned away a 'wheelchair bound' person, although our facility is wheelchair accessible. That person was turned away because he had no history of mental illness, and to qualify for our service- an individual must be mentally ill. If that person was admitted, it would be a fraudulent admission, and our service could get into trouble."

Barriers for persons with disabilities are compounded because the housing industry has not embraced its obligation to offer accessible units. Disability complaints are the second largest basis for allegations of complaints the Center receives. Moreover, in 1995, the Center monitored licensing and permit agencies and has found that 46% of units built during the period were in violation of the Fair Housing Act. A more recent review showed that additional inaccessible multi-family housing complexes were built over the last four years.

Extending services to persons with disabilities on an equitable basis is the first hurdle; providing accessible units and buildings is the second. According to the City of Toledo's 1995 Consolidated Plan, many multi-family complexes do not have accessible units. In fact, many complexes subsidized with federal, state and local dollars do not have accessible units. For example, of the 45 non-subsidized housing developments for senior citizens, only six complexes reported having accessible units. Of the 4,991 units in these 45 complexes, only 176 units or 3.5% were accessible. Of the 34 subsidized senior housing complexes (several of which do house disabled persons) identified in the Consolidated Plan, 10 complexes reported not having any accessible units at all.

Recently, the Fair Housing Center, Advocates for Basic Legal Equality (a local, legal organization which regularly represents persons with disabilities) and the Ability Center ( a non-profit organization serving the disabled community) joined forces to assess the extent and nature of disability discrimination and to develop effective strategies to eliminate barriers. There is a severe lack of accessible and affordable housing for persons with disabilities. Additional impediments are listed below:

- The disabled community is experiencing discrimination in the rental, sale, lending and insuring of housing.
- Landlords and condominium associations regularly violate the reasonable accommodations and modifications provisions of the Act.
- Local municipalities are granting permits for work that violates the design and adaptability provisions of the Act.
- Architects, contractors, inspectors and developers are still ill-informed about provisions of the Act.
- Builders and developers are constructing units that violate the statute. In addition, units rehabbed with government dollars are not done so in accordance with accessibility guidelines.
- Contractors veer from the accessible design of the architect's specifications, which result in statute violations.

Several areas were identified as motivating factors which lead to discriminatory behavior.

- Housing providers and professionals erroneously believe that building accessible housing is expensive and would vastly increase building or rehab budgets.
- Housing professionals, government employees, and the general public are not informed about disability issues and do not understand the principles of the Fair Housing Act.
- There is a general misunderstanding about persons with disabilities which gives rise to inappropriate apprehensions and bias.

In order to use products from their favorite suppliers, contractors veer from original specifications that include accessible features. Ignorance of the law also contributes to this.

## **DISABILITY CONCLUSIONS & RECOMMENDATIONS**

- Local disability rights, fair housing and civic organizations should form closer linkages to provide a continuum of care for persons with disabilities. This will provide a seamless network of services for individuals experiencing problems in the housing arena.
- The school systems must be sure that their diversity and tolerance resources include segments that deal with persons with disabilities.
- Real estate, lending, insurance, rental and other housing industry companies/groups should actively recruit persons with disabilities to join their teams.
- Inspection and building codes departments should vehemently check new housing facilities to ensure that new housing is built in accordance with accessibility guidelines.

## **REAL ESTATE SALES**

The Fair Housing Center, in partnership with the City of Toledo and the Toledo Board of Realtors conducted a number of tours within the central city communities to introduce real estate agents to the housing stock available in the neighborhoods. This partnership resulted from prior concerns of REALTORS® steering people into and away from specific neighborhoods. During the 1998-1999 fiscal year only 20 out of 241 complaints pertained to real estate sales. The low percentage of complaints concerning real estate sales reflects the accomplishments of the partnership the Center helped to put together, and the self-policing occurring among the real estate companies.

However, the impediments to fair housing opportunities, which real estate sales impact, often concern the working environment REALTORS® operate in and perceptual issues. A vice president of Community Reinvestment for a major bank in Toledo said: “REALTORS® are faxed updates pertaining to programs and incentives we offer. They receive notices or in-house training concerning any new legislation. But, the problem real estate agents experience is based upon the fact that making commission drives their livelihoods. Dedicated agents are not always sitting in their offices.”

For low and moderate-income people wanting to buy a home, the vice president also noted: “Many potential home purchasers do not understand what is credit. Several people assume that a credit history equals the balance on the credit cards.” By not understanding the full range of credit, potential homebuyers get frustrated. This frustration changes to impatience when people wait for their applications to get approved.

Generating a better understanding among consumers of what credit actually is should be a goal that REALTORS® banking and lending institutions, and other housing industry professionals should work toward. This objective suggests a long-term approach and emphasizes building a coalition between schools, REALTORS®, banking and lending institutions and Community Development Corporations. This coalition could resolve any of the perceptual problems existing between housing providers and people seeking homeownership.

While the Fair Housing Center has been able to form very productive partnerships with members of the real estate community, there still remain barriers in this field that impede fair housing goals. They include 1) Lack of presence in under-served communities; 2) Commission scale; 3) Lack of affirmative marketing; and 4) Pervasive steering practices.

While the Fair Housing Center, the Ohio Civil Rights Commission and HUD have worked diligently to encourage lenders and insurers to open offices and establish a presence in urban communities, real estate companies have been left out of the “office expansion” loop. Currently, there is only one real estate company located in the urban center. That company is an African-American owned company with few real estate agents. The remainder of the real estate companies are located away from the urban center. This, in fact, has contributed to the lack of marketing by real estate professionals in the urban core. If an agent is unfamiliar with an area, he or she will not be likely to market that area.

Proof of this is manifested each year when the Fair Housing Center and the City of Toledo host their annual neighborhood housing tour. During the first tour, several agents commented that they had not been in the central city in 20 years! Some agents wanted to know when major thoroughfares in the central city had been widened to four lanes from two lanes and were shocked to learn that the streets had been widened for over two decades.

Unfamiliarity with the urban center contributes to poor promotion of the areas. If real estate companies are not located in central city neighborhoods, and since many REALTORS® do not live in central city neighborhoods, it stands to reason that they will be unfamiliar with the neighborhoods.

One of the reasons companies have not located in urban centers is because they perceive the business opportunities to be lacking. For example, housing values tend to be lower in central city communities. Specializing in lower income areas, many agents reason, is not economically viable based on the commission scale agents are compensated by. Typically, an agent makes a 7% commission on the sale of a property. If there is more than one agent involved, the agents split the 7% commission.) There is a minimum commission amount established by the state. However, agents tend to want to focus on higher priced homes because it will result in a higher commission for the agent. This leaves few agents who are dedicated to and willing to serve in central city areas. This in turn drives down competition, which in turn drives down property values.

Another practice that negatively impacts urban communities and African-American and Hispanic consumers is steering. Steering occurs when an agent guides a particular consumer to a community or neighborhood based upon the demographics of the consumer and the neighborhood. For example, when an agent only shows Caucasian consumers homes in predominately Caucasian neighborhoods, the agent is steering that consumer.

Unfortunately, steering is alive and well in Lucas County. Testing conducted by the Fair Housing Center reveals that white testers are rarely shown housing in integrated or predominately African-American communities, even when they specifically ask to see houses in neighborhoods like West Moreland and the Old West End. Steering is not only illegal under the Fair Housing Act, it has a devastating impact on urban communities that do not benefit from full

access to the marketplace. There are a large number of consumers who could afford homes in central city neighborhoods who are never shown those homes or discouraged from seeing them because the agent assumes the consumer would never want to live in that community.

## **REAL ESTATE CONCLUSIONS & RECOMMENDATIONS**

- All real estate agents and companies should be a signatory to a HUD Best Practices Agreement.
- In continuing to educate area real estate professionals about the problems of sales discrimination, local fair housing organizations, together with the Toledo Board of REALTORS®, the Department of HUD, OCRC and the Justice Department should collaborate on educational programs designed to encourage real estate agents to comply with the letter and the spirit of fair housing laws. These educational programs should include segments on diversity issues in order to address prevalent, often subconscious biases and stereotypes that may influence the practices of even the most diligent professionals. The educational programs should also contain segments on the agent's role in fostering negative housing patterns such as neighborhood decline, property value decline and residential flight.
- Real estate companies should keep a showing and listing log as an effort to self-monitor the activities of their agents. These logs will help companies ascertain where their agents are doing business, where they are showing and listing homes, and where they are not.
- Real estate agencies, the City of Toledo, fair housing organizations, and the Board of REALTORS® should collaborate to develop strategies to combat the lack of marketing of Toledo neighborhoods, particularly urban neighborhoods.
- The City of Toledo should form an alliance with the Police Department, the Fair Housing Center, FBI, school systems, Toledo Board of REALTORS® community groups, Board of Community Relations, and local businesses to develop strategies to address public perception that the City of Toledo is less desirable due to a) Safety issues; b) Quality of schools; c) Race problems; d) Quality of amenities and services; and e) Lack of higher valued housing for individuals who want to “move up.”
- Real estate companies should be engaged in a self-testing program to monitor the quality of service provided by their agents and to ensure compliance with fair housing laws.
- The City of Toledo may need to look at “out-of-the-box” remedies such as hiring its own sales agents to promote Toledo neighborhoods.
- Real estate companies that do not have a presence in predominately African-American and Hispanic communities should establish offices in those areas.
- Real estate companies and the Toledo Board of REALTORS® should insure that their employee/agency force reflects the communities in which they do business.

- The City of Toledo, local leaders, businesses, and local, state and federal elected officials should take a close look at the public education system. Strategies need to be developed to a) increase revenues into the system; b) increase the quality of education in central city schools; c) develop incentives to promote longevity among the teachers who teach in central city schools; d) make student education a more integral part of the performance assessment structure for teachers and administrators – tie salary increases to these performance standards.
- The City of Toledo should develop an ad campaign in conjunction with local housing and civic organizations that deal with issues of intolerance, racism, sexism and other forms of discrimination and promotes themes of diversity.
- The school systems should collaborate to develop and/or adopt and use diversity and tolerance teaching resources/tools in local schools.
- Local governments should continue to expand funding for fair housing enforcement and education and outreach activities.

### **LENDING AND COMMUNITY REINVESTMENT ACT ISSUES**

Time, structure, process and the inevitable feeling of intimidation are unfortunate benchmarks that impede commercial and housing opportunities in Toledo. Despite innovative programs offered by banking institutions like Key Bank, Fifth/Third Bank, Huntington Bank, Mid American National Bank and local, state and federal programs, the need for aggressive mentoring and educating the populace in economic management must be intensified. In particular, establishing one-stop facilities to help create stability and to accelerate the paperwork would benefit the areas and people affected by the existing impediments.

Economic issues and knowledge gaps have emerged as crucial components needing careful exploration. In financing a small business startup, banks examine the business plans. Cost prohibitions, the quality of stock of available business space, and refurbishing of structures are critical features when looking at the central city area of Toledo as a region of commercial revitalization. Architecturally unique and older buildings dominate the central city. Several of these buildings are expensive to renovate and existing federal regulations and monies needed are often out of the reach for starting small businesses. HUBS zones help alleviate the situation, as well as acquisition programs initiated by the City and the Lucas County Port Authority. Moreover, Neighborhood in Partnerships (NIP), Small Business Association (SBA). And courses at the Seagate Center and the University of Toledo are additional tools that give assistance possibilities for people wanting to start a business venture within the central city area.

Individuals interested in starting small businesses within the central city of Toledo pay \$295.00 to layout the foundations of a business plan. These plans are at least 30 pages in length and at the present time Community Development Corporations monitor and teach people how to start small businesses. Yet, the completion of a business plan does not mean that one's business dream begins. A minimum of 30-90 days pass before a yes or no to implementing the plan is

given. Therefore, time consumption becomes a frustrating obstacle for the people pursuing an entrepreneurial dream. In addition, these entrepreneurs discover that the \$20,000 Small Business Association grant is not enough to start their businesses. The consequence of this situation makes the process for small business startups in central Toledo less appealing and more burdensome for those willing to locate businesses in areas that would benefit from a greater mix of commercial and residential units.

Although community development lending practices such as Home Assist and Urban Assist provided by Key Bank are progressive innovations in making housing more available – a contradiction between knowledge and time constraints re-emerges. As cited earlier, real estate agents are dependent upon making commissions. To speed up the process, real estate agents will send possible home purchasers to mortgage companies because it saves time. Whereas moderate and low-income residents of the central city area who do not have credit cards, who live on fixed incomes, which never had purchased a house before, often do not perceive that credit history includes medical bills, late payments and other loans received. This impedes the purchasers' desires and their abilities to buy houses and real estate agents knowledge of the alternative sources available to help all concerned parties.

Overall, time commitment, streamlining the process, and educating the people involved in the entire process are paramount steps needed to remove the impediments to helping improve housing opportunities and business entrepreneurship. Tools exist to aid people, but centralized and coordinated procedures and facilities are not in place that could accelerate the housing and entrepreneurial process.

Furthermore, lending levels in historically under-served areas do not meet expected levels. The Home Mortgage Disclosure Act data depicted below in the HMDA charts reveals that the rates of denial for African-Americans and Hispanics are much higher than that of whites. In addition, lending levels in predominately African-American and Hispanic communities are far below expected levels based on owner-occupied housing figures.

## **Community Reinvestment Act (CRA) Activities**

The Ohio Reinvestment Project, a collaboration of organizations around the state dedicated to increasing lending investment in under-served communities, secured three statewide Community Reinvestment Act agreements. The Fair Housing Center was involved in these negotiations, therefore, the agreements include specific concerns for communities in northwest Ohio. These agreements with Charter One Bank, Fifth/Third Bank and Firststar were the first statewide agreements signed in Ohio. These agreements were reached because the Ohio Reinvestment Project strongly sees CRA as a vital tool in building strong core communities in areas that have not been served previously.

Community Reinvestment Act agreements are important for the preservation of lending activities in historically under-served areas. The Fair Housing Center has entered into a number of agreements over the years with local lenders including National City, KeyBank<sup>9</sup>, Huntington, Mid-Am Bank and Charter One Bank. All of the agreements include provisions for compliance with fair lending laws, increasing the quality of service in low and moderate income areas, and physical presence of banks in low and moderate income areas. Each of these banks, including the banks that have an agreement with the Ohio Reinvestment Project, have branches in Toledo's low or moderate income areas. (See attached map at the end of this section.) However, there is still a disparity in the number of bank branches in predominately African-American and Hispanic communities as compared to Caucasian communities.

A recent example illustrates this point. The 1998 opening of a Charter One Bank branch on Collingwood Avenue in the Old West End section of Toledo resulted from a 1995 agreement reached by the Center and Charter One.

The establishment and sustenance of a physical presence in low and moderate income areas is critical if the credit needs of those communities and consumers are to be met. Without viable lenders in the area, predatory lenders and check cashing facilities will prevail. These options are not as preferable as traditional lenders because predatory lenders and check cashers do not provide the level of service that traditional lenders do. In addition, the cost of credit with these establishments is much higher than with traditional lenders. When traditional lenders evade low and moderate income areas, the result is residents have to pay more for less service.

The attached map depicts local bank branches in the city of Toledo. What the map shows is that there is still a dearth of traditional banking institutions in low and moderate income areas – particularly majority African-American areas.

## **Lending and Predatory Lending Issues**

HUD ranked Ohio the fifth highest state in the nation for the number of refinancing loans made by subprime lenders. The Toledo Metropolitan area is at number 38 overall, having 17,07% of its 18,930 refinancing loans made by sub prime lenders. Subprime lenders specialize in offering

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<sup>9</sup> The Center also has had agreements with Society, Trustcorp, and Toledo Trust.  
Analysis of Impediments 2000  
Lucas County, City of Toledo & City of Oregon

credit to consumers who have credit blemishes or “B” or “C” credit, while conventional lenders market their efforts to people with a better credit rating.

Overwhelmingly, this market targets African-Americans, Hispanics, low-income and the elderly. The maps attached at the end of this section depict the preponderance of subprime lending activity in predominately African-American and Hispanic neighborhoods in Lucas County. By and large, subprime lenders have become the major lenders in these communities. Predatory lenders target vulnerable consumers in order to charge them excessively high rates and rob them of the equity in their homes. Predatory lenders occupy a place in the market because conventional lenders exclude many of the groups they target.

However, this specific attention to this segment of the market has been couched in different terms. These lenders have argued that their existence is necessitated by the very thing that Congress has fought to eliminate since the passage of the Fair Housing Act – lending discrimination. Subprime lenders reason that traditional lenders have neglected the African-American and Hispanic consumer and that they are filling a gap by directly serving these consumers. They also hold that many African-American and Hispanic consumers, low and moderate consumers in particular, have credit glitches, and that the only way these consumers can gain access to credit is through the subprime market.

But studies by Freddie Mac do not bare this out. Freddie Mac, who has been purchasing subprime loans for approximately 6 years, has discovered that 40% of those who obtain loans in the subprime market, qualify for loans in the conventional market. In other words, these consumers are being miss-priced. They are being assessed as having “B” or “C” credit when they actually have “A” credit.

The recent pattern in lending discrimination centers upon the diversification in sub prime lending and predatory lending. This diversification in discriminatory lending practices makes discrimination in housing harder to detect. The reason for the difficulty in detection is the shift from blatant denial of housing which occurs at decreasing rate, to the now existing problem of having too much access to loans and the ensuing complications that emerged from this transformation.

In instances involving subprime lending, banks send clients to subprime lending firms because the clients cannot qualify for the regular bank loans. The subprime lending institutions are either an in-house auxiliary of the bank itself or a separate institution. With these loans, the institutions place high service charges and points to be met by the borrowers.

A prime example of sub rime lending is predatory lending. Predatory lending often charges seven points, and the lender begins to “continually flip the points.” The “flipping” forces borrowers to pay higher-than-market interest rates for their mortgages. In particular, predatory lenders target homes priced between \$20,000 and \$70,000. The housing stock and ownership profile falling within this price range are older houses, low-income and owned by minorities. Therefore, the citizens of Toledo who are victimized by sub prime lending and predatory lending pay over half of their income to rent.

This problem is further magnified by lenders taking advantage of the movement away from “brick and mortar” establishments to electronic and automated means of filing and qualifying

housing loans. Two general trends emerge. Pre-qualifications are done via the telephone and through computers. The Fair Housing Center cannot conduct simple tests to find out the information. Instead, it requires different tactics to evaluate if the procedures possess fair lending implications.

In addition, lenders are keeping customers by not reporting their current credit history. This practice prevents competing lenders from soliciting for home re-financing, but it means that the customers past credit performance, not the most up-to-date, is the information used. As a result of these practices, non-reporting more likely effect minorities – especially African-Americans and Hispanics- who have sub-par credit scores.

Similar patterns of denial rates for African-Americans were found in studies conducted by the Ohio Community Reinvestment Project and the Fair Housing Center. The average denial rate for African-American applicants was 24.9 percent compared to the 10.2 percent of white applicants denied. These numbers reflect the growing number of complaints pertaining to the area of predatory lending.

## **LENDING CONCLUSIONS & RECOMMENDATIONS**

- Lending institutions should ensure that they have a physical presence in low and moderate income communities and in African-American and Hispanic communities.
- Lending institutions should hire a workforce, in all facets of their operations, that is reflective of the community they serve.
- Lending institutions must ensure that they offer a full suite of services in all of their service areas on an equitable basis. For example, branches in African-American communities should have the same hours as branches in predominately Caucasian communities.
- Local jurisdictions and businesses should place their accounts with banks that have “Satisfactory” or higher CRA ratings, have a physical presence in central city communities, and provide equitable services for all their consumers.
- Lending institutions should comply with CRA and fair housing laws. For example, bank branches should have the CRA statement posted in clear, visible sight.
- Lending institutions should engage in self-testing programs to monitor for fair housing compliance and quality service.
- Lending institutions should use the fair housing slogan and/or logo in all forms of advertising.
- Lending institutions should engage in a regular schedule of comprehensive fair lending training for all of their employees.
- Government regulators (ie. Office of Thrift Supervision, Comptroller of the Currency,

Federal Reserve Board, etc.) should promote compliance with the Community Reinvestment Act and the Fair Housing Act to ensure that consumers are provided a full choice of mortgage products for which they are qualified.

- Lenders should make their underwriting criteria available to fair housing, CDC and housing counseling agencies to offer broader opportunities for consumers.
- The City of Toledo should form a collaboration to include lenders, real estate professionals, insurers, home builders, fair housing practitioners, etc. to develop strategies for increasing the homeownership rate in the city of Toledo.
- Lenders should comply with the spirit and the letter of the Home Mortgage Disclosure Act by reporting CRA information on all of their loan activity including loan applications taken over the phone or via the Internet.
- The State of Ohio should adopt civil and criminal anti-predatory lending legislation that is stricter than current federal laws such as the Home Equity Protections Act.
- The City of Toledo should adopt civil and criminal anti-predatory lending legislation with provisions that are stricter than that of current legislation such as the Home Equity Protections Act.
- Now that community groups have access to the qualifiers in Fannie Mae's and Freddie Mac's underwriting programs and Fair Isaac's credit scoring system, they should use that knowledge to assist more consumers in becoming homeowners.
- CDCs and neighborhood organizations should never refer clients to predatory lenders to secure lending.
- Fannie Mae and Freddie Mac should make their underwriting programs available to community groups so that community groups can use them as a tool to assist more consumers in becoming credit-worthy borrowers.
- Fannie Mae and Freddie Mac should make their underwriting programs accessible to fair housing groups so that these groups can determine whether the models contain characteristics that may have a discriminatory effect.
- Fair Isaac should release the FICO scoring system to fair housing groups so that these groups can determine whether the model contains characteristics that may have a discriminatory effect.

## INSURANCE ISSUES

In 1968, the National Advisory Panel on Insurance in Riot Affected Areas wrote “Insurance is the cornerstone of credit. Communities without insurance are communities without hope.” This statement was true 30 years ago and it is still true today.

Following the residential flight trend beginning in the 1950s, insurance companies in Toledo made a mass exodus from central city communities to suburban communities. They also adopted policies that catered to the suburban consumer and the types and styles of homes being built in suburban areas. The result was higher insurance prices for less cost in urban communities. In addition, many homeowners in urban communities were relegated to the Ohio FAIR Plan or to lower rated insurance companies. This has had a devastating effect on Toledo’s central city communities.

The Ohio FAIR Plan (Fair Access to Insurance Requirements) was created by the urban Property Protection and Reinsurance Act of 1968 (Title XII of the 1968 Housing and Urban Development Act). FAIR Plans are voluntary, pooled risk plans set up in each state – not every state has a FAIR Plan. Ohio does. The policies typically provide basic fire and other limited coverage – at higher prices than the private market. The FAIR Plan is supposed to cover homeowners who live in areas that are uninsurable due to some physical or geographic hazard, ie. The home being located next to a landfill or toxic dump site. However, FAIR Plan became synonymous with “Urban” areas and insurance companies began referring urban callers to the FAIR Plan. Any consumer who did not meet the insurer’s underwriting guidelines, by law, has to be referred to the FAIR Plan. What happened in Toledo, as in other cities across the United States, is that the consumers who did not meet the insurance companies’ standards, were consumers who lived in urban areas.

Several industry practices and adopted underwriting standards contributed to the lack of access to insurance in Toledo” urban community.

- The Insurance “main form” was a multiple peril policy that provided replacement cost coverage for the dwelling. This required the policyholder to insure the property at or near the replacement cost of the home.
- Restrictions were applied on the amount of insurance that could be taken out or on the value of the property.
- The vast majority of insurance offices are located in suburban communities and communities which have predominately white populations. FHC calls this the “donut effect”. When office locations are plotted on a map, the picture looks like a donut with a ring of offices surrounding a vacant central city.
- The vast majority of outdoor advertisements are located in predominately white neighborhoods.
- Insurers adopt policies which severely limit accessibility to minority homeowners and those living in minority neighborhoods. These policies include:
  - **Minimum value policies** In a study prepared by the University of Toledo’s Urban Affairs Department, a minimum amount of \$40,000 was found to exclude % of black homeowners.

- **Minimum age of housing policies** An analysis by the UT Urban Affairs Department reveals that a 1950 construction year restriction effectively eliminates % of black homeowners.
- **Replacement cost-to-market value analysis** Most companies will **not** write a replacement cost policy, which in the Toledo area is the better policy, for homes where the replacement cost of the home exceeds the market value by a certain amount. Although insurers have evidence to the contrary, they argue that this would create an incentive for the homeowner to burn his/her house. This practice largely exists in older, inner-city neighborhoods.
- Agents do not return the calls of applicants in predominately minority communities.
- Agents offer inferior policies to minority callers and/or refer them to the state's FAIR Plan significantly more often than they do white callers.
- Homeowners in minority neighborhoods are charged higher rates than their counterparts in white neighborhoods.
- Insurers impose less favorable terms and conditions of coverage on homeowners in minority neighborhoods than in white neighborhoods.
- Policies in minority areas are canceled or not renewed at a higher rate than policies in white areas.
- Homeowners in African-American and Hispanic areas are inspected more frequently than their Caucasian counterparts.

Most of these practices were established based on the concept of “moral hazard”. The concept maintains that if the replacement cost of the property is significantly more than the market value of the home, the insured (property owner) has a financial incentive to destroy their own property in order to collect the insurance. There is however, no credible evidence that homeowners engage in this practice.

There have been a number of actions completed by local community-based organizations, government agencies and the insurance industry to combat the practices outlined above.

A July 1996 conciliation agreement between State Farm Insurance, the Fair Housing Center of Toledo, the National Fair Housing Association Alliance, resolved complaints filed by the Center and NFHA. This agreement consisted of State Farm agreeing to alter its underwriting policies. Notably, State Farm could no longer use age and value minimums. In addition, State Farm changed its practices to offer full replacement coverage to any prospect with a home in good condition. State Farm also invested \$1 million in Toledo to be used for central city mortgage loans. The agreement including the establishment of a sales and service facility in a predominately African-American neighborhood – that facility, which is over 5,000 sq. ft., was built on Cherry St. near Lagrange. State Farm implemented a special consumer education outreach project. The City of Toledo served as the pilot site for the project. Moreover, State Farm agreed to initiate a national training program on marketing insurance to minority communities.

Approximately 36 homes were purchased through CDC organizations using the State Farm loan money.

In September, 1998, the Center and 12 named plaintiffs ( who also represented a class of homeowners in Toledo’s urban center) entered into a settlement agreement with Nationwide

Insurance Company. The agreement called for \$1 million in community investments, self-monitoring by Nationwide to insure quality and fair treatment, advertising in Toledo's minority press, systemic changes in Nationwide's underwriting guidelines, the establishment of an agent in Toledo's urban center and payment of attorney's fees.

Nationwide has established a sales and service center on Byrne Rd. near Dorr St. and also established a satellite office on Collingwood near Delaware in Toledo's urban core. Nationwide has also contributed more than \$ 1 million in community investments for Toledo's communities. The company has also made several contributions to community projects and agencies.

A partnership between the Liberty Mutual Group and the Center resulted in an investment pledge of \$3.25 million by the insurer after a complaint was filed in 1997. The fund will be administered by the Northwest Ohio Development Agency (NODA, for promoting homeownership and home maintenance in the city. The implementation of this program will be done through the provision of counseling and various forms of financial assistance such as grants and low interest loans.

While great strides have been taken in the area of homeowners insurance, more needs to be done. The Fair Housing Center reports that it has filed a class action lawsuit with two individuals as named plaintiffs against Farmers Insurance Group, alleging the company discriminates when issuing policies in older neighborhoods with a high concentration of African-American residents. It is contended that Farmers refuses to offer replacement cost policies for properties built before a certain year, typically between 1950 and 1955. In addition, the complaint alleges that the practice of not issuing insurance for replacement value ignores the individual characteristics of homeowners and of properties and creates a disparate impact on homeowners on the basis of their race or the racial composition of the neighborhood where the property is located.

Overall, the problem of insurance discrimination is endemic in minority neighborhoods. Besides the complaints discussed, there also pending complaints against Travelers and Prudential companies for their practices pertaining to minority neighborhoods.

## **INSURANCE CONCLUSIONS AND RECOMMENDATIONS**

- Insurance companies should be required either by state or federal law to publicly report information based on the number of policies written, denied and canceled on a census tract level. The information should be reported by race and gender of applicant and include the action taken by the insurer.
- Companies should be required by federal or state law to disclose their underwriting criteria. This would enable more residents to qualify for quality, affordable insurance.
- Companies which have field offices or use independent brokers/agents should be required to disclose the location of agents who sell their policies. All companies which sell insurance using a central location or an "800" number should be required to disclose their marketing territories.
- Insurance companies should be required to disclose publicly their investments of policy

holder premiums.

- All consumers should be told of the reason for their insurance coverage denial or cancellation in specific terms and what the consumer can do to remedy the situation.
- Local jurisdictions which fund housing programs should strongly encourage participants to insure their homes to the full replacement value.
- Insurers should engage in a self-testing program to ensure fair housing compliance and quality customer service.
- Insurers should make it a policy to encourage consumers to insure to full replacement cost value.
- Insurers should provide education to consumers on the advantages of insuring to full value and on the loss settlement provisions for the policy the consumer is purchasing.
- Insurance companies should place an agent and/or sales and service facility in predominately African-American and Hispanic communities.
- Insurance companies should insure that their employee and agency forces are diverse and reflect the populations they service.
- Insurance companies should form alliances with housing groups to provide funding and incentives for housing developments in historically under-served communities.
- Insurance companies should use the fair housing logo or slogan in all forms of advertisements.
- Insurance companies should insure that their employees and agents receive annual fair housing and diversity training.

## **ZONING CODES AND PUBLIC POLICY ISSUES**

The Fair Housing Center contracted with Steve Dane, Esq. to review a sampling of zoning codes for local jurisdictions. Mr. Dane, a noted fair housing expert, reviewed the codes for the City of Oregon, Sylvania, Washington Township, Swanton Township, Springfield Township and the City of Toledo. Limited resources prohibited a more extensive review of all of the ordinances. Mr. Dane focused his attentions on “Family” definitions to determine whether the way a district defined “family” would pose any impediments to persons with disabilities or foster homes.

Each district needs to assess its zoning code to review the definition of family and to determine if there are other factors which may unduly restrict housing choice such as lot-size requirements, spacial requirements for group homes, and special use requirements for homes with foster children.

A number of the codes and ordinances of Lucas County communities possess impediments to fair and open housing. The Fair Housing Act prohibits housing decisions from being made based on a person’s membership in a protected class. Additionally, it includes specific provisions regarding persons with disabilities. The Fair Housing Act requires persons with disabilities to be allowed reasonable modifications or reasonable accommodations to enable that person the enjoyment of his/her housing unit.

Moreover, the Ohio Revised Code contains a special provision to insure protections against families with children. The Code § 2151.418 states “Any foster home shall be considered to be a residential use of property for purposes of municipal, county, and township zoning districts in which residential uses are permitted. No municipal, county, or township zoning regulatin shall require a conditional permit or any other special exception certification for any foster home.” This requires that families who have foster children must be treated like any other family. No special requirements or provisions can be placed on a family with foster children than a family without foster children.

### **City of Toledo**

The city of Toledo’s definition of “Family” is rather lengthy and complicated. It does include the concept of a “functional family,” which consists of two or more persons whose relationship is functionally equivalent to a traditional family, but who are not related by blood or marriage. In order to be a “functional family,” one must meet several criteria that are listed in the code. §1103.16.

However, the code also indicates that living arrangements for persons with a handicap and/or a disability within the meaning of the Fair Housing Act and the Americans with Disabilities Act is presumed to be a “functional family” within the meaning of the definition of “Family”. Thus, the definition of “Family,” although complex, does not appear to be an impediment to equal housing opportunity. There may be an implied impediment if someone does not read or understand the entire content of the code.

Despite the acceptable definition of the term “Family,” the City of Toledo Ordinance contains other specific references to “group homes” which appear to be inconsistent and more restrictive

that the definition of "Family". For example, Chapter 1117 governing Single-Family Residence Districts lists as "permitted uses" both single-family dwellings and "group homes". The term "group homes" means a stat licensed or certified home for residence care of children or developmentally disabled persons, owned or operated by a public agency, or by a private non-profit agency that is supervised, licensed, or regulated by a public agency. There are special rules for such "group homes", including the number of children (6) and the number of developmentally disabled persons (6) that may live together in the group home. Similar restrictions appear in chapters of the zoning ordinance governing Multiple-Dwelling Districts (Chapter 1123) (maximum number of children in a group home is eight in an R-4 district, and ten in an R-5 district). In addition, "group homes" including group homes for developmentally disabled persons and group homes for children, are identified as "special uses" in Chapter 1167.

Thus, it is not clear whether the City of Toledo Planning and Zoning Code as a whole provides any impediments to equal housing opportunities as they relate to persons with disabilities. On the one hand, a congregate living facility of persons with disabilities appears to qualify as a "Family" under the definitional section, and therefore would be considered a "single-family" dwelling anywhere in the city. On the other hand, special rules seem to apply to "group homes," which are defined in such a way as to include congregate living arrangements of persons with disabilities and with children. If the latter provisions apply, then there exist restrictions on the number of unrelated persons who may live together, which would constitute an impediment to equal housing opportunity.

In addition, the provisions appear to apply to settings involving foster children. This would constitute an impediment to equal housing opportunities.

### **Washington Township**

The term "Family" in Article II of the Washington Township Zoning Resolution is defined as "an individual, or two (2) or more persons related by blood or marriage, or a group of not more than five (5) persons (excluding servants) not related by blood or marriage, living together as a single housekeeping unit in a dwelling unit." Thus, technically a congregate living arrangement involving more than five unrelated persons, such as a group home for disabled persons or a foster home, would not qualify as a "family" and could not legally operate in any single-family zone district.

Section 502.1 of the Ordinance does list "group homes" as an authorized "special use" in any residential district, including single-family residential districts. However, the term "group homes" is not defined and obtaining a "special use" permit requires certain administrative procedures to be initiated.

The restrictive definition of the term "Family" is therefore arguably an impediment to equal housing opportunity in Washington Township.

### **Swanton Township**

Like the definition found in the Washington Township Zoning Resolution the term "Family" is defined as "an individual, or two (2) or more persons related by blood or marriage, or a group of not more than five (5) persons (excluding servants) not related by blood or marriage, living

together as a single housekeeping unit in a dwelling unit.” Section 3, No. 22. Thus, technically, a congregate living arrangement involving more than five unrelated persons, such as a group home for disabled persons or a foster home, would not qualify as a “Family” and could not legally operate in any single-family zone.

However, there were no zoning restrictions observed concerning single-family dwellings. That is Swanton Township apparently does not restrict any portion of its geographic area to “single-family” homes. Therefore, although the definition of “Family” is overly restrictive on its face, it may not be applied in a practical setting.

### **City of Oregon Planning and Zoning Code**

Nothing in the code raised fair housing issues or concerns. The definition of “Family” is broad enough to include unrelated persons, without any limitation on numbers of persons.

### **Springfield Township Zoning Resolution**

Springfield Township’s definition of “Family” is broad and does not restrict the number of unrelated persons who may live together as a single housekeeping unit. It specifically includes within its definition any group of persons with disabilities living together as a single housekeeping unit, and any foster home as defined by Ohio Revised Code Section 2151.

### **Occupancy Issues**

The occupancy provisions described in various codes for communities in Lucas County have long been the source of confusion and fair housing complaints against local housing providers. First, there are several codes that include occupancy provisions, the Health Code, Building and Maintenance Code, and various density codes. The City of Toledo has two density requirements described in the Health Code and the Building and Maintenance Code. Additionally, Lucas County has a density requirement in its code. Other municipalities have density codes as well.

However, all of the codes are different. They include different square foot provisions for total unit occupancy and individual occupancy. They included different interpretations of living spaces as well.

The disparity among the various codes has led to a variance in the interpretation of what constitutes compliance with the density code and ultimately with the Fair Housing Act. The Fair Housing Act makes reference to local density or occupancy ordinances in determining the number of occupants per unit. Housing providers who apply occupancy standards that are more strict than the local code may be tagged with familial status discrimination if they deny a family housing based on the number of occupants in the unit.

For this reason, local units of government should adopt one standard to eliminate confusion and provide better guidance to fair housing practitioners, housing providers and consumers.

### **ZONING & OCCUPANCY CONCLUSIONS AND RECOMMENDATIONS**

- Districts should review their administrative and legal process to insure that families with foster children and persons with disabilities are not impeded in their access to housing.
- The City of Toledo should streamline and clarify the language in the ordinance to eliminate confusion and take out provisions that have potential for violating the Fair Housing Act or Ohio Revised Code.
- Units of local government should review their ordinances and adopt one regional occupancy/density standard to eliminate confusion and provide better guidance to fair housing groups, housing providers, and consumers.
- Districts should review their zoning codes to insure that there are no requirements such as restrictive definitions of “family”, spatial requirements, or special use requirements that limit opportunities for persons with disabilities, families with children, and other protected classes.

## **RENTAL MARKET**

While the Center has done more work to eliminate barriers in the rental market, rental complaints still remain the largest complaint type. Every year, over 50% of the Center’s complaint load involves discrimination complaints in the rental market. During the 1998-99 year, rental complaints accounted for 63% of the Center’s caseload. This holds true for the Ohio Civil Rights Commission and HUD too. Both OCRC and HUD receive the greatest number of housing discrimination complaints alleging problems in the rental market.

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

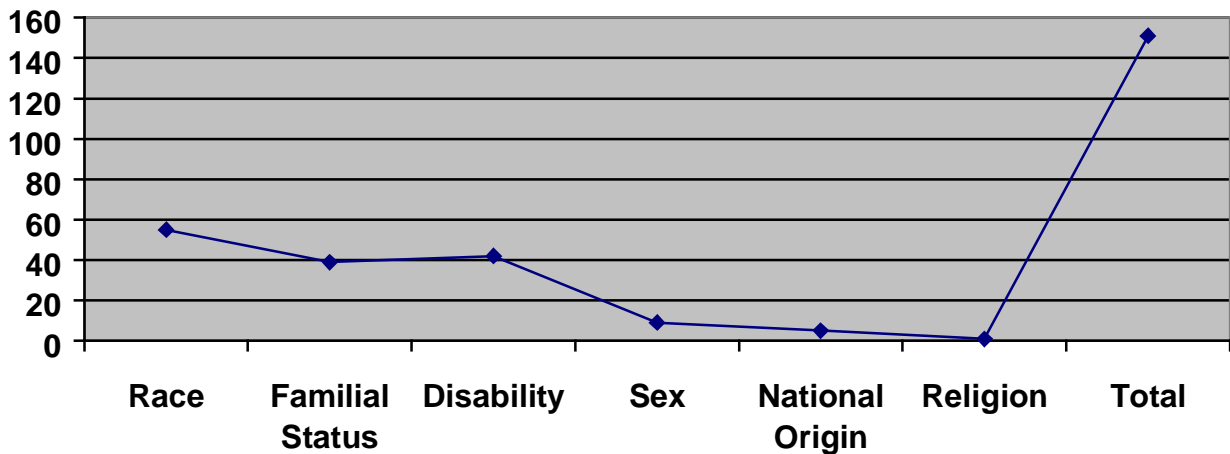
While real estate agents have to go through a course, which includes fair housing and civil rights training, in order to obtain a license to sell real estate, no such course is required for landlords or rental housing managers.

The Department of Housing and Urban Development in its Housing Discrimination Study, estimates that African-Americans and Hispanics encounter discrimination 50% of the time that they seek to rent a housing unit. This estimation is based upon testing research conducted in 20 cities across the United States.

According to the U.S. 1990 Census, there are 15,864 African-American and Hispanic renters in

Lucas County<sup>10</sup>. Statistics reveal that every year, 20% of the rental population moves. That would mean that in Lucas County 2,765 African-Americans and 407 Hispanics seeking rental housing move every year. Based on the Housing Discrimination Study results, it can be estimated that every year, 203 Hispanics and 1,383 African-Americans encounter discrimination in the rental market. The Center receives nowhere near this number of complaints even though rental complaints make up the majority of the caseload. During the 1998-99 year, the Center received 151 complaints involving the rental market. Those complaints break down as follows.

## RENTAL COMPLAINTS 1998-99



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

- Landlords and managers are not required to obtain a license to practice and therefore, are not required to receive fair housing training.
- Managers use answering machines as a pre-screening device. Calls with certain phone number prefixes or calls from persons with certain racially identifiable voices or surnames are not returned;
- Managers use coding devices on applications to tag unwanted prospects;
- Managers tell unwanted applicants that it is not necessary for them to fully complete the rental application and then use the incomplete application as a reason for denial;
- Housing providers advertise in preferential ways using discriminatory language and selective placement of ads;
- Credit rating criteria is applied differently depending on the applicant;
- Managers attempt to uncover testing activity by requiring that applicants bring drivers

<sup>10</sup> There are 15,117 African-American and Hispanic renters in the City of Toledo and 155 African-American and Hispanic renters in the City of Oregon.  
 Analysis of Impediments 2000  
 Lucas County, City of Toledo & City of Oregon

licenses for photocopying. Some managers actually take pictures of potential applicants using a Polaroid camera;

- Managers segregate apartment complexes and mobile home parks by race and familial status;
- Managers provide a different standard of treatment for undesired applicants by not making repairs in a timely fashion, charging different rental rates, or imposing different rules and conditions;
- Managers use waiting lists to thwart unwanted applicants.

Eliminating discrimination in the rental market is critical since so many people rely on rental housing. According to the census, approximately 35% of the Lucas County population reside in rental housing. Rental housing is the only alternative for many residents.

## **RENTAL MARKET CONCLUSIONS AND RECOMMENDATIONS**

- Local fair housing advocates and agencies and Apartment Council representatives of the Homebuilder's Association should adopt aggressive measures to encourage their members to comply with the letter and spirit of fair housing laws. For example, any landlord convicted of a fair housing violation should be precluded from membership until they have undergone fair housing training.
- Federal and state organizations, such as HUD, the Department of Justice, and OCRC should provide more education to both the general public and industry groups in order to sensitize the public to the provisions of fair housing laws and administrative and civil complaint processes.
- Rental companies and management companies should engage in "self-testing" to monitor for fair housing compliance and insure quality control.
- Fair housing and tenant's rights organizations should work more closely together to develop a seamless system of support for tenants who experience problems in the rental market.
- Local governments should collaborate to insure that investors are maintaining the housing units they own. Fines assessed to landlords who maintain unfit properties should be used to fund assistance programs for persons displaced as a result of forced housing evictions.
- Units of government should assess their programs to insure that policies and procedures do not unfairly effect low and moderate income residents.
- Local governments should continue and expand fair housing enforcement, education, and outreach activities.
- Rental unit owners and managers should seek fair housing education for all their employees. Fair housing training should be conducted on an annual basis.

- Rental unit owners and managers housing use the fair housing logo and/or slogan in all advertisements.

## **THE EFFECTS OF DISCRIMINATION**

Race plays a critical role in determining any impediments to fair housing choice. People seeking housing and people providing housing consider race a principal motivating factor concerning this issue. This fact prompted Sam Roberts, the Urban Affairs columnist of *The New York Times*, to write: “Whites have a choice. Blacks usually don’t.” Underscoring that observation is the segregation of social and economic opportunities people have. The creation and subsequent growth and dependency of an underclass emerged in the urban areas of the United States. Residential patterns in the City of Toledo illustrate this development.

The African-American population living in Toledo resulted from the southern exodus that took place between the 1910s and 1930s. Moreover, this migration continued until the 1960s. This migratory pattern occurred because of the growth of the automobile industry, and the valuable role Toledo had acquired in the manufacturing-based economy. African-Americans worked and settled in the central city area.

Starting in the 1950s, the White population of Toledo left the central city area. The post World War II trend of in living in suburban communities was triggered by the expansion of a consumer-driven culture. This change fueled the movement of people who were better off economically from living within the boundaries of Toledo. This trend continues today.

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

At the present time, over 80% of African-Americans and Hispanics living in the City of Toledo resides within the central city area. However, as the attached map illustrates, these groups do not live with one another. Toledo is a segregated community.

That segregation may stem in part from individual preference, but widely stems from systemic barriers in the market place from real estate steering, to lending discrimination, to insurance redlining.

Interwoven into this structure, and as a result of the intolerance and ignorance of many members of the community, there still remains barriers for persons with disabilities and women.

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

they include the following:

**Housing Segregation** Many communities in Toledo and across the country have become what David Rusk calls "modern American urban apartheid". Mr. Rusk, in his book Cities Without Suburbs assigns a Dissimilarity Index to cities across the country. The Dissimilarity Index reveals the level of concentration or segregation of African-Americans. Toledo's Dissimilarity Index is 74 indicating that in order for there to be racial parity, 74% of the African-American population would have to move into other census tracts. In Toledo, there are 20 census tracts that are more than 50% African-American. They all are located in or directly adjacent to the inner-city and 83.1% of the African-American and Hispanic populations live in these 20 tracts.

**School Segregation** As a result of "white flight" from the central city and segregated residential patterns, our school systems reflect a system of schools that are either predominately Caucasian or predominately African-American. In fact, Toledo's two public school systems are racially divided. Washington Local Public School System is 6.5% African-American, the Toledo Public School System is 40% African-American.

**Homeownership Decrease** The rate of homeownership has decreased in Toledo by 6% from 1980 to 1990. Given the rapid rate of residential flight from the City of Toledo, it is expected that the period of 1990 to 2000 will show even further decline in the rate of homeownership. This has a negative impact on city services, neighborhood preservation and stability, and public school support.

**Economic Segregation** As David Rusk prudently acknowledges, "'Separate but equal' cannot work. It has never worked. Ghettos and barrios create and perpetuate an urban underclass." According to the U.S. Census and Toledo's Consolidated Plan, inner-city communities contain a disproportionate number of low and moderate income, disabled, and homeless persons. The Plan also reports that there are few housing opportunities outside the central city for these groups. Restrictive zoning ordinances in many suburban communities have done much to perpetuate this effect.

**Declining property values** Deflated property values negatively impact individual net worth, financial stability, access to goods and services, tax revenues, and community stability.

**Lack of Accessible Housing** Although any new multi-family housing built after 1991 was supposed to be built according to accessibility standards, this has not happened. Many housing units still pose barriers to persons with disabilities. The unwillingness of some apartment managers and condominium complexes to allow reasonable modifications and accommodations further exacerbates the dire need for accessible housing.

**Decrease in Traditional Banking Services** As traditional lenders leave, non-traditional lenders take over. A survey of PACE(auditors') data for urban communities in Toledo reveal that the vast majority of loans are made by subprime lenders who do not have a presence in Toledo as opposed to traditional lenders like 5<sup>th</sup> 3<sup>rd</sup> or KeyBank.

**Deteriorated and Abandoned Housing** Due to systemic barriers in the housing industry, like the lack of quality insurance in urban areas, or the inability of homeowners to obtain home repair loans, and residential flight, an inordinate amount of homes in the urban core remain in poor condition or are vacant and abandoned. For example, many homeowners have been left after a loss with no way to adequately repair their homes. In addition, homeowners who fled the inner city sold homes to unscrupulous investors who have not maintained the homes.

**Decline of the city and greater metropolis** Urban city decline has a devastating effect on the greater metropolis. When communities are snared in a web of exclusion - shunned by lenders, real estate agents, insurers and appraisers - residential flight occurs. This creates loss of revenue, unstable neighborhoods, and loss of jobs. Richard P. Nathan and Charles F. Adams argue in their

article Four Perspectives on Urban Hardship that the "city-suburb hardship disparity works not only to the long-term disadvantage of the city, but also in its surrounding suburban area. Hence, the effects of such disparity manifest themselves not as a simple zero-sum game between city and suburb, but as a more complex negative-sum game for the metropolitan area as a whole". David Rusk calls it elasticity versus inelasticity. Elastic cities grow encompassing suburban communities. Inelastic cities have immovable borders which entraps them and compounds the negative impact of discriminatory housing practices. According to Rusk's index, Toledo has low elasticity.

**Destruction of human character and dignity** The most devastating effect of housing discrimination is the destruction it causes the individual, the human being. It is dehumanizing. As Vice-President Mondale observed, "there is nothing more humiliating...it is a crushing thing."<sup>11</sup>

**Separation** America is a patchwork quilt made up of people from every race and ethnicity on the face of the earth. Its pieces are males and females. Its pieces are those who have disabilities and those who have not yet acquired them or who have gotten over them. We are held together by a single thread of unity. Discrimination is a virus that eats up the thread, causing the pieces to fall apart. Tocqueville made a discerning observation regarding oppressors and those oppressed. He observed that when people believe they are superior, there seems to be a "natural prejudice" which compels them to act as though they are superior even when laws and conventional wisdom says they are not. Hence discrimination is the oppressor's way of validating his superiority and the victim's inferiority. This obviously pits one group against another and magnifies the differences between members of the human race rather than the similarities causing and increasing separation.

## **GENERAL ISSUES CONCLUSIONS & RECOMMENDATIONS**

- Local public housing facilities should adopt a single housing list format encouraging non-traditional moves among clients. A mobility program needs to be implemented as well that will provide education to consumers regarding non-traditional housing opportunities. In order to deal with the segregated housing conditions prevalent in subsidized complexes, HUD, local jurisdictions, LMHA, the Fair Housing Center, and subsidized housing complexes need to collaborate to implement this format. These locally-based groups should apply to HUD for dollars to implement such a format.
- Organizations throughout the state such as fair housing groups, HUD, OCRC, etc. that deal with housing discrimination issues should become more strongly involved in the Ohio Fair Housing Congress or some other entity to better coordinate fair housing activities, establish guidelines and procedures to improve services to victims of discrimination.
- The City of Toledo, Board of Community Relations, Toledo Police Department, FBI, fair housing groups, and civic groups need to re-energize the Race, Religion and Ethnic Intimidation Committee to deal with hate crime issues and establish strategies to coordinate anti-hate crime activities.

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<sup>11</sup>114 Cong. Rec. 2282 (1968).

- Local jurisdictions need to continue, and if possible, expand funding for fair housing enforcement, research, compliance and education.
- Community Development Corporations should receive fair housing and fair lending training on an annual basis. CDC's should also collaborate with fair housing, accessibility, and housing groups, as well as HUD to ensure that housing renovated or built by CDC's is done within accordance with fair housing laws.