AGENDA

HOUSING ADVISORY COMMISSION

NAPERVILLE MUNICIPAL CENTER
NAPERVILLE EMPLOYEE UNIVERSITY (NEU ROOM)
MONDAY, NOVEMBER 7, 2016 – 6:30 PM

CALL TO ORDER:

A. ROLL CALL

B. MINUTES

Approve the minutes of the September 12, 2016 Housing Advisory Commission meeting

C. PUBLIC COMMENT

D. OLD BUSINESS

E. NEW BUSINESS

1. Draft Analysis of Impediments to Fair Housing Choice
2. Fair Housing Month Banners
3. 2017 Calendar
4. 2017 Commission Priorities

F. OTHER REPORTS

1. Housing Choice Voucher Education Sub-Committee: Update
2. The next regularly scheduled Housing Advisory Commission meeting is January 9, 2017

G. ADJOURNMENT

DRAFT MINUTES

HOUSING ADVISORY COMMISSION

NAPERVILLE MUNICIPAL CENTER, MEETING ROOM A
MONDAY, SEPTEMBER 12, 2016 – 6:30 PM

CALL TO ORDER: 6:36pm by Chair Hilger.

A. ROLL CALL

Commissioners Present:	James Bernicky, Raj Durga, Ronald Finnigan, Robert Fischer, Michele Hilger
Commissioners Absent:	Anuraag Bhargava, Laura Ellman, Edwin Hojnacki, Rajath Salegame, Linda Wilhelm
Others Present:	Kasey Evans, Councilman Coyne

B. MINUTES

Motion to approve the July 11, 2016 HAC minutes with corrections by Commissioner Finnigan, Commissioner Bernicky seconded; approved 5 to 0.

C. PUBLIC COMMENT: None

D. OLD BUSINESS: None

E. NEW BUSINESS: None

F. OTHER REPORTS

1. Analysis of Impediments to Fair Housing Choice: Update

   The consultant has been providing staff with sections of the document for staff review and comment. Once staff returns comments to the consultant, the consultant will prepare the full draft report. The full draft report will be made available for public comment. It is anticipated the Analysis of Impediments to Fair Housing Choice will be completed and ready for final City Council review around the end of this year.

2. Housing Choice Voucher Education Sub-Committee: Update

   The sub-committee was kicked off in June and July. Commissioner Ellman is currently working to schedule another sub-committee meeting for later in September.

Hilger: Regardless of City Council's decision on the legal source of income text amendment, the education program is critical.

Finnigan: Recommends selecting 2 or 3 action items for the Commission to tackle in 2017, and discussing goals for 2017 at the November meeting. Hilger: Consider conducting educational seminar(s) next year, possibly in conjunction with housing organizations. Finnigan: It could also be beneficial to engage educational and school groups.

Fischer: The legal source of income text amendment was tabled at the July 19 City Council meeting and will be up for second reading at the October 4 City Council meeting. At the July City Council meeting the Mayor was focused on whether or not City is already doing its fair share based on the number of vouchers being utilized in the City. Hilger: Has spoken informally with several Council members about the topic. There was some concern about concentration of voucher use in a couple of areas, instead of dispersed more throughout the City.

Hilger asked the audience if they had seen activity on the HCVs. The members of the public have had meetings with various council members to go over the topic.

3. The next regularly scheduled Housing Advisory Commission meeting is November 7, 2016.

G. ADJOURNMENT

Motion to adjourn by Commissioner Fischer, seconded by Commissioner Finnigan; meeting adjourned at 6:47pm.

DRAFT

Housing Advisory Commission Meeting Calendar

Meetings held at 6:30pm at the Naperville Municipal Center

2017

January

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December

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31						

Regularly scheduled HAC meeting date

Reserve date for special meeting, only as needed

CITY OF NAPERVILLE, IL

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

2016

Prepared for the City of Naperville by Mullin & Lonergan Associates, Inc.
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Executive Summary

INTRODUCTION

The preparation of this Analysis of Impediments to Fair Housing Choice (AI) serves as a component for the efforts of the City of Naperville to satisfy the requirements of the Housing and Community Development Act of 1974.

This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. The AI is a review of local regulations and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing. It also assesses the conditions, both public and private, that affect fair housing choice.

Aided by an extensive stakeholder consultation and community engagement process, the City built the context for analysis by examining demographic, economic, and housing market trends within the framework of access to housing opportunities.

GENERAL FINDINGS

Naperville is becoming more racially and ethnically diverse, with a large Asian community and a growing Hispanic population. Generally, Naperville's residents have high incomes, with a median household income of $109,512. There is a vast income disparity between racial and ethnic groups, however, with Black and Hispanic residents earning far less than the City's White and Asian population. Persons with disabilities and female-headed households with children also face higher levels of poverty and unemployment.

Naperville has low levels of racial segregation overall, but there are a few areas in the City where minority concentrations far exceed city-wide rates. Neighborhoods in the northwest corner of the City and near the intersection of Route 59 and 87th Street, for example, have a minority population greater than 50%. These areas also have above-average poverty rates.

A key component of this analysis is the use of data to quantify and map the distribution of opportunity in the City of Naperville and assess housing options in higher opportunity areas. Factors that indicate opportunity include transit mobility, local job access, and other amenities associated with upward mobility.

Affordable housing in Naperville tends to be concentrated in higher-opportunity areas, but there are exceptions. For example, affordable housing and transit options south of 87th street are extremely limited, making it difficult for many members of the protected classes to access opportunities in this area. Much of the housing that has been developed recently is in this area and is priced at levels that are out of reach for low- and moderate-income residents.

As members of the protected classes have incomes disproportionately lower than the general population, they are even more negatively affected by these conditions in the housing market. Thus, this lack of affordable housing south of 87th Street reduces housing choice for protected classes.

The City of Naperville has taken steps to reduce these impediments and affirmatively further fair housing choice, such as improving fair housing information available on the City's website. These activities, along with those recommended in the *Fair Housing Goals and Priorities* chapter of this AI, should be continued over the next five years.

IMPEDIMENTS TO FAIR HOUSING

The City is limited in in its ability to remove all impediments to fair housing choice by the immense scope of the issues identified above. However, the City has identified actions that are appropriate, feasible, and will have a significant impact on affirmatively furthering fair housing choice throughout Naperville.

The following impediments were identified as factors that contribute to housing discrimination in Naperville. Each contributing factor is associated with a goal developed to reduce the impediment, followed in turn by actions that will be taken over the next five years.

These items, along with the *Assessment of Past* Goals, form the basis for the Fair Housing Action Plan that is presented in the *Fair Housing Goals and Priorities* chapter of this AI.

Impediment #1: Fair housing education and outreach efforts continue to be necessary to educate residents about their rights and responsibilities and to deter housing discrimination as demonstrated by:

- *Public opposition to amending the City's Fair Housing Ordinance to include Housing Choice Vouchers in the definition of "legal source of income"*
- *Opposition to affordable housing developments for families with children*
- *Lack of knowledge among landlords about reasonable accommodations for persons with disabilities*
- *Housing discrimination complaints alleging discrimination on the basis of disability, race and familial status*
- *Lack of knowledge among residents and municipal officials about what constitutes illegal discrimination under the Fair Housing Act*

Goal: Increase fair housing education and outreach opportunities available to residents; landlords, property management agents and real estate professionals; City staff, appointed boards and commissions; and, City municipal leaders.

Action 1A: Contract with a HUD-certified fair housing organization to conduct paired real estate testing in the rental market based on source of income, disability and race.

Action 1B: Contract with a HUD-certified fair housing organization to conduct fair housing education and outreach workshops for residents, landlords, real estate agents, property management agents, lenders, City staff, City Council, and City boards and commissions.

Action 1C: Contract with a HUD-certified homebuyer counseling organization to provide homebuyer education and financial management training.

Action 1D: Amend Title 10, Section 5, §10–5–6–1 of the Naperville Municipal Code to allow a housing discrimination complaint to be investigated as long as it is filed within one year of the alleged unlawful act that forms the basis of the complaint.

Action 1E: Direct all housing discrimination complaints received from City residents to a HUD-certified fair housing organization for investigation and enforcement

Action 1F: Designate the Housing Advisory Commission as the entity responsible for overseeing the implementation of this Fair Housing Action Plan with support from the staff liaison to the Housing Advisory Commission, the Transportation, Engineering and Development (TED) Business Group and the City Clerk's Office.

Impediment #2: Persons with limited English proficiency may not be able to fully access Naperville's housing and community development programs and services for which they are eligible due to language barriers

Goal: Ensure that persons with limited English proficiency can access the City's affordable housing and community development services and programs.

Action 2A: Develop and implement a Language Access Plan that conforms to HUD'S Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 Fed. Reg. 13; Jan. 22, 2007).

Impediment #3: An inadequate supply of affordable housing throughout Naperville exists as demonstrated by:

- *High demand for affordable housing that is also accessible to persons with disabilities*
- *A waiting list of more than 1,800 applicants for Housing Choice Vouchers issued by DuPage Housing Authority*
- *Housing Choice Voucher payment standards are often inadequate for two-bedroom housing units in Naperville*
- *The difficulty that social service agencies have in securing affordable housing for the elderly, large families and persons with disabilities*

Goal: Expand affordable housing choice throughout Naperville to meet existing and future market demand for members of the protected classes.

Action 3A: Prepare an Affordable Housing Plan to determine the degree to which affordable housing demand exceeds current housing supply; implement any recommendations as supplemental initiatives to this Fair Housing Action Plan.

Action 3B: Fully integrate planning for affordable housing and fair housing into the comprehensive planning and implementation process with plan amendments.

Action 3C: Identify parcels of land appropriate for rezoning for multi-family development; amend the City Zoning Map to rezone these parcels and create opportunities for new affordable housing development.

Impediment #4: The public transportation system within Naperville restricts housing choice and access to employment and education opportunities for residents who are transit-dependent

Goal: Advocate for public transit systems to connect lower income neighborhoods and affordable housing communities with major employment centers and education facilities.

Action 4A: Work with social service providers to better understand the transportation needs of the protected classes and other lower income households.

Action 4B: Coordinate future transit route development with the review and approval process for affordable housing development.

Action 4C: Establish a formal policy of locating public service facilities for City agencies on bus lines, whenever possible.

Introduction

The City of Naperville, Illinois has prepared an Analysis of Impediments to Fair Housing Choice to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the City is charged with the responsibility of conducting its CDBG programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including local units of government that receive federal funds through the City.

Entitlement communities receiving CDBG funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act. These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice.

The Analysis of Impediments to Fair Housing Choice (AI) is a review of a jurisdiction's laws, regulations and administrative policies, procedures and practices affecting the location, availability and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

Aided by an extensive stakeholder consultation process, the City built the context for analysis by examining demographic, economic, and housing market trends within the framework of access to housing opportunities.

FAIR HOUSING CHOICE

Equal and free access to residential housing (housing choice) is a fundamental right that enables members of the protected classes to pursue personal, educational, employment or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials and private citizens must embrace if equality of opportunity is to become a reality.

Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following five areas related to fair housing choice:

- The sale or rental of dwellings (public and private)

- The provision of financing assistance for dwellings
- Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing
- The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside areas of minority concentration, and
- Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) regarding assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations) and/or 24 CFR Part 92 (i.e., the HOME program regulations).

As a federal entitlement community, the City has specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the jurisdictions' initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination in a jurisdiction and working toward its elimination
- Promoting fair housing choice for all people
- Providing racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income and housing characteristics
- Evaluate public and private sector policies that impact fair housing choice
- Identify blatant or de facto impediments to fair housing choice where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as any actions, omissions or decisions that restrict or have the effect of restricting the availability of housing choices, based on race, color, religion, sex, disability, familial status or national origin.

This Analysis serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. The elected governmental body is expected to review and approve the Analysis and use it for direction, leadership and resources for future fair housing planning. Furthermore, the Analysis will serve as a point-in-time baseline against which future progress in terms of implementing fair housing initiatives will be evaluated and recorded.

FAIR HOUSING ACT

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

In the sale and rental of housing
No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In mortgage lending
No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

Other prohibitions
It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied

housing that is otherwise exempt from the Fair Housing Act.

Persons with disabilities
If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the disabled person make reasonable modifications to a dwelling or common use areas, at the disabled person's expense, if necessary for the disabled person to use the housing. Where reasonable, the landlord may permit changes only if the disabled person agrees to restore the property to its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

Families with Children
Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent or
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

- Housing for older persons is exempt from the prohibition against familial status discrimination if:
- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

Recent changes to HUD regulations

Two major changes in HUD's program regulations have occurred since the City's last AI in 2008:

HUD Core Programs

As of a Final Rule effective March 5, 2012, HUD implemented policy prohibiting discrimination on the basis of sexual orientation, gender identify, and marital status by any housing provider who receives HUD funding, including public housing agencies, those who are insured by the Federal Housing Administration, including lenders, and those who participate in federal entitlement grant programs through HUD.

This change to HUD program regulations did not amend the Fair Housing Act to prohibit all discrimination in the private market on the basis of sexual orientation, gender identity or marital status.

Affirmatively Furthering Fair Housing

HUD issued a Final Rule, effective on July 16, 2015, to clarify fair housing obligations for HUD grantees. The Final Rule requires grantees to use an "Assessment of Fair Housing" (AFH) process instead of the current "Analysis of Impediments" process. The AFH process has expanded community outreach requirements and is more intricately connected to the Consolidated Plan process. Per the Final Rule, the City of Naperville will not have to submit an AFH until nine months prior to the start of HUD FY 2020.

METHODOLOGY

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to complete the AI. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income, and employment at the census tract and municipal level, including data from the U.S. Census Bureau and HUD's Affirmatively Furthering Fair Housing Data and Mapping Tool
- Public policies affecting the siting and development of housing
- Administrative policies concerning housing and community development
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Consolidated Plans, Annual Plans and CAPERs for the City
- The 2008 Analysis of Impediments to Fair Housing Choice for the City of Naperville
- Fair housing complaints filed with HUD, the Illinois Department of Human Rights, and HOPE Fair Housing Center
- Interview group sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes
- Citizen input received through public meetings and an online survey

See the *Appendix* for additional details on the methodology.

Community Participation Process

SUMMARY OF OUTREACH AND COMMUNITY ENGAGEMENT

The City of Naperville engaged the community throughout the development of the 2016 Analysis of Impediments to Fair Housing Choice. The public outreach process consisted of the following activities:

- Face-to-face interviews with key stakeholders
- Conducting web-based surveys for stakeholders, the general public, and municipal officials
- Holding a public meeting
- Providing a 30-day public display and comment period (TBD)
- Presenting the AI before City Council

Each of these initiatives is discussed in greater detail in this chapter.

Stakeholder Interviews

Stakeholder outreach is a highly valuable element of the AI planning process. Reaching out to organizations that provide direct services to members of the protected classes is an effective way to learn about the public policies and practices that restrict housing choice for lower income minorities and other protected class members.

To gather this input, the City conducted a series of stakeholder interviews during the week of July 11-July 14, 2016.

The following organizations were consulted through stakeholder interviews:

Affordable Housing Providers

- DuPage Habitat for Humanity
- Naperville Elderly Homes
- Senior Home Sharing
- Bridge Communities
- ChildServ

Disability Advocacy Organizations

- Ray Graham Association
- Turning Pointe Autism Foundation
- Little Friends

Fair Housing Advocacy Organization

- HOPE Fair Housing Center

Homeless Assistance & Human Services Providers

- Loaves and Fishes
- Serenity House
- DuPage Pads
- Family Shelter Service
- 360 Youth Services
- The Bernard Coffey Veterans Foundation

City Departments

- City Clerk's Office
- Naperville Transportation, Engineering and Development (TED) Business Group

Sign-in sheets from stakeholder meetings are included in the Appendix, and a summary of the main issues raised by stakeholders is included below. In addition, stakeholder comments have been incorporated throughout the AI, where appropriate.

Public Meeting

A public meeting was held on July 11, 2016 to share information about the AI process and collect input on fair housing issues in the City. The meeting was held in conjunction with a regular meeting of the Housing Advisory Commission.

Web-Based Survey

To maximize community engagement, web-based survey instruments were developed to solicit input primarily from three groups: stakeholders, the general public, and municipal officials.

A skip logic survey was created and launched from Survey Monkey and made available from late June to late July. Stakeholders were encouraged to complete the survey regardless of whether or not they had participated in an interview session.

Survey questions focused on (1) assessing respondents' level of understanding of fair housing laws and issues and (2) identifying the type and frequency of fair housing activities being undertaken in Naperville.

A total of 223 survey responses were received and tabulated for this summary. Of the respondents, 188 were residents, 17 were stakeholders, and 18 were municipal officials. A series of introductory questions were posed in each survey followed by a series of five scenarios, four of which described discriminatory behavior. Respondents were asked to give their opinion of the scenario regardless of what the law says, and then provide their response as to whether or not the behavior was discriminatory. The responses are summarized below.

<u>Stakeholders and Residents</u>

Of the 205 respondents to the stakeholders and residents survey, 188 were residents of Naperville and 17 were stakeholders working in a housing-related or social services organization. About 70% of residents who responded had lived in Naperville for more than 10 years, and over 90% owned their homes.

Among the most significant respondents by this group were the following:

- In scenarios describing illegal discriminatory behavior, 49.6% to 67.7% of respondents did not know that the behavior described was in fact illegal
- Thirteen respondents felt that they had been treated unfairly when looking for a place to live; however, only one of these respondents specifically stated that this unfair treatment occurred in Naperville.
- Several residents stated that they did not want the City to include Housing Choice Vouchers (HCV) in its definition of "legal source of income." Reasons given generally fell into one of two categories: (1) misperceptions of increased crime and blight associated with properties occupied by HCV recipients or (2) a view that adding this to the

definition would produce a hardship for landlords.

Municipal Officials

Of the 18 responses received from municipal officials, ten were from City staff, three were from City Council members, and five were from City boards and commissions. The vast majority of respondents had held their positions for at least two years.

Among the most significant responses by this group were the following:

- In scenarios describing illegal discriminatory behavior, 33.3% to 71.4% of respondents did not know that the behavior described was in fact illegal
- All but two respondents were aware of or had participated in at least one fair housing activity in Naperville

Overall, the results of the online survey indicate a continuing need for fair housing education and outreach for both municipal officials and the general public. In addition, enforcement of laws against discriminatory behavior continues to be needed in Naperville.

KEY FAIR HOUSING ISSUES IDENTIFIED

Across the various community participation initiatives conducted for this AI, several consistent themes were mentioned repeatedly by stakeholders and members of the general public. These included the following:

- A lack of affordable housing, particularly housing that is accessible, is the biggest impediment to fair housing choice in the City.
- While efforts to increase the availability of affordable housing for seniors and accessible housing in Naperville tend to be well-received, there is community opposition to subsidized housing for families with children.
- There are few rental units with three or more bedrooms available in Naperville.
- Landlords are often not aware of their obligations to provide reasonable accommodations to tenants with disabilities.
- Naperville's Fair Housing Ordinance bans source of income discrimination, but the ordinance does not define "legal source of income," so many landlords do not accept Housing Choice Vouchers. (Since these interviews were conducted, City Council has revised the ordinance to define what constitutes legal sources of income.)

SUMMARY OF COMMENTS RECEIVED ON THE AI DOCUMENT

TBD Following the 30-day public display and review period.

Assessment of Past Goals

INTRODUCTION

Naperville's last Analysis of Impediments was adopted by City Council in 2008. The 2008 AI identified a total of 19 impediments to fair housing choice in Naperville, the majority of which were associated with the private housing market.

PROGRESS ON GOALS

Each impediment and associated recommendation(s) from the 2008 AI is listed below, along with a brief summary of the progress the City has made. Progress on goals was assessed through an examination of the City's Consolidated Annual Performance Evaluation Reports and discussion with City staff.

Recommendation 1: Proactively conduct testing of sale and rental properties to identify such practices as racial steering and other violations of the Fair Housing Act

Progress: The City has not conducted paired testing since the adoption of the last AI. This recommendation will be included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 2: Consider establishing a mandatory periodic training program for all real estate professionals practicing in Naperville that candidly examines fair housing issues

Progress: The City does not have a mandatory training program for real estate professionals practicing in Naperville primarily because enforcing participation is not within the City's authority. Because this recommendation is related to Recommendation 1, the two will be consolidated and included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 3: Work with local real estate organizations to increase their efforts to recruit minorities as residential real estate agents, leasing agents, and property managers

Progress: The City has not implemented this recommendation and has determined that it is the responsibility of the Northern Illinois Association of Realtors (or other associations) to undertake outreach and recruitment efforts of their membership.

Recommendation 4: Work closely with local developers and landlords to include people of all races and ethnicities in display advertising and brochures

Progress: The City has not implemented this action. This recommendation will be consolidated with Recommendations 1, 2, and 3 and included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 5: Contract with an organization that seeks to expand the housing choices of potential minority tenants through escorting them to apartment showings

Progress: The City has not implemented this initiative, primarily due to a lack of financial resources and the absence of a local entity trained to carry out this initiative. Although this action could be beneficial, it is not feasible to be carried over to this AI.

Recommendation 6: Require affirmative marketing of all new residential developments and buildings in order to receive a building permit, zoning, or subdivision approval

Progress:. The City has not implemented this recommendation and has determined that it is beyond its authority to implement this mandate for private residential development.

Recommendation 7: Establish methods to gather data on the race/ethnicity of people moving to, out of, and within Naperville.

Progress: The City has implemented this recommendation through the use of reliable Census data and information from the school district to gather these statistics, all of which are incorporated into the Comprehensive Plan, Consolidated Plan, and Annual Action Plans. A summary of the current demographics is included in the Demographic and Housing Summary section of this AI.

Recommendation 8: Contract with an organization well-versed in fair housing law to conduct periodic workshops for condominium association officers and management firms to make them aware of regulations on reasonable accommodations

Progress: The City has not implemented this initiative but the topic will be included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 9: Contract with an organization to provide homebuyer education and financial education

Progress: The City has not implemented this initiative but the topic will be included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 10: Embrace the concept of a stable, racially and ethnically-integrated community as a goal and commit itself to achieving this goal

Progress: Naperville promotes the concept of racial and ethnic integration through its fair housing activities. Because this goal is the guiding

principle behind the City's fair housing activities, it will be an underlying theme of all fair housing education and outreach conducted in the City.

Recommendation 11: Fully integrate planning for affordable housing and fair housing in Naperville into the comprehensive planning and implementation process and include an explicit evaluation of the impact of new residential development proposals on affordable housing and fair housing in staff development reviews

Progress: The City has not incorporated planning for affordable housing or fair housing into the comprehensive planning and implementation process. Staff review of development proposals does not include an explicit evaluation of the impact on affordable housing or fair housing. However, the Housing Advisory Commission is staffed by City planners to foster coordination. Additionally, the City will complete an affordable housing plan in 2017 as required by the State of Illinois under the Affordable Housing Planning and Appeal Act. This recommendation will be included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 12: Consider enacting an immediate moratorium on granting any new building permits or zoning approvals for residential development until it can amend its zoning ordinance to establish mandatory inclusionary zoning; Consider using CDBG funds to buy down the cost of apartment buildings to convert to low-equity cooperatives

Progress: The City determined that the proposed moratorium was not cost-neutral, per its 2010 *Action Plan: Addressing the Housing Needs of Naperville's Low to Moderate Income Senior Citizens and Residents with Disabilities*.

The City has not received applications for CDBG funding for the purpose of establishing low-equity cooperatives and does not expect to receive such applications in the future. Furthermore, the amount of the City's Annual CDBG grant is not sufficient to undertake this initiative. As a result, this element of the recommendation will not be carried over.

However, the development of a mandatory inclusionary housing policy will be included as a recommendation in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 13: Consider rezoning more land to multi-family residential districts

Progress: The City has re-zoned several parcels to multi-family residential since the last AI. Additionally, the City will complete an affordable housing plan in 2017 as required by the State of Illinois under the Affordable Housing Planning and Appeal Act, which will assess the need for additional affordable housing and the need for more appropriately zoned land for multi-family development. This recommendation will be modified slightly and carried over into the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 14: Train all City phone operators to refer callers about fair housing to the designated staff person in City Hall and list the number to call on the City website.

Progress: The "Who to Call" information is displayed prominently on the Housing Advisory Commission page on the City's website. This recommendation will be included in the *Fair Housing Goals and Priorities* chapter of this AI to ensure that phone operators are trained to refer callers to the designated staff person or other appropriate entity.

Recommendation 15: Adopt a proactive approach to disseminating information about the City's Fair Housing Ordinance

Progress: The City's website contains easy-to-read information on fair housing and clearly explains the process for filing a complaint, and uses videos to disseminate information as well. This recommendation will be continued in the AI's *Fair Housing Goals and Priorities* chapter, particularly in light of the recent amendment to define legal source of income in the Fair Housing Ordinance.

Recommendation 16: Amend Title 10, Section 5, §10–5–6–1 of the Naperville Municipal Code to allow a complaint to be heard as long as it is filed within one year of the alleged unlawful act that forms the basis of the complaint.

Progress: This recommendation will be included in the *Fair Housing Goals and Priorities* chapter of this AI.

Recommendation 17: Sponsor workshops on zoning and the application of Building and Life Safety Codes to residential care homes.

Progress: Residential care homes are permitted in all districts and City planning staff work with non-profits and other parties who operate residential care homes to make accommodations as necessary. Additionally, stakeholders interviewed as part of this AI's outreach process stated that they do not see zoning or building code regulations as a barrier in the City. Consequently, although workshops have not been held, the intent of the recommendation has been addressed.

Recommendation 18: Amend municipal codes to eliminate provisions that result "from false or over-protective assumptions about the needs of handicapped people, as well as unfounded fears of difficulties about the problems that their tenancies may pose"

Progress: The City has amended its building codes to accommodate persons with disabilities when requested. Additionally, stakeholders interviewed as part of this AI's outreach process stated that they do not see municipal codes as a barrier to operating residential care homes in the City. Consequently, the intent of this recommendation has been addressed.

Recommendation 19: Monitor the location of present and future residential care homes to establish an early warning system that would identify potentially harmful clustering

Progress: The City has not implemented this initiative as establishing any distancing requirements between group homes is inconsistent with the federal Fair Housing Act.

SUMMARY

Naperville has begun to implement several of the recommendations developed as part of the 2008 AI. The City has made improvements to its website to facilitate access to fair housing information, re-zoned more land for multi-family housing, and routinely makes reasonable accommodations for facilities that serve individuals with disabilities. Additionally, during the preparation of this AI document, the City Council defined "legal source of income" in its fair housing ordinance in early October 2016 to include recipients of government assistance. This makes it illegal for landlords in Naperville to deny an applicant based on insufficient income if they have not included all sources of income, such as housing subsidies, in their calculations.

Overall, however, most of the recommendations have not been addressed. This is primarily due to budgetary limitations and staffing capacity.

Demographic and Housing Summary

INTRODUCTION

This section of the AI analyzes the demographic and housing characteristics of Naperville, focusing on members of the protected classes listed in the City's Fair Housing Ordinance: race, color, religion, sex, national origin, ancestry, age, marital status, familial status, physical or mental handicap or disability, military status, sexual orientation, and legal source of income.

This data is primarily from the United States Census Bureau, which publishes the American Community Survey (ACS) as well as a comprehensive decennial census. At the time of publication, the most recent year for which ACS data is available was 2014.

KEY CONCLUSIONS

The following items are key conclusions drawn from the demographic and housing summary:

- Naperville's population growth slowed considerably since 1990, after experiencing a large increase between 1980 and 1990.
- Naperville is becoming more racially and ethnically diverse.
- Naperville's foreign-born residents tend to be better-educated and have higher household incomes than native-born residents, but are also more likely to live in poverty.
- In Naperville, 6.1% of the population has a disability. For elderly residents, the disability rate is 28.5%.
- There are 20,569 households with children in Naperville, accounting for 41% of all households.
- Non-White households tend to have larger families and be renters, but the supply of rental units with three or more bedrooms is very limited.
- Veterans comprise 4.5% of the City's adult population.
- Residents of Naperville tend to have much higher incomes than most Americans; however, there are significant income and poverty rate disparities for members of the protected classes.
- Naperville's housing stock is primarily comprised of owner-occupied, single-family homes, but the proportion of renter-occupied units is growing at a faster rate.
- Black and Hispanic households are much less likely to own their homes.
- Renters are more likely to be cost-burdened than homeowners.
- Naperville's housing stock is generally newer than the state's, nation's and DuPage County's, but is slightly older than the housing stock in Will County.

POPULATION TRENDS

Naperville's population growth has slowed considerably since 1990

The chart below shows the rate of population change for Naperville and Illinois, marked in 10-year (decennial) increments. Population estimates from the most recent American Community Survey are also included in the chart. As the data show, Naperville's population growth rate has historically exceeded the State of Illinois'. Most notably, Naperville's population doubled between 1980 and 1990 while Illinois' remained stagnant. However, beginning in 1990, the City's population growth rate has declined sharply, aligning more closely with State trends. Between 2010 and 2014, the City grew by only 1.6%, compared to a statewide rate of 0.3% and a national rate of 1.7%.

Figure 1, Population Trends, 1990 - 2014

Year	Naperville		Illinois*	
	Number	*Change*	*Number*	*Change*
1960	12,933	-	10,081,158	-
1970	22,617	74.9%	11,113,976	10.2%
1980	42,601	88.4%	11,426,518	2.8%
1990	85,351	100.3%	11,430,602	0.0%
2000	128,358	50.4%	12,419,293	8.6%
2010	141,853	10.5%	12,830,632	3.3%
2014	144,108	1.6%	12,868,747	0.3%

Source: U.S. Decennial Census, 1960-2010; American Community Survey, 2014

**Illinois' population grew by 0.04% between 1980 and 1990.*

The map on the following page illustrates population growth trends in Naperville by Census Tract between 2000 and 2014. Most of the City's population growth was concentrated near its western and southern borders. Although the City experienced a population growth rate of about 12% during this period, many of the central neighborhoods actually decreased in population. The decrease in these neighborhoods ranged from less than 1.0% to 12.6%, with an average decrease of 4.4%.

RACE AND ETHNICITY

Naperville is becoming more racially and ethnically diverse

The population of Naperville has followed the national trend of becoming more diverse. In 2000, the City was 14.3% percent Non-White. By 2014, the proportion of Non-White residents increased to 25.2% of the population. Asian residents are the largest non-White racial group in Naperville by a large proportion, comprising 16.8% of the City's total population. Black residents account for 4.5% of Naperville's population. The remaining Non-White residents are primarily of mixed races.

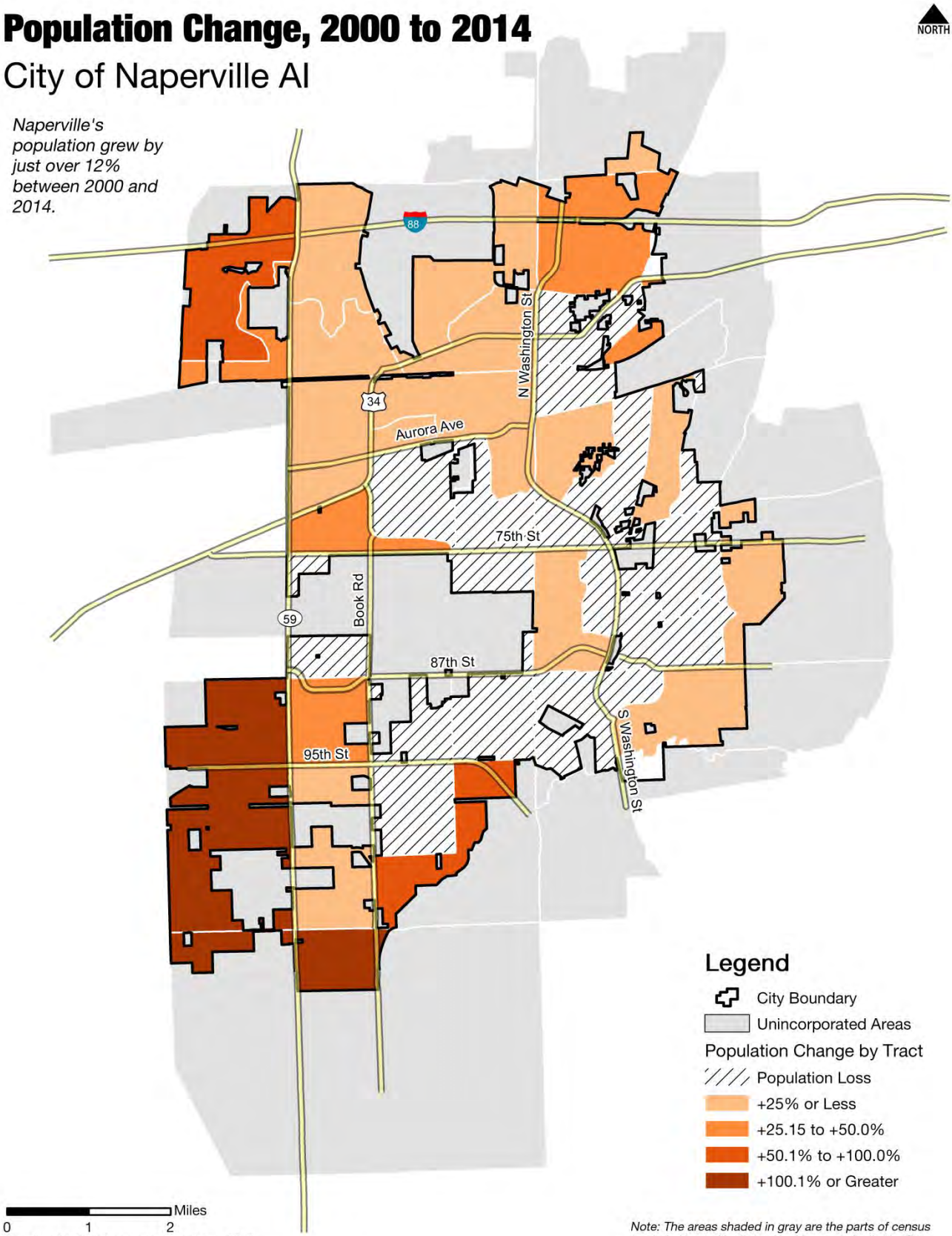
Naperville has also experienced considerable growth in ethnically Hispanic residents. The Hispanic population grew from 4,493 residents in 2000 to 9,076 residents in 2014, accounting for 6.3% of the City's total population.

As shown in the maps on the following pages, Asian residents are dispersed throughout the City, but there are significant concentrations of Black residents in the southern part of the City and of Hispanic residents in the northwest corner of Naperville. High concentrations of White residents – over 90.1% - are found in the neighborhoods surrounding downtown and east of the I-88/ Rt. 59 interchange. The issue of segregation is discussed later in this AI.

Population Change, 2000 to 2014

City of Naperville AI

Naperville's population grew by just over 12% between 2000 and 2014.



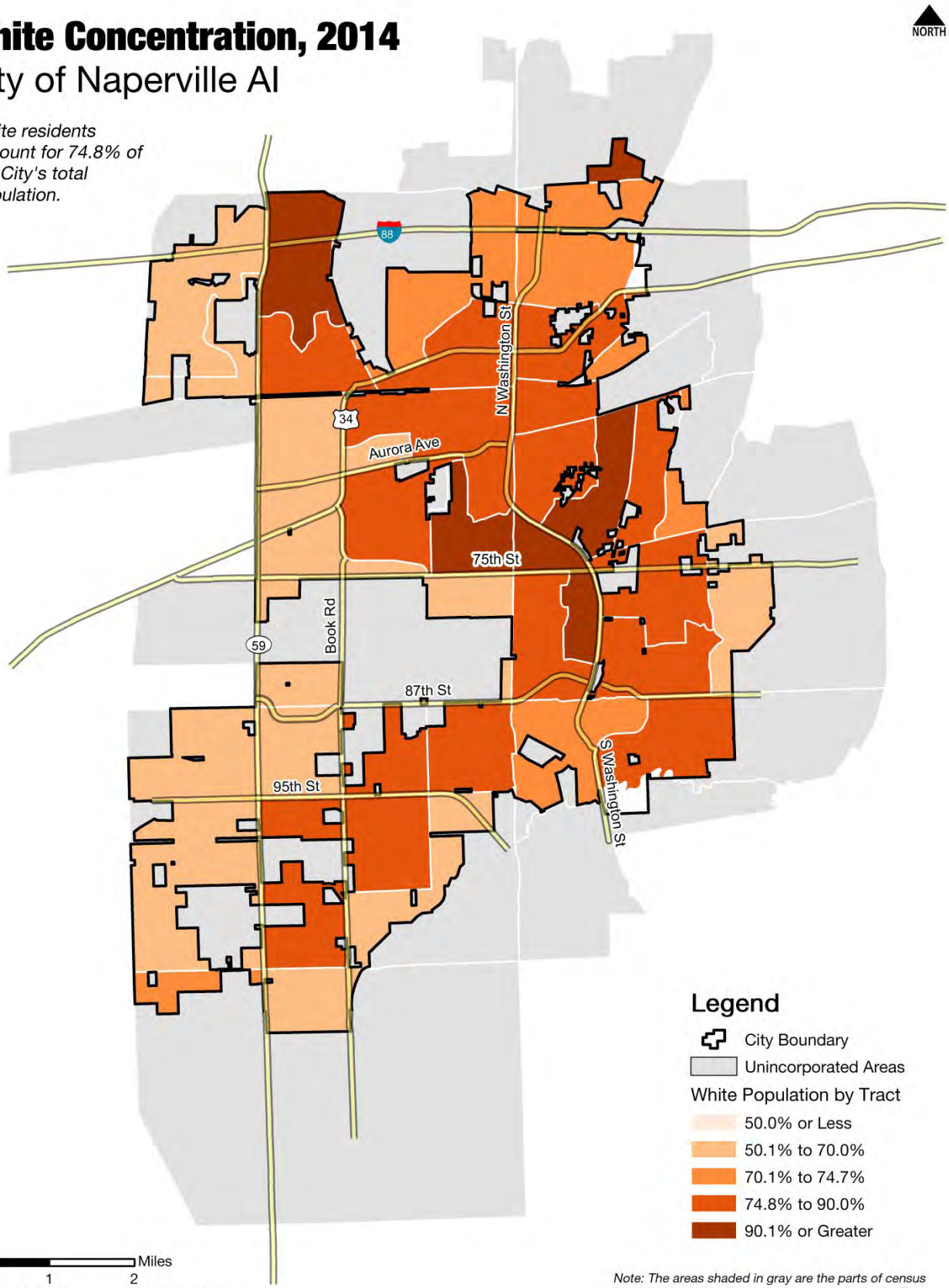
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

White Concentration, 2014

City of Naperville AI

White residents account for 74.8% of the City's total population.



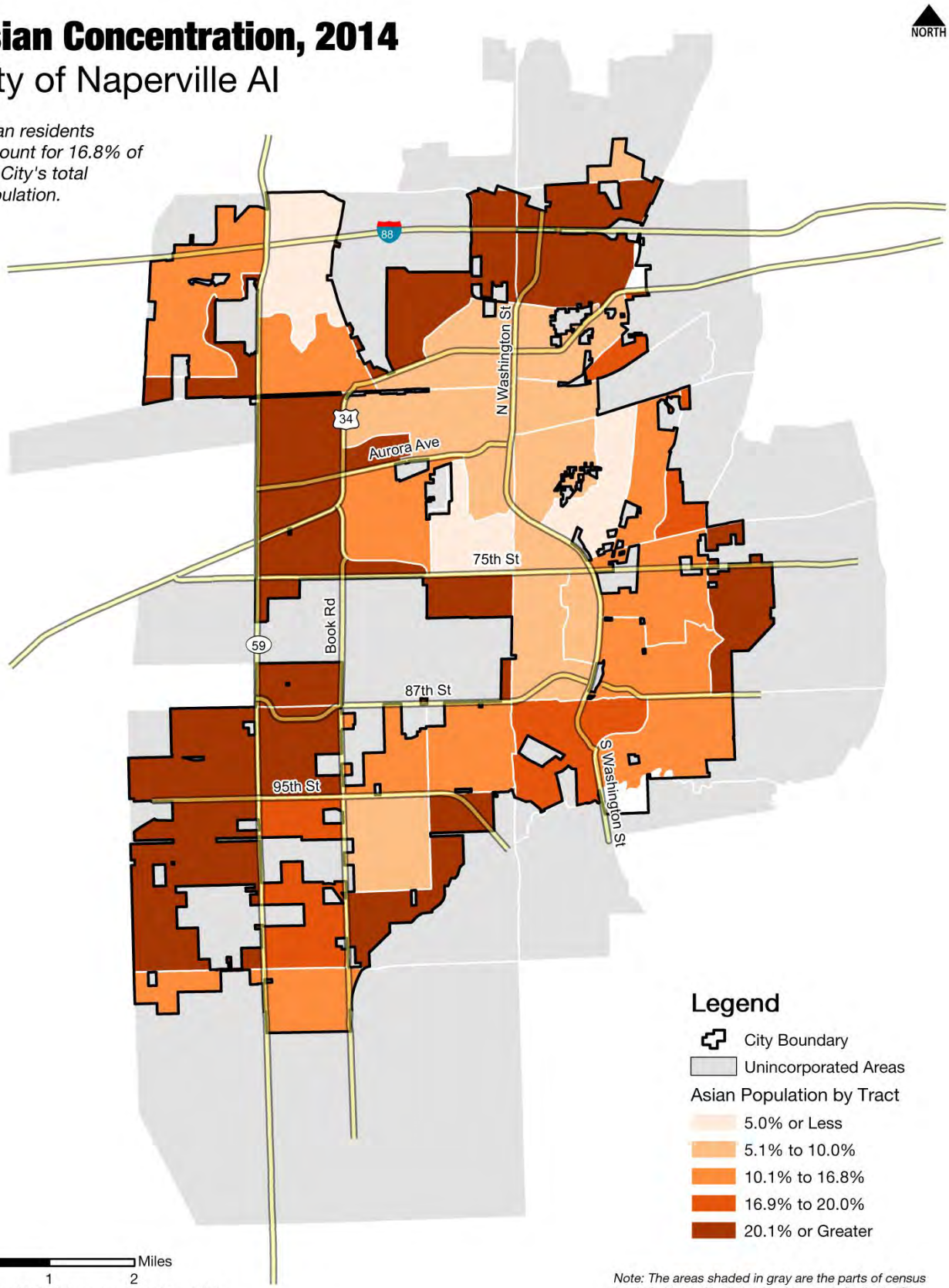
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Asian Concentration, 2014

City of Naperville AI

Asian residents account for 16.8% of the City's total population.



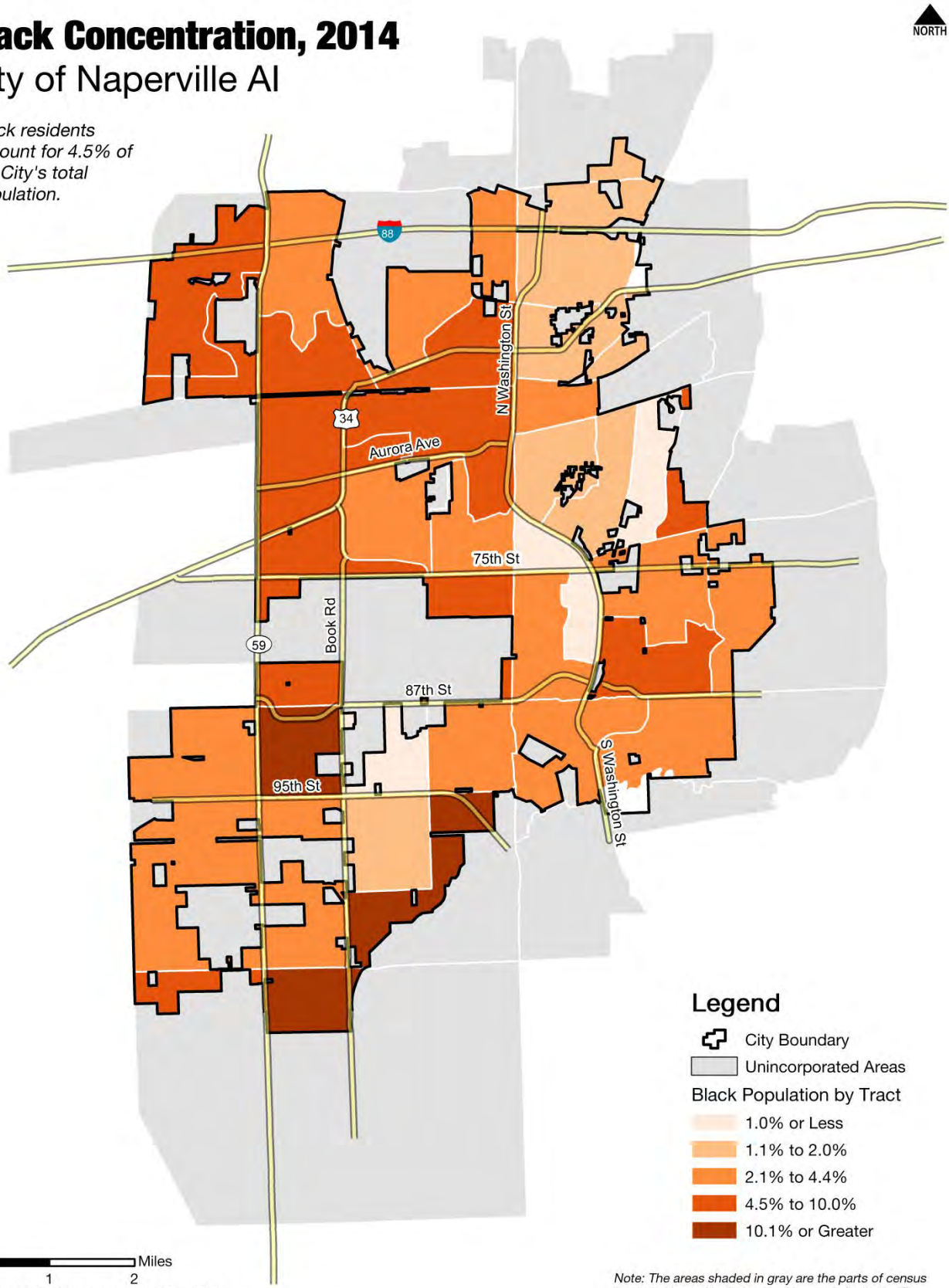
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Black Concentration, 2014

City of Naperville AI

Black residents account for 4.5% of the City's total population.



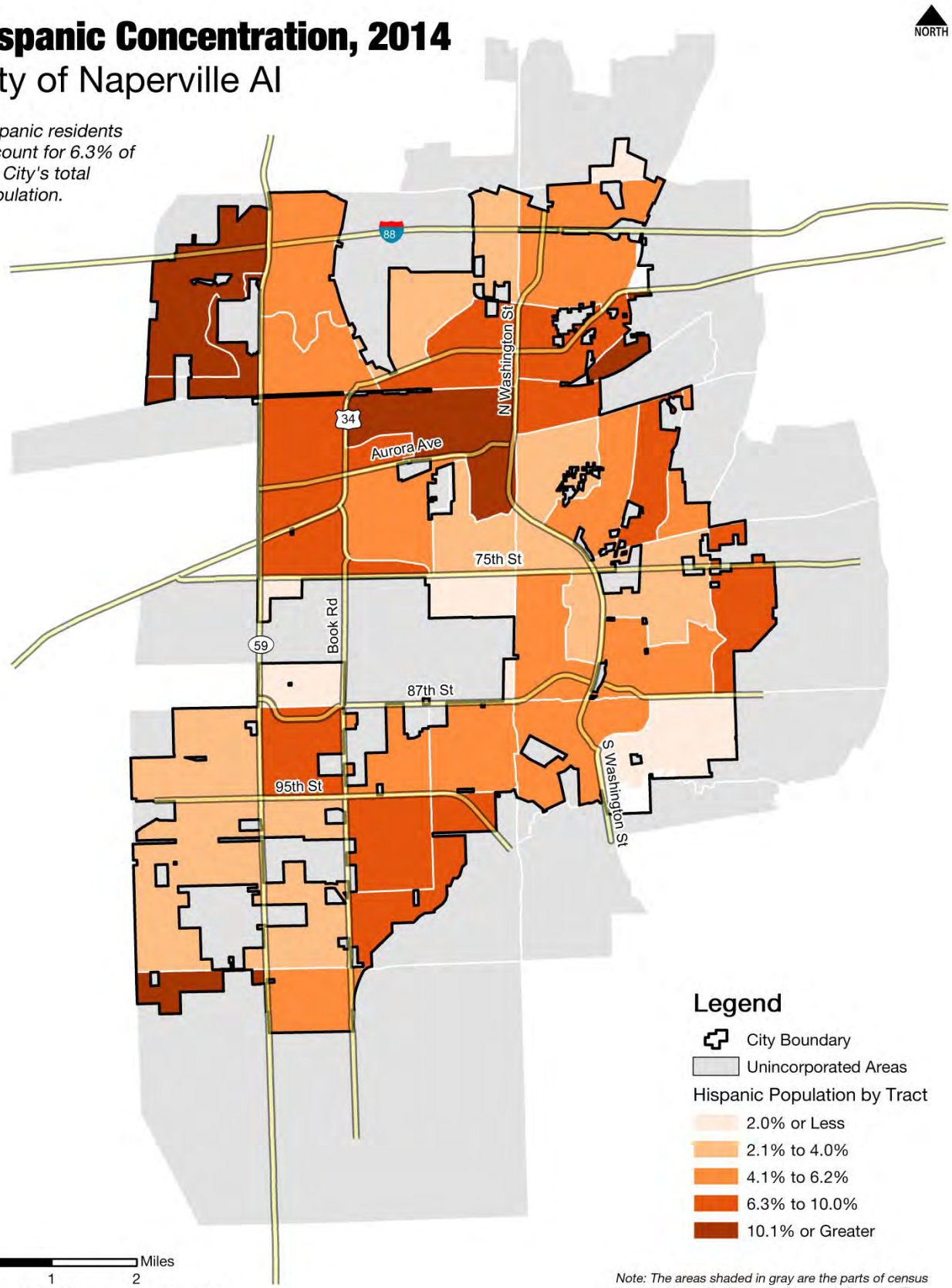
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Hispanic Concentration, 2014

City of Naperville AI

Hispanic residents account for 6.3% of the City's total population.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

ANCESTRY AND NATIONAL ORIGIN

Naperville's foreign-born residents tend to be better-educated and have higher household incomes than native-born residents, but are also more likely to live in poverty.

It is illegal to refuse the right to housing based on ancestry or place of birth. As a suburb of a major metropolitan city, Naperville is home to a large foreign-born population. Census data on native and foreign-born populations reported that in 2014, 26,048 individuals (18.1% of the total population) in Naperville were foreign born. Of the foreign-born population, 44.5% were not U.S. citizens.

The most common place of birth among foreign-born residents was South Central Asia, accounting for 34.9% of the foreign-born population. Residents from Eastern Asia comprised 20.8% of the foreign-born population and European and Latin American residents comprised 16.3% and 14.5% of the foreign-born population, respectively. Most foreign-born residents in Naperville are not recent arrivals: 78.1% of the foreign-born residents in Naperville entered the United States before 2000.

Household sizes are significantly larger in households headed by foreign-born residents. The average household size for a native-born household is 2.72 persons, compared to an average of 3.32 persons among foreign-born households. This means that foreign-born households may often require larger houses in order to avoid overcrowding and other housing problems. Foreign-born householders are slightly less likely to own their homes, with a homeowner rate of 71.3% compared to 76.9% for native-born householders.

Generally, Naperville's foreign-born population has a higher level of educational attainment than the native-born population, with 42.3% of the foreign-born population holding a graduate or professional degree, compared to 25.4% of the native-born population. Median earnings for foreign-born workers vary according to citizenship status. Naturalized citizens have a median household income of $121,279, compared to $93,588 for non-citizens and $109,217 for native-born citizens.

Both foreign-born and native residents have employment rates of 65.4%, but foreign-born families are slightly more likely to experience poverty, with a poverty rate of 5.2% compared to 2.5% for native-born family households. For non-citizen family households, the poverty rate is 7.2%. Non-citizens are also more likely to work in lower-paying industries such as accommodation and food services. This indicates a sharp economic divide within the City's foreign-born population – while many own homes and have high incomes, some face poverty and unemployment.

Limited English Proficiency

Persons with limited English proficiency (LEP) are defined by the federal government as persons who have a limited ability to read, write, speak, or understand English. American Community Survey data reports on the non-English language spoken at home for the population five years and older. In 2014, the ACS reported 6.2% of the City's population spoke English less

than "very well." For the foreign-born population living in Naperville, the LEP rate is 21.0% for citizens and 38.6% for non-citizens. The following chart lists the most commonly-spoken non-English languages in Naperville:

Figure 2, Limited English Proficiency, 2014

Language	Number	Percent of Total Population (Age 5+)
Chinese*	2,313	1.7%
Spanish	2,001	1.5%
Korean	516	0.4%
Urdu	462	0.3%
Gujarati	362	0.3%
Hindi	303	0.2%
Vietnamese	237	0.2%
Tagalog	188	0.1%
Polish	157	0.1%
Arabic	147	0.1%

Source: American Community Survey, 2014

**The source data do not break down Chinese dialects.*

The most commonly-spoken language amongst the LEP population in Naperville is Chinese. Other languages commonly spoken by persons with LEP include Korean, Urdu, Gujarati, and Hindi. Of these languages, only Chinese and Spanish had over 1,000 speakers in Naperville, which triggers HUD's "safe harbor" threshold for the entitlement area. Meeting this threshold means the City must provide translations of important documents associated with HUD program activities. This is discussed in greater detail in a later section of the AI.

AGE AND DISABILITY

In Naperville, 6.1% of the population has a disability. For elderly residents, the disability rate is 28.6%.

As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to engage in activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental, or emotional handicap, provided "reasonable accommodation" can be made. This may include changes to address the needs of disabled persons, including adaptive structural (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal).

Across Naperville, 6.1% of the total civilian non-institutionalized population[1] age five and older reported a disability in 2014, amounting to 8,785 people. This includes 28.6% of City residents age 65 and older. The most frequent type of disability reported among persons 18 to 64 and older was an ambulatory disability, meaning experiencing difficulty moving from place to place. Persons with ambulatory disabilities, which affect 2.9% of Naperville residents, often require housing with accessibility features.

[1] The institutionalized population is persons residing in group quarters such as adult correctional facilities, juvenile facilities, skilled-nursing facilities, psychiatric hospitals and in-patient hospice facilities etc.

Figure 3, Disability Status, 2014

	Total	Percent
Total Population	**143,021**	**-**
With a disability	8,785	6.1%
With a hearing difficulty	2,822	2.0%
With a vision difficulty	1,337	0.9%
With a cognitive difficulty	2,885	2.0%
With an ambulatory difficulty	4,178	2.9%
With a self-care difficulty	1,605	1.1%
With an independent living difficulty	2,952	2.1%
Population 18 to 64 Years	**90,006**	**62.9%**
With a disability	4,038	4.5%
With a hearing difficulty	1,071	1.2%
With a vision difficulty	604	0.7%
With a cognitive difficulty	1,515	1.7%
With an ambulatory difficulty	1,595	1.8%
With a self-care difficulty	510	0.6%
With an independent living difficulty	1,213	1.3%
Population 65 Years and Over	**13,578**	**9.5%**
With a disability	3,888	28.6%
With a hearing difficulty	1,622	11.9%
With a vision difficulty	667	4.9%
With a cognitive difficulty	795	5.9%
With an ambulatory difficulty	2,493	18.4%
With a self-care difficulty	948	7.0%
With an independent living difficulty	1,739	12.8%

Source: American Community Survey, 2014
**Note: Individuals may report more than one disability.*

The second most common type of disability is an independent living disability: about 2.1% of City residents reported trouble with independent living in 2014. Persons with independent living disabilities may also require specific accessible housing accommodations, as well as alternative housing opportunities such as group homes. There are 2,885 persons in the City with a cognitive disability, meaning persons who may have difficulty with various mental tasks. While persons with mental illness or intellectual impairments are not specifically identifiable, they often fall into this category of disability. Cognitive disabilities affect 2.0% of Naperville residents.

Many persons with disabilities, regardless of type, require access to adequate transportation options because their disability often makes it impossible or impractical to walk or drive as a means of transportation. Inadequate access to transportation can also restrict their housing options.

INCOME AND DISABILITY

A significant income gap exists between persons with disabilities and persons without disabilities.

In Naperville, persons with disabilities earn $25,017 less than persons without disabilities. Similarly, the poverty rate for the population age 16 and over with a disability is 7.0 percentage points greater than the population without a disability.

Illinois' Fair Housing Act prohibits discrimination based on age, which is not a protected class in the Federal Fair Housing Act. As shown in Figure 3, persons aged 65 years and older, who comprise 9.5% of the non-institutionalized population, are more likely to have a disability and require accessibility modifications in order to rent, purchase, or continue living in a home.

FAMILIAL STATUS, MARITAL STATUS, AND SEXUAL ORIENTATION

There are 20,569 households with children in Naperville, accounting for 41% of all households.

The Census Bureau divides households into family and non-family households. Family households are married couples (with or without children), single-parent families, and other families comprised of related persons. Non-family households are either single persons living alone, or two or more nonrelated persons living together.

Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children. The Illinois Human Rights Act also provides protection from housing discrimination based on marital status, sexual orientation, and pregnancy.

In addition to families with children, larger families may be at risk for housing discrimination on the basis of race and familial status. If there are policies or programs in place that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

Figure 4, Household Composition, 2014

	Number	Percent
Family Households	**38,146**	**76.7%**
Married couples	33,334	67.0%
with children	*17,792*	*35.8%*
Single male householder	576	1.2%
Single female householder	2,201	4.4%
Nonfamily households	**11,595**	**23.3%**
Unmarried opposite sex partners	995	2.0%
Unmarried same sex partners	99	0.2%
Householder living alone	9,699	19.5%
65 years and over	*3,134*	*6.3%*
Other	802	1.6%
Total Households	**49,741**	**-**

Source: American Community Survey, 2014
**Note: A "family household" is defined as a household in which there is at least 1 person present who is related to the householder by birth, marriage or adoption.*

In Naperville, most families with children are married-couple households. Single female-headed and single male-headed households comprise 4.4% and 1.2% of the total households in the City, respectively. Householders living alone account for 19.5% of total households, and there are over 1,000 unmarried partners living together in Naperville, including almost 100 same-sex partner households.

Non-White households tend to have larger families.

City-wide, 32.3% of households have four or more persons. Household sizes are larger amongst members of the protected classes. Households with foreign-born householders and non-White households are larger in household size than the general population. This means that members of the protected classes will often require larger units in order to avoid overcrowding.

Figure 5, Household Size, 2010

Race/Ethnicity	Average Household Size
White	2.7
Black	2.7
Asian	3.3
Hispanic	3.2

Source: U.S. Decennial Census, 2010

**Data for 2014 is unavailable*

MILITARY STATUS

Veterans comprise 4.5% of the City's adult population.

In Illinois, it is illegal to discriminate based on military status or military discharge status. Currently, less than 0.1% of the City's population is employed in the Armed Forces. Detailed information about this population is unavailable, but the U.S. Census Bureau provides several statistics on veterans.

Of the civilian population ages 18 years and over, 4,804 individuals (4.5%) are veterans. Most veterans in Naperville served prior to the Gulf War. Primarily due to the older average age of the City's veteran population, veterans are significantly more likely to have a disability (22.3%) than non-veterans (7.0%), and may require reasonable accommodations in order to rent or purchase a home.

INCOME AND POVERTY

Residents of Naperville tend to have much higher incomes than most Americans…

Income is strongly related to housing choice, as household income is also one of several factors used to determine eligibility for a home mortgage loan or rental lease. Additionally, lack of income inherently reduces the amount of options a household has over where to live.

Furthermore, legal source of income is a protected class in Naperville. Lawful income includes wages, housing subsidies, child support payments, alimony, and similar types of legal compensation and cash assistance received from third parties. This means that lenders must consider all legal sources of income when calculating debt-to-income ratios, and landlords cannot deny an applicant based on insufficient income if they have not included all lawful income in their calculations.

The median household income in Naperville was $109,512 in 2014. This is nearly twice the Illinois median of $57,166 and more than twice the national median of $53,482.

Naperville's affluence contributes to its low poverty rates. The federal poverty level in 2014 was defined as an annual income of $23,850 for a family of four, or $11,670 for an individual. The overall poverty rate in Naperville in 2014 was only 4.3% (6,143 individuals), much lower than the State average of 14.4% and the national average of 15.6%. This is an increase from Naperville's poverty rate of 2.2% in 2000 (2,809 individuals), mirroring state and national trends of increasing poverty.

Figure 6, Income and Poverty, 2014

Protected Class	Population		Income*	Poverty Rate
	Number	*Percent*		
City-wide	144,108	100.00%	$109,512	4.3%
Race/Color/Ethnicity				
White	105,773	73.4%	$111,720	3.4%
Black	6,507	4.5%	$73,333	12.8%
Asian	24,213	16.8%	$122,465	5.6%
Hispanic/Latino	9,076	6.3%	$67,440	10.9%
National Origin				
Foreign-born, U.S. citizen	14,466	10.0%	$121,279	4.3%
Foreign-born, non-U.S. citizen	11,582	8.0%	$93,588	9.2%
Sex				
Male	71,224	49.4%	$67,814	4.3%
Female	72,884	50.6%	$31,337	4.2%
Age				
40 and over	69,276	48.1%	-	-
65 years and over	14,448	10.0%	$58,319	4.4%
Disability				
No disability	135,323	93.9%	$51,630	3.9%
With a disability	8,785	6.1%	$26,613	10.9%
Families				
Married couple families with children	17,792	35.8%	$149,167	2.2%
Single female-headed households with children	2,201	4.4%	$44,661	20.9%
Military Status				
Veterans	4,804	3.3%	$53,846*	3.5%

Source: American Community Survey, 2014

**Median individual income is used for the following categories: sex, disability, and veterans. Median household income is used for all other categories. City-wide median individual income is $45,677. Blanks indicate unavailable data.*

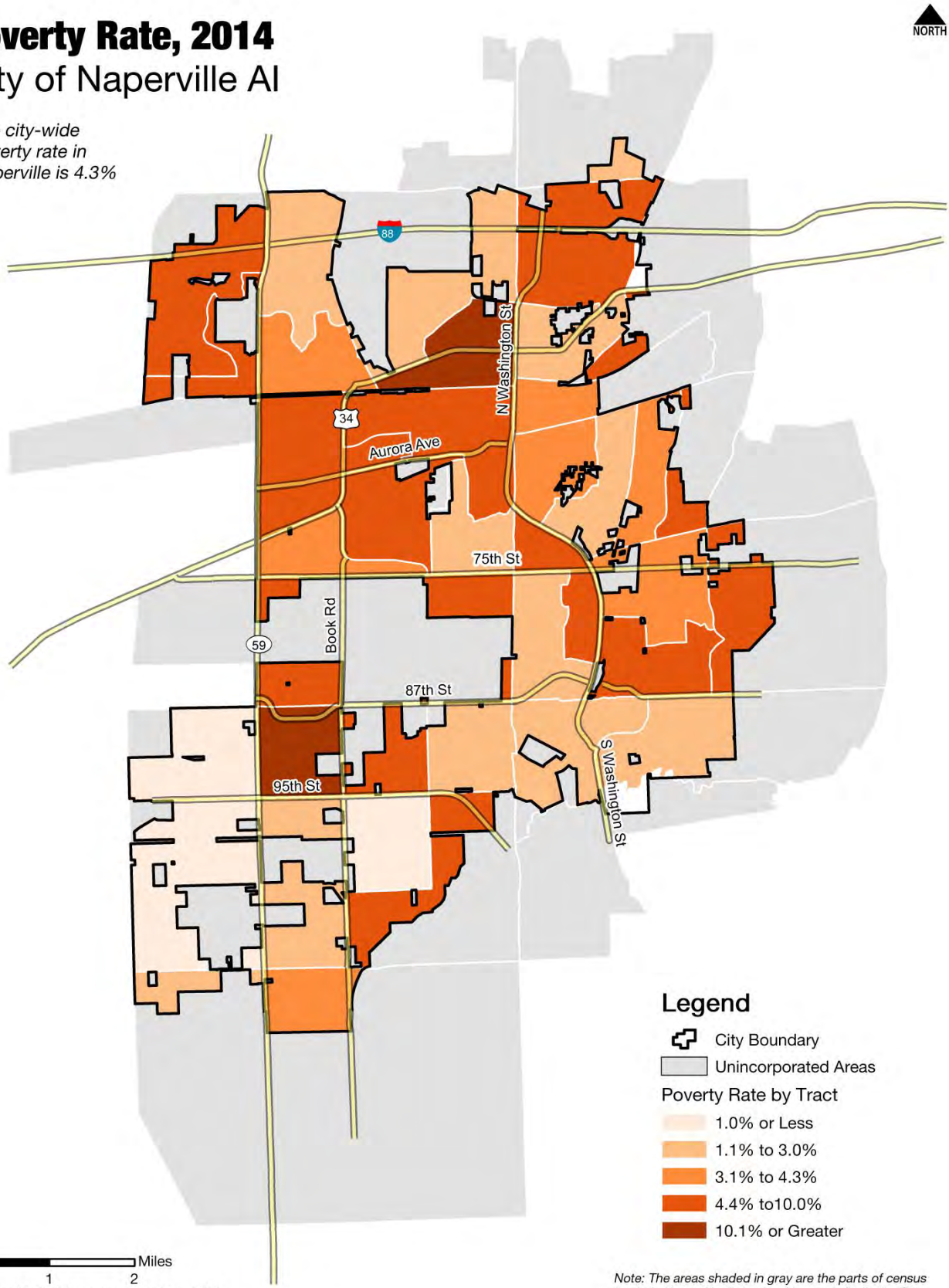
…however, there are significant income and poverty rate disparities for members of the protected classes.

As shown in *Figure 6*, White households, earn an average of $111,720, while Black households earn $73,333 and Hispanic/Latino households earn $67,440. Asian households have the highest median income, at $122,465. *Figure 6* provides more information about disparities among the protected classes, where data is available.

As shown in the map on the following page, poverty rates also vary geographically. The highest concentrations of poverty in Naperville are found near the intersection of U.S. 34/Ogden Avenue and North Washington Street and near the intersection of Route 59 and 95th Street.

Poverty Rate, 2014
City of Naperville AI

The city-wide poverty rate in Naperville is 4.3%



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

As *Figure 6* shows, a significant income gap exists between persons with disabilities and persons without disabilities. In Naperville, persons with disabilities earn $25,017 less than persons without disabilities. Similarly, the poverty rate for the population age 16 and over with a disability is 7 percentage points greater than the population without a disability (10.9% compared to 3.9%). These individuals are more likely to require accessibility modifications in order to rent, purchase, or continue living in a home.

Illinois' Fair Housing Act prohibits discrimination based on age for the population age 40 and over, who comprise nearly half of Naperville's total population. Specific income and poverty data for this population is unavailable. However, as shown in Figure 6, persons aged 65 years and older, who comprise 10.0% of Naperville's population, are more likely to have a disability and require accessibility modifications in order to rent, purchase, or continue living in a home. Naperville's elderly residents actually earn more than the average City resident, but may have less housing options due to higher disability rates and accessibility issues.

Income gaps are also evident among different types of families. Married-couple families with children have a median household income that is three times higher than the median household income of unmarried females with children. The poverty rate for unmarried females with children is 20.9%, compared to 2.2% for married-couple families with children.

Although men and women have similar poverty rates overall, men in Naperville have incomes twice as high as women. This may be the case because more men than women are employed in higher-paying jobs such as those in the finance, insurance, professional, scientific, and technical services industries.

As detailed earlier in this section, a lack of income severely restricts housing choice. Members of the protected classes are disproportionately affected by this issue, as they are far more likely to have lower incomes or live in poverty.

There are over 1,000 seniors and 800 families with children in Naperville living in poverty

Figure 7, Poverty Characteristics, summarizes key socioeconomic information about the population in Naperville living below poverty level.

According to the data, there are 1,025 individuals, or 16.7% of the total population for whom poverty status is determined, who are over 60 and living below the federal poverty line. These individuals may need affordable senior housing options, and many likely require housing that is accessible. There are 952 individuals with disabilities – many of whom are also elderly – who may be in need of affordable, accessible housing.

The City is also home to 858 families with children living in poverty, who likely require affordable housing with two or more bedrooms that is located near community facilities such as parks and schools. Access to childcare and medical services is likely important for this population, as well.

Although the majority of the civilian labor force living below the federal poverty line is employed, many likely work part-time or in low-paying jobs. Providing wrap-around services such as childcare, adult education, and vocational training may improve this population's ability to achieve economic self-sufficiency.

Figure 7, Poverty Characteristics, 2014

	Number	Percent
Total	**6,143**	**-**
Age*		
Under 18 years	1,907	31.0%
18 to 64 years	3,607	58.7%
60 years and over	1,025	16.7%
65 years and over	629	10.2%
Disability Status		
Disabled	952	15.5%
Not Disabled	5,181	84.3%
Sex		
Male	3,089	50.3%
Female	3,054	49.7%
Race/Ethnicity		
White (not Hispanic or Latino)	2,792	45.5%
Black or African American	814	13.3%
Asian	1,336	21.7%
Hispanic or Latino origin (of any race)	972	15.8%
Living Arrangement (households)**	**2,415**	
Families with children	858	35.5%
Single female householder with children	404	16.7%
Educational Attainment		
Less than high school graduate	363	5.9%
High school graduate or higher	1,746	28.4%
Bachelor's degree or higher	1,413	23.0%
Employment Status		
Civilian labor force 16 years and over	2,170	35.3%
Unemployed	552	9.0%

Source: American Community Survey, 2014
**Poverty characteristics are only available for certain age groups.*
***Living arrangement characteristics are calculated on a household basis.*

HOUSING TYPE AND TENURE

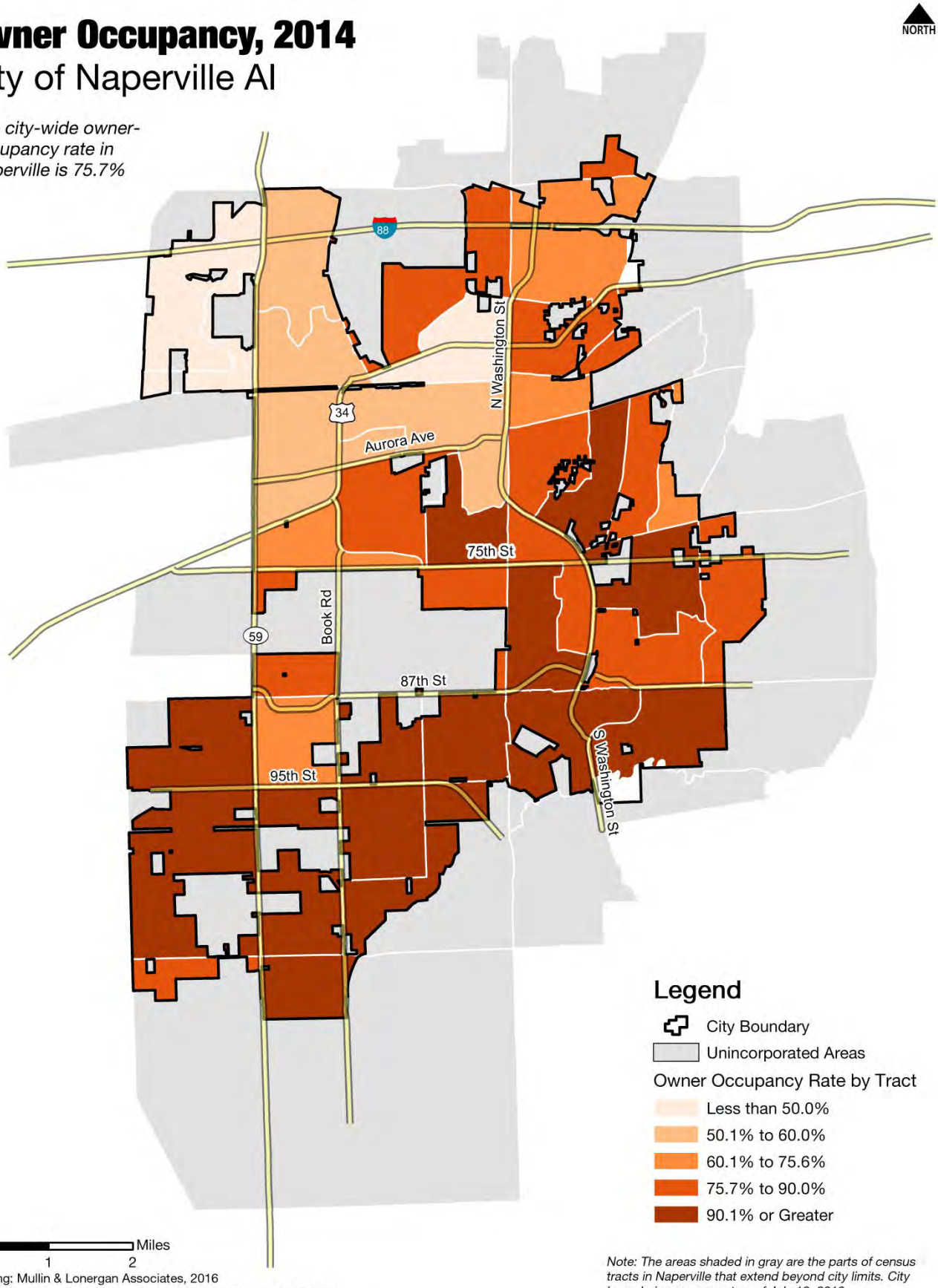
Naperville's housing stock is primarily comprised of owner-occupied, single-family homes, but the proportion of renter-occupied units is growing at a faster rate.

Between 2000 and 2014, the total number of occupied housing units in Naperville grew by 13.8%. Owner-occupied units comprise the vast majority of the City's housing stock at 75.7%, which is a slight decrease from 2000, when owner-occupied units accounted for 80.0% of the City's housing stock. As shown in the *Owner Occupancy* map, the southern portion of the City has the highest concentrations of single family homeowner units.

While the number of owner-occupied units only increased by 7.8%, the number of renter-occupied units in the City increased by 37.7% between 2000 and 2014. Most of the growth in rental housing is attributable to an increase in single-family renter units. These could be newly constructed units, or former owner-occupied units that are now being marketed as rentals. This indicates an increased demand for rental housing in Naperville, which may be caused by a shift in consumer preferences, high housing prices, or other factors.

Owner Occupancy, 2014
City of Naperville AI

The city-wide owner-occupancy rate in Naperville is 75.7%



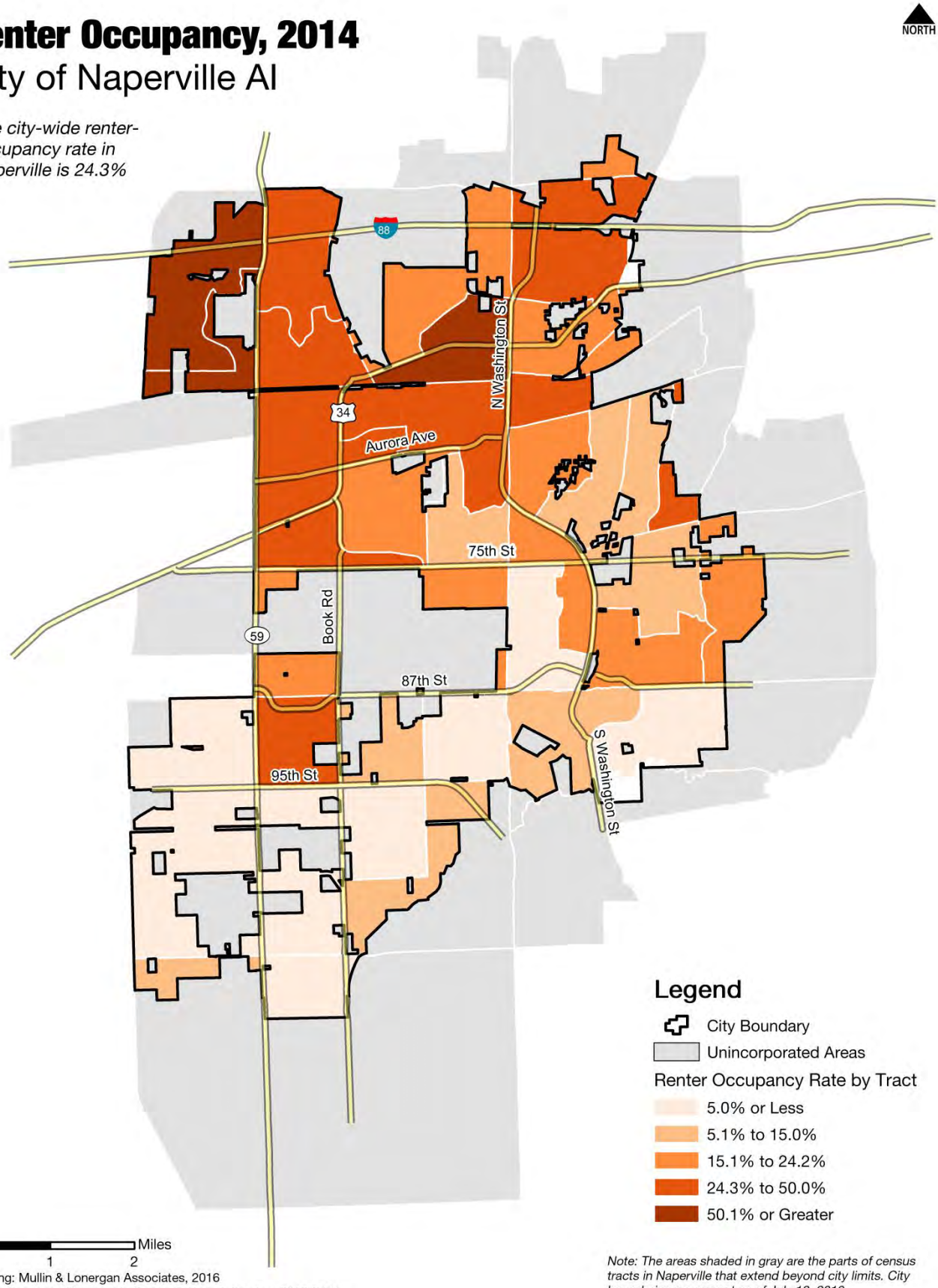
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Renter Occupancy, 2014

City of Naperville AI

The city-wide renter-occupancy rate in Naperville is 24.3%



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Figure 8, Housing Tenure, 2000- 2014

	2000		2014		Change
	Number	*Percent*	*Number*	*Percent*	
Total Occupied Units	43,715	-	49,741	-	13.8%
Owner-Occupied	34,952	80.0%	37,671	75.7%	7.8%
Single-Family	33,121	94.8%	35,311	93.7%	6.6%
Multi-Family	1,815	5.2%	2,334	6.2%	28.6%
Renter-Occupied	8,763	20.0%	12,070	24.3%	37.7%
Single-Family	1,145	13.1%	3,308	27.4%	188.9%
Multi-Family	7,618	86.9%	8,762	72.6%	15.0%

Source: Decennial Census 2000; ACS 2014

Black and Hispanic residents are much less likely to own their homes.

There are large differences in homeownership rates between racial and ethnic groups. Specifically, White and Asian households are much more likely to own their homes than individuals of other races. In Naperville, 79.1% of White residents and 77.2 % of Asians are homeowners, compared to 32.1% of Black residents and 42.4% of Hispanics.

Figure 9, Housing Tenure and Race, 2014

	Owner		Renter	
	Number	*Percent*	*Number*	*Percent*
White	30,778	79.1%	8,152	20.9%
Black	764	32.1%	1,614	67.9%
Asian	5,489	77.2%	1,624	22.8%
Hispanic	988	42.4%	1,344	57.6%

Source: American Community Survey, 2014

Rental units are heavily concentrated in the northeast and northwest corners of the City and near the intersection of U.S. 34/Ogden Avenue and North Washington Street, areas with larger Black and Hispanic populations. Although rental units represent less than a quarter of the City's housing stock, over half of the units in these geographic areas are renter-occupied. These areas are also home to the highest concentrations of multi-family rental units. There are few multi-family rental units in the southern portion of the City where single family development is predominant.

HOUSING COST

Renters are more likely to be cost-burdened than homeowners.

High housing costs are not a direct form of housing discrimination, but a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of communities or neighborhoods because of a lack of affordable housing in other areas. When the cost of quality housing units is high, low-income and marginalized segments of the population are disproportionately more likely to become cost-burdened.

Cost burden is defined by HUD as paying more than 30% of one's income towards housing. Cost-burdened families may have difficulty paying for other necessities, such as food, clothing, transportation, and medical care. This occurs throughout the country for renters and homeowners alike, but is more problematic in areas where housing costs are high.

Between 2000 and 2014, the inflation-adjusted median housing value in Naperville increased by 4.6%, while the median gross rent (includes estimated utility costs) decreased by 3.7%.[2]

[2] Decreases in housing costs are unusual, especially in strong housing markets like Naperville. The slight decrease in the inflation-adjusted median gross rent is most likely a reflection of Naperville's small supply of rental units and the 37.7% increase in units between 2000 and 2014. Any new affordable or

During the same period, the inflation-adjusted median household income decreased by 13.2%. This means that the growth in household incomes has not kept up with housing costs, especially for owner-occupied units. As households must spend more on housing with less real income, housing costs have become relatively more expensive between 2000 and 2014. The difference in housing values compared to rents means that owning a home will likely be significantly more expensive, despite the social and economic benefits homeownership brings to communities.

In Naperville, rental housing was more affordable than owner-occupied housing on a per-month basis. The median gross rent in Naperville was $1,290 compared to median monthly owner costs of $2,143. However, a larger proportion of renter-occupied households (36.9%) are cost burdened compared to owner-occupied households (25.5%). A total of 9,635 homeowners and 4,310 renters in Naperville were cost-burdened in 2013.[3]

Homeowners tend to have higher household incomes than renters: the median renter income in Naperville was $59,255 compared to $127,468 for owners. The maximum monthly gross rent a household would be able to afford at the median renter income was $1,481, which was slightly above the City's actual median gross rent of $1,290. This indicates that the median renter income is enough to afford the median gross rent in Naperville. However, the 5,248 renter households in Naperville earning less than $50,000 (59.9% of all renter households) are priced out of units renting for the $1,290 median rent.

Cost burdened renters are clustered in the neighborhoods north of Downtown, especially near the intersection of U.S. 34/Ogden Avenue and North Washington Street. While median gross rents are lower in these areas, incomes are lower and there are higher rates of renter occupancy.

Most of the units in Naperville that rented for $1,000 or less—the rent category stakeholders used to define as "affordable" —are located in the neighborhoods near Downtown and in the northwest section of the City. As detailed later in this report, while the units near Downtown have good access to opportunities such as jobs and health services, the units in the northwest are located in racially concentrated areas of poverty, and tend to have lower access to opportunities. Additionally, although these areas are some of the most affordable areas in the City, they have higher rates of renter cost burden. This is likely due to the low median household incomes in these tracts.

Cost burden for owners is more dispersed throughout the City, but there are higher concentrations in the neighborhoods south of 87th Street where housing values tend to be higher than the median home value of $377,900. In addition to these areas, the neighborhoods east of Downtown and near the Cress Creek Country Club had some of the highest home values in the City.

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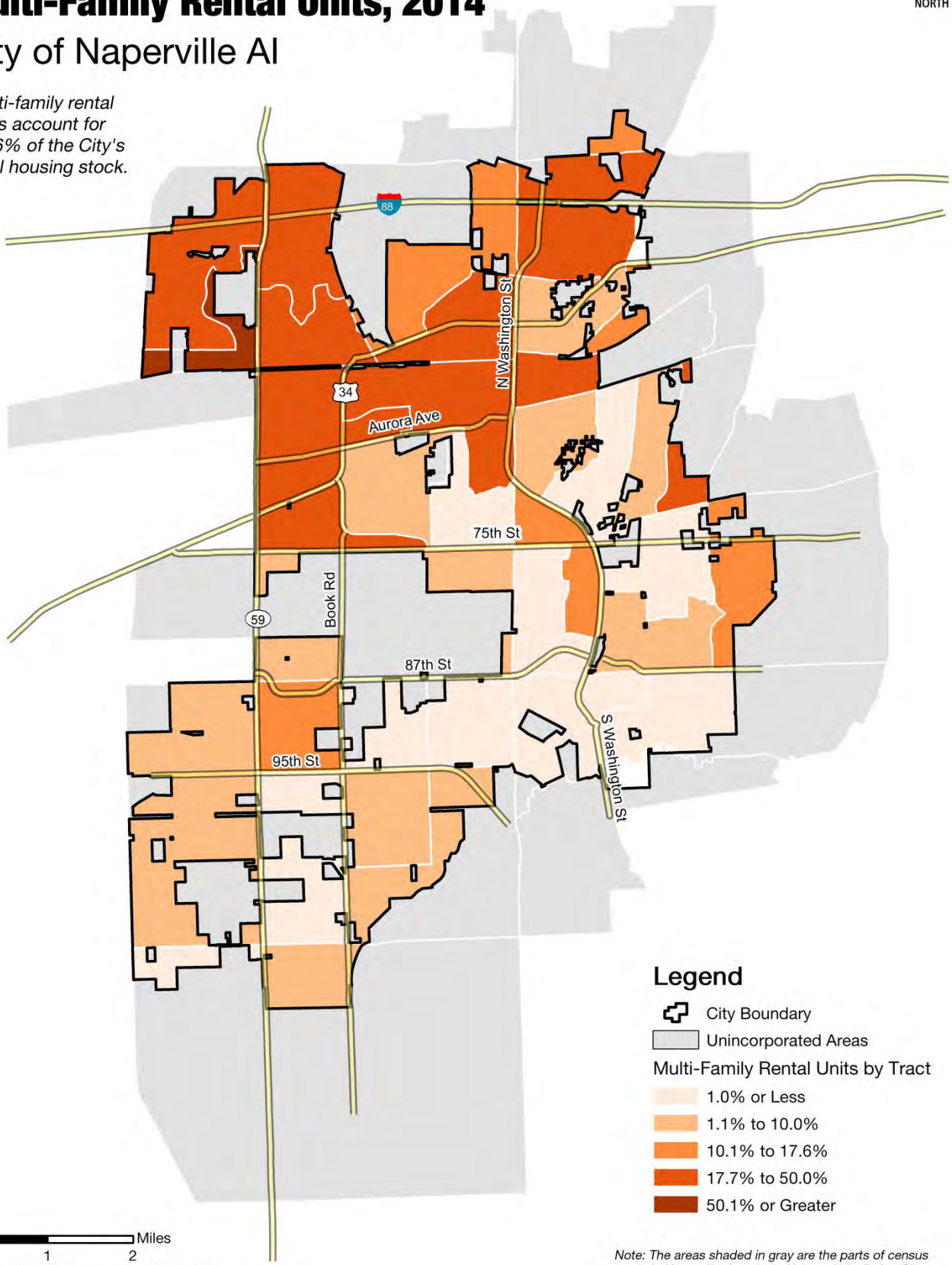
moderately-priced units coming online would have had a large effect on the median rent figure.

[3] Cost-burden figures are drawn from the latest update of HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset (2013).

Multi-Family Rental Units, 2014

City of Naperville AI

Multi-family rental units account for 17.6% of the City's total housing stock.

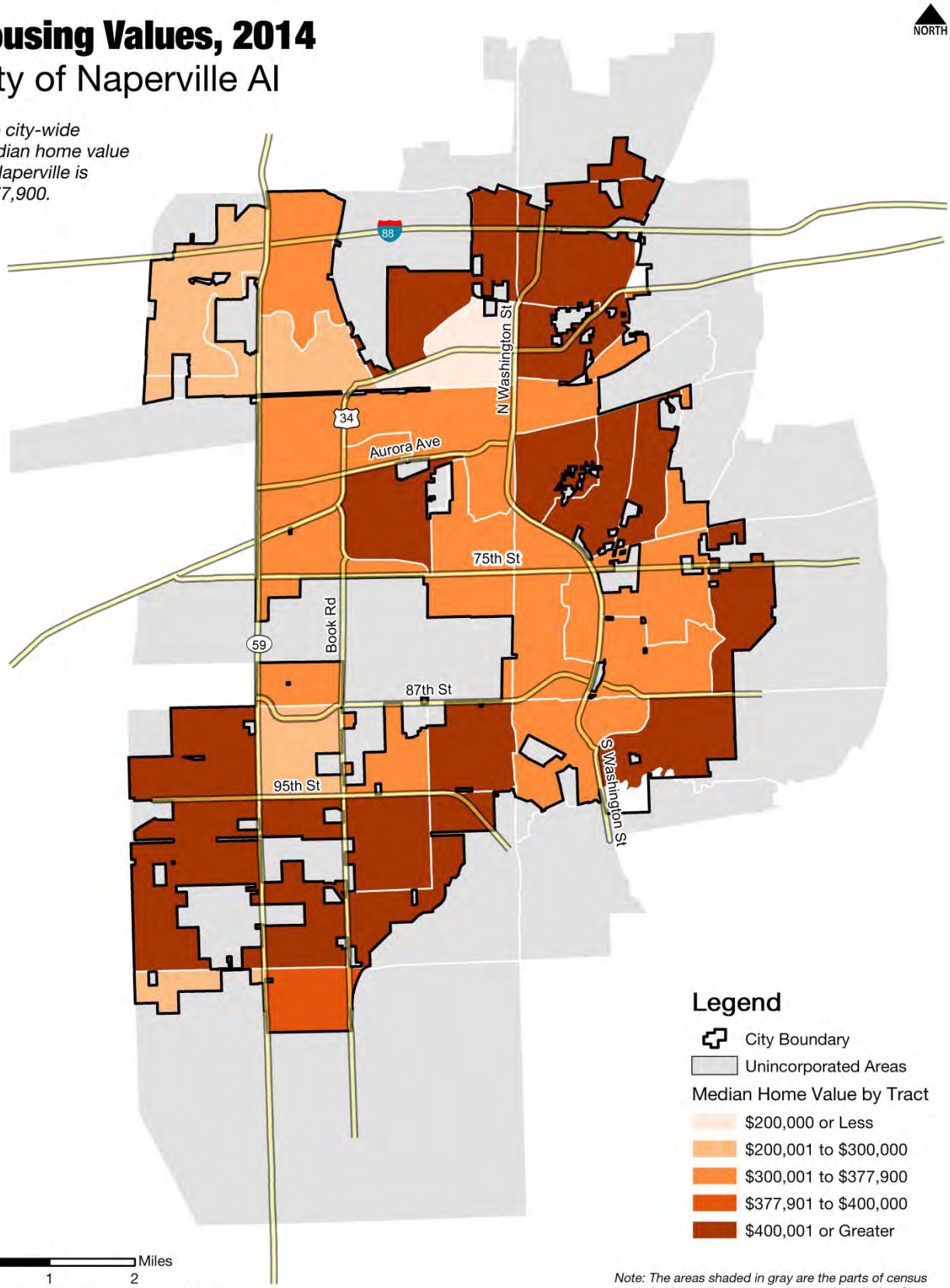


Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Housing Values, 2014
City of Naperville AI

The city-wide median home value in Naperville is $377,900.



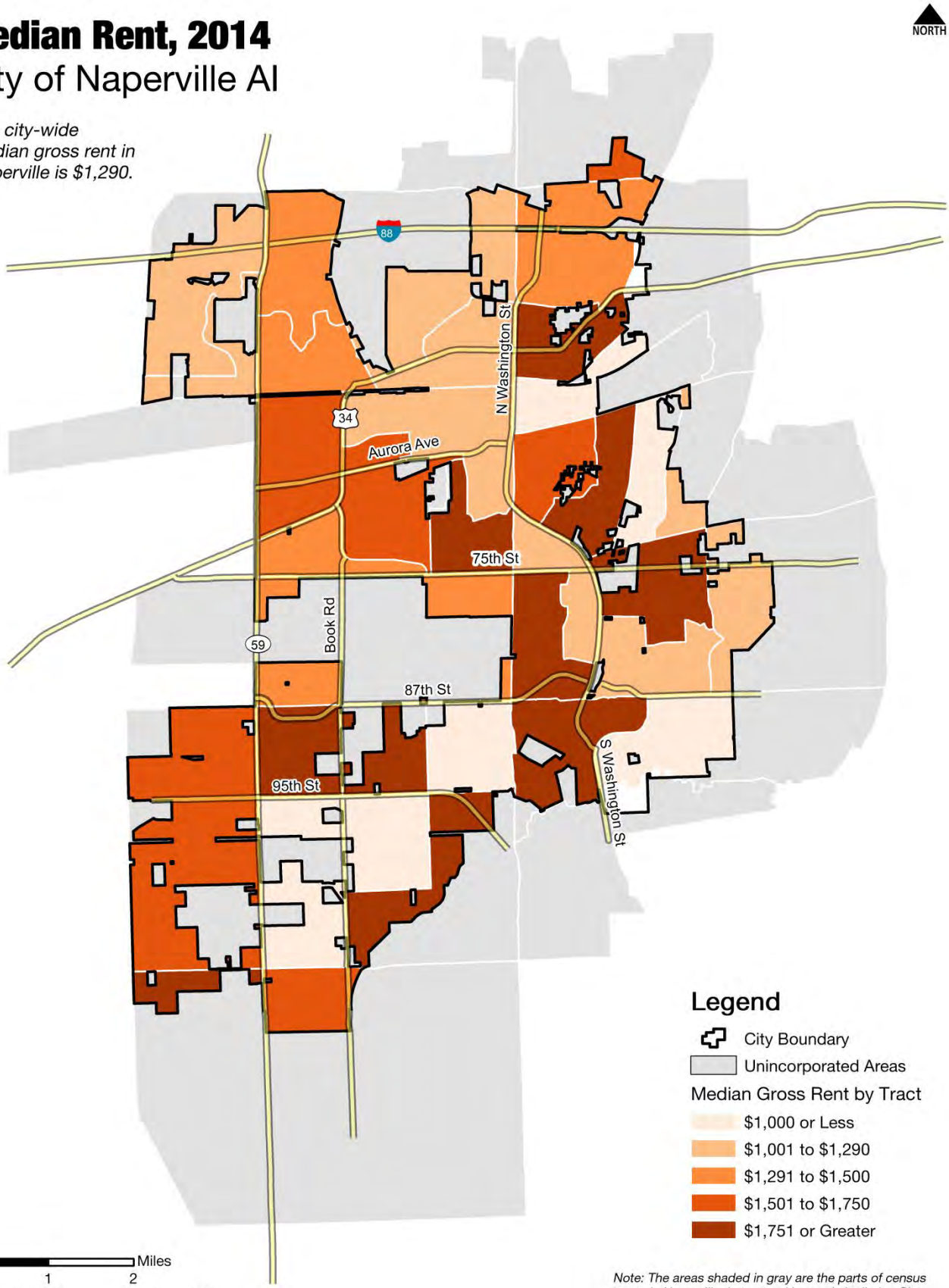
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Median Rent, 2014

City of Naperville AI

The city-wide median gross rent in Naperville is $1,290.



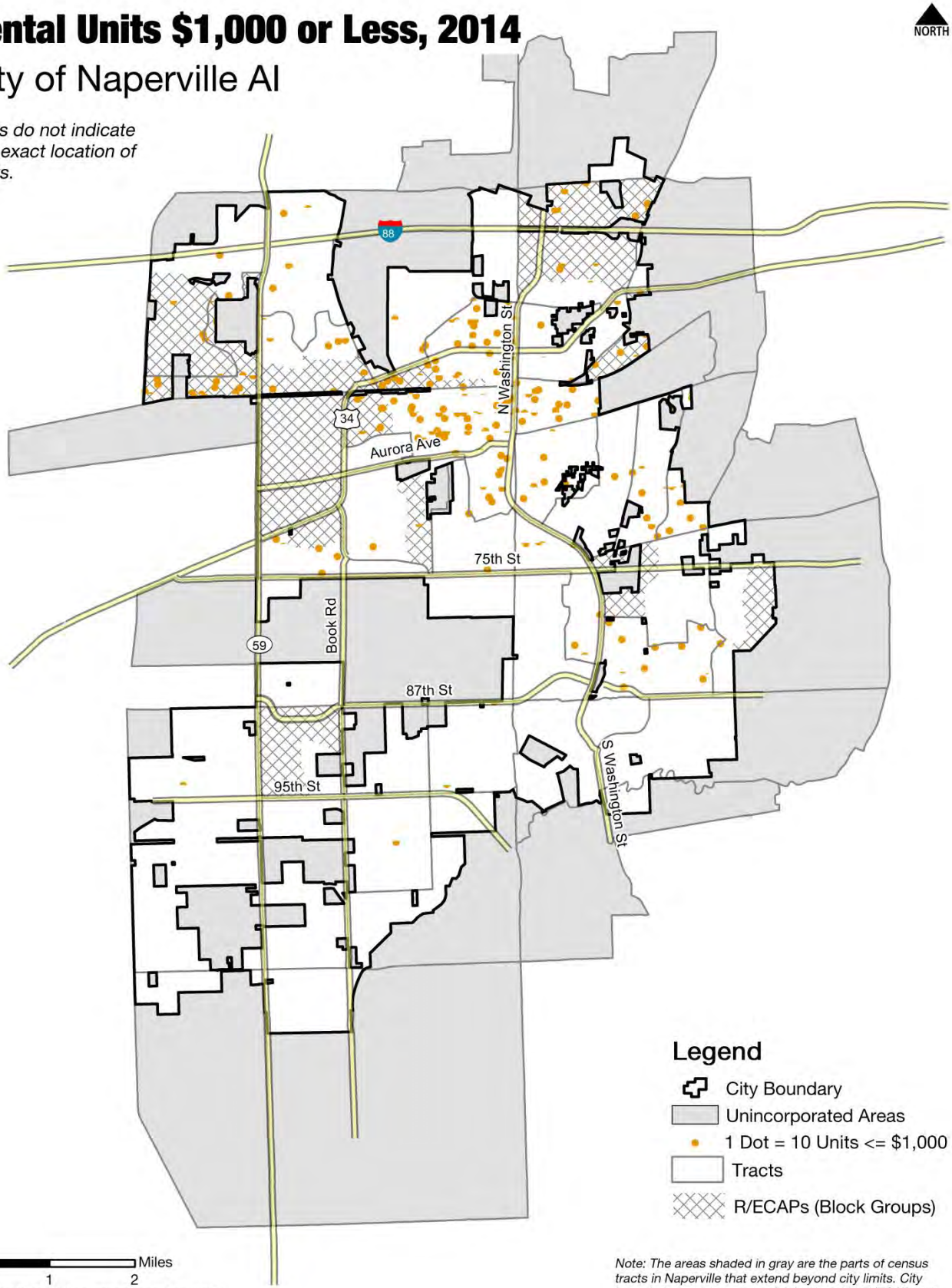
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Rental Units $1,000 or Less, 2014

City of Naperville AI

Dots do not indicate the exact location of units.



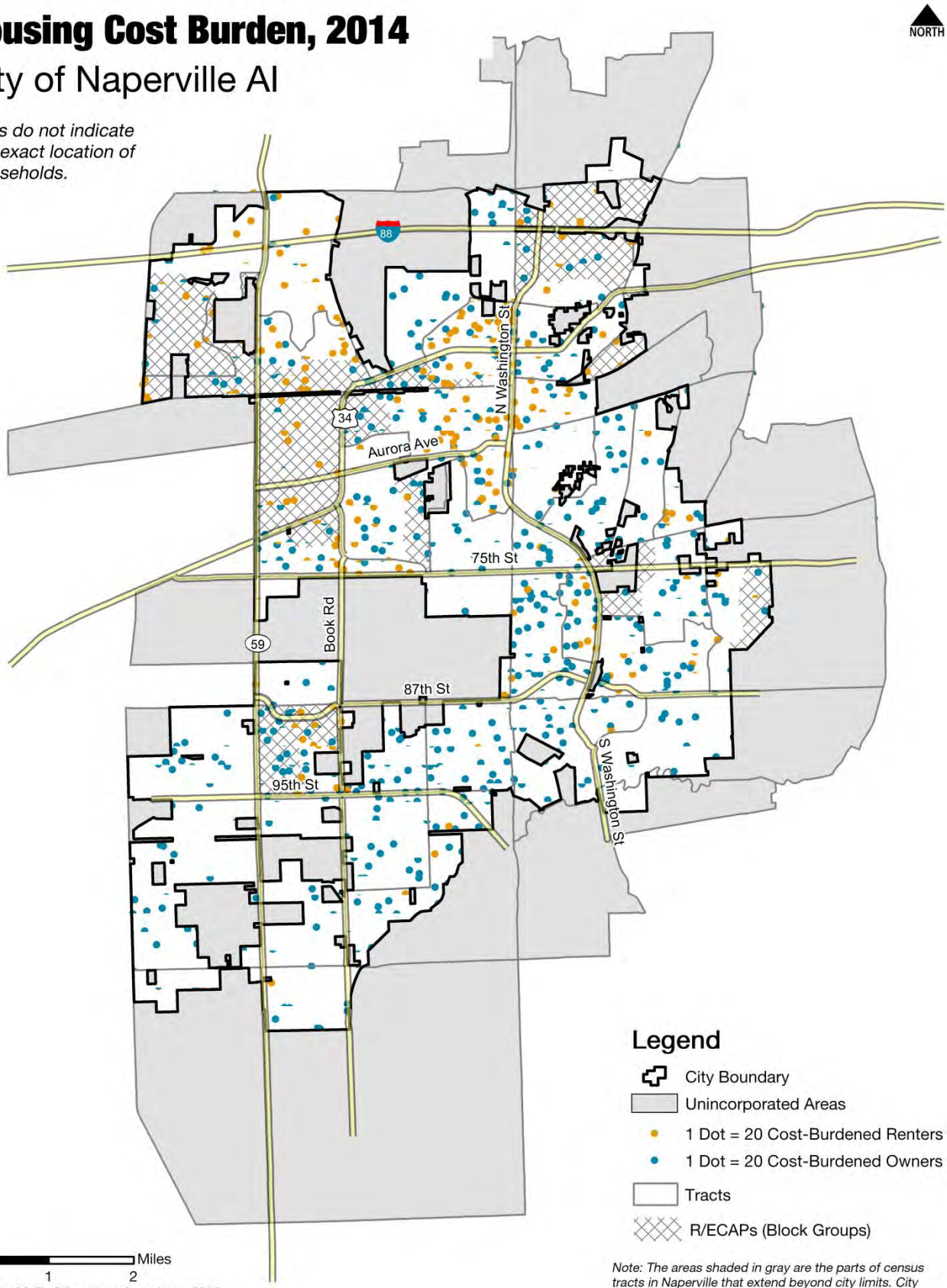
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016. R/ECAPs are defined in the "General Issues" section.

Housing Cost Burden, 2014

City of Naperville AI

Dots do not indicate the exact location of households.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016. R/ECAPs are defined in the "General Issues" section.

HOUSING UNIT SIZE

Current rental housing supply cannot meet the needs of large families.

Larger households can face impediments to fair housing choice, whether or not children are present. If a community has policies or programs in place that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, the restriction on the size of the unit will have an unbalanced negative impact on members of the protected classes.

Renter-occupied housing stock tends to have fewer bedrooms. To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Naperville, there are limited options for rental units large enough to accommodate large families. Of the 12,070 rental units available in Naperville in 2014, only 21.6% had three or more bedrooms, compared to 85.9% of the owner housing stock. As detailed in the Familial Status section of the report, members of the protected classes are more likely to live in large households and require larger housing units in order to avoid overcrowding.

Figure 10, Housing Tenure and Unit Size, 2014

	Households	3+ Bedrooms	
		Number	*Percent*
Renter	12,070	2,605	21.6%
Owner	37,671	32,367	85.9%

Source: American Community Survey, 2014

Large families that require large units face tougher competition and may not be able to choose units strictly based on size but merely on availability and/or affordability. This can result in cost burden, overcrowding, or other housing issues for large families. This may also negatively impact smaller households who want to become homeowners in Naperville, as they may find fewer appropriately-sized, affordable options available. Providing affordable housing for all Naperville households can be accomplished by supplying small, medium, and large units strategically and according to market demand in order to reduce stresses on the market.

HOUSING AGE

Naperville's housing stock is generally newer than the nation's, and is much newer than the state's

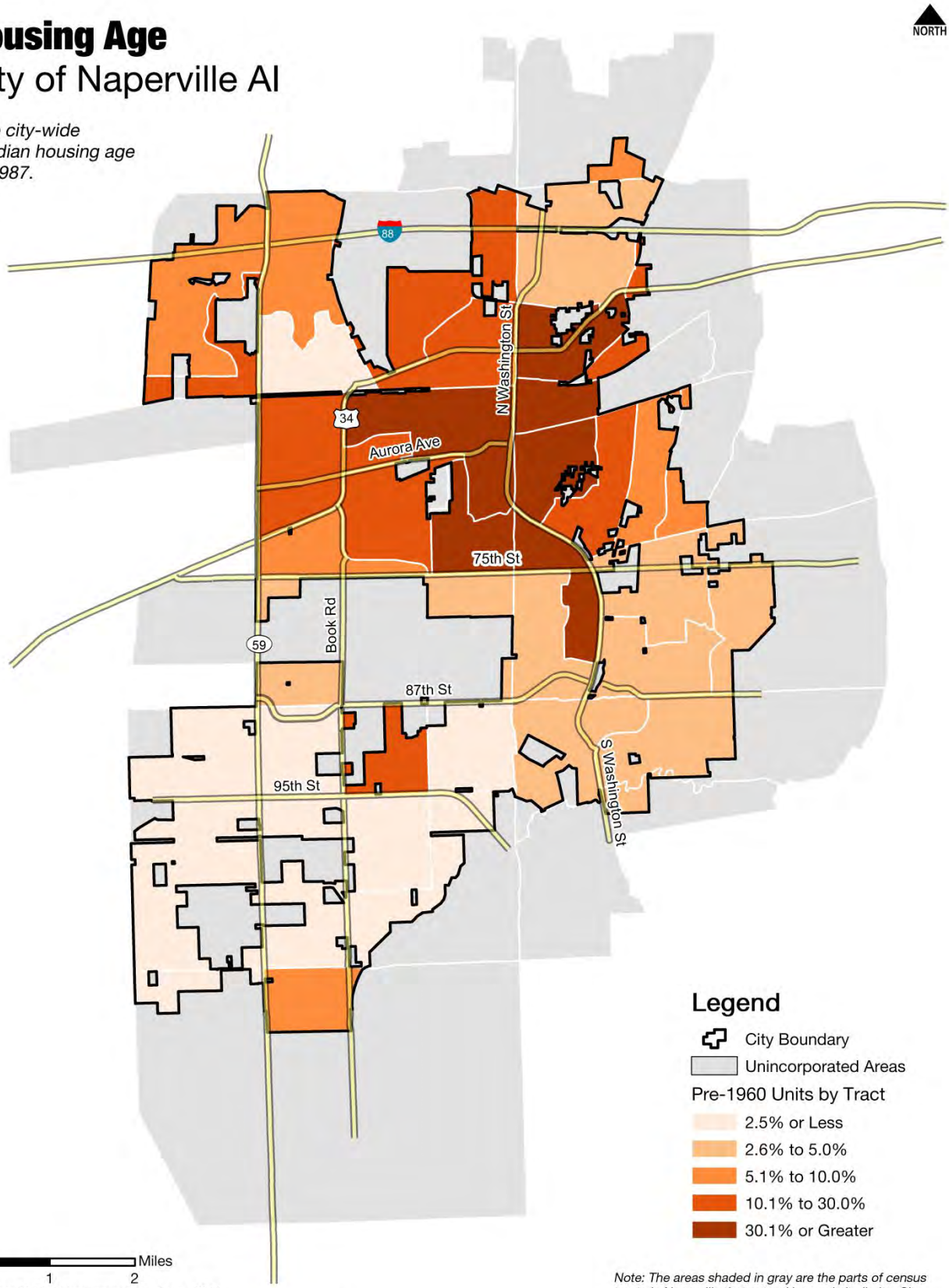
Older housing typically requires more and more complex continual maintenance. In the absence of routine maintenance, older housing can quickly become substandard. A common age threshold used to signal a potential deficiency is around 50 years or more.

Overall, Naperville's housing stock is younger than the nation's, with a median year of construction of 1987 compared to 1975 for the United States and 1967 statewide. The City's housing stock is, on average, newer than DuPage County's (median year built: 1977) but slightly older than Will County's (median year built: 1990).

While the median age of housing is relatively young, the area of the City south and northeast of Downtown has large inventories of pre-1960 housing stock. Some of these structures may have historical or architectural significance, but may also be more likely to be in substandard condition or contain lead paint and have unique rehabilitation needs.

Housing Age
City of Naperville AI

The city-wide median housing age is 1987.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

General Issues

INTRODUCTION

This section of the AI uses the data described in the demographic and housing summary as a basis for a more thorough examination of fair housing issues in Naperville, including:

- Patterns of segregation and integration in the jurisdiction and region
- Racially or ethnically concentrated areas of poverty (R/ECAPs)
- Disparities in access to opportunity
- Disproportionate housing needs

In addition to data from the U.S. Census Bureau, this section also uses data from HUD's Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T). HUD pulls data from several other national sources on factors such as school proficiency, environmental quality, transit access, public housing inventory, and the characteristics of public housing residents to generate the information available in the AFFH-T. Most data from the AFFH-T is based on the 2010 decennial census rather than the ACS. Data documentation from the AFFH-T is attached in the appendix.

KEY CONCLUSIONS

The following items are key conclusions drawn from the General Issues section:

- The level of segregation in Naperville has increased since 1990.
- The northwestern corner of the City has a significant concentration of R/ECAPs.
- Minorities experience housing problems at disproportionately higher rates, the majority of which relate to cost burden.
- Minorities are more likely to be renters, paying more than 30% of their income on housing costs and living in the northern neighborhoods of Naperville, where most rental housing is located.

SEGREGATION / INTEGRATION

Background

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Latent factors, such as attitudes, or overt factors, such as real estate practices, can limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

Segregation can be measured using a statistical tool called the dissimilarity index.[4] This index measures the degree of separation between racial or ethnic groups living in a community. An extreme example of segregation would be an exactly equivalent split between predominantly high-income, White, suburban communities and low-income, minority, inner-city neighborhoods. For this analysis, racial statistics for each census tract in the City were compared to citywide numbers. Since White residents are the majority in Naperville, all other racial and ethnic groups were compared to the White population as a baseline.

The index of dissimilarity allows for comparisons between subpopulations (i.e. different races/ethnicities), indicating how much one group is spatially separated from another within a community. In other words, it measures the evenness with which two groups are distributed across the neighborhoods that make up a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation. According to HUD, a score under 40 is considered low, between 40 and 54 is moderate, and above 60 is high.

Figure 11, Racial/Ethnic Dissimilarity Trends

	1990	2000	2010
Non-White/White	14.04	15.92	28.82
Black/White	19.96	27.79	44.49
Hispanic/White	13.30	20.23	28.56
Asian or Pacific Islander/White	17.26	18.06	30.15

Source: U.S. Decennial Census, 1990, 2000, 2010; HUD AFFH-T

The level of segregation in Naperville has increased since 1990.

Different racial and ethnic groups in Naperville experience varying levels of segregation. While Asian, Hispanic, and White residents have low levels of segregation, Black residents experience moderate segregation from other racial and ethnic groups.

Segregation has increased for all groups since 1990, with the greatest increases occurring between 2000 and 2010. This may be a result of the increase in the non-White population – as more minorities move to Naperville, they may be choosing neighborhoods

[4] For a given geographic area, the index is equal to [Σ(a/A) * (a/t)], where a is the group population of a sub-region, t is the population of all groups in the sub-region, and A is the total group population in the larger region.

where other members of their racial and/or ethnic groups live.

RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY (R/ECAPs)

Background

Although ethnicity and race as described by the US Census are not the same, this study uses rates of both non-White and Hispanic populations, henceforth referred to collectively as minorities, to map a single combined group of racial and ethnic concentrations of poverty, or R/ECAPs.

R/ECAPs

Racially and ethnically concentrated areas of poverty (R/ECAPs) in Naperville are defined as block groups with a minority population greater than 30.4% and a poverty rate greater than 4.3%.

The standard HUD definitions of R/ECAPs are areas where the total minority population is 50% or more and the poverty rate is 40% or three or more times the poverty rate for the metropolitan/micropolitan area (about 27% for the Chicago-Naperville-Elgin MSA), whichever threshold is lower. According to these definitions, Naperville has no R/ECAPs, due to the City's low poverty rate (4.3%) and the presence of a large number of wealthy Asian households, who represent over half of the City's minority population.

Although Naperville does not have any R/ECAPs according to HUD's definition, the City has adjusted the thresholds to enable the analysis of racial and ethnic concentrations within its jurisdiction.

This AI uses the city-wide poverty rate as the minimum poverty threshold and the city-wide minority rate as the minimum minority threshold to determine R/ECAPs. Additionally, while HUD's standard definition is based on the census tract geography, this study uses block groups to more accurately pinpoint where racial and ethnic concentrated areas of poverty are located. This means that an R/ECAP was defined as a block group with a minority population greater than 30.4% and a poverty rate greater than 4.3%.

The northwestern corner of the City has a significant concentration of R/ECAPs.

In general, the northwest part of the City has higher concentrations of minorities living in poverty. There are also high concentrations near the intersection of Route 59 and 87th Street. The highest concentrations of poverty are located in the neighborhoods west of the intersection of U.S. 34/Ogden Avenue and North Washington Street. As the following maps show, the areas with the highest minority rates do not always align with the areas with the highest poverty concentrations. This is likely because of the high median household income of Asian residents, who comprise the majority of Naperville's minority population.

Concentrations of racial and ethnic minorities and poverty combine to form R/ECAPs. There are sixteen block groups that meet the R/ECAP thresholds of being greater than 30.4%

minority as well as having a poverty rate higher than 4.3%. As shown in the map on the following page, these R/ECAPs are spread throughout Naperville, but the northwestern corner has a large number of RCAPs compared to the rest of the City. This area has a larger supply of multi-family buildings than the rest of the City, and a higher concentration of Black and Hispanic residents who have much lower median household incomes, higher poverty rates and higher rates of cost burden than other racial and ethnic groups in Naperville.

Generally, the racial and ethnic composition of R/ECAPs is diverse, with no significant concentrations of a particular minority. Notable discrepancies from city-wide characteristics are:

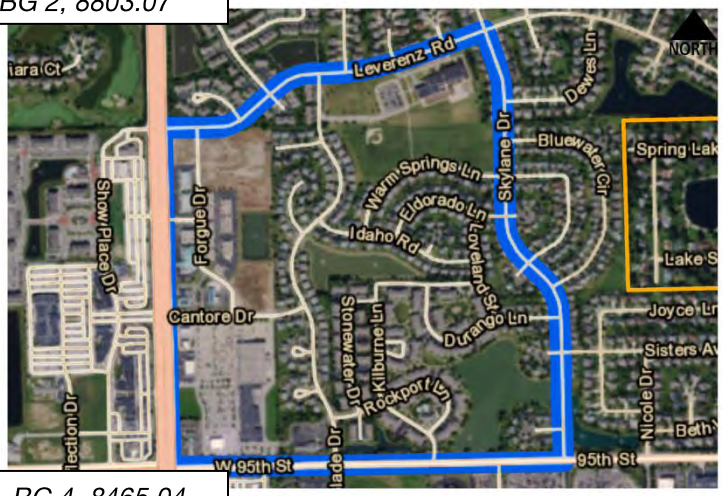
- BG 2, 8803.07 near the intersection of Route 59 and 95th Street, which has a 21.6% Black population, is much higher than the city-wide rate of 4.5%
- BG 4, CT 8465.04, near the intersection of U.S. 34/Ogden Avenue and the Metra line, which has a Hispanic population of 32.4% compared to the city-wide rate of 6.3%
- BG 2, CT 8463.04 on the eastern border, which has an Asian population of 45.3%, compared to the city-wide rate of 16.8%

Key

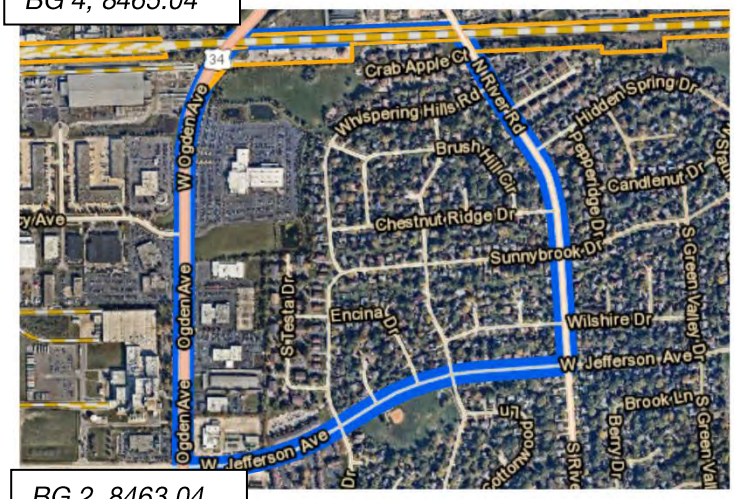
City Boundary

R/ECAPs (Block Groups)

BG 2, 8803.07



BG 4, 8465.04



BG 2, 8463.04

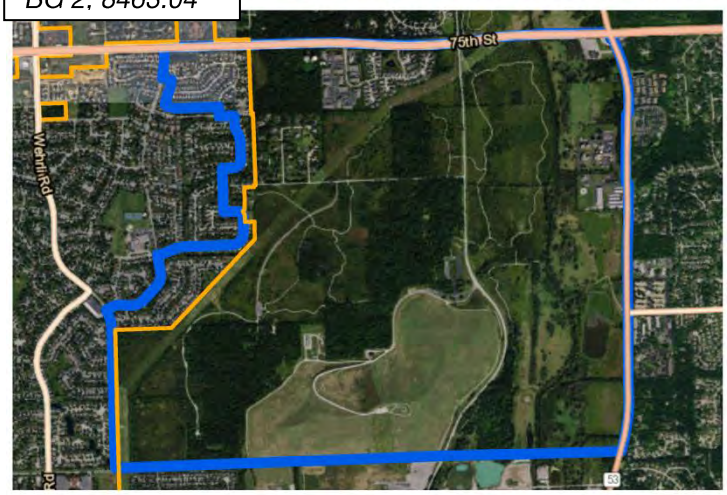


Figure 12, Racially/Ethnically Concentrated Areas of Poverty, 2014

Geography	Total Population	Poverty Rate	White		Black		Asian		Other		Hispanic		Hispanic - Wh.*		Percent Minority
			#	%	#	%	#	%	#	%	#	%	#	%	
BG 2, CT 8464.04, DuPage County	1,578	27.6%	1,017	64.4%	97	6.1%	191	12.1%	273	17.3%	242	15.3%	242	15.3%	50.9%
BG 2, CT 8803.07, Will County	1,853	22.9%	1,074	58.0%	401	21.6%	307	16.6%	71	3.8%	339	18.3%	288	15.5%	57.6%
BG 3, CT 8462.03, DuPage County	1,084	14.7%	784	72.3%	94	8.7%	164	15.1%	42	3.9%	50	4.6%	42	3.9%	31.5%
BG 4, CT 8465.04, DuPage County	2,034	14.1%	1,369	67.3%	283	13.9%	264	13.0%	118	5.8%	660	32.4%	660	32.4%	65.1%
BG 2, CT 8461.04, DuPage County	2,991	11.8%	1,837	61.4%	45	1.5%	794	26.5%	315	10.5%	620	20.7%	363	12.1%	50.7%
BG 1, CT 8461.06, DuPage County	2,498	11.8%	1,626	65.1%	54	2.2%	771	30.9%	47	1.9%	235	9.4%	235	9.4%	44.3%
BG 4, CT 8465.21, DuPage County	2,062	9.9%	1,335	64.7%	89	4.3%	451	21.9%	187	9.1%	217	10.5%	163	7.9%	43.2%
BG 2, CT8465.19, DuPage County	1,946	9.1%	879	45.2%	153	7.9%	765	39.3%	149	7.7%	130	6.7%	64	3.3%	58.1%
BG 2, CT 8463.04, DuPage County	1,790	8.9%	890	49.7%	58	3.2%	811	45.3%	31	1.7%	38	2.1%	17	0.9%	51.2%
BG 1, CT 8463.04, DuPage County	1,027	7.9%	614	59.8%	96	9.3%	272	26.5%	45	4.4%	-	0.0%	-	0.0%	40.2%
BG 1, CT 8465.22, DuPage County	1,980	6.9%	1,129	57.0%	148	7.5%	588	29.7%	115	5.8%	137	6.9%	137	6.9%	49.9%
BG 1, CT 8464.10, DuPage County	2,732	6.3%	1,527	55.9%	89	3.3%	920	33.7%	196	7.2%	783	28.7%	663	24.3%	68.4%
BG 1, CT 8464.11, DuPage County	2,671	5.9%	1,619	60.6%	312	11.7%	477	17.9%	263	9.8%	398	14.9%	348	13.0%	52.4%
BG 2, CT 8464.10, DuPage County	2,368	5.5%	1,384	58.4%	330	13.9%	276	11.7%	378	16.0%	194	8.2%	153	6.5%	48.0%
BG 3, CT 8803.07, Will County	2,394	5.0%	1,253	52.3%	375	15.7%	701	29.3%	65	2.7%	-	0.0%	-	0.0%	47.7%
BG 3, CT 8464.12, DuPage County	2,131	5.0%	1,475	69.2%	234	11.0%	398	18.7%	24	1.1%	153	7.2%	143	6.7%	37.5%

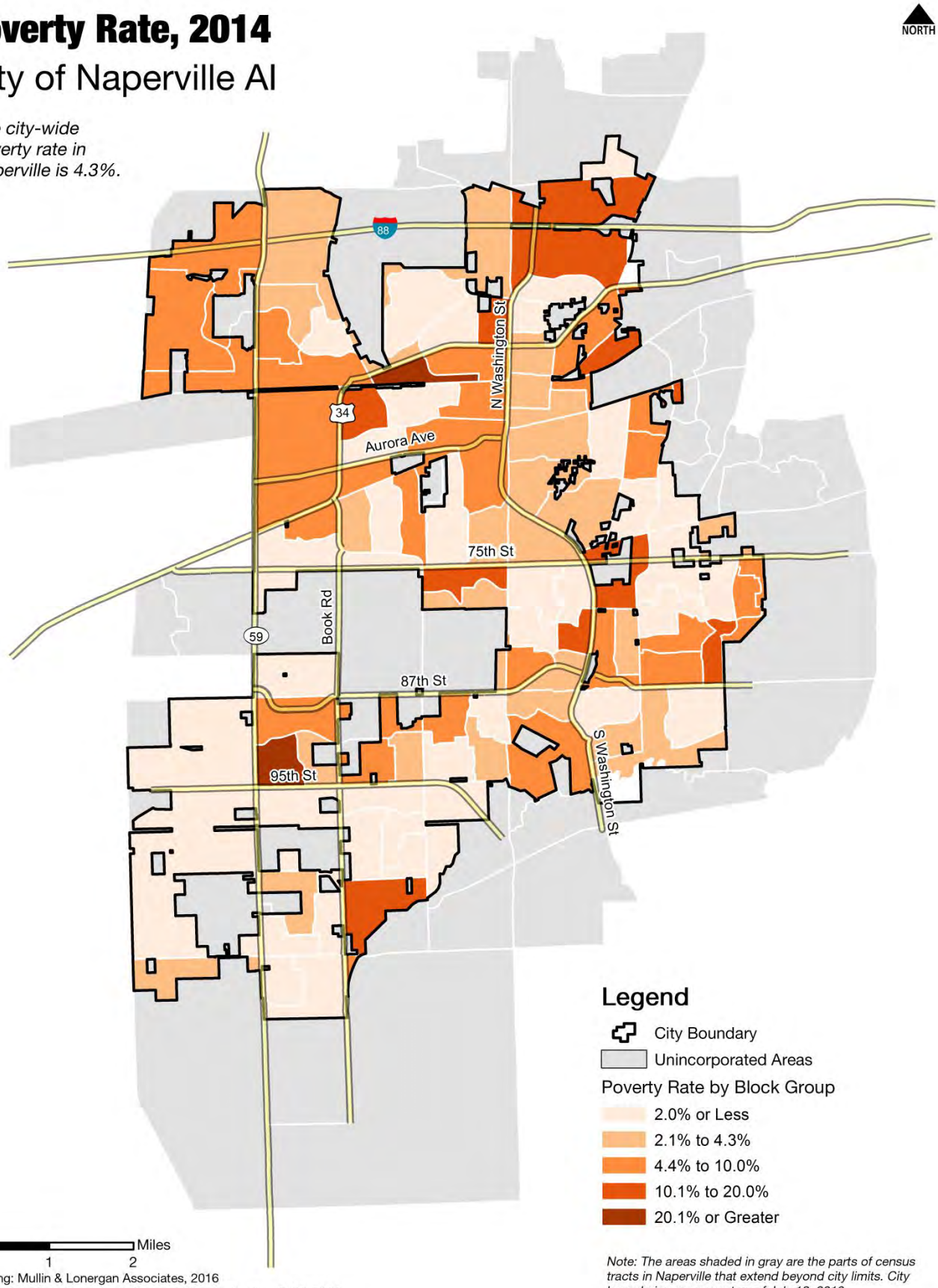
Source: American Community Survey 5-Year Estimates, 2014

** Refers to White residents of Hispanic/Latino ethnicity. This number is added to the number of Non-White individuals to determine the total minority population.*

Poverty Rate, 2014

City of Naperville AI

The city-wide poverty rate in Naperville is 4.3%.



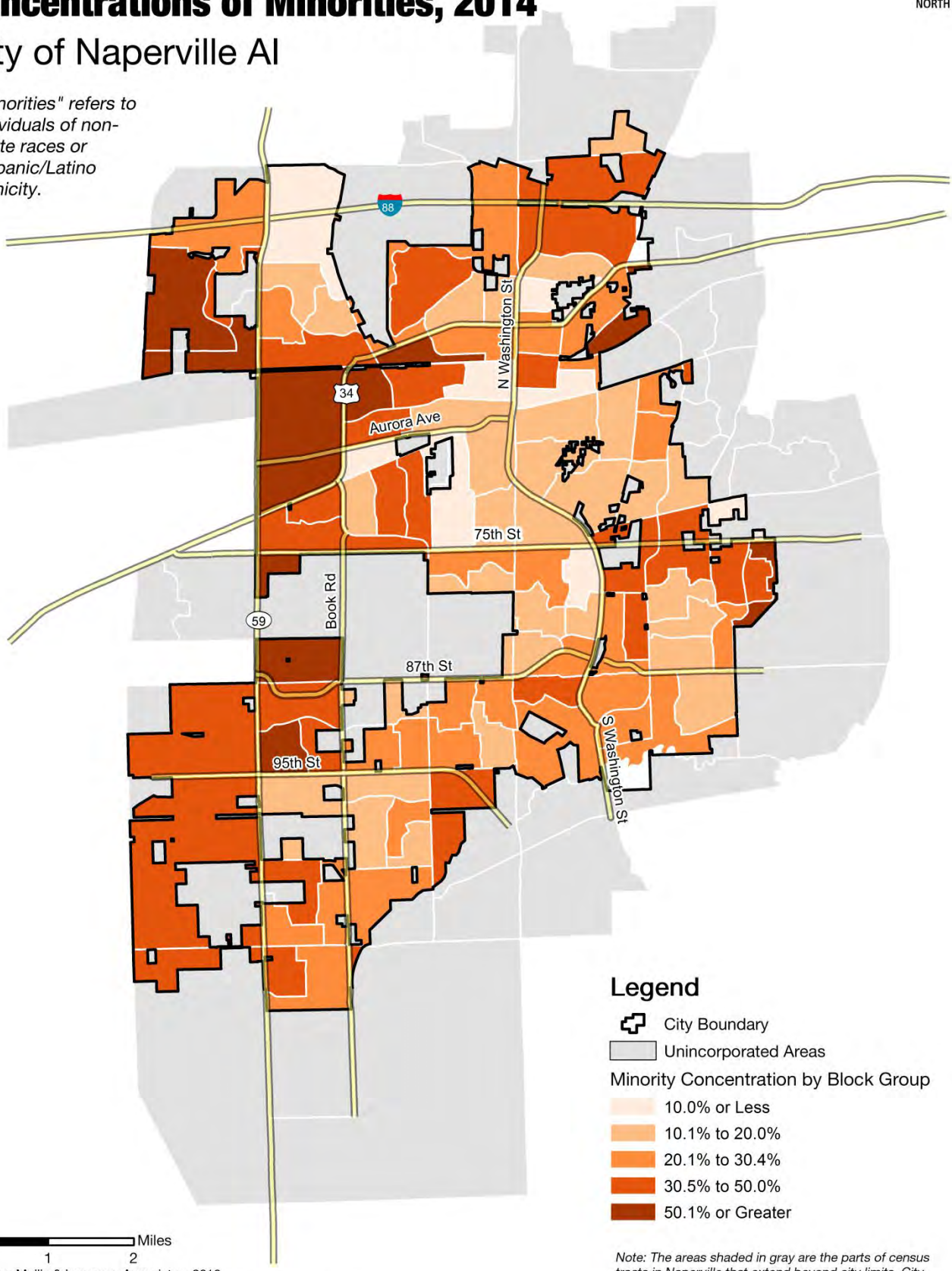
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Concentrations of Minorities, 2014

City of Naperville AI

"Minorities" refers to individuals of non-White races or Hispanic/Latino ethnicity.

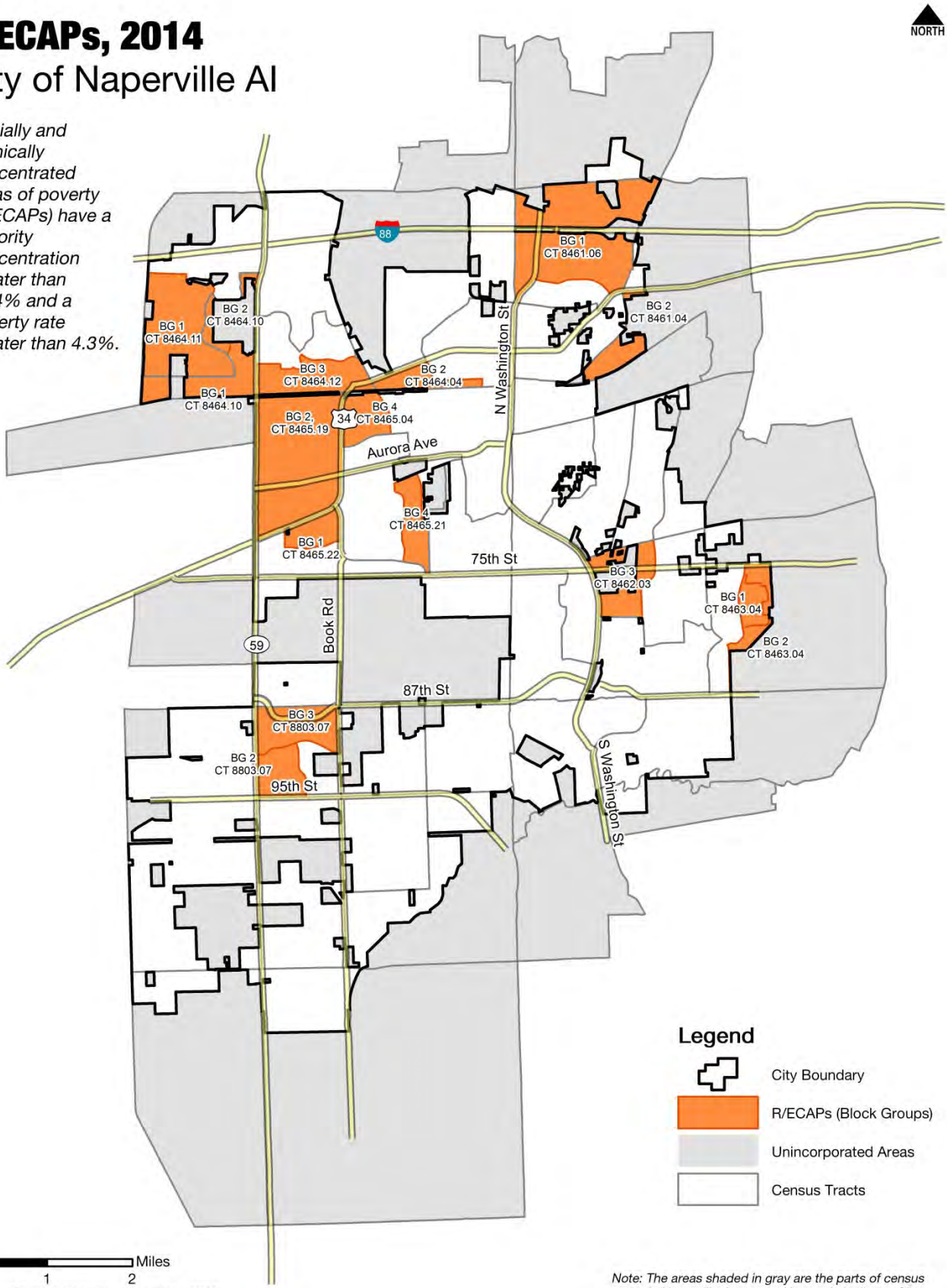


Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

R/ECAPs, 2014
City of Naperville AI

Racially and ethnically concentrated areas of poverty (R/ECAPs) have a minority concentration greater than 30.4% and a poverty rate greater than 4.3%.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

DISPARITIES IN ACCESS TO OPPORTUNITY

Background

A large body of social research has demonstrated the powerful negative effects of residential segregation on income and opportunity for minority families. Households living in lower-income areas of racial and ethnic concentration have fewer opportunities for education, wealth building, and employment.

The rationale for this analysis is to help communities determine where to invest affordable housing resources by pinpointing the areas of greatest existing need. However, current evidence suggests that adding more subsidized housing to places that already have a high concentration of social and economic issues (i.e. R/ECAPs) could be counter-productive, thereby increasing and perpetuating established segregation patterns.

This does not mean R/ECAPs should be ignored by communities, however. Residents in R/ECAPs still need services and high quality places to live, and stabilizing and improving conditions in the lowest-income neighborhoods should remain a priority for Naperville. Instead, investment should be balanced between existing R/ECAPs (with initiatives such as housing rehabilitation and preservation along with public infrastructure and facility improvements) and other neighborhoods that offer opportunities and advantages for families and other protected classes (with initiatives such as new affordable housing development).

To describe the variation in neighborhood opportunity across regions, HUD has adopted a "Communities of Opportunity"[5] model that assigns each neighborhood a score reflecting the degree to which its residents have access to amenities and services such as good schools, jobs, stable housing, transit, low crime, and minimal health hazards. HUD and the Institute draw upon an extensive research base demonstrating the importance of neighborhood conditions in predicting life outcomes. The ultimate goals of the exercise are to bring opportunities to amenity-deprived areas and to connect people to existing opportunities throughout a region.

Opportunity Mapping

HUD has adapted the Communities of Opportunity model to calculate opportunity index scores for each census tract based on separate dimensions. Each dimension analyzed for this AI includes a collection of variables describing conditions for each census tract in Naperville.

OPPORTUNITY INDICES

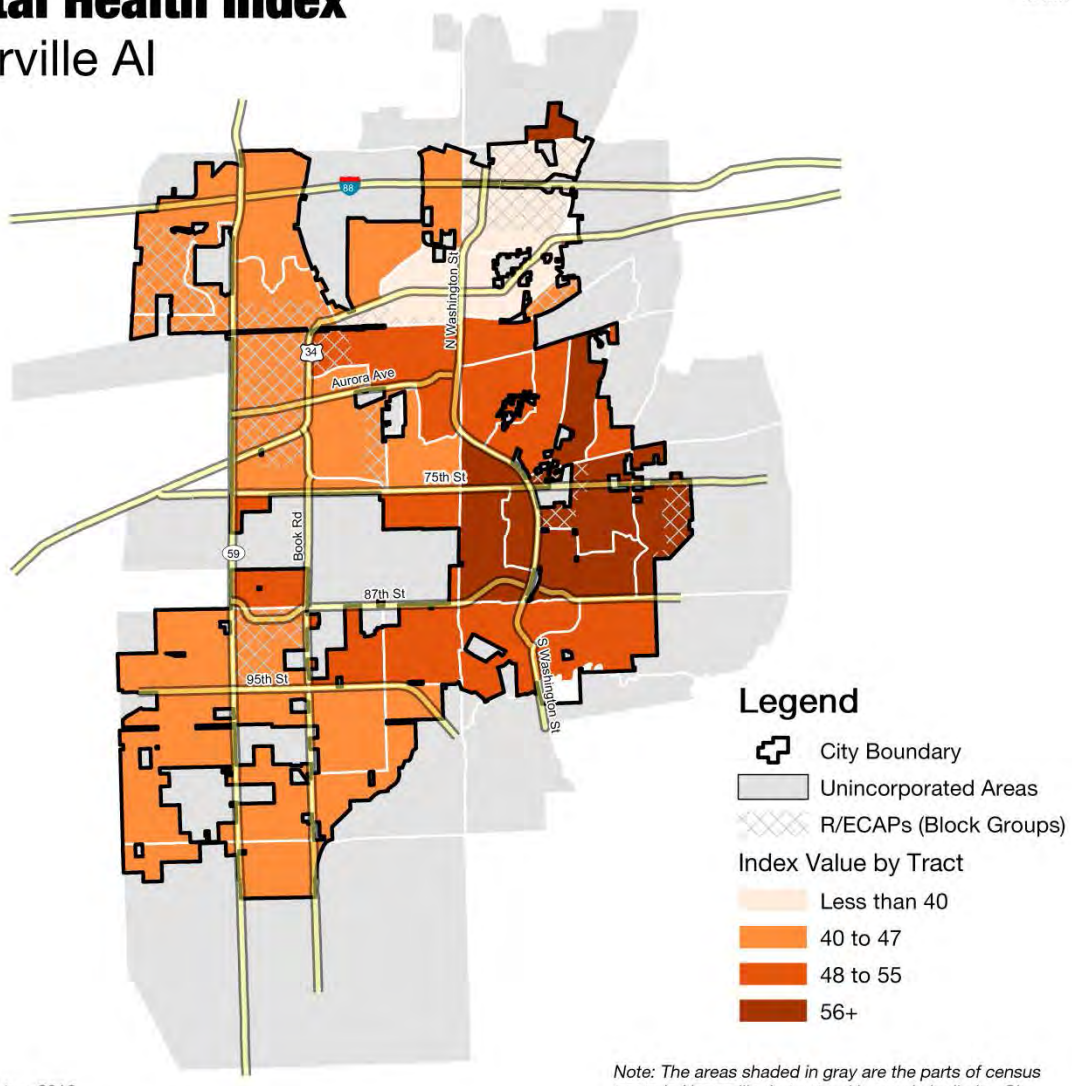
The opportunity indices discussed on the following pages are derived from HUD's AFFH Data and Mapping Tool, (AFFH-T) and are estimated over the national distribution. This allows for comparisons to the nation as well as within Naperville. Index values range from 0 to 100, with higher scores indicating greater access to opportunity.

[5] Kirwan Institute, "Communities of Opportunity: A Framework for a More Equitable and Sustainable Future for All," Ohio State University, 2007.

Environmental Health Index

City of Naperville AI

Naperville's average Environmental Health Index value is 48.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Environmental Health Index

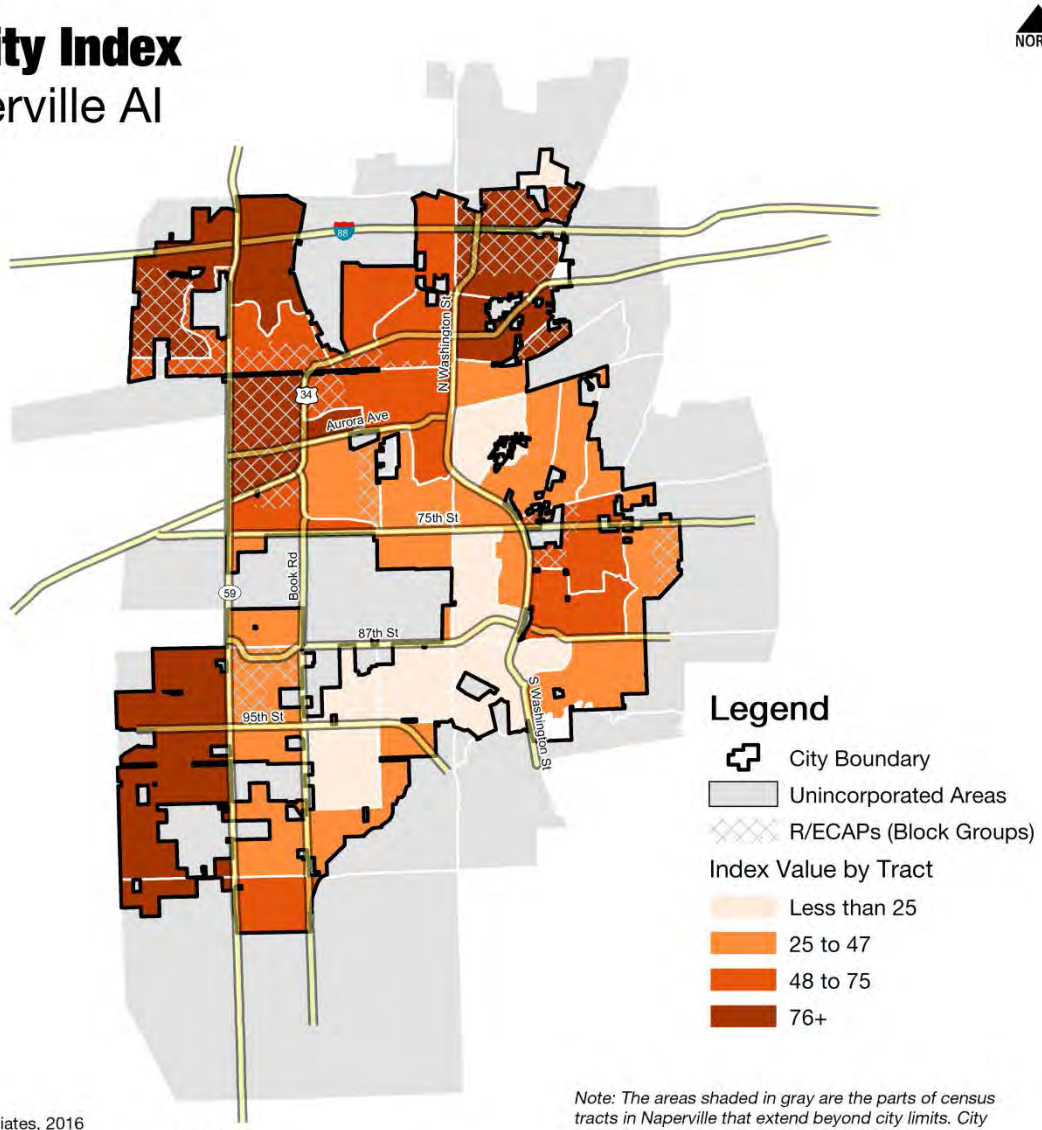
The Environmental Health Index measures the environmental safety of an area by measuring the potential exposure to toxins. Higher values indicate less exposure to toxins harmful to human health.

Overall, Naperville has low Environmental Health Index values, with an average of only 48, likely due to its proximity to a major city and busy transportation routes. Environmental Health Index values are lower in the western part of the City and in the City's northeast corner, which is home to a lot of traffic due to commercial strip development. The highest values are primarily in the neighborhoods between the Springbrook Forest Preserve and the Greene Valley Forest Preserve. As shown in *Figure 13, Comprehensive Opportunity Indicators*, this index is generally not correlated with race, ethnicity, or poverty.

Job Proximity Index

City of Naperville AI

Naperville's average Job Proximity Index value is 48.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Job Proximity Index

The Job Proximity Index measures the availability of jobs in each census tract. Higher values indicate more local jobs, which can result in better economic outcomes for nearby residents.

Most areas in Naperville have low Job Proximity Index values, which is unsurprising due to the City's residential character as a suburban bedroom community to Chicago. The highest index values are on the western edge of the City and near the U.S. 34/Ogden Avenue and North Washington Street intersection, where shopping centers and office parks are located. However, these jobs are predominantly retail, which pay lower wages. As shown in *Figure 13,* Black residents are more likely to live near these lower wage employment opportunities than White, Hispanic, or Asian residents.

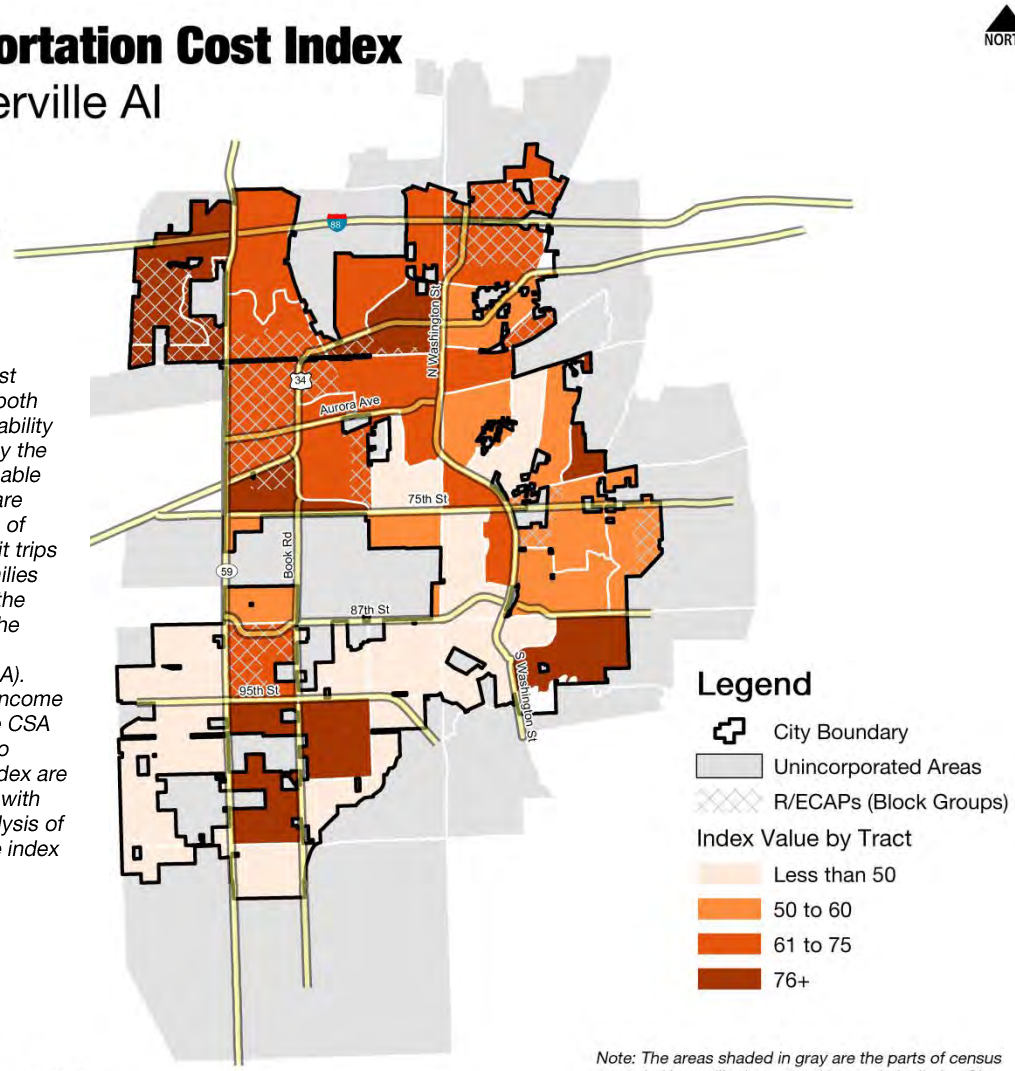
Although most of Naperville has low Job Proximity Index Values, the City is well-connected to the commuter rail line that goes to Chicago, where a greater number of employment opportunities are available. Access to transit is measured by the Low Transportation Cost and Transit Trips indices included on the following page.

Low Transportation Cost Index

City of Naperville AI

Naperville's average Low Transportation Cost Index value is 61.

HUD's Low Transportation Cost Index and Transit Trips Index both draw from the Location Affordability Index, which was developed by the federal Partnership for Sustainable Communities. These indices are based on 2012 ACS estimates of transportation costs and transit trips for 3-person single-parent families who have incomes at 50% of the median income for renters in the Chicago-Naperville IL-IN-WI Combined Statistical Area (CSA). Because Naperville's median income is much higher than that of the CSA ($108,252 in 2012 compared to $61,026), the values for this index are likely based on small samples with high margins of error. The analysis of these indices points out where index values may be inaccurate.



Miles
0 1 2

Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Low Transportation Cost Index

The Low Transportation Cost Index measures the cost of transportation to and from work. This is important to note from a fair housing perspective because transportation costs can become a significant burden for low-income workers, particularly if affordable housing has poor job accessibility. High values on this map indicate a low cost of transportation.

Generally, higher values on this index are in the northern part of the City. The neighborhoods south of 95th Street near Neuqua Valley High School have the highest Low Transportation Cost values in the City, at 99, but these values may be inaccurate due to small samples.

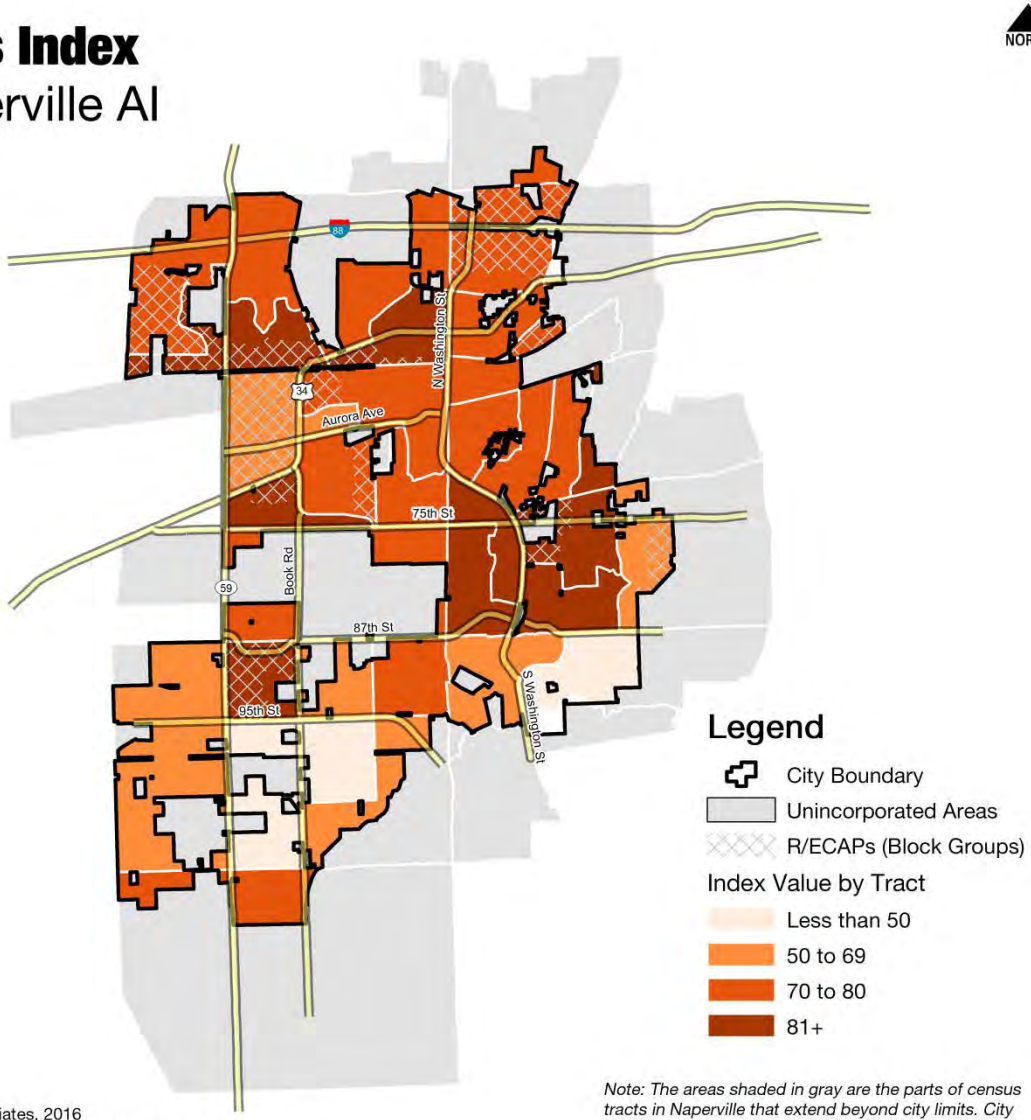
Neighborhoods with low index values typically have less walkability and poor access to public transportation and nearby employment opportunities.

As shown in *Figure 13, Comprehensive Opportunity Indicators,* there is not a strong correlation between Low Transportation Cost Index values and race or ethnicity. However, neighborhoods designated as R/ECAPs tend to be located in areas with lower transportation costs. This is important as many residents in R/ECAPs may have incomes too low to afford cars, making it important to preserve and expand transportation service and affordability in these locations.

Transit Trips Index

City of Naperville AI

Naperville's average Transit Trips Index value is 70.



Miles
0 1 2

Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Transit Trips Index

The Transit Trips Index measures the likelihood of residents in a neighborhood to utilize public transit. Higher index values reflect higher transit trips and indicate better access to public transit.

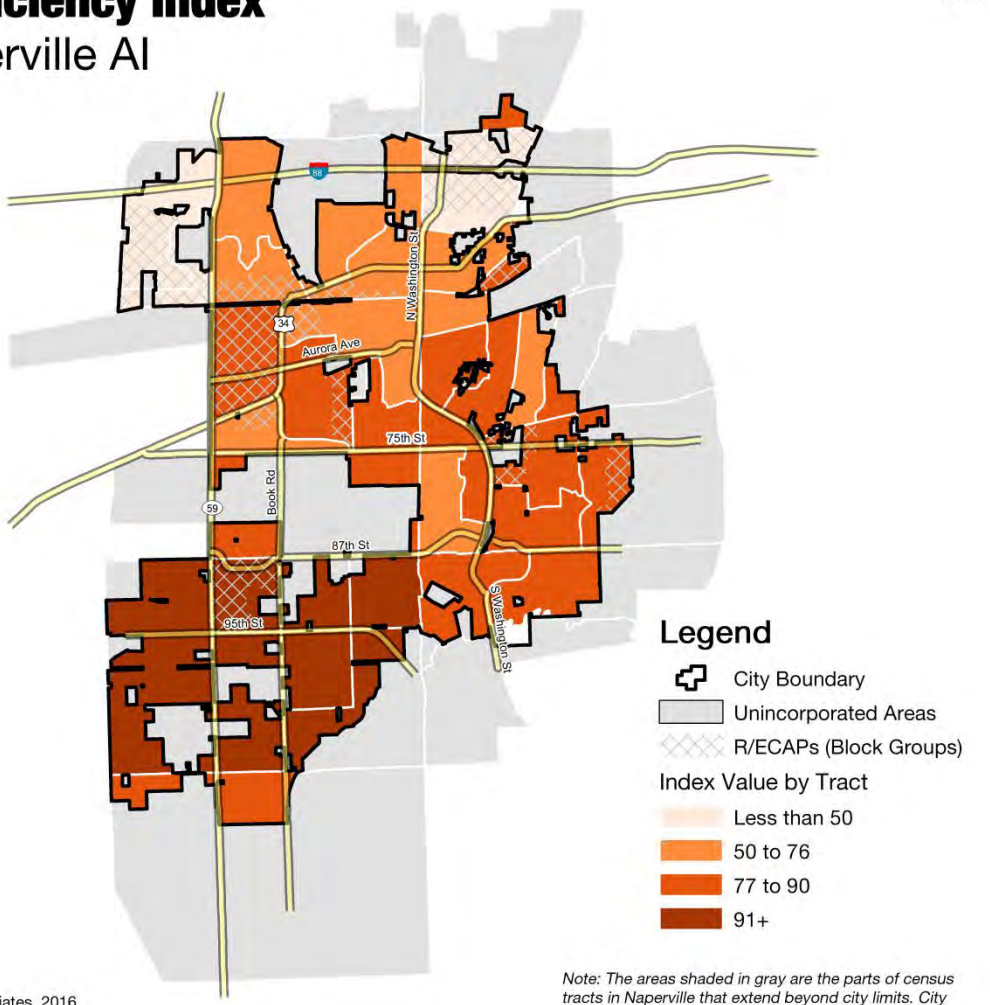
Unsurprisingly, neighborhoods located near Metra stations and bus routes have higher Transit Trips Index values. The neighborhoods with the lowest values were those that scored the highest on the Low Transportation Cost Index, but this is most likely an inaccurate figure due to the small sample size. Generally, neighborhoods south of 87th Street tended to have lower Transit Trips Index values.

Aligning with the Low Transportation Cost Index trends, there is not a strong correlation between Transit Trips Index values and race or ethnicity. However, as shown in the attached map, neighborhoods designated as R/ECAPs tend to be located in areas where more transit trips were taken. Preserving and expanding transportation service in these locations is important as residents with lower incomes are often unable to afford personal vehicles.

School Proficiency Index

City of Naperville AI

Naperville's average School Proficiency Index value is 77.



Miles
0 1 2

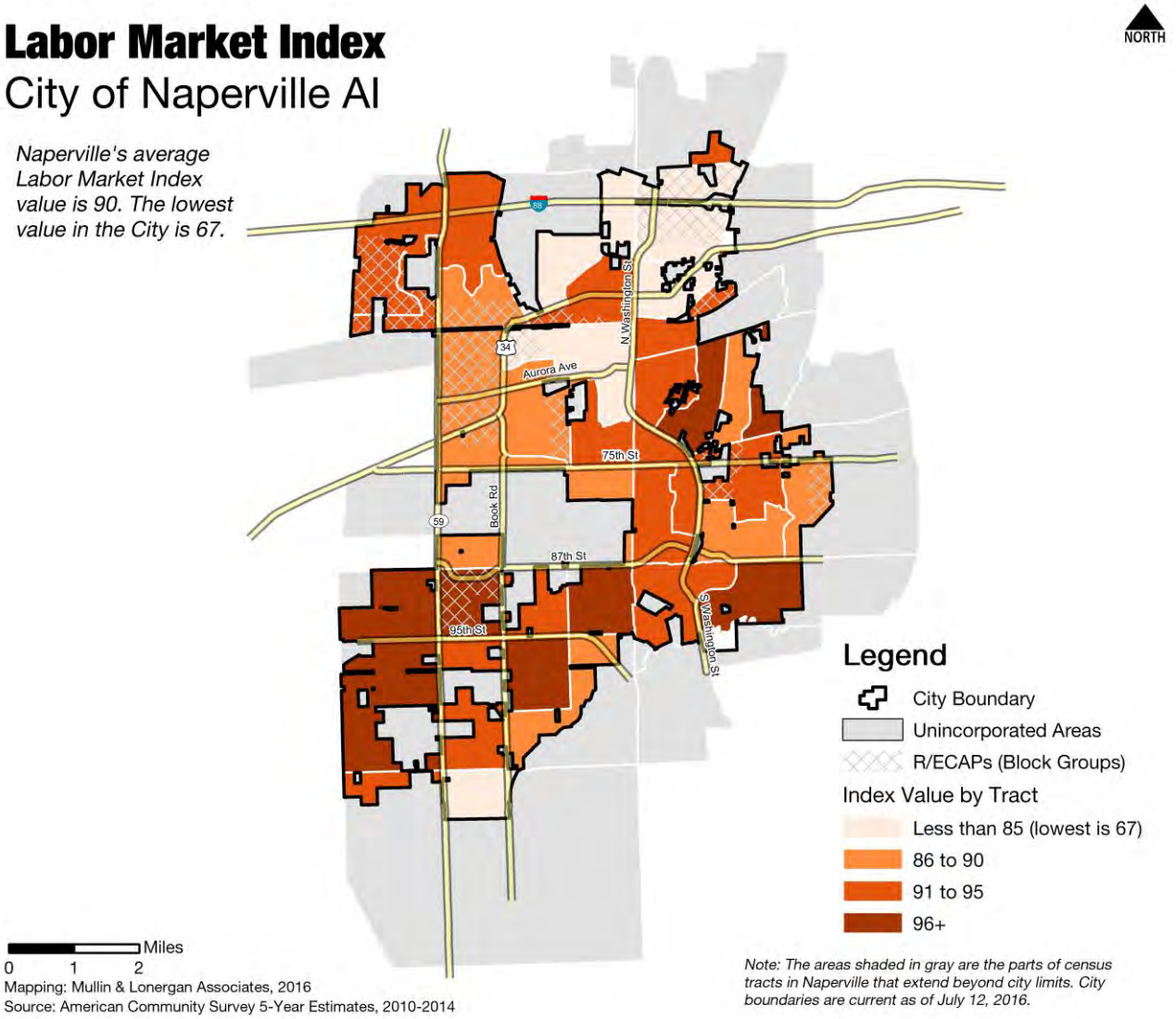
Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

School Proficiency Index

School proficiency is an important indicator of neighborhood opportunity, as a quality K-12 education provides youth with a basic foundation for success in their adult lives. Naperville is served by two public school districts, Community Unit School District 203, which also serves parts of Lisle and Bolingbrook, and Indian Prairie School District 204, which also serves parts of Aurora. Both school districts are nationally-recognized as high-achieving. Students also have the option of attending private schools, which are not accounted for in HUD's School Proficiency Index. Higher scores on this index indicate high-performing schools. The quality of Naperville's public school system is reflected in the City's average School Proficiency Index value of 77.

Although Naperville has a high quality school system, index values vary greatly by neighborhood. The northwest and northeast corners of the City have index scores below 50, indicating low proficiency. In contrast, the majority of neighborhoods in southwest Naperville have index values higher than 91, indicating very high proficiency schools. In Naperville, students are assigned to schools based on their home address, so youth living in southwest Naperville have much better access to educational opportunity compared to their peers in the northwest and northeast corners of the City.



Because rental housing choice for lower income minorities is limited primarily to the northern areas of Naperville, school choice is also restricted to the lower performing school district.

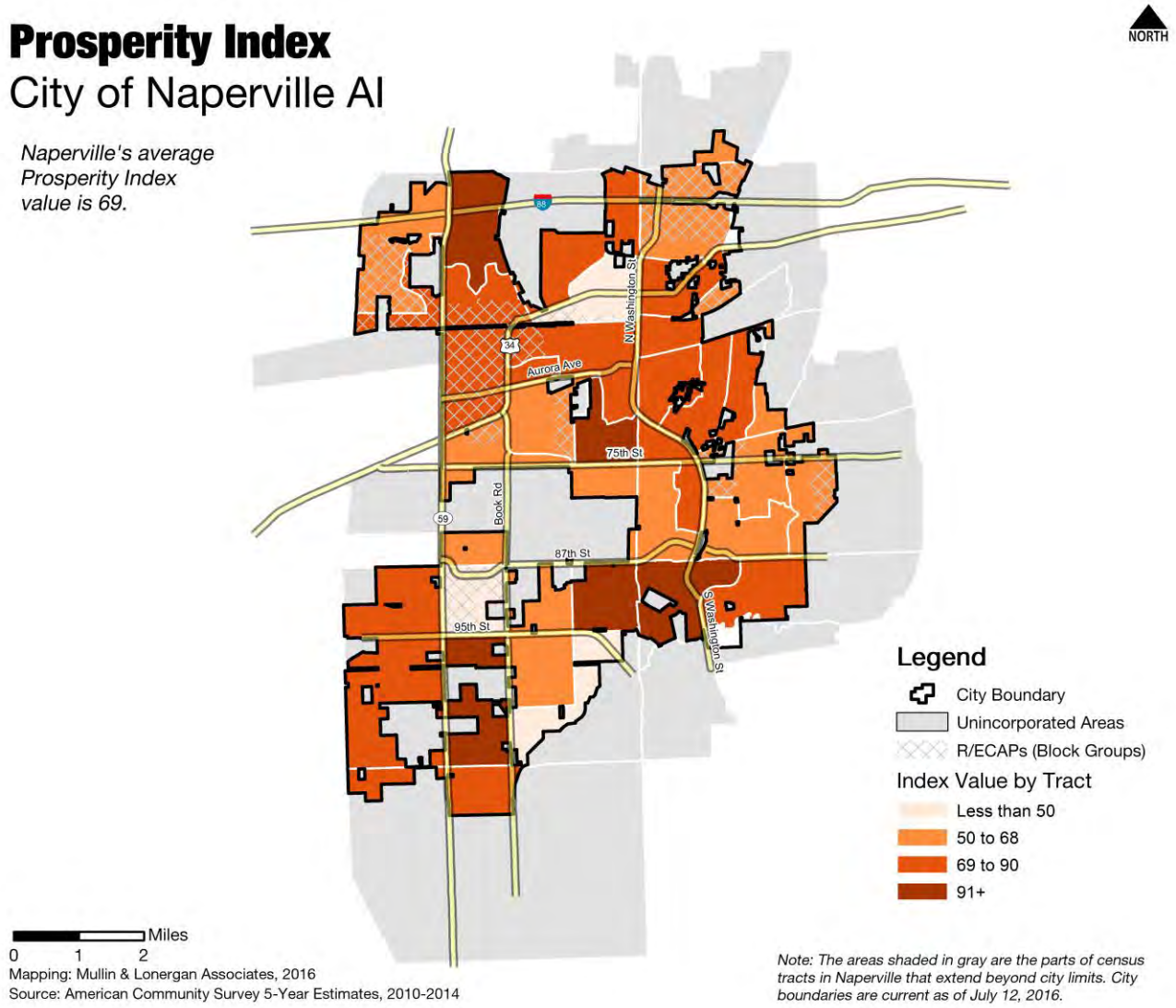
As shown in *Figure 13*, higher values on the School Proficiency Index are only somewhat correlated with race and ethnicity. However, Black residents living below the poverty line are much less likely than White, Asian, or Hispanic residents to have access to quality schools.

Labor Market Index

The Labor Market Index uses data on educational attainment to measure the capacity of the local labor force to enter into skilled-labor employment. Higher values indicate more participation and human capital in a neighborhood.

Naperville has a very high average Labor Market Index value at 90. There is very minor geographic variation of index values, with most neighborhoods scoring higher than 80. The one exception is the tract in the northeast corner of the City, which has a Labor Market Index value of 67.

As shown in *Figure 13,* there is little correlation between Labor Market Index values and race or ethnicity. However, the neighborhood with the lowest index value is designated as an R/ECAP. This block group has a minority population of 1,107 (44.3% of the total), most of whom are Asian.



Prosperity Index

Due to Naperville's low poverty rates, this AI uses a custom "Prosperity Index" drawn from 2014 ACS data instead of the AFFH-T "Low Poverty Index," which is based on national data. Consequently, the Prosperity Index does not appear in *Figure 13*, which was developed from HUD's data.

The Prosperity Index captures the magnitude of poverty rates in a given census tract. This index uses the family poverty rate and the percentage of households receiving public assistance. For the purposes of this analysis, "public assistance" refers to Supplemental Nutrition Assistance Program (SNAP), Medicaid, housing assistance, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), and General Assistance (GA).

High values on this map indicate high prosperity rates. Areas with high prosperity rates are more likely to foster upward mobility. Deconcentrating poverty is inherently important for expanding opportunity for members of the protected classes.

Most of Naperville has medium to high Prosperity Index values, with an average Prosperity Index value of 69. The most affluent areas are south of

87th Street, southwest of the Aurora and North Washington intersection, and southeast of the I-88 and Rt. 59 intersection. The least affluent areas are the neighborhoods east of the U.S. /Ogden and North Washington intersection and the area bordered by 87th Street and 95th Street to the north and south, and Rt. 59 and Book Road to the east and west, respectively.

R/ECAPs tended to be located in neighborhoods with Prosperity Index values below the mean. Tracts with lower Prosperity Index values tended to have higher proportions of Black and Hispanic residents living in them, and tracts with the highest Prosperity Index values tended to have the higher concentrations of White residents.

Comprehensive Opportunity Scores

The results from the seven sub-indices (prosperity, environmental health, job proximity, low transportation cost, transit trips, school proficiency, and labor market) were summed into one composite score, representing a Comprehensive Opportunity Index.

The objective of the Comprehensive Opportunity Index is to identify places that are good locations for investment that might not have been selected through an R/ECAP analysis only. Areas with high comprehensive opportunity scores are prime locations for new affordable housing.

As shown in the following map, the highest scoring neighborhoods are primarily located in a contiguous area, which includes downtown Naperville, neighborhoods west of downtown, and the neighborhoods just west of Washington Street between Aurora Avenue and 87th Street. There is not a strong correlation between R/ECAPs and higher-opportunity areas. While there are R/ECAPs located in very low opportunity tracts, several R/ECAPs are located in very high opportunity tracts:

- Block Group 3, Census Tract 8464.12
- Block Group 2, Census Tract 8465.19
- Block Group 4, Census Tract 8465.04
- Block Group 2, Census Tract 8461.04

Figure 13, Comprehensive Opportunity Scoresby Race/Ethnicity

	Environmental Health Index	Job Proximity Index	Low Transportation Cost Index	Transit Trips Index	School Proficiency Index	Labor Market Index
Total Population						
White, Non-Hispanic	47.98	48.42	61.12	68.42	78.26	90.19
Black, Non-Hispanic	45.66	55.32	63.46	72.03	72.38	89.43
Hispanic	46.40	53.00	63.72	71.40	72.32	89.07
Asian, Non-Hispanic*	46.83	50.14	62.12	67.98	76.58	90.12
Population below federal poverty line						
White, Non-Hispanic	48.99	50.19	62.85	72.62	75.87	89.15
Black, Non-Hispanic	48.12	58.08	72.55	72.04	66.74	85.97
Hispanic	45.04	53.06	57.81	78.46	73.57	92.16
Asian, Non-Hispanic*	45.50	50.68	56.71	72.21	79.51	90.52

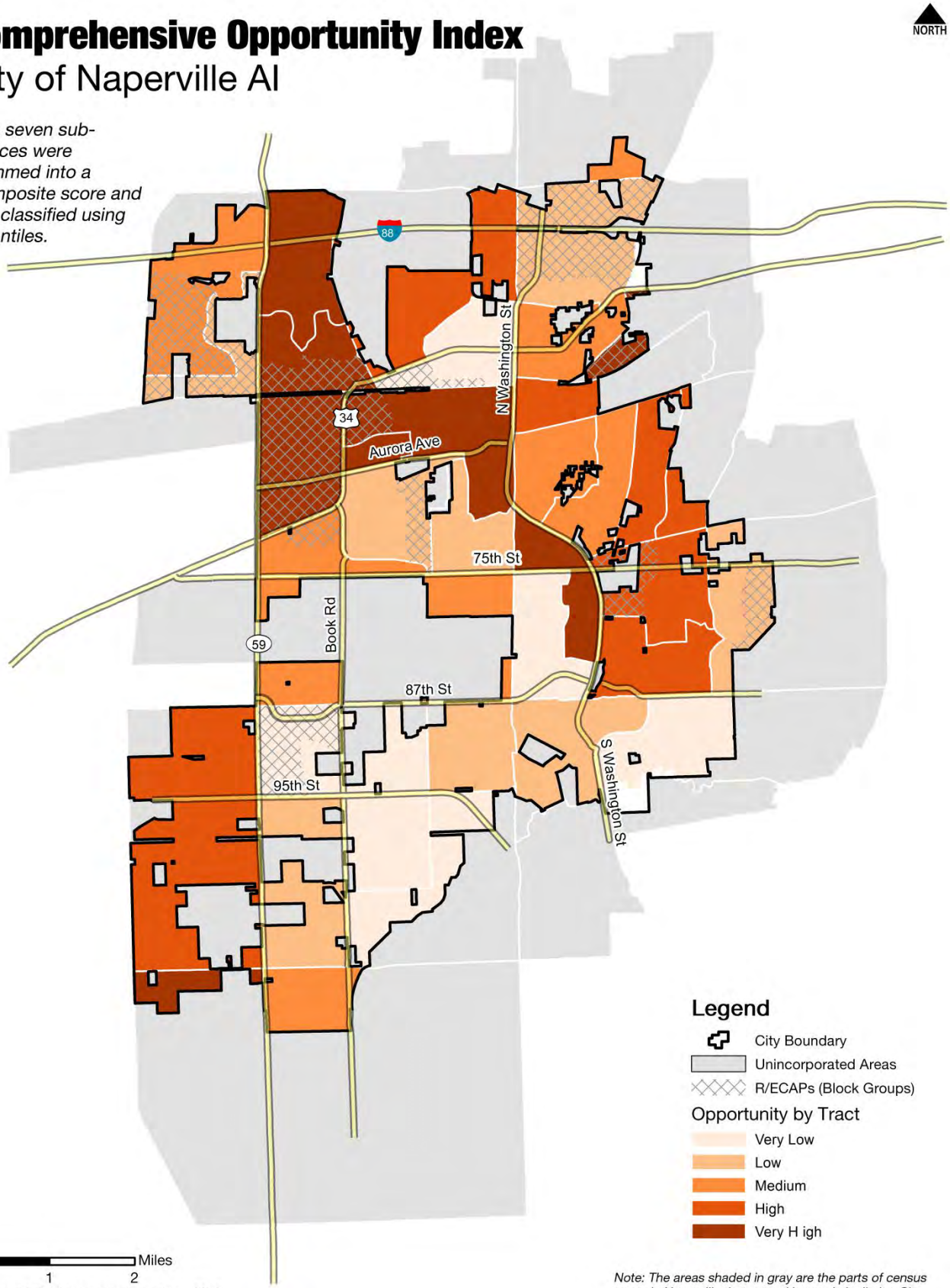
Source: HUD AFFH-T, 2016. See AFFH Data Documentation at https://www.hudexchange.info/resource/4848/affh-data-documentation/

** Note: The HUD AFFH-T includes Pacific Islanders in this definition. The rest of the analysis in the AI does not, based on the small numbers of this population.*

Comprehensive Opportunity Index

City of Naperville AI

The seven sub-indices were summed into a composite score and are classified using quantiles.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

DISPROPORTIONATE HOUSING NEEDS

Minorities and elderly families experience housing problems at disproportionately high rates

A lack of quality affordable housing can lead to overcrowding in units and occupying substandard housing, which are indicative of constrained housing choice. These variables signify acute and unanswered housing needs within a community, and high rates of these are indicative of housing problems.

Households with any of the following characteristics are classified as having a housing problem:

- Lacking complete kitchen or plumbing facilities
- More than one person per room
- Cost burden: monthly housing costs, including utilities, exceeds 30% of monthly income

Households with one of the following characteristics are said to have a severe housing problem:

- Lacking complete kitchen or plumbing
- More than 1.5 persons per room
- Severe cost burden: monthly housing costs, including utilities, exceeds 50% of monthly income

Figure 14, Housing Problems

Households with housing problems	Total Household	# with problems	% with problems
Race/Ethnicity			
White, Non-Hispanic	37,070	10,160	27.4%
Black, Non-Hispanic	2,565	1,015	39.6%
Hispanic	2,110	860	40.8%
Asian, Non-Hispanic	6,555	2,065	31.5%
Other	699	215	30.8%
Total	*48,999*	*14,315*	*29.2%*
Household Type and Size			
Family households, <5 people	32,165	7,875	24.5%
Family households, 5+ people	5,859	1,845	31.5%
Non-family households	10,970	4,595	41.9%
Elderly households	3,990	1,810	45.4%
Households with severe housing problems	**# households**	**# with severe problems**	**% with severe problems**
Race/Ethnicity			
White, Non-Hispanic	37,070	4,270	11.5%
Black, Non-Hispanic	2,565	540	21.0%
Hispanic	2,110	480	22.8%
Asian, Non-Hispanic	6,555	970	14.8%
Other	699	115	16.5%
Total	*48,999*	*6,375*	*13.0%*

Source: HUD AFFH-T, 2016. See AFFH Data Documentation at https://www.hudexchange.info/resource/4848/affh-data-documentation/

** Note: The HUD AFFH-T includes Pacific Islanders in this definition. The rest of the analysis in the AI does not, based on the small numbers of this population.*

The majority of housing problems in Naperville relate to cost burden: less than 1% of City residents lack complete kitchen facilities or plumbing facilities, and approximately 1% have more than one occupant per room. As shown in *Figure 14, Housing Problems*, Black households, Hispanic households, non-family households, and elderly families experience housing problems at disproportionately high rates – meaning they experience housing problems at a rate at least five percentage points higher than the average of 29.2%.

As shown in *Figure 15* below, 12.0% of all households in Naperville experience severe cost burden. Black households, Hispanic households and non-family households all experience severe cost burden at disproportionately high rates. Of these groups, Black households experience the greatest rate of severe cost burden, at 21.3%.

Figure 15, Severe Cost Burden

	Total households	# households with severe cost burden	% with severe cost burden
Race/Ethnicity			
White, Non-Hispanic	37,070	4,015	10.8%
Black, Non-Hispanic	2,565	545	21.3%
Hispanic	2,110	365	17.3%
Asian, Non-Hispanic*	6,555	820	12.5%
Other	699	115	16.5%
Total	*48,999*	*5,860*	*12.0%*
Household Type and Size			
Family households, <5 people	32,165	3,069	9.5%
Family households, 5+ people	5,859	600	10.2%
Non-family households	10,970	2,204	20.1%
Elderly households	7,710	1,130	14.7%

Source: HUD AFFH-T, 2016 (See AFFH Data Documentation at https://www.hudexchange.info/resource/4848/affh-data-documentation/) and CHAS, 2013.
** Note: The HUD AFFH-T includes Pacific Islanders in this definition. The rest of the analysis in the AI does not, based on the small numbers of this population.*

Publicly Supported Housing

INTRODUCTION

This section of the AI analyzes the demographic composition and location of publicly supported housing units in the City of Naperville. An evaluation of the City's policies related to the development, financing, and siting of housing follows this analysis to determine whether or not the policies contain any provisions that may restrict fair housing choice.

This data is primarily from the HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) and the United States Census Bureau, which publishes the American Community Survey (ACS) as well as a comprehensive decennial census. At the time of publication, the most recent year for which ACS data is available was 2014.

HUD's AFFH-T uses a variety of data sources from different years. Consequently, numbers and estimates from this source may differ slightly from the demographic and housing data presented earlier in this document. Data documentation for the HUD AFFH-T is included in the appendix to this AI.

KEY CONCLUSIONS

The following key conclusions are drawn from the publicly supported housing analysis:

- Although the median family income for Blacks in Naperville is $73,333, Blacks are disproportionately represented among Housing Choice Voucher recipients
- The prevalence of single-family zoning districts south of 87th Street and of multi-family zoning districts north of Aurora Avenue coincide with higher concentrations of rental units and poverty rates in the northern neighborhoods.
- The City Clerk's Office lacks a formal Language Access Plan to ensure meaningful access for persons with limited English proficiency to its housing programs and services
- The City lacks an affordable housing policy to facilitate the creation of new affordable housing units as part of all new residential development
- The City's comprehensive plan falls short in addressing affordable housing for non-elderly, non-disabled residents
- Two large R/ECAP areas lack public transit access

OVERVIEW

Public Housing and Rental Assistance

HUD has three primary housing programs for eligible low-income households: Public Housing, Project-Based Section 8 vouchers (PBV), and the Housing Choice Voucher (HCV) program. Public Housing refers to rental units owned and operated by Public Housing Authorities (PHAs). The Project-Based Section 8 program provides rental housing in privately-owned and operated rental units. Finally, the HCV program provides a subsidy for eligible households to rent private, market-rate units.

DuPage Housing Authority (DHA) serves the City of Naperville. DHA does not own or operate any traditional public housing units, but it manages 19 Project-Based Section 8 vouchers and 386 Housing Choice Vouchers in Naperville. The 19 PBVs are spread across three developments. One, Olympus Place, is a permanent supportive housing development operated by DuPage PADS that provides 11 DHA-supported rental units and wrap-around services to the chronically homeless. The other 8 DHA PBV units are in two group homes for the disabled and operated by Trinity Services.

In addition to the DHA administered PBVs, several developments in the City receive direct PBV subsidies from HUD. Together, these 764 units account for 1.5 % of the 52,513-unit housing inventory and 6.3% of the 12,070-unit rental supply. More detail about these units is summarized in *Figure 16, Assisted Rental Units.*

Low Income Housing Tax Credits

The Low-Income Housing Tax Credit (LIHTC) program encourages the private sector to invest in the development of affordable rental housing for lower income households in return for the receipt of federal tax credits.

LIHTC funds have been used to support two developments in Naperville: Country Wood Apartments, a mixed family/elderly development with 180 affordable units, and Katharine Manor, which has 11 affordable units for the disabled, 5 of which were subsidized through the LIHTC program.

Figure 16, Assisted Rental Units, 2016

Development	Population Served	# of Units	Subsidy
Charles Court Apartments	Family/Elderly	129	HUD PBV
Country Wood Apartments	Family/Elderly	180	LIHTC
Katharine Manor	Disabled	5	LIHTC
Martin Avenue Apartments	Elderly	122	HUD PBV
Ogden Manor Apartments	Family/Elderly	108	HUD PBV
Olympus Place	Chronically Homeless	11	DHA PBV
Trinity Services	Disabled	8	DHA PBV

Source: DuPage Housing Authority, HUD LIHTC Database 2016, HUD AFFH-T 2016.

Community Development Block Grant Program

Naperville regularly allocates a portion of its annual Community Development Block Grant (CDBG) funding to the acquisition and rehabilitation of affordable housing units. Between 2011 and 2016, the City used CDBG funds to assist 22 rehabilitation and/or acquisition projects that benefitted low-income families, homeless families, the elderly, and the disabled.

HOME Program

The City of Naperville participates in the DuPage County HOME Consortium. Naperville has one representative on the DuPage HOME Advisory Committee, which selects projects for funding on an annual basis.

Several projects funded by the HOME Advisory Committee have taken place in Naperville, including the construction of Ogden Manor in 1996, the acquisition of Olympus Place in 2006, and scattered site acquisition and rehabilitation by Community Housing Advocacy and Development (CHAD).

DEMOGRAPHICS

This section only discusses the demographic characteristics of HUD direct Project-Based Section 8 tenants and HCV recipients as there is no equivalent information readily available for other programs in Naperville.

Project-Based Section 8 Residents

The 359 units supported by the Project-Based Section 8 (PBV) program are in three developments: Martin Avenue Apartments, Charles Court, and Ogden Manor. Of the residents in these units, 84.4% are elderly, and 8.0% have a disability.

These numbers are not reflective of the City's population as a whole, because both Martin Avenue Apartments and Charles Court are restricted to individuals aged 62 and over. Disability rates tend to be higher among the elderly population.

The racial/ethnic composition of PBV beneficiaries is not representative the City's general population

Non-Whites comprise 34.5% of the PBV recipient population, but only 25.2% of the City's overall population. As discussed in the Demographic and Housing Analysis section, non-Whites in Naperville tend to have lower incomes, so there is likely a disproportionate number of non-Whites who require and are eligible for these housing opportunities.

Housing Choice Voucher Recipients

The demographic characteristics of HCV recipients are a stark contrast to those of PBV recipients and the citywide population. The proportion of residents aged 62 and over among this population is 11.6%, which is lower than the City overall at 13.3% and much lower than the PBV figure. The HCV recipient population in Naperville has a higher disability rate, at 17.1%.

Figure 17, Publicly-Supported Households by Race/Ethnicity

Type of Assistance	White		Black		Hispanic		Asian	
	#	%	#	%	#	%	#	%
PBV (HUD Direct Subsidy)	186	65.5	33	11.6	9	3.2	56	19.7
HCV	97	25.4	280	73.3	5	1.3	0	0.0
Citywide Population	84,261	74.8	4,965	4.4	6,242	5.5	14,729	13.1

Source: HUD AFFH-T 2016.

Blacks are disproportionately represented among Housing Choice Voucher recipients.

Most notably, the proportion of HCV households who are Black (73.3%) is much higher than the percent of City households who are Black, at 4.3%. There are two main possible reasons for these differences. First, a disproportionate number of Black residents have low incomes and require housing assistance. Second, HCVs are issued through the DuPage County Housing Authority, and are not restricted to existing residents of Naperville. There are likely a number of HCV recipients who moved into Naperville from surrounding areas, many of which have larger non-White populations than Naperville itself. However, it is indicative of the need among non-Whites to receive housing assistance in order to afford a rental unit in Naperville.

LOCATION

The following map shows the location of properties in Naperville that have received funding through the Project-Based Section 8 program, LIHTC, the City's CDBG allocation, or the DuPage County HOME Consortium.[6] Data on the specific locations of Housing Choice Voucher holders is unavailable due to privacy reasons, but HUD does provide information on the number of HCV households by tract. This information is also displayed in the "Assisted Housing and Access to Opportunity" map.

Most of the assisted units and households with vouchers in Naperville are located above 75th Street. There are no assisted units, and few HCV households, in the portion of the City that lies within Will County, below 87th Street.

Assisted units are not concentrated in any one part of the City, but some clustering is present in the northeast and northwest areas and where Ogden Avenue curves eastward. The distribution of households using HCVs is far less even. Most census tracts contain less than 25 HCV households, with an average of 12 HCV households. Sixteen tracts, most of which are located south of 87th Street, have no HCV households at all. The five tracts that have more than 25 HCV households contain 70.4% of the City's total and are located north of 75th Street with the exception of one tract east of South Washington Street between 75th and 87th Streets.

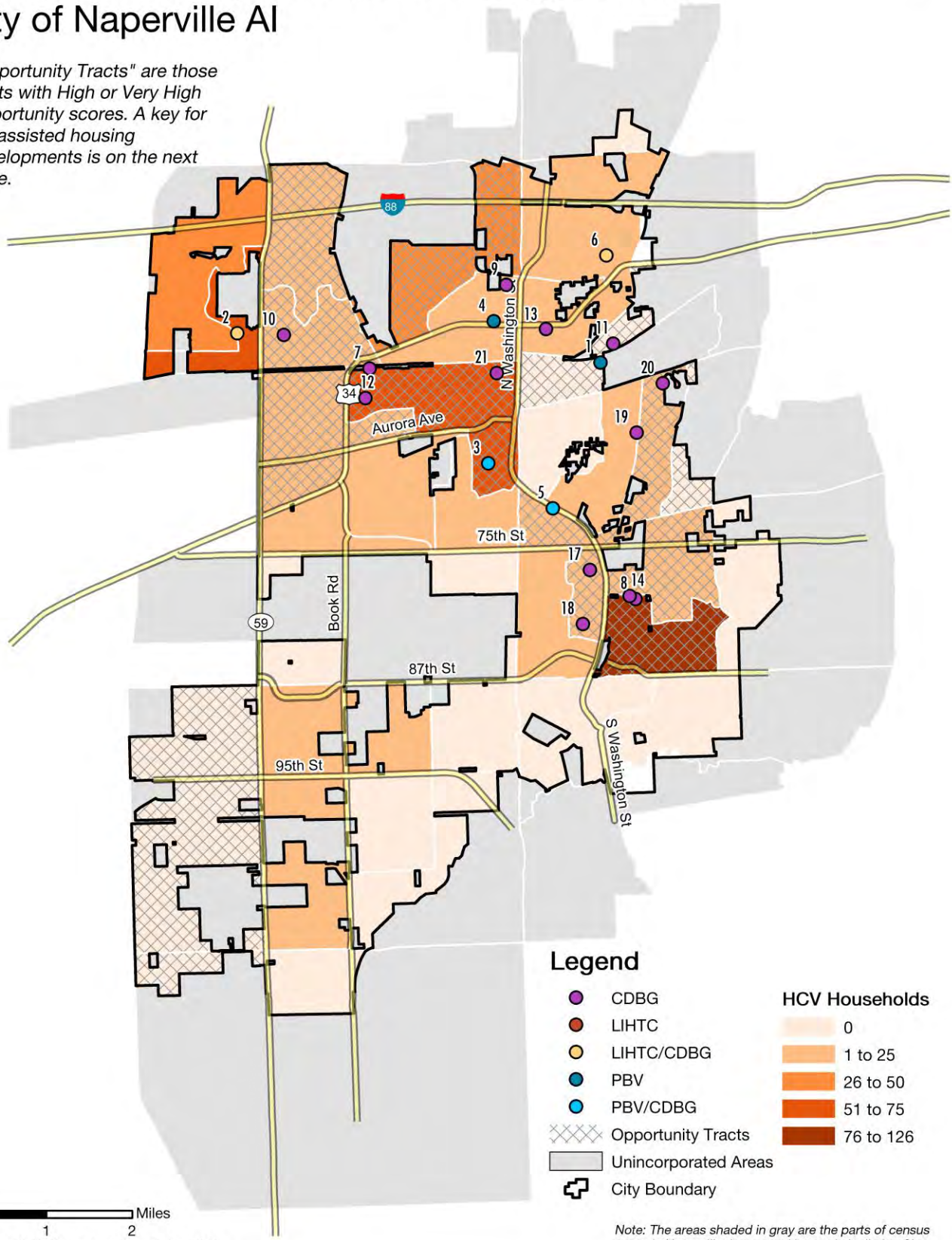
These high concentrations most likely coincide with the presence of a higher number of rental properties that accept Housing Choice Vouchers. The limited amount of HCV households in the southern portion of the City is likely due to a lack of available rental housing, a preponderance of owner-occupied single family homes, and higher housing prices in this area.

[6] Locations of the group homes operated by Trinity Services are not available due to privacy concerns.

Assisted Housing and Access to Opportunity

City of Naperville AI

"Opportunity Tracts" are those tracts with High or Very High Opportunity scores. A key for the assisted housing developments is on the next page.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

Residents with housing choice vouchers have mixed levels of access to opportunity

As shown in the "Assisted Housing and Access to Opportunity" map, residents of assisted housing units and in households with Housing Choice Vouchers have mixed levels of access to opportunity. Most (66.3%) of HCV holders and most (68.0%) of the assisted developments are located in areas with high or very high opportunity. The large number of HCV holders and residents of assisted housing units in the northwest corner, however, do not live in high opportunity areas. These residents have lower levels of access to community assets that can provide the economic opportunities needed to enhance their quality of life, such as high-wage employment opportunities and access to public transit.

Figure 18, Assisted Housing Map Key

Map ID	Funding	Population Served
1	PBV	Mixed (Family/Elderly)
2	LIHTC/CDBG	Mixed (Family/Elderly)
3	PBV/CDBG	Elderly
4	PBV	Mixed (Family/Elderly)
5	PBV/CDBG	Chronically Homeless
6	LIHTC/CDBG	Disabled
7	CDBG	Homeless Family
8	CDBG	Homeless Family
9	CDBG	Family
10	CDBG	Family
11	CDBG	Family
12	CDBG	Family
13	CDBG	Family
14	CDBG	Family
17	CDBG	Disabled
18	CDBG	Disabled
19	CDBG	Disabled
20	CDBG	Disabled
21	CDBG	Elderly

Source: City of Naperville, DuPage Housing Authority, HUD LIHTC Database 2016, HUD AFFH-T 2016.

PUBLIC POLICY ANALYSIS

Local units of government can affirmatively further fair housing choice through policies related to the development, financing, and siting of housing. The analysis below evaluates these policies for the City of Naperville.[7]

CDBG and HOME Programs

Naperville is a CDBG entitlement and participates in the DuPage County HOME Consortium. Collectively, the CDBG and HOME programs are under the authority of the Community Planning and Development (CPD) division of the U.S. Department of Housing & Urban Development (HUD). Annually, Naperville develops an Annual Action Plan to identify the eligible activities it will fund and implement with HUD CPD funds. In the past decade, funding from HUD has decreased as regulations have required more administrative capacity. This results in entitlements needing to "do more with less", including the goal of affirmatively furthering fair housing choice. This section analyzes the local policies in place that guide how the City affirmatively furthers fair housing as part of funding decisions through the Annual Action Plan process. Because Naperville is not a HOME entitlement, it does not have any policies that specifically relate to the HOME program.

[7] Although DuPage Housing Authority participated in the development of this document, this is not a joint Analysis of Impediments. DHA and the City of Naperville are two separate entities, so the discussion of DHA's policies is outside the scope of this AI.

Funding Priorities

Examining the amount of total annual allocations spent specifically on fair housing provides insight into how communities prioritize their commitment to affirmatively further fair housing. Such activities include fair housing planning, preparing an Analysis of Impediments to Fair Housing Choice, providing fair housing education and outreach for City officials, department staff, sub-recipients and the general public, and using techniques like paired testing to assess the level of discrimination in the private housing market.

Naperville allocated CDBG funds for the preparation of an AI in 2007 and again in 2015. The City does not currently provide fair housing education and outreach activities on a regular basis as a means of stopping discrimination and informing residents of their rights.

Project Selection

Communities can implement their commitment to affirmatively further fair housing through an application process that favors projects that expand fair housing choice. For example, communities can require applicants to answer questions about how projects affirmatively further fair housing choice. Communities can also establish an affordable housing location policy to place a higher priority on housing-related activities that occur in higher opportunity areas.

Naperville does not have an affordable housing location policy, and its current application form does not include questions about how proposed projects would improve fair housing choice.

Although the City has not formally incorporated fair housing considerations in its application process, it regularly allocates CDBG funding to projects that further fair housing choice by preserving and increasing affordable, accessible housing stock.

Program Access

Persons with limited English proficiency (LEP) are defined by the federal government as persons who have a limited ability to read, write, speak, or understand English. HUD requires recipients to provide translated vital written materials related to funded programs.

The City Clerk's Office lacks a formal Language Access Plan to ensure meaningful access for persons with limited English proficiency to its housing programs and services

As detailed in the Data Analysis chapter, 6.2% of Naperville's residents have LEP. Chinese and Spanish language groups meet the HUD thresholds requiring provision of translated documents in Naperville. The City Clerk's Office does not have translated vital documents on file, but will provide translations upon request. The Clerk's Office also lacks a Language Access Plan that outlines how it will meet its obligation to ensure meaningful access for persons with LEP to its housing programs and activities.

Monitoring

Entitlements can ensure that sub-recipients affirmatively further fair housing by requiring and enforcing compliance with fair housing statutes through sub-recipient agreements. The City's sub-recipient agreements state that compliance with relevant HUD statues is required.

Affordable Housing Set-Aside Policy

Encouraging or mandating private housing developers to construct affordable housing through an incentive-based affordable housing set-aside policy, also known as inclusionary zoning, can expand fair housing choice by providing a wider range of housing opportunities for low-income individuals. Inclusionary zoning involves a specified number or percentage of new housing units in a development that are set-aside for moderately priced homes. Developers often receive incentives such as density bonuses or a reduction of parking requirements in return for implementing an affordable housing set-aside. As explained previously, low-income individuals in Naperville tend to be members of the protected classes, so such a policy would affirmatively further fair housing choice by fostering new development of affordable units in higher opportunity areas.

Comprehensive Plan

A community's primary housing policy is typically expressed in the form of a comprehensive plan, usually within a housing plan element. Within this document, the community sets forth its goals and objectives for meeting the housing needs of current and future residents. Often, this policy document includes broad statements that seek to address the diversity of housing needs for a variety of household types and at a variety of income levels. And, in nearly all cases, a jurisdiction will develop

these goals and objectives based on a community-driven process.

The criteria used to evaluate the City's comprehensive plan were based, in part, on best practices suggested in HUD's Fair Housing Planning Guide. Specifically, for the purposes of this evaluation, the following criteria were reviewed:

Housing

- Specifically states the City's goal to provide a variety of housing unit types for a variety of household types at all income levels
- Recognizes the need for affordable housing for special needs populations, such as persons with disabilities, the elderly, etc.
- Recognizes and addresses homelessness
- Contains a specific description of the City's housing needs by family/household type and income level for both owners and renters
- Includes a policy statement or goal to address the affordable housing needs
- Promotes an affordable housing set-aside for any new residential development proposed
- Encourages a diversity in dwelling unit types, such as accessory units, townhouses, infill units, etc.
- Promotes preservation/maintenance of affordable housing
- Promotes homeownership for low- and moderate-income homebuyers
- Prioritizes land for affordable housing through land banking or some other comparable mechanism

Transportation

- Includes recognition of linkages between housing, public transit, and employment opportunities
- Recognizes need to provide transit access between lower income neighborhoods and employment centers

Land Use

- Promotes mixed-use neighborhoods with mixed-income housing
- Encourages land to be zoned in a manner that facilitates the preservation, rehabilitation, and construction of affordable housing to meet local needs

Parks and Open Space Element

- Commits to providing parks, recreational facilities, and open spaces with service areas that cover all of the City, including neighborhoods with lower income and multi-family/mixed-use housing types

Community Facilities

- Commits to providing community facilities (i.e. schools, libraries, emergency services, etc.) with service areas that cover all of the City, including neighborhoods with lower income and multi-family/mixed-use housing types

Goals and Objectives

- Commits to supporting affordable housing initiatives in the City

The City's comprehensive plan falls short in addressing affordable housing for non-elderly, non-disabled residents

Although the plan aims to create a mixture of lot sizes and housing types, it does not specify targeted household types and income levels. Preservation of existing housing stock is emphasized, but not linked to affordable housing in any way. Neither affordable housing nor homelessness are addressed anywhere in the comprehensive plan.

The plan does promote the importance of creating connections between housing and public transit, as well as the provision of parks and community facilities with appropriate service areas.

The comprehensive plan only addresses senior and accessible housing and community facilities on a cursory level, but the City has developed a separate document, "Action Plan: Addressing the Housing Needs of Naperville's Low to Moderate Income Senior Citizens and Residents with Disabilities," specifically focused on these issues in 2010. Naperville's "Downtown 2030" plan also encourages accessibility, focusing on community facilities and infrastructure.

Zoning

Given that zoning ordinances govern the location and characteristics of various land uses, they have the potential to restrict fair housing choice.

Many common fair housing zoning issues are interrelated with affordable housing issues. Because members of the protected classes are disproportionately affected by a lack of affordable housing, zoning that effectively restricts affordable housing development can be an impediment to fair housing choice as well. For example, many zoning ordinances place restrictions on the location of multi-family housing units, which often results in the concentration of affordable housing in low opportunity areas. As explained in the Demographic and Housing Analysis section of this AI, affordable housing and fair housing choice are tightly linked, as low-income residents disproportionately tend to be members of the protected classes.

Naperville's zoning ordinance was reviewed to identify policies that may potentially impede housing choice and affordability. The analysis was based on topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The treatment of mobile or manufactured homes
- Minimum lot size requirements
- Dispersal requirements for housing facilities for persons with disabilities in single family zoning districts
- Restrictions of the number of unrelated persons in dwelling units based on the size of the unit or the number of bedrooms

<u>Benchmarking</u>

To evaluate the ordinance consistently, a benchmarking tool was used to assess the ordinance against eleven criteria that are either common indicators of impediments or language that addresses impediments to fair housing choice. The indicators are based on best practices and

recommendations from HUD's Fair Housing Planning Guide

The full set of criteria includes:

1. Ordinance defines "family" inclusively, without a cap on the number of unrelated persons, with a focus on functioning as a single housekeeping unit
2. Ordinance defines "group home" or similarly named land use comparably to single family dwelling units
3. Ordinance allows up to 6 unrelated people with disabilities to reside in a group home without requiring a special permit or public hearing
4. Ordinance regulates the siting of group homes as single family dwelling units without any additional regulatory provisions
5. Ordinance has a "Reasonable Accommodation" provision or allows for persons with disabilities to request reasonable accommodation/modification to regulatory provisions
6. Ordinance permits multi-family housing of more than 4 units/structure in one or more residential zoning districts by-right
7. Ordinance does not distinguish between "affordable housing/multi-family housing" (i.e., financed with public funds) and "multi-family housing" (i.e., financed with private funds)
8. Ordinance does not restrict residential uses such as transitional housing or permanent supportive housing facilities exclusively to non-residential zoning districts
9. Ordinance provides residential zoning districts with minimum lot sizes of ¼ acre or less
10. Ordinance does not include exterior design/aesthetic standards for all single family dwelling units regardless of size, location, or zoning district
11. Ordinance permits manufactured and modular housing on single lots like single family dwelling units

Each criterion was assigned one of two values. A score of "1" means that the criterion applies to the zoning ordinance – i.e., the impediment was not present in the ordinance or that the positive measure was in place. A score of "2" means that the criterion does not apply – i.e., the impediment was present or that the positive measure was not.

For example, a zoning ordinance would receive a score of "1" for providing residential zoning districts with a minimum lot size of 10,000 square feet, and a score of "2" for including exterior design/aesthetic standards for single family dwelling units. The final benchmark score is a simple average of the individual criterion. A score of 1.00 to 1.24 indicates an ordinance at low-risk relative to discriminatory provisions; a score of 1.25 to 1.49 indicates a moderate risk; and a score of 1.50 to 2.00 indicates a high risk.

The City's zoning ordinance does not allow modular housing in any residential district

Naperville's zoning ordinance received a score of 1.23, indicating that the City is at low risk relative to discriminatory provisions for housing and members of the protected classes. The City scored well on most items, but lost points for several items that have a large impact on housing choice. For example, the City does not explicitly permit uses such as transitional housing or permanent supportive housing facilities in residential zoning districts.

Depending on the physical characteristics of these facilities, they could be regulated as Residential Care Homes (which are allowed in all residential districts), or Boarding Houses, which are more restricted. Additionally, manufactured/modular housing is only allowed in the R-5 Mobile Home Park district, which is not included on the City's zoning map.

Figure 19, Zoning Ordinance Scores

Zoning Ordinance Provision	Score
Ordinance defines "family" inclusively, without cap on number of unrelated persons, with focus on functioning as a single housekeeping unit	1
Ordinance defines "group home" or similarly named land use comparatively to single family dwelling units	1
Ordinance allows up to 6 unrelated people with disabilities to reside in a group home without requiring a special use/conditional use permit or public hearing	1
Ordinance regulates the siting of group homes as single family dwelling units without any additional regulatory provisions	1
Ordinance has a "Reasonable Accommodation" provision or allows for persons with disabilities to request reasonable accommodation/modification to regulatory provisions	2
Ordinance permits multi-family housing of more than 4 units/structure in one or more residential zoning districts by-right	1
Ordinance does not distinguish between "affordable housing/multi-family housing" (i.e., financed with public funds) and "multi-family housing" (i.e., financed with private funds)	1
Ordinance does not restrict residential uses such as emergency housing/homeless shelters, transitional housing, or permanent supportive housing facilities exclusively to non-residential zoning districts	1.5
Ordinance provides residential zoning districts with minimum lot sizes of ¼ acre or less	1
Ordinance does not include exterior design/aesthetic standards for all single family dwelling units regardless of size, location, or zoning district	1
Ordinance permits manufactured and modular housing on single lots like single family dwelling units	2

Public Transit

Households without a vehicle are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. In addition, households without access to a vehicle are primarily low-income or moderate-income. Access to public transit is critical to these households. Without convenient transit, their employment is potentially at risk and their ability to remain housed is threatened. The linkages between residential areas and employment opportunities are key to expanding fair housing choice, particularly in racially or ethnically concentrated areas of poverty.

As shown in Figure 19, most of Naperville's residents drive to work, either alone (75.3%) or through a carpool (4.6%). A large number use public transit, primarily the Metra commuter rail service to Chicago and surrounding areas.

Naperville has two Metra stations, both in the northern part of the City. Trains run frequently during peak commuting hours and regularly throughout the day.

Pace suburban bus, operated by the Regional Transit Authority, has several routes that serve the Naperville area. However, the majority of these routes only operate during peak commuting hours. Only two routes provide all-day service, and they have a very limited service area.

Figure 20, Transportation to Work, 2014

	Number	Percent
Total	71,070	100.0%
Drove alone	53,532	75.3%
Carpooled	3,244	4.6%
Public transportation	6,657	9.4%
Bicycle	302	0.4%
Walked	974	1.4%
Other means	535	0.8%
Worked at home	5,826	8.2%

Source: American Community Survey, 2014

Two large R/ECAP areas lack public transit access

Pace bus stops in Naperville are shown on the map in the following page. Most of the City is within a ¼ mile of a bus stop, a distance commonly accepted as walkable for bus riders. However, most of the routes served by these stops only run during peak commuting hours, as explained above. Few R/ECAPs are served by routes that run all day. The R/ECAP between 87th Street and 95th Street and the R/ECAPs in the northwest corner of the City are not served by any bus stops, but many R/ECAP residents in the northwest corner are within an acceptable walking distance of a Metra station.

Seniors and individuals with disabilities have the option of using Ride DuPage, a dial-a-ride curb-to-curb transit option that operates 24 hours a day, seven days a week. Ride DuPage serves most of DuPage County.

The City of Naperville's Social Services Grant program provides funding to nonprofits who provide transportation for seniors, individuals with disabilities, youth, and other special populations. Approximately $500,000 is made available each year to fund these and other social services projects. Additionally, a local non-profit, Loaves & Fishes CARES, provides a limited number of donated refurbished cars to low-income individuals. There is usually a waiting list for this program.

Several transportation programs in Naperville are targeted towards seniors, such as reduced fare cards and Rules of the Road classes to assist seniors with passing driver's license renewal examinations. Low-income seniors and individuals with disabilities are generally eligible for the Illinois Benefit Access Program, which provides free transit passes.

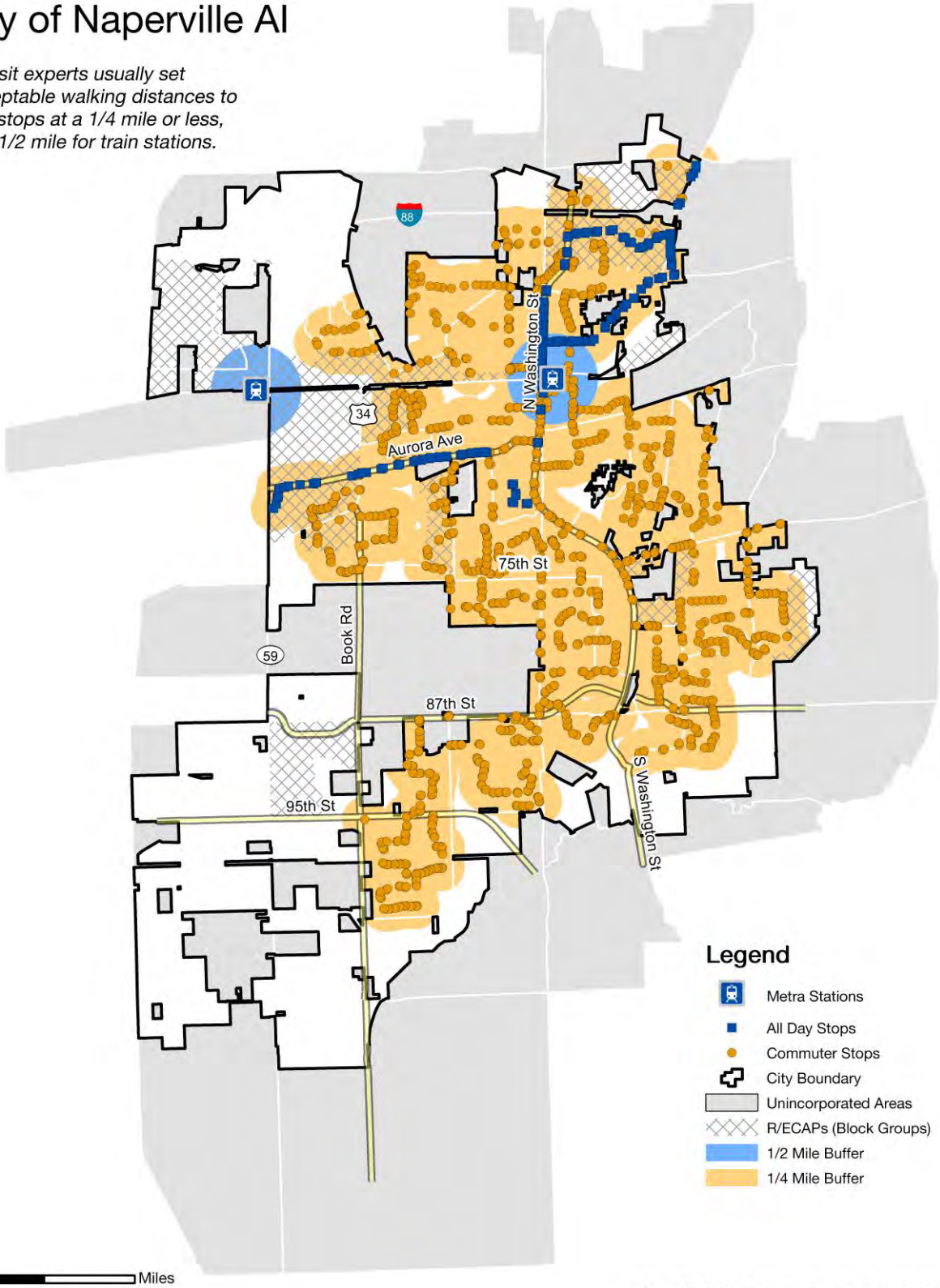
In addition to publicly supported transportation services, several private taxi services provide service in Naperville and surrounding communities. Ride-sharing companies also serve Naperville and most of the metro Chicago area. These transportation options tend to be more expensive than public transit, and wheelchair-accessible vehicles are not always available.

For low-income individuals who are not seniors and do not have a disability who likely have difficulty affording a personal vehicle, the limited transit options present a barrier for individuals with jobs outside a weekday 9-5 schedule. This may make it hard for such individuals to keep a steady job, reducing their opportunities to reach economic self-sufficiency.

Transit Facilities

City of Naperville AI

Transit experts usually set acceptable walking distances to bus stops at a 1/4 mile or less, and 1/2 mile for train stations.



Mapping: Mullin & Lonergan Associates, 2016
Source: American Community Survey 5-Year Estimates, 2010-2014

Note: The areas shaded in gray are the parts of census tracts in Naperville that extend beyond city limits. City boundaries are current as of July 12, 2016.

PRIVATE POLICY ANALYSIS

Homeownership can provide critical economic benefits for households and social benefits for the greater community. Unfettered access to affordable housing choice requires fair and equal access to the mortgage lending market regardless of income. It is also important from a fair housing perspective because the Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals, and considering whether to purchase loans.

An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community. It can also identify geographic clusters of high-cost lending. Home Mortgage Disclosure Act (HMDA) data contains records for all residential loan activity reported by banks pursuant to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Any commercial lending institution that makes five or more home mortgage loans annually must report all residential loan activity to the Federal Reserve Bank, including information on applications denied, withdrawn, or incomplete by race, sex, and income of the applicant. This information is used to determine whether financial institutions are serving the housing needs of their communities.

The most recent HMDA data available for Naperville is 2014. The data included for this analysis is for three years, 2012 through 2014, and constitutes all types of applications received by lenders: home purchase, refinancing, or home improvement mortgage applications for one-to-four-family dwellings and manufactured housing units across the entire City. The demographic and income information provided pertains to the primary applicant only. Co-applicants were not included in the analysis. The following figures summarize three years of HMDA data by race, ethnicity, and action taken on the applications, followed by detailed analysis.

Mortgage refinancing loans are the most common type of financing applied for in Naperville

Between 2012 and 2014, lenders in Naperville received 48,287 mortgage applications. Of these applications, 28.5% were for home purchases, 69.4% were for refinancing, and 2.1% were for home improvement equity loans. Refinancing loans were slightly less likely to originate (i.e. be approved by the lending institution and accepted by the applicant) than home purchase loans, with 58.9% of refinancing loans originating compared to 60.1% of home purchase loans. A lower proportion (53.5%) of home improvement loans were approved and accepted.

Home improvement loans were the most likely to be denied out of any other type of loan, with a denial rate of 24.8%. This may because of the impact of the Great Recession, in which banks were reluctant to finance the addition of equity into a house that was no longer appreciating according to expectations.

Applications for refinancing had a denial rate of 11.3%, compared to 7.2% for home purchase loan applications.

The most commonly sought type of financing was a conventional loan, a category that comprised 90.4% of all loan applications. A much smaller proportion of applications were for Federal Housing Administration (FHA) loans, a type of federal assistance that has historically benefited lower-income residents due to less stringent down payment and credit history requirements.

There were few applications for Veterans Administration (VA) loans or for financing backed by the Farm Services Administration or Rural Housing Service (FSA/RHS). FHA and VA loans both had the highest denial rate, at 12.0%. The denial rate for conventional loans was slightly lower, at 10.2%.

Almost all (99.5%) of the 48,287 applications in Naperville involved one-to-four family housing structures, with only one application requesting financing for a manufactured unit.

Figure 21, Cumulative Mortgage Data Summary Report, 2012- 2014

	Total Applications		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Purpose										
Home purchase	13,752	28.5%	8,260	60.1%	395	2.9%	995	7.2%	1,104	8.0%
Home Improvement	1,005	2.1%	538	53.5%	34	3.4%	249	24.8%	79	7.9%
Refinancing	33,530	69.4%	19,742	58.9%	1,085	3.2%	3,784	11.3%	3,075	9.2%
Loan Type										
Conventional	43,654	90.4%	26,388	60.4%	1,396	3.2%	4,473	10.2%	3,773	8.6%
FHA	3,860	8.0%	1,744	45.2%	100	2.6%	462	12.0%	395	10.2%
VA	773	1.6%	408	52.8%	18	2.3%	93	12.0%	90	11.6%
Property Type										
One to four-family unit	48,242	99.9%	28,506	59.1%	1,512	3.1%	5,023	10.4%	4,257	8.8%
Manufactured housing	1	0.0%	1	100.0%	0	0.0%	0	0.0%	0	0.0%
Applicant Race										
Native American	90	0.2%	42	46.7%	7	7.8%	24	26.7%	11	12.2%
Asian	7,950	16.5%	5,513	69.3%	319	4.0%	844	10.6%	736	9.3%
Black	1,050	2.2%	596	56.8%	41	3.9%	202	19.2%	106	10.1%
Hawaiian	145	0.3%	80	55.2%	4	2.8%	19	13.1%	29	20.0%
White	30,792	63.8%	20,014	65.0%	971	3.2%	3,295	10.7%	2,668	8.7%
No information	3,898	8.1%	2,208	56.6%	164	4.2%	639	16.4%	706	18.1%
Not applicable	4,362	9.0%	87	2.0%	8	0.2%	5	0.1%	2	0.0%
Hispanic*	1,349	2.8%	784	58.1%	42	3.1%	228	16.9%	146	10.8%
Total	**48,287**	**100.0%**	**28,540**	**59.1%**	**1,514**	**3.1%**	**5,028**	**10.4%**	**4,258**	**8.8%**

Source: Federal Financial Institutions Examination Council

Note: Percentages in the Originated, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total figures.

** Hispanic ethnicity is counted independently of race.*

Most mortgages in Naperville are financed by large, commercial banks

The top ten lending institutions, as shown below, reviewed 49.0% of all mortgage applications and were responsible for 44.2% of originations within the City. Wells Fargo and JP Morgan Chase were by far the largest lending institutions, accounting for 18.0% of all originations collectively. No regional banks were among the top 10.

Figure 22, Top 10 Lenders, 2012-2014

Lending Institution	Applications		Originations	
	#	%	#	%
Wells Fargo	5,927	12.3%	2,493	8.7%
JP Morgan Chase	5,841	12.1%	2,649	9.3%
U.S. Bank	2,775	5.7%	1,727	6.1%
Guaranteed Rate, Inc.	2,033	4.2%	1,690	5.9%
Citibank	1,370	2.8%	774	2.7%
PNC Bank	1,313	2.7%	940	3.3%
Bank of America	1,250	2.6%	775	2.7%
Quicken Loans	1,144	2.4%	892	3.1%
Fifth Third Mortgage Co.	1,063	2.2%	687	2.4%
Citimortgage	966	2.0%	0	0.0%
Subtotal	**23,682**	**49.0%**	**12,627**	**44.2%**

Source: Federal Financial Institutions Examination Council

Black and Hispanic households are underrepresented in the loan applicant pool

The racial and ethnic composition of loan applicants differs slightly from the City's general demographic distribution. While 4.8% of all Naperville households in 2014 were Black, only 2.2% of the loan applications for which racial/ethnic data was reported were submitted by Black applicants. Similarly, Hispanic households comprised 4.7% of all households, but only 2.8% of applicants; and White households accounted for 78.3% of the total households in Naperville but 68.3% of loan applicants with reported racial/ethnic data. These numbers might be slightly skewed by the 8.1% of applications for which no information was provided.

Loan application types differed across racial and ethnic groups as well. Refinancing was the predominant application purpose across all racial and ethnic groups. Black residents were slightly more likely to apply for home purchase loans, while Asian residents were least likely to apply for home improvement loans.

Mortgage denial rates have increased since 2012, but the number of loan applications has decreased

During the three-year study period, denial rates increased while the number of loan applications decreased, dropping from 22,308 applications in 2012 to 9,760 applications in 2014. Denial rates ranged from a low of 9.8% in 2012 to a high of 11.5% in 2014. This is reflective of the national trend following the subprime mortgage crisis, in which banks have strictly tightened access to credit.

Black households were more likely to be denied

The denial rate for Black applicants was 19.2%, which is significantly higher than the average of 10.6% for Asian applicants and 10.7% for White applicants. Hispanic residents also had a high denial rate at 16.9%. Native Americans had the highest denial rate, at 26.7%.

These patterns hold true at all income levels. Upper-income black applicants had a denial rate of 18.7%, compared to 9.4% for both White and Asian loan applicants. Denials by income are shown in *Figure 22* below.

The reasons for mortgage denial also varied by race and ethnicity. Black, Asian, and Hispanic residents were most likely to be denied due to a high debt-to-income ratio, while White applicants were most likely to be denied due to insufficient collateral.

SUMMARY

Loan originations vary greatly in Naperville by income, and race and ethnicity. Black and Hispanic applicants slightly underrepresented in the loan applicant pool. Non-White applicants, except for Asian residents, are more likely to be denied when applying for a mortgage.

Figure 23, Denial by Income

		Total	White	Black	Asian**	Other**	No data	Hispanic*
Lower-Income	Total Applications	5,003	3,628	150	526	41	477	245
	Denials	1,033	712	38	139	12	132	71
	% Denied	**20.6%**	**19.6%**	**25.3%**	**26.4%**	**29.3%**	**27.7%**	**29.0%**
Upper-Income	Total Applications	38,745	26,002	825	7,281	185	3,241	1,034
	Denials	3,789	2,449	154	684	30	472	147
	% Denied	**9.8%**	**9.4%**	**18.7%**	**9.4%**	**16.2%**	**14.6%**	**14.2%**
Total	Total Applications	48,287	30,792	1,050	7,950	235	8,260	1,349
	Denials	5,028	3,295	202	844	43	644	228
	% Denied	**10.4%**	**10.7%**	**19.2%**	**10.6%**	**18.3%**	**7.8%**	**16.9%**

Source: Federal Financial Institutions Examination Council

* Hispanic ethnicity is counted independently of race.

**Small sample size may make analysis unreliable.

Figure 24, Reasons for Denial

	Total	White	Black	Asian	Other	No Info	Hispanic*
Collateral	20.8%	21.6%	13.9%	19.9%	14.0%	21.0%	14.0%
Incomplete Application	17.3%	17.7%	10.9%	17.1%	9.3%	18.6%	12.7%
Debt/Income Ratio	20.3%	19.6%	20.3%	21.1%	32.6%	22.4%	25.9%
Other	8.5%	8.1%	8.9%	11.0%	7.0%	7.3%	7.0%
No Reason Given**	13.5%	14.4%	18.8%	11.3%	14.0%	9.9%	19.7%
Credit History	11.2%	11.0%	22.8%	7.0%	18.6%	13.8%	14.9%
Unverifiable Information	4.0%	3.6%	1.0%	6.8%	2.3%	3.9%	3.5%
Insufficient Cash	2.5%	2.6%	2.0%	3.0%	2.3%	1.7%	1.8%
Employment History	1.5%	1.3%	1.5%	2.7%	0.0%	1.1%	0.4%
Insurance Denied	0.1%	0.1%	0.0%	0.2%	0.0%	0.2%	0.0%

Source: Federal Financial Institutions Examination Council

** Hispanic ethnicity is counted independently of race*

***"No Reason Given" means that the lender did not provide a reason for denial when inputting data.*

Disability and Access

INTRODUCTION

This section reviews policies that affect the accessibility of housing and community facilities in Naperville for persons with disabilities.

KEY CONCLUSIONS

- The City of Naperville requires all new public facilities and multi-family developments to be accessible.
- The City has made accessibility a priority through the development and continued implementation of ADA transition plans for rights-of-way and public facilities.
- The City of Naperville's Social Services Grant Program provides funding to organizations that serve individuals with disabilities

POLICIES

From a regulatory standpoint, local government measures define the range and density of housing resources that can be introduced in a community. Housing quality and accessibility standards are enforced through the local building code and inspections procedures.

Federal housing regulations specify that residential structures having at least four multi-family dwelling units include features of accessible and adaptable design. Such features include:

- Accessible building entrance on an accessible route
- Accessible and usable common and public use areas
- Usable doors
- Accessible route into and through the covered dwelling unit
- Light switches, electrical outlets, thermostats and environmental controls in accessible locations
- Reinforced walls for grab bars
- Usable kitchens and bathrooms

The requirements apply regardless of whether the structures are privately owned or publicly assisted. Examples of these regulations include Section 504 of the Rehabilitation Act of 1973 and the federal Fair Housing Act.

The City of Naperville requires all new public facilities and multi-family developments to be accessible

The City of Naperville follows the 2012 edition of the International Codes, in addition to several amendments. One of these amendments, the Illinois Accessibility Code, deals specifically with access issues. This code requires new multi-family housing construction to have accessible common use spaces, public spaces, and site improvements. At least 20% of units must be "adaptable," which the code defines as units "…designed and constructed so they may, upon application by initial occupant, be converted to accessible units, with a minimum of structural changes, to meet

the needs of different types of environmentally limited persons…".

The code requires public facilities to be accessible on all floors. Naperville's Code Enforcement Division enforces all building code regulations within the City.

The City has made accessibility a priority through the development and continued implementation of ADA transition plans for rights-of-way and public facilities.

Naperville's *ADA Transition Plan – Public Rights of Way and Sidewalks*, was last updated in 2012. The implementation of this plan is administered by the City's Transportation, Engineering, and Development Business Group (TED). The plans' goals are listed below.

Years 1 -2

- Seek to eliminate all non-ramped curbs
- Seek to make most signalized intersection push buttons reachable from sidewalk
- Seek to implement Audible Pedestrian Signals (APS) per policy
- Seek to incorporate ADA work into all construction programs as applicable
- Seek to incorporate better accessibility during construction into permit work
- Seek to improve access to ADA training resources

Years 3 - 5

- Seek to install detectable warnings on all arterial intersections
- In the CBD, seek to install detectable warnings at all commercial driveways and alleys that have a traffic control device or operate as a street and at all intersections that allow pedestrian crossings
- Seek to identify and plan correction/improvement of extreme slope locations
- Prioritize infrastructure that is considered physically substandard for replacement using existing funding sources

Major accomplishments since the updated plan was adopted by City Council include:

- From 2013-2015, 900 curb ramps were upgraded to current ADA standards
- From 2013-2015, 44 signalized intersections were improved

The City expects to update the plan in 2017 and continue with its implementation.

The City's *ADA Facility Transition Plan* was adopted by City Council in 2016. This plan focuses on improving the accessibility of facilities owned by the City of Naperville. Recommended improvements were prioritized based on safety, facility use, accessibility, estimated cost, and project complexity. Projects to be implemented include:

- Parking lot accessibility improvements
- Interior accessibility improvements at the train stations
- Fire alarm replacement the Van Buren Parking Deck
- Accessibility improvements to City Council Chambers

The City of Naperville's Social Services Grant Program provides funding to organizations that serve individuals with disabilities

Through its Social Services Grant Program, the City of Naperville makes $500,000 available annually for non-profit organizations who provide services that meet one or more of the following objectives:

- Emergency services
- Seniors
- Youth
- Special Populations (e.g. individuals with disabilities, the homeless, veterans)
- Self-Sufficiency Projects

Transportation projects related to these objectives are also eligible. Nonprofit organizations providing transportation services to the disabled have been funded through this grant program in the past, and the City expects to continue to receive eligible applications for such services in the future.

In addition to improving transportation options for individuals with disabilities, this funding has been used to promote mental health awareness and access, replace sidewalks, provide meal delivery for home-bound seniors, providing substance abuse recovery services, and several other activities that assist those with disabilities.

Fair Housing Enforcement, Outreach, and Resources

INTRODUCTION

This section of the AI reviews fair housing capacity in Naperville, including advocacy organizations and jurisdictional monitoring and enforcement of local fair housing laws. This section also analyzes the existence of fair housing complaints and the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

FAIR HOUSING COMPLIANCE AND INFRASTRUCTURE

U.S. Department of Housing and Urban Development

HUD's Office of Fair Housing and Equal Opportunity (FHEO) receives complaints by households regarding alleged violations of the Fair Housing Act. Fair housing complaints originating in Naperville were obtained and analyzed for a period spanning 2008 to 2016. In total, 26 complaints originating in Naperville were filed with HUD in this time period. Only one of these complaints was not referred to and handled by the Illinois Department of Human Rights (IDHR). This complaint, based on familial status, was resolved in 2008 after settlement.

Illinois Department of Human Rights

The Illinois Department of Human Rights (IDHR) is the state agency responsible for enforcing the Illinois Human Rights Act (IHRA). The IHRA prohibits discrimination in real estate transactions on the basis of race, color, religion, sex (including sexual harassment), pregnancy, national origin, ancestry, age (40 and over), order of protection status, marital status, sexual orientation (including gender-related identity), military discharge status, disability, or familial status. Consequently, Illinois residents have more protection under State law than under federal law in the area of housing discrimination.

Under the IHRA, real estate transactions include the sale, exchange, rental or lease of real property, the brokering or appraising of residential real property, and the making or purchasing of loans or providing other financial assistance for purchasing, constructing, improving, repairing or maintaining a dwelling or secured by residential real estate.

The IHRA has been determined by HUD to be substantially equivalent to the federal Fair Housing Act. This means that the IHRA provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. As a result, HUD will refer complaints of housing

discrimination that it receives from Illinois to the Illinois Department of Human Rights for investigation.

IDHR accepts and processes complaints of housing discrimination, and conducts an investigation of the charges. If substantial evidence of a violation of the Illinois IHRA is found, IDHR will attempt to resolve the dispute through settlement discussions. Should conciliation fail, IDHR will file a complaint with the Illinois Human Rights Commission (HRC). Parties may also elect to have their claims decided in a Circuit Court of Illinois. If the complaint remains with the Illinois HRC, the case is scheduled for a public hearing before an administrative law judge.

The Illinois HRC is authorized under the Illinois HRA and provides a neutral forum for resolving complaints of discrimination filed under the Illinois HRA. The primary responsibility of the HRC is to make impartial determinations of whether there has been unlawful discrimination as defined by the IHRA. The HRC fights discrimination by investigating and resolving complaints through reconciliation by mediators and conciliators, and conducting a multi-faceted public education program.

A total of 15 housing complaints were filed with IDHR between 2008 and 2016, averaging to about two complaints annually. No complaints were filed in 2011 and four complaints were filed in 2010. The majority of complaints filed with IDHR were on the basis of disability and/or race. Three cases were resolved through a private settlement, likely indicating that discrimination did occur. These cases were based on disability, national origin, and race.

Complaints filed with IDHR are summarized in *Figure 24*. Abbreviations used are:

- AW: Adjusted and withdrawn (private settlement)
- DEF: Default (of the respondent due to failure to provide a verified response
- LSE: Lack of substantial evidence
- WD: Withdrawn by complainant
- N/A: Case is still open

Figure 25, IDHR Housing Complaints, 2008-2016

Filing Date	Finding	Closure Date	Basis and Issues
4/19/2016	N/A	N/A	Physical Disability (Other)
8/27/2015	LSE	N/A	Retaliation (Other)
10/2/2014	AW	12/17/2014	Mental Disability (Other); National Origin, Mexico; Retaliation (Other
6/3/2014	LSE	7/7/2015	Family Status; Mental Disability (Other); Physical Disability (Other); Race, Black
2/24/2014	LSE	N/A	Physical Disability, Mobility Impairment
7/12/2013	LSE	4/11/2014	Race, Black
11/20/2012	DEF/LSE	N/A	Sexual Orientation, Homosexual
5/4/2010	LSE	1/6/2012	Family Status; Mental Disability, Learning Disability; Physical Disability, Respiratory Disorder; Race, Black
3/16/2010	LSE	1/21/2011	Family Status; National Origin, Puerto Rico; Sex Discrimination (Other)
3/5/2010	LSE	4/26/2011	Race, Black
2/8/2010	AW	6/4/2010	Physical Disability (Other
10/7/2009	AW	4/1/2010	Physical Disability (Other); Race, Black
3/23/2009	LSE	4/12/2010	Physical Disability (Other)
5/19/2008	WD	7/22/2008	Race, Black
4/28/2008	LSE	11/10/2008	Physical Disability (Other); Race, Black

Source: Illinois Department of Human Relations, 2008-2016

HOPE Fair Housing Center

HOPE Fair Housing Center serves over 30 counties in Northern and North Central Illinois, including DuPage County. The portion of Naperville within Will County is also served by HOPE. HOPE participates in HUD's Fair Housing Assistance Program (FHAP), which allows the agency the opportunity to receive funding to support a variety of fair housing administrative and enforcement activities, including education, training, outreach, enforcement, and advocacy. HOPE has provided training to the City's Housing Advisory Commission in the past but not in recent years due to lack of funding. HOPE investigates claims of housing discrimination and assists complainants with filing complaints.

Complaints filed with HOPE are summarized on the following page. RA/RM refers to a case in which the requested reasonable accommodation or modification was made. An administrative closure refers to the closure of a case for one of the following reasons:

- Failure to Cooperate: The investigation cannot be completed because the complainant fails or refuses to respond to reasonable requests for information.
- Inability to Locate: The investigation requires information from the complainant and the complainant cannot be located.
- Withdrawal without Resolution: The complainant decides not to proceed with or participate in the investigation.

A total of 39 complaints were filed with HOPE between 2012 and 2016, the only years for which data are available. Throughout this period, an average of nine complaints were filed per year, ranging from five complaints filed in 2015 to 14 complaints filed in 2013. The most frequently reported basis for discrimination was disability, with 23 alleged instances of discrimination, followed by race and familial status with 12 and seven alleged instances of discrimination, respectively.

Housing discrimination based on source of income was alleged in six separate complaints filed with HOPE. Most of these coincided with other bases of housing discrimination. According to HOPE Fair Housing staff, these instances primarily involve individuals with Housing Choice Vouchers or Veterans Affairs Supportive Housing (VASH) vouchers. HOPE staff stated that they have received complaints from voucher recipients who have called landlords and either been hung up on or told "no vouchers accepted" when they inquire about available rental units. This indicates that there is a need to educate landlords on their obligations to comply with the Fair Housing Ordinance, which was amended in October 2016 to define "source of income."

Figure 26, HOPE Housing Complaints in Naperville, 2012-2016

Intake Date	Resolution	Protected bases	Closure Date
7/12/2016	N/A	Race, Familial status, National origin, Other, Age	N/A
6/27/2016	N/A	Disability, Other, Age	N/A
2/19/2016	Counseled and closed - No fair housing issue	Race	2/11/2016
5/18/2015	Fair Housing organization administratively closed	Race	5/31/2015
5/15/2015	Fair Housing organization administratively closed	Race, Disability	6/24/2015
4/13/2015	Fair Housing organization administratively closed	Disability	4/30/2015
2/23/2015	Directly assisted in RA/RM	Disability, Other	4/1/2015
2/18/2015	Fair Housing organization administratively closed	Disability	4/30/2015
10/28/2014	Fair Housing organization administratively closed	Race, Color	10/31/2014
9/9/2014	Fair Housing organization administratively closed	Race, Color	11/15/2014
7/25/2014	Fair Housing organization administratively closed	Other, Source of income	8/4/2014
7/22/2014	Fair Housing organization administratively closed	Race, Color, Disability, Other, Source of income	8/15/2014
7/21/2014	Pending with other	Familial status	7/24/2014
6/26/2014	Pending with other	Disability	8/15/2014
6/20/2014	Directly assisted in RA/RM	Disability, Other, Source of income	6/25/2014
5/8/2014	Counseled and closed - No fair housing issue	Disability, Other	5/8/2015
5/2/2014	Conciliated/settled by other	Color, Sex, National origin, Disability, Other, Age	5/8/2014
4/4/2014	Pending with local organization	Race, Color, Familial status, Other, Source of income	4/4/2014
2/23/2014	Fair Housing organization administratively closed	Disability, Other, Age	4/1/2014
12/4/2013	Fair Housing organization administratively closed	Disability	12/12/2013
11/18/2013	Directly assisted in RA/RM, Pending with other	Disability	11/21/2013
11/18/2013	Fair Housing organization administratively closed	Disability	11/18/2013
10/25/2013	Pending with other	Disability	1/7/2014
10/17/2013	Directly assisted in RA/RM	Disability, Other, Age	10/30/2013
9/15/2013	Pending with private attorney, Pending with other	Disability	N/A
7/25/2013	Fair Housing organization administratively closed	Disability	9/30/2013

CONTINUED ON NEXT PAGE

Figure 26, HOPE Housing Complaints in Naperville, 2012-2016 (continued)

Intake Date	Resolution	Protected bases	Closure Date
7/24/2013	Pending with local organization	Disability	N/A
7/18/2013	Fair Housing organization administratively closed	Race, Color, Familial status	9/1/2013
7/17/2013	Fair Housing organization administratively closed	Race	9/14/2013
6/18/2013	Fair Housing organization administratively closed	Other, Source of income	6/18/2013
4/29/2013	Fair Housing organization administratively closed	Familial status, National origin	5/30/2013
1/24/2013	Fair Housing organization administratively closed	Race	1/24/2013
1/24/2013	Counseled and closed - No fair housing issue	Race	1/24/2013
11/14/2012	Fair Housing organization administratively closed	National origin, Disability	3/13/2013
11/13/2012	Fair Housing organization administratively closed	Disability, Other, Source of income	11/13/2012
10/13/2012	Fair Housing organization administratively closed	Familial status	1/7/2014
10/1/2012	Fair Housing organization administratively closed	Disability	2/2/2016
6/11/2012	Fair Housing organization administratively closed	Disability, Other, Age	1/2/2013
1/5/2012	Fair Housing organization administratively closed	Familial status	1/5/2012

Source: HOPE Fair Housing Center, 2012-2016

Naperville Fair Housing Ordinance
The City of Naperville's Fair Housing Ordinance, which was adopted in 1992 and updated in 2000, states:

"It is the policy of the City that all individuals shall have an equal opportunity to purchase, own, lease, and occupy housing within the City without being discriminated against based on race, color, religion, sex, national origin, ancestry, age, marital status, familial status, physical or mental handicap or disability, military status, sexual orientation, or legal source of income. It is also the policy of the City that members of those protected classes shall have the right to be free from discriminatory practices when engaging in real estate transactions and seeking access to financial credit for real estate transactions."

Source: City of Naperville Municipal Code, Section 10-5.

The City defines legal source of income as "any lawful income, subsidy or benefit with which an individual supports himself or herself and his or her dependents, including but not limited to, child support, maintenance, and any federal, state or local public assistance, medical assistance or rental assistance program". Having source of income as a protected class means that lenders must consider all legal sources of income when calculating debt-to-income ratios, and landlords cannot deny an applicant based on insufficient income if they have not included all lawful income in the applicant's income calculations when determining the ability to pay the required rent.

Under the City's Fair Housing Ordinance, housing discrimination complaints in Naperville may be filed with the City's Housing Advisory Commission (HAC).

The HAC was established in 1997 and its official duties are defined in the City's Municipal Code, Section 2-5-3 as follows:

1. Assist the City Council in the development and implementation of a City policy related to housing.
2. Encourage the maintenance of existing sound housing and rehabilitation of deteriorating housing.
3. Assist in the identification and development of available resources related to housing.
4. Study and consider such other matters as may be referred to it from time to time by City Council.
5. To receive, investigate and process, as hereinafter set forth, complaints alleging violations of the provisions of Title 10, Chapter 5 of this Code.
6. To seek conciliation of, hold hearings on, and make findings of fact with respect to any complaint received.
7. To report to City Council upon its findings of fact and recommendations
8. To render a written annual report to the City Council of its activities, and its recommendations, if any, with respect to the enforcement of Title 10, Chapter 5 of this Code; and to render such other reports as the City Council may request.
9. To keep a separate file of every complaint filed, and keep an accurate record of all its proceedings.

Complaints filed with HAC must be made within 90 days of the alleged unlawful act that forms the basis of the complaint. Complaint forms are available on the City's website.

The City's HAC has not received any housing complaints within recent years. It meets every other month to discuss issues related to fair housing.

SUMMARY OF COMPLAINTS

A lack of filed complaints does not necessarily indicate a lack of discrimination. Some persons may not file complaints because they are not aware of how to file a complaint or where to go to file a complaint. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker.

Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Also, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint or following through with any legal action after filing a complaint. This means that cases that are closed without a resolution, such as administratively closed cases, do not necessarily mean that discrimination has not occurred.

In Naperville, the majority of housing complaints filed were closed administratively or due to a lack of substantial evidence. Disability was the most common alleged complaint basis, followed by race/color of skin and familial status.

Figure 26 summarizes complaints from all four sources. The table includes some duplicates as several complaints involved more than one basis of discrimination.

Figure 27, Total Bases for Alleged Discrimination

Protected Class	Complaints
Disability	32
Race/Color	25
Familial Status	11
National Origin	6
Age	6
Source of Income	6
Sex	2
Sexual Orientation	1
TOTAL*	89

Source: HOPE Fair Housing Center, 2012-2016; HUD FHEO, 2008-2016; IDHR, 2008-2016.
**Includes duplicates, as several complaints involve more than once basis of discrimation.*

Fair Housing Goals and Priorities

INTRODUCTION

The following impediments were identified as factors that contribute to housing discrimination in Naperville. Each contributing factor is associated with a goal developed to reduce the impediment. These items, along with the *Assessment of Past Goals*, form the basis for the City's Fair Housing Action Plan.

The Fair Housing Action Plan describes specific steps that the City should take to eliminate impediments to fair housing choice in Naperville, and estimates the cost, complexity, and timeframe associated with implementing each action item. Potential partners and funding sources are identified to facilitate the implementation of the recommended initiatives.

An action item's **complexity** is assessed based on the level of coordination and technical expertise necessary to implement the initiative. Items with a "Low" score can be implemented with little need for public coordination or technical assistance. Conversely, items with a "High" score will require significant public involvement and coordination with other City departments and/or external agencies, and likely require special technical assistance. Action items with a score of "Medium" fall somewhere in between.

The **cost** of implementing each action item is estimated using the following scale:

- Low – Less than $1,000
- Medium - $1,000 to $10,000
- High – Greater than $10,000

The **timeframe** associated with implementing each action item is estimated using the following scale:

- Short – Less than one year
- Medium – One to three years
- Long – Greater than three years

IMPEDIMENTS TO FAIR HOUSING CHOICE

Impediment #1: Fair housing education and outreach efforts continue to be necessary to educate residents about their rights and responsibilities and to deter housing discrimination as demonstrated by:

- *Public opposition to amending the City's Fair Housing Ordinance to include Housing Choice Vouchers in the definition of "legal source of income"*
- *Opposition to affordable housing developments for families with children*

- *Lack of knowledge among landlords about reasonable accommodations for persons with disabilities*
- *Housing discrimination complaints alleging discrimination on the basis of disability, race and familial status*
- *Lack of knowledge among residents and municipal officials about what constitutes illegal discrimination under the Fair Housing Act*

Goal: Increase fair housing education and outreach opportunities available to residents; landlords, property management agents and real estate professionals; City staff, appointed boards and commissions; and, City municipal leaders.

Impediment #2: Persons with limited English proficiency may not be able to fully access Naperville's housing and community development programs and services for which they are eligible due to language barriers

Goal: Ensure that persons with limited English proficiency can access the City's affordable housing and community development services and programs

Impediment #3: An inadequate supply of affordable housing throughout Naperville exists as demonstrated by:

- *High demand for affordable housing that is also accessible to persons with disabilities*
- *A waiting list of more than 1,800 applicants for Housing Choice Vouchers issued by DuPage Housing Authority*
- *Housing Choice Voucher payment standards are often inadequate for two-bedroom housing units in Naperville*
- *The difficulty that social service agencies have in securing affordable housing for the elderly, large families and persons with disabilities*

Goal: Expand affordable housing choice throughout Naperville to meet existing and future market demand for members of the protected classes.

Impediment #4: The public transportation system within Naperville restricts housing choice and access to employment and education opportunities for residents who are transit-dependent

Goal: Advocate for public transit systems to connect lower income neighborhoods and affordable housing communities with major employment centers and education facilities

FAIR HOUSING ACTION PLAN

Goal	Action Items	Complexity	Cost	Funding	Timeframe	Implementation Partners
Increase fair housing education and outreach opportunities available to residents; landlords, property management agents and real estate professionals; City staff, appointed boards and commissions; and, City municipal leaders	1A. Contract with a HUD-certified fair housing organization to conduct paired real estate testing in the rental market based on source of income, disability and race	Low	Medium	CDBG	Short	Lead: City Clerk's Office Partners: HUD-certified fair housing organizations, Housing Advisory Commission
	1B. Contract with a HUD-certified fair housing organization to conduct fair housing education and outreach workshops for residents, landlords, real estate agents, property management agents, lenders, City staff, City Council, and City boards and commissions	Low	Medium	CDBG	Short	Lead: City Clerk's Office Partners: HUD-certified fair housing organizations, Housing Advisory Commission, Senior Task Force (STF), Accessible Community Task Force (ACT), Advisory Commission on Disabilities (ACD)
	1C. Contract with a HUD-certified homebuyer counseling organization to provide homebuyer education and financial management training	Low	Medium	CDBG	Short	Lead: City Clerk's Office Partners: HUD-certified housing counseling agency, Housing Advisory Commission
	1D. Amend Title 10, Section 5, §10–5–6–1 of the Naperville Municipal Code to allow a housing discrimination complaint to be investigated as long as it is filed within one year of the alleged unlawful act that forms the basis of the complaint	Medium	Low	City	Medium	Lead: Housing Advisory Commission Partners: City Clerk's Office, City Council
	1E. Direct all housing discrimination complaints received from City residents to a HUD-certified fair housing organization for investigation and enforcement	Low	Medium	City	Short	Lead: Housing Advisory Commission Partners: City Clerk's Office, City Council, HUD-certified fair housing organizations
	1F. Designate the Housing Advisory Commission as the entity responsible for overseeing the implementation of this Fair Housing Action Plan with support from the staff liaison to the Housing Advisory Commission, the Transportation, Engineering, and Development (TED) Business Group and the City Clerk's Office.	Low	Low	City	Short	Lead: City Clerk's Office Partners: Housing Advisory Commission, TED, STF, ACT, ACD
Ensure that persons with limited English proficiency can access the City's affordable housing and community development services and programs	2A. Develop and implement a Language Access Plan that conforms to HUD'S Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 Fed. Reg. 13; Jan. 22, 2007).	Medium	Medium	CDBG	Medium	Lead: City Clerk's Office Partners: TED, Community advocacy groups such as Naperville Indian Community Outreach

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FAIR HOUSING ACTION PLAN

Goal	Action Items	Complexity	Cost	Funding	Timeframe	Implementation Partners
Expand affordable housing choice throughout Naperville to meet existing and future market demand for members of the protected classes	3A. Prepare an Affordable Housing Plan to determine the degree to which affordable housing demand exceeds current housing supply; implement any recommendations as supplemental initiatives to this Fair Housing Action Plan	Medium	High	City	Medium	Lead: TED Partners: City Clerk's Office, Housing Advisory Commission, STF, ACT, ADC
	3B. Fully integrate planning for affordable housing and fair housing into the comprehensive planning and implementation process with plan amendments	Medium	Low	City	Long	Lead: TED Partners: City Clerk's Office, Housing Advisory Commission, STF, ACT, ADC Planning Commission
	3C. Identify parcels of land appropriate for rezoning for multi-family development; amend the City Zoning Map to rezone these parcels and create opportunities for new affordable housing development	High	Low	City	Long	Lead: TED Partners: City Clerk's Office, Planning Commission, Housing Advisory Commission, STF, ACT, ADC
Advocate for public transit systems to connect lower income neighborhoods and affordable housing communities with major employment centers and education facilities	4A. Work with social service providers to better understand the transportation needs of the protected classes and other lower income households	Medium	Low	City	Medium	Lead: TED Partners: City Clerk's Office, STF, ACT, ADC, social service providers, transit providers
	4B. Coordinate future transit route development with the review and approval process for affordable housing development	High	Medium	City	Long	Lead: TED Partners: City Clerk's Office, Planning Commission, Housing Advisory Commission, STF, ACT, ACD, transit providers
	4C. Establish a formal policy of locating public service facilities for City agencies on bus lines, whenever possible	Medium	Low	City	Medium	Lead: TED Partners: City Clerk's Office, City Council, STF, ACT, ACD, transit providers, social service providers

Appendix

Notes on Methodology

Data Documentation

NOTES ON METHODOLOGY

The City of Naperville's municipal boundaries do not align with census geographic units. Consequently, several census tracts and block groups cover unincorporated areas and portions of other municipalities in addition to Naperville, and the statistics that correspond to these areas reflect the entire population of the geographic unit and not just the population that lives in Naperville. To alleviate some of the data issues resulting from this discrepancy, data corresponding to block groups and census tracts with no residential units in Naperville were removed from the analysis. These areas are shown in white on the maps.

AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) DATA DOCUMENTATION

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I. Overview

HUD has asked its program participants to take a more serious look at their fair housing context. The agency is taking a more active role as a dynamic partner by providing data and analytical tools to help grantees quantify and interpret particular fair housing dynamics. HUD provides a dynamic online mapping and data-generating tool for communities to aid in their completion of the Assessment of Fair Housing using the Assessment Tool. HUD accompanies this tool with guidance tailored to accommodate program particpiants of all capacity levels.

This document outlines the data, methods, and sources behind the tool that HUD provides. It describes demographic, socioeconomic, and housing characteristics, as well as access to opportunity indicators through a series of Opportunity Indices.

This data package is not exhaustive and should not supplant local data or knowledge that is more robust. It represents a baseline effort to assemble consistent, nationally available data from a variety of sources compiled into one location.

II. Data Sources

Table 1 lists data sources, years, and the spatial scale used to populate the tables and maps in the AFFH Tool.

Table 1: Data Sources

Data Category	Variables	Geographic level or Primary Sampling Unit	Tables	Maps	Sources and years
Demographics	Race/Ethnicity population in 2010	Block-group	1, 2, 4	1, 5-7, 9-14	Decennial Census, 2010
Demographics	Race/Ethnicity population in 2000 & 1990	Tract	2	2	Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Demographics	Percent of race/ethnicity census tract	Tract	8	na	Decennial Census, 2010
Demographics	Limited English Proficiency (LEP) population; LEP languages; Foreign-born population; Foreign-born population place of birth (national origin)	Tract	1, 2, 4	3, 4, 8, 9-14	American Community Survey (ACS), 2006-2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Demographics	Disability Type population; Disabled population by Age	Tract	1, 13, 14	15, 16	American Community Survey (ACS), 2008-2012
Demographics	Population by Age, Sex, Family Type	Tract	1, 2, 4	9-14	Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Socioeconomic	Racially/Ethnically-Concentrated Areas of Poverty (R/ECAP)	Tract	4, 7	1-16	Decennial census (2010); American Community Survey (ACS), 2006-2010
Housing	Population, housing units, occupied housing units, race/ethnicity, age, disability status, household type, and household size by Housing Type	Development; Tract	5-7, 11, 15	na	Inventory Management System (IMS)/ PIH Information Center (PIC), 2013; Tenant Rental Assistance Certification System (TRACS), 2013
Housing	Low-Income Housing Tax Credit developments	Development	8	na	National Low-Income Housing Tax Credit (LIHTC) Database, 2013

Data Category	Variables	Geographic level or Primary Sampling Unit	Tables	Maps	Sources and years
Housing	Households with Housing Problems; Households with Severe Housing Problems; Households with Income Less than 31% of Area Median Income (AMI); Households with Severe Housing Cost Burden; Households with Housing Problems by Race, Household Type, Household Size	Tract	9, 10	7, 8	Comprehensive Housing Affordability Strategy (CHAS), 2007-2011
Opportunity Indices	Dissimilarity Index	Community Development Block Grant (CDBG); Core Based Statistical Area (CBSA)	3	na	Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Opportunity Indices	Low Poverty Index, Labor Market Engagement Index	Tract	12	11, 13	American Community Survey (ACS), 2006-2010
Opportunity Indices	School Proficiency Index	Block-group	12	9	Great Schools, 2012; Common Core of Data (4th grade enrollment and school addresses), 2012; School Attendance Boundary Information System (SABINS), 2012
Opportunity Indices	Low Transportation Cost Index; Transit Trips Index	Tract	12	12,17	Location Affordability Index (LAI) data, 2008-2012
Opportunity Indices	Jobs Proximity Index	Block-group	12	10	Longitudinal Employer-Household Dynamics (LEHD), 2010
Opportunity Indices	Environmental Health Index	Tract	12	14	National Air Toxics Assessment (NATA) data, 2005

III. Levels of Geography and Weights

The AFFH Tool includes data for all U.S. states, the District of Columbia, and Puerto Rico. Users may access data through the AFFH Tool at various spatial scales, including geo-boundaries of Census tracts, the Community Development Block Grant (CDBG) and the Core-based Statistical Area (CBSA). As shown in Table 1, most data in the AFFH Tool are at the Census tract or block-group levels. The selection of a spatial scale to use as the initial basis for each data element is primarily based on the lowest level in which HUD has faith in its accuracy. For example, data elements constructed from the American Community Survey (ACS) data are based on Census tract estimates rather than block-group estimates due to concerns about sampling errors.

Data displayed in the AFFH Tool map views are at the Census tract level. Data displayed in the report tables are aggregated from smaller geographic units (i.e. either the Census tract or block-group level) to the CDBG[1] and CBSA levels. As shown in Table 1, the AFFH data are from multiple sources in various years. In order to compile them into one mapping tool database, data issued or released at different years need to be adjusted to the same year. The Census tract and block-group boundaries in the AFFH Tool are based on those released by Census in 2010. The Tool incorporates minor changes indicated in the ACS "Geography Release Notes" for 2011 and 2012 on the Census Bureau website[2], resulting in boundaries and corresponding data adjusted to calendar year 2012. The CDBG boundaries are based on political jurisdiction boundaries for calendar year 2011. The CBSA boundaries are based on OMB 2013 definitions.

The CDBG level reflects the geographical boundaries for grantees that receive direct allocations of CDBG funds from HUD. CDBGs are not census-designated areas, which means that CDBG jurisdictional boundaries do not fall consistently along Census tracts or block-groups. A series of technical procedures were necessary to construct a crosswalk between census-designated areas and CDBGs. Census geographic identifiers at the summary level 070 (state-county-county subdivision-place/remainder) and summary level 080 (state-county-county subdivision-place/remainder-census tract) were matched to HUD CDGB geographic identifiers.

Weights

At the boundaries of CDBG jurisdictions, some Census tracts fell partially within the jurisdiction and partially outside of the jurisdiction. Data from these tracts were weighted by the share of the population within the CDBG boundary to approximate including only the portion of those tracts within the CDBG in aggregate figures reported at the CDBG level. In contrast, block groups were simply assigned to the CDBG that contained its centroid.

IV. Race/Ethnicity

Among other factors, the Fair Housing Act prohibits housing discrimination based on race. HUD offers information on both race and ethnicity. HUD provides data for non-Hispanic whites,

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[1] CDBG jurisdictions in the AFFH Tool exclude non-entitlement jurisdictions.

[2] Tract changes between 2010 and 2011 are here: http://www.census.gov/acs/www/data_documentation/2011_geography_release_notes/; Tract changes between 2011 and 2012 are here: http://www.census.gov/acs/www/data_documentation/2012_geography_release_notes/

considering Hispanics of any race as a separate race/ethnic category that can experience housing discrimination differently than other groups. Similarly, the data provided for the other race groups – black, Asian and Pacific Islander, Native American, and other – also exclude information for people who identify as having Hispanic ethnicity. Other race/ethnicity data are discussed in sections IX and XI.

Data Source: American Community Survey (ACS) 2006-2010; Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Related Template Tables/Maps: Table 1, 2, 4; Map 1, 2, 5-7, 9-14

V. National Origin and Limited English Proficiency (LEP)

The Fair Housing Act also prohibits housing discrimination based on national origin. The AFFH Tool provides data for four indicators of national origin. The first two are the 10 most common places of birth of the foreign-born population by jurisdiction and region and the number and percentage of the population that is foreign-born. The second two indicators are the ten most common languages spoken at home (for the population age 5 years and over) for those who speak English "less than 'very well,'" and the number and percentage of the population who speak English "less than very well."

Data on national origin and LEP originate from the 2006-2010 American Community Survey and Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 and 1990. Counts of each place of birth by tract were aggregated to the jurisdiction and regional level separately. Within these geographies, the counts for places of birth were ranked and the ten most populous groups were determined and are presented.

The 10 most common places of birth and LEP languages are displayed in the Template Tables, while the five most common are displayed in the Template Maps. HUD limits the number of categories for the maps in order to better visualize the most significant groups. National origin and LEP data were missing for Puerto Rico.

Data Source: American Community Survey (ACS) 2006-2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990.
Related Template Tables/Maps: Table 1, 2, 4; Map 3, 4, 8, 9-14

VI. Disability Status and Type

The Fair Housing Act prohibits housing discrimination of any person based on disability. The AFFH Tool provides information on disability type, disability status by age group, and disability status by housing type. The disability type and disability status by age group measures are from the ACS, while the measure of people with disabilities by housing type is from the PIC/TRACS data (see section IX). The definition of "disability" used by the Census Bureau may not be comparable to reporting requirements under HUD programs.

The disability type categories are: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. These categories are based on a new set of disability questions introduced into the ACS in 2008 and are not comparable to disability type figures in prior years.

Data Source: American Community Survey (ACS), 2008-2012; Inventory Management System (IMS)/ PIH Information Center (PIC), 2013; Tenant Rental Assistance Certification System (TRACS), 2013
Related Template Tables/Maps: Table 1, 13, 14; Map 15, 16

VII. Sex

The Fair Housing Act prohibits housing discrimination of any person based on sex. The AFFH Tool provides information on male/female status.

Data Source: Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Related Template Tables/Maps: Table 1, 2

VIII. Families with Children and Age

The Fair Housing Act prohibits housing discrimination of any person based on familial status. The AFFH Tool provides information on families with children. Specifically, familial status is measured as the number and percentage of all families (with two or more related people in the household) that are families with children under age 18. The Tool also provides data on age group (under 18, 18-64, and 65+).

Data Source: Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Related Template Tables/Maps: Table 1, 2, 4; Map 9-14

IX. Households in Publicly Supported Housing

The AFFH Tool provides data on households within the following housing categories: Public Housing, Section 8 Project-based Rental Assistance (PBRA), other assisted housing multifamily properties, Section 8 Housing Choice Voucher (HCV) Program, and Low-Income Housing Tax Credit (LIHTC). The “Other HUD Multifamily” properties include properties funded through the Supportive Housing for the Elderly (Section 202), Supportive Housing for Persons with Disabilities (Section 811), Rental Housing Assistance (Section 236), Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Below Market Interest Rates (BMIR) programs.

The sources for data on households in these housing types are:

- HCV: census tract-level data extract from the Family Report Form HUD-50058 (PIC)
- Public Housing: development-level data extract from the Family Report Form HUD-50058 (PIC)
- PBRA and other multifamily properties: development-level data extract from HUD-50059 (TRACS)
- LIHTC: National Low-Income Housing Tax Credit (LIHTC) Database

The Tool reports data by housing type differently depending on the report table. These details are outlined below:

Tables 5, 6, 11, and 15 present data on households in Public Housing, PBRA, other publicly supported housing multifamily properties, and HCV. Data on developments with fewer than 11 households reported or with fewer than 50 percent of occupied units reported at the CDBG and CBSA aggregations were omitted to ensure confidentiality.

Table 5 presents the total number of units in housing publicly supported programs and their share of the total number of housing units within CDBG jurisdictions. The denominator used in Table 5 is the total number of housing units in the 2010 census block-group aggregated at the CDBG level.

Table 6 presents data on the race and ethnicity of households in housing publicly supported programs. The race/ethnicity categories are non-Hispanic white, non-Hispanic black, Hispanic, and non-Hispanic Asian or Pacific Islander. Information on the race and ethnicity of households with incomes at or below 30 percent of the area median income (AMI) is from the Comprehensive Housing Affordability Strategy (CHAS) database.

Table 7 reports the following data on households in housing publicly supported programs within the CDBG jurisdiction: race/ethnicity (percent white, black, Hispanic, and Asian or Pacific Islander), percent of households with at least one member with a disability, and percent of households where the head or spouse is age 62 or older. The data in this table are presented separately for properties/households located within and outside of racially/ethnically-concentrated areas of poverty (detailed below in section X) within the CDBG jurisdiction.

Table 8 presents data on the composition of households assisted through Public Housing, PBRA, and other HUD multifamily properties. Population characteristics – race/ethnicity (white, black, Hispanic, Asian), households with children, and poverty rate – of the census tracts that contain assisted housing are also presented. Although information on households in LIHTC properties is not displayed in Table 8, the data on geographical coordinates for properties were used to identify the list of census tracts presented. Data on properties with fewer than 11 households reported or with fewer than 50 percent of occupied units reported at the development and at the Census tract aggregation were omitted to ensure confidentiality.

Tables 7 and 8 include only developments with precise spatial information, such as a rooftop location or the ZIP+4 centroid associated with the address. Developments with less precise spatial information are omitted because they cannot reliably be located to the correct street block or the correct side of the street block.

In conjunction with Tables 7 and 8, Maps 5 and 6 also include only developments with precise spatial information. Over 96 percent of Public Housing, PBRA, and other HUD multifamily properties and 84 percent of LIHTC properties have sufficient geographical information to be included in the tables and maps.

Tables 11 and 15 present data on unit size (households in 0-1 bedroom units, 2 bedroom units, and 3 or more bedroom units), households with children, and households where at least one member has a disability.

Data Source: Inventory Management System (IMS)/PIH Information Center (PIC), 2013; Tenant Rental Assistance Certification System (TRACS), 2013; National Low-Income Housing Tax Credit

(LIHTC) Database, 2013; Decennial Census, 2010; Comprehensive Housing Affordability Strategy (CHAS), 2007-2011
Related Template Tables/Maps: Table 5-8, 11, 15; Map 5, 6

X. R/ECAP

To assist communities in identifying racially or ethnically-concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward: R/ECAPs must have a non-white population of 50 percent or more. Regarding the poverty threshold, Wilson (1980) defines neighborhoods of "extreme poverty" as census tracts with 40 percent or more of individuals living at or below the poverty line. Because overall poverty levels are substantially lower in many parts of the country, HUD supplements this with an alternate criterion. Thus, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. Census tracts with this extreme poverty that satisfy the racial/ethnic concentration threshold are deemed R/ECAPs. This translates into the following equation:

$$R/ECAP_i = yes \ldots if \ldots \begin{cases} PovRate_i \ >= [3 * \ \mu_{PovRate}^{cbsa}] \\ or \\ PovRate_i \ >= 0.4 \end{cases} \bigcup \left[\frac{(Pop_i - NHW_i)}{Pop_i}\right] >= \ 0.50$$

Where *i* represents census tracts, ($\mu_{PovRate}^{cbsa}$) is the metropolitan/micropolitan (CBSA) mean tract poverty rate, PovRate is the *i*th tract poverty rate, (NHW_i) is the non-Hispanic white population in tract *i*, and Pop is the population in tract *i*.

While this definition of R/ECAP works well for tracts in CBSAs, place outside of these geographies are unlikely to have racial or ethnic concentrations as high as 50 percent. In these areas, the racial/ethnic concentration threshold is set at 20 percent.

Data Source: Decennial census (2010); American Community Survey (ACS), 2006-2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2000 & 1990
Related Template Tables/Maps: Table 4, 7; Map 1-16
References:
Wilson, William J. (1980). The Declining Significance of Race: Blacks and Changing American Institutions. Chicago: University of Chicago Press.

XI. Housing Problems and Disproportionate Housing Need

To assist communities in describing disproportionate housing need in their geography, the AFFH Tool provides data identifying instances where housing problems or severe housing problems exist. The Tool presents housing problems overall, as well as variations by race/ethnicity, household type and household size. The race/ethnicity categories presented are non-Hispanic white, non-Hispanic black, Hispanic, non-Hispanic Asian or Pacific Islander, non-Hispanic Native American, and non-Hispanic other. The household type and size categories presented are family households of less than five people, family households of five or more people, and non-family households of any size.

Information on housing problems is drawn from CHAS, which demonstrate the extent of housing problems and housing needs, particularly for low-income households. The CHAS data are produced via custom tabulations of ACS data by the U.S. Census Bureau.

The Tool provides data on the number and share of households with one of the following four housing problems:

1. Lacks complete kitchen facilities
2. Lacks complete plumbing facilities
3. More than one person per room
4. Cost Burden - monthly housing costs (including utilities) exceed 30% of monthly income

Additionally, the Tool provides data on the number and share of households with one or more of the following "severe" housing problems, defined as:

1. Lacks complete kitchen facilities
2. Lacks complete plumbing facilities
3. More than one person per room
4. Severe Cost Burden - monthly housing costs (including utilities) exceed 50% of monthly income

Program particpants should review these data to determine where disproportionate housing need may be found. For example, a sub-group, such as households of a particular racial/ethnic group or household size, may experience housing problems more frequently than the overall population.

Data Source: Comprehensive Housing Affordability Strategy (CHAS), 2007-2011
Related Template Tables/Maps: Table 9, 10; Map 7, 8

XII. Indices

HUD has developed a series of indices to help inform communities about segregation in their jurisdiction and region, as well as about disparatites in access to opportunity. A description of the methodology for each of the following indices may be found below:

1. Dissimilarity Index
2. Low Poverty Index
3. School Proficiency Index
4. Jobs Proximity Index
5. Labor Market Engagement Index
6. Low Transportation Cost Index
7. Transit Trips Index
8. Environmental Health Index

Table3 of the AFFH data tables provides values for the dissimilarity index. Table 12 of the AFFH data tables provides values for all the remaining indices.

To generate Table12, index values were calculated for each census tract. These tract values were averaged and then weighted based on the distribution of people of different races and ethnicities within the CDBG jurisdiction or CBSA to generate composite index values for each race and ethnicity. A similar process was applied to weight the data based on the distribution of people of different races and ethnicities who are living below the federal poverty line within the CDBG jurisdiction and CBSA. The population estimates are based on the 2010 Decennial Census at the census tract or block-group level, depending on the geographic level at which the index was originally calculated.

The indices from Table 12 are also used to populate maps generated by the AFFH data and mapping tool, showing the overall index values of census tracts juxtaposed against data on race/ethnicity, national origin, and family type.

The following details each of the eight indices used in the AFFH Template.

A. Analyzing Segregation

1. Dissimilarity Index

Summary

The dissimilarity index (or the index of dissimilarity) is a commonly used measure of community-level segregation. The dissimilarity index represents the extent to which the distribution of any two groups (frequently racial or ethnic groups) differs across census tracts or block-groups. It is calculated as:

$$\mathrm{D}_j^{WB} = 100 * \frac{1}{2} \sum_{i=1}^{N} \left| \frac{W_i}{W_j} - \frac{B_i}{B_j} \right|$$

Where *i* indexes census block-groups or tracts, *j* is the jth jurisdiction, *W* is group one and *B* is group two, and *N* is the number of block-groups or tracts *i* in jurisdiction j.

Interpretation

The values of the dissimilarity index range from 0 to 100, with a value of zero representing perfect integration between the racial groups in question, and a value of 100 representing perfect segregation between the racial groups. The following is one way to understand these values:

Measure	Values	Description
Dissimilarity Index [range 0-100]	<40 40-54 >55	Low Segregation Moderate Segregation High Segregation

Data Source: Decennial Census, 2010, 2000, 1990. Block-group level data were used for 2010, and census tracts were used for 2000 and 1990.
Related Template Tables/Maps: Table 3
References:

Massey, Douglas S. and Nancy A. Denton. 1988. The Dimensions of Residential Segregation. Social Forces, 67(2): 281-315.

B. Analyzing Disparities in Access to Opportunity

HUD has developed a two-stage process for analyzing disparities in access to opportunity. The first stage involves quantifying the degree to which a neighborhood offers features commonly viewed as important opportunity indicators such as education, employment, and transportation, among others. This stage uses metrics that rank each neighborhood along a set of key dimensions. In the second stage, HUD compares these rankings across people in particular racial and economic subgroups to characterize disparities in access to opportunity. HUD considers opportunity indicators a multi-dimensional notion. To focus the analysis, HUD developed methods to quantify a selected number of the important opportunity indicators in every neighborhood. These dimensions were selected because existing research suggests they have a bearing on a range of individual outcomes. HUD has selected five dimensions upon which to focus: poverty, education, employment, transportation, and health.

Invariably, these dimensions do not capture everything that is important to the well-being of individuals and families. In quantifying indicators of access to opportunity, HUD is not making a definitive assessment of one's life chances based on geography. HUD is quantifying features of neighborhoods for the purpose of assessing whether significant disparities exist in the spatial access or exposure of particular groups to these quality of life factors. While these important dimensions capture a number of key concepts identified by research as important to quality of life, the measures are not without limitations. HUD constrained the scope of HUD-provided items to those that are closely linked to neighborhood geographies and could be measured consistently at small area levels across the country. For example, HUD's measure of school performance only reflects elementary school proficiency. It does not capture academic achievement for higher grades of schooling, which are important to a community's well-being, but likely less geographically tied to individual neighborhoods than elementary schools. Similarly, the health hazard measure only captures outdoor toxins, missing indoor exposures. The national-availability restriction is a necessity given that all HUD program participants must complete an Assessment of Fair Housing. HUD realizes that there are other assets that are relevant, such as neighborhood crime or housing unit lead and radon levels. However, these lack consistent neighborhood-level data across all program participant geographies. As a consequence, HUD encourages program participants to supplement the data it provides with robust locally-available data on these other assets so that the analysis is as all-encompassing as possible. The five dimensions are operationalized by seven indices, described below.

2. Low Poverty Index

Summary

The low poverty index captures poverty in a given neighborhood. The index is based on the poverty rate (*pv*).

$$Pov_i = \left[\left(\frac{pv_i - \mu_{pv}}{\sigma_{pv}}\right) * -1\right]$$

Where the mean (μ_{pv}) and standard error (σ_{pv}) are estimated over the national distribution.

The poverty rate is determined at the census tract level.

Interpretation

Values are inverted and percentile ranked nationally. The resulting values range from 0 to 100. The higher the score, the less exposure to poverty in a neighborhood.

Data Source: American Community Survey, 2006-2010
Related Template Tables/Maps: Table 12; Map 13

3. School Proficiency Index

Summary

The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. The school proficiency index is a function of the percent of 4th grade students proficient in reading (*r*) and math (*m*) on state test scores for up to three schools (i=1,2,3) within 1.5 miles of the block-group centroid. *S* denotes 4th grade school enrollment:

$$School_i = \sum_{n=i}^{3} \left(\frac{s_i}{\sum^n s_i}\right) * \left[\frac{1}{2} * r_i + \frac{1}{2} * m_i\right]$$

Elementary schools are linked with block-groups based on a geographic mapping of attendance area zones from School Attendance Boundary Information System (SABINS), where available, or within-district proximity matches of up to the three-closest schools within 1.5 miles. In cases with multiple school matches, an enrollment-weighted score is calculated following the equation above.

Interpretation

Values are percentile ranked and range from 0 to 100. The higher the score, the higher the school system quality is in a neighborhood.

Data Source: Great Schools (proficiency data, 2011-12 or more recent); Common Core of Data (school addresses and enrollment, 2011-12); SABINS (attendance boundaries, 2011-12).
Related Template Tables/Maps: Table 12; Map 9

4. Jobs Proximity Index

Summary

The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a CBSA, with larger employment centers weighted more heavily. Specifically, a gravity model is used, where the accessibility (*Ai*) of a given residential block-group is a summary description of the distance to all job locations, with the distance from any single job location positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location. More formally, the model has the following specification:

$$A_i = \frac{\sum_{j=1}^{n} \frac{E_j}{{d_{i,j}}^2}}{\sum_{j=1}^{n} \frac{L_j}{{d_{i,j}}^2}}$$

Where *i* indexes a given residential block-group, and *j* indexes all *n* block groups within a CBSA. Distance, *d*, is measured as "as the crow flies" between block-groups *i* and *j*, with distances less than 1 mile set equal to 1. *E* represents the number of jobs in block-group *j*, and *L* is the number of workers in block-group *j*.

The Longitudinal Employer-Household Dynamics (LEHD) has missing jobs data in all of Puerto Rico and a concentration of missing records in Massachusetts.

Interpretation

Values are percentile ranked with values ranging from 0 to 100. The higher the index value, the better the access to employment opportunities for residents in a neighborhood.

Data Source: Longitudinal Employer-Household Dynamics (LEHD) data, 2010
Related Template Tables/Maps: Table 12; Map 10

5. Labor Market Engagement Index

Summary

The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract (*i*). Formally, the labor market index is a linear combination of three standardized vectors: unemployment rate (*u*), labor-force participation rate (*l*), and percent with a bachelor's degree or higher (*b*), using the following formula:

$$LBM_i = \left[\left(\frac{\mu_i - \mu_u}{\sigma_u}\right) * -1\right] + \left(\frac{l_i - \mu_i}{\sigma_l}\right) + \left(\frac{b_i - \mu_b}{\sigma_b}\right)$$

Where the means (μ_u, μ_l, μ_b) and standard errors (σ_u, σ_l, σ_b) are estimated over the national distribution. Also, the value for unemployment rate is inverted.

Interpretation

Values are percentile ranked nationally and range from 0 to 100. The higher the score, the higher the labor force participation and human capital in a neighborhood.

Data Source: American Community Survey, 2006-2010
Related Template Tables/Maps: Table 12; Map 11

6. Low Transportation Cost Index

Summary

This index is based on estimates of transportation costs for a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters for the region (i.e. CBSA). The estimates come from the Location Affordability Index (LAI). The data used in the AFFH Tool correspond to those for household type 6 (hh_type6_) as noted in the LAI data dictionary. More specifically, among this household type, we model transportation costs as a percent of income for renters (t_rent). Neighborhoods are defined as census tracts. The LAI data do not contain transportation cost information for Puerto Rico.

Interpretation

Values are inverted and percentile ranked nationally, with values ranging from 0 to 100. The higher the index, the lower the cost of transportation in that neighborhood. Transportation costs may be low for a range of reasons, including greater access to public transportation and the density of homes, services, and jobs in the neighborhood and surrounding community.

Data Source: Location Affordability Index (LAI) data, 2008-2012
Related Template Tables/Maps: Table 12; Map 17
References:
www.locationaffordability.info
http://lai.locationaffordability.info//lai_data_dictionary.pdf

7. Transit Trips Index

Summary

This index is based on estimates of transit trips taken by a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters for the region (i.e. the Core-Based Statistical Area (CBSA)). The estimates come from the Location Affordability Index (LAI). The data used in the AFFH tool correspond to those for household type 6 (hh_type6_) as noted in the LAI data dictionary. More specifically, among this household type, we model annual transit trips for renters (transit_trips_rent). Neighborhoods are defined as census tracts. The LAI has missing transit trip information for Puerto Rico.

Interpretation

Values are percentile ranked nationally, with values ranging from 0 to 100. The higher the transit trips index, the more likely residents in that neighborhood utilize public transit. The index controls for income such that a higher index value will often reflect better access to public transit.

Data Source: Location Affordability Index (LAI) data, 2008-2012
Related Template Tables/Maps: Table 12; Map 12
References:
www.locationaffordability.info
http://lai.locationaffordability.info//lai_data_dictionary.pdf

8. Environmental Health Index

Summary

The environmental health index summarizes potential exposure to harmful toxins at a neighborhood level. The index is a linear combination of standardized EPA estimates of air quality carcinogenic (*c*), respiratory (*r*) and neurological (*n*) hazards with *i* indexing census tracts.

$$EnvHealth_i = \left[\left(\frac{c_i - \mu_c}{\sigma_c}\right) + \left(\frac{r_i - \mu_r}{\sigma_r}\right) + \left(\frac{n_i - \mu_n}{\sigma_n}\right)\right] * -1$$

Where means (μ_c, μ_r, μ_n) and standard errors (σ_c, σ_r, σ_n) are estimated over the national distribution.

Interpretation

Values are inverted and then percentile ranked nationally. Values range from 0 to 100. The higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group.

Data Source: National Air Toxics Assessment (NATA) data, 2005
Related Template Tables/Maps: Table 12; Map 14
References:
http://www.epa.gov/ttn/atw/natamain/

C. Computing Indices by Protected Class

The AFFH Tool provides index values documenting the extent to which members of different racial or ethnic groups have access to particular opportunity indicators. The Tool provides a weighted average for a given characteristic. The generic access for subgroup *M* to asset dimension *R* in jurisdiction *j* is calculated as:

$$Index_M^R = \sum_i^N \frac{M_i}{M_j} * R_i$$

Where i indicates Census tracts in jurisdiction *j* for subgroup *M* to dimension *R*. *N* is the total number of Census tracts in jurisdiction j.

It is useful to provide an example of this in practice (Table 2). Consider Jurisdiction X with a total of three neighborhoods (A, B, and C). Each neighborhood has an index score representing the prevalence of poverty within that neighborhood (Column (1), with higher values representing lower levels of poverty. To compute the index value for a particular subpopulation, such as white or black individuals, the values are weighted based on the distribution of that subpopulation across the three neighborhoods. For example, 40% of the jurisdiction's white population lives in neighborhood A, so the index value for neighborhood A represents 40% of the composite index value for the white population in the jurisdiction. The values for neighborhoods B and C are weighted at 40% and 20% respectively, based on the share of white individuals living in those neighborhoods, leading to a final weighted low poverty index for whites in the jurisdiction of 56.

Table 2. Example of Weighting of Low Poverty Index by Race in a Hypothetical Jurisdiction

	Dimension	White			Black		
Neighborhood	Low Poverty Index	white pop	%white of total pop	Index for whites [(1)*(3)]	black pop	%black of total pop	Index for blacks [(1)*(6)]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	80	400	40%	32	100	20%	16
B	50	400	40%	20	150	30%	15
C	20	200	20%	4	250	50%	10
Total		1000	100%	**56**	500	100%	**41**

This exercise can be repeated for each racial/ethnic group. For example, the low poverty index among blacks in Jurisdiction X is 41. Using these indices, it is possible to identify differences in access to opportunity across protected classes.

To account for differences in household income across groups, the AFFH Tool also provides separate index values for persons below the federal poverty line, again breaking out values by racial or ethnic group. This helps program participants understand whether there are meaningful differences in access to opportunity indicators across groups that cannot be explained by differences in income. These index values by protected class among the total and populations below the federal poverty line are available in Table12