

# Executive Summary

The City of Carrollton, as a recipient of federal housing and community development funds, is required to take actions to reduce barriers to fair housing choice. This document—the City’s updated Analysis of Impediments to Fair Housing Choice, or AI—identifies the primary impediments to fair housing choice and recommends actions to reduce barriers. It addresses both barriers to housing choice and access to opportunity, as economic factors play a significant role in attaining housing. The AI is a U.S. Department of Housing and Urban Development (HUD) mandated review of impediments to fair housing choice in the public and private sector and is required for the City of Carrollton to receive federal housing and community development block grant funding.

## Primary Findings

The analyses of demographics (Section I), disproportionate housing needs (Section II), access to opportunity (Section III), and land use and zoning (Section IV), yield the following primary findings.

### **Demographic patterns—segregation and integration:**

- From 2010 to 2018, Carrollton’s population grew by about 2 percent each year, on par with the state’s annual growth. As its population grew, Carrollton became slightly more diverse. About one in three residents are Hispanic, 14 percent Asian, and 12 percent Black.
- Carrollton is an integrated community based on spatial analysis and the Dissimilarity Index. Carrollton’s Hispanic population is moderately segregated from the non-Hispanic White population, and that has held steady since 2010.
- Carrollton’s 2018 poverty rate is 6 percent, and while the poverty rate within Carrollton varies by neighborhood, the city does not have any neighborhoods that meet HUD’s definition of Racially or Ethnically Concentrated Areas of Poverty or R/ECAPs.
- Hispanic residents are nearly four times more likely to live in poverty than non-Hispanic White residents (15% v. 4%).
- People with disabilities are more likely to live in poverty than Carrollton residents without disabilities. One in five Carrollton children with a disability live in poverty.

### **Disproportionate housing needs:**

- Hispanic households in Carrollton experience disproportionate housing needs when compared to Carrollton households overall and to other protected classes.

- Overcrowding is a factor in the share of the high housing problem rates of Hispanic households in Carrollton and that severe cost burden is also a disproportionate housing need.
  - Less than half of Carrollton’s Hispanic households are homeowners, compared to 70 percent of non-Hispanic White households and 66 percent of Asian households.
  - Home loan denial rates are higher for Hispanic applicants, even after accounting for income and debt-to-income ratio, proxies for credit worthiness. Home loan applicants in Carrollton’s predominantly Hispanic neighborhoods are more likely to receive “higher priced” loan rates, compared to applicants overall.
- African American households are as likely as the typical Carrollton household to experience housing problems (crowding, cost burden), but are far less likely to own a home in Carrollton. In 2018, only 29 percent of African American households own a home, down from 37 percent in 2010. Denial rates for African American loan applicants are lower compared to 2013 and are more in keeping with the denial rates of White applicants. This suggests that disparities in qualifying for a mortgage are not the primary factor behind low homeownership rates. It may be that African American renters experience other barriers to homeownership (e.g., lack of down payment), may not be aware that they could qualify for a mortgage, or prefer to continue to rent or desire to buy a home elsewhere.
  - Asian households are also more likely to experience housing problems (overcrowding, cost burden) than Carrollton households overall, but to a lesser extent than Hispanic households. Access to lending among Asian home loan applicants is similar to that of White loan applicants, as are homeownership rates.
  - More than three in five fair housing complaints filed between 2015 and 2019 involved discrimination on the basis of disability and involved disparate treatment and refusal to make reasonable accommodations. The high share of complaints attributed to discrimination on the basis of disability is in keeping with national trends.
  - Publicly supported housing—Low Income Housing Tax Credit (LIHTC) properties and Housing Choice Vouchers (Section 8)—are not concentrated in Carrollton’s low income neighborhoods, an encouraging sign that contributes to Carrollton’s low to moderate segregation indicators.

**Access to opportunity:**

- Hispanic households in Carrollton are more likely to live in neighborhoods with higher poverty. This holds true even when comparing only households with incomes below the poverty line.

- By and large, Carrollton’s schools perform well. In general, there are only modest differences by race or ethnicity in access to proficient schools in Carrollton, but among people in poverty, poor Non-Hispanic White and Asian households are much more likely to have access to proficient schools than African American, Native American, or Hispanic households in poverty. The only “D” graded school in Carrollton is found in the south, in a neighborhood with a high Hispanic population, one of the larger populations of LEP residents, and a higher poverty rate.
- Based on HUD’s labor market engagement index, there are few differences in employability by race within Carrollton, with the exception of Hispanic residents, and this difference persists even among residents in poverty.
- Carrollton’s residents generally have access to low cost transportation options and is fairly well-served by public transit. There are not meaningful disparities in access to transportation by race or ethnicity, and Carrollton’s transit-dependent residents with disabilities have access to paratransit in the DART system.

**Land use and zoning recommendations:**

- Remove the definition of “family” to avoid discriminatory interpretations and to reflect changes in living arrangements. Definitions should be modified to address “households” rather than family situations, since the variety and number of non-family household living situations will continue to increase, and family-based definitions may soon become difficult to apply.
- Include a less restrictive definition of disability, such as removing the word “substantially.” The city’s current definition appears to restrict disability to a physical or mental impairment that “substantially” affects their activities of daily life. This is a dated definition, and it could be interpreted to exclude persons with HIV/AIDS and recovering substance abusers.<sup>1</sup>
- Incorporate a reasonable accommodation policy into the zoning code to increase awareness and understanding of the policy.
- The city’s code could be strengthened to distinguish allowance of homes by district according to size and licensing requirements, including for personal care homes and community homes rather than type of population served by these uses.

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<sup>1</sup> Although current users of addictive or controlled substances are not protected by the FFHA, recovering substance abusers are generally considered as persons with disabilities. District courts have uniformly held that recovering substance abusers are protected by federal fair housing laws.

Group Homes: Strategies for Effective and Defensible Planning and Regulation; Connolly, Brian and Merriam, Dwight.

## 2020 AI Impediments

This section describes one observation, details the current impediments to fair housing choice, and outlines a recommended set of action items to address the impediments.

- **Observation—opportunities for improvement in zoning and land use.** Based on the review of Carrollton’s zoning and land use code, there are two areas which could be improved to better align with best practices and minimize the potential for disparate treatment. We classify the treatment of disability-related issues in the zoning and land use code as an observation because it has the potential to lead to disparate treatment of people with disabilities.
  - Incorporate a reasonable accommodation policy into the zoning code to increase awareness and understanding of the policy.
  - The city’s code could be strengthened to distinguish allowance of homes by district according to size and licensing requirements, rather than type of population served. As it is written, it could be interpreted to treat group homes for persons with intellectual and developmental, persons with mental illnesses, and persons in substance abuse recovery differently than group homes for other protected classes who can live in community homes. In addition, the code could be improved, and potential for fair housing challenges mitigated, by including larger facilities in at least one residential district by right.
- **Impediment 1. Lack of affordable rental housing in Carrollton disproportionately impacts Hispanic residents and large families.** As in the prior AI, several indicators suggest that Hispanic residents and large families are more likely than other households to experience housing problems, including severe cost burden and overcrowding. This suggests that there is a need in the city for additional affordable units suitable for large families, as well as affordable units for smaller families who are currently doubled-up due to a lack of affordable housing.
- **Impediment 2. Residential credit can be difficult for minority households in Carrollton to access.** This may adversely affect conditions of Carrollton’s neighborhoods with high proportions of minority residents, as these homeowners face difficulties refinancing to fund home improvements. Disparities in access to home purchase loans presents another difficulty in building wealth and housing stability. After controlling for income and debt-to-income ratios, minority applicants, and Hispanic loan applicants in particular, experience disproportionate denial rates. Compared to the last AI, African American applicants have lower denial rates—a positive improvement—but the overall African American homeownership rate in the city is very low compared to other populations.

## **2020 Recommended Fair Housing Action Plan**

Based on the impediments identified above, we recommend Carrollton pursue the following action items:

### **Action Item 1. Increase the inventory of deeply affordable rentals in Carrollton.**

- The city should continue to support the development of subsidized rental units that are affordable to residents earning less than \$25,000 and \$25,000 up to \$50,000 per year. The city should also encourage the provision of a range of unit sizes to ensure that the families living in poverty with children have access to stable and affordable housing.
- Housing developers participating in publicly-assisted housing provision or development should affirmatively market their properties in Carrollton's highest poverty neighborhoods, especially those in south Carrollton's Hispanic neighborhoods, to ensure that those households with the greatest housing difficulties may participate.

### **Action Item 2. Improve the personal credit and financial literacy of certain Carrollton residents.**

- The city should continue to support the availability of financial counseling to households wanting to buy a home. Such counseling should be targeted to African American and Hispanic residents who live in Census tracts where loan denials are the highest.
- The city should consider working with credit counseling agencies and nonprofit housing partners to offer Public Service Announcements (PSAs) and other forms of outreach and education about good lending decisions and how to be aware of predatory lending practices.

### **Action Item 3. Continue city funding of home improvement and modification programs.**

- Carrollton should continue to help low income residents with home improvements and accessibility modifications that they cannot afford and/or for which they cannot access residential credit from the private sector. The city should continue to monitor the race, ethnicity and familial and disability status of program recipients to ensure that protected classes with disproportionate needs are adequately served by the program. The city should also continue to ensure that the program assists households located in neighborhoods with high rates of loan denials, to work against neighborhood disinvestment.