



**Analysis of Impediments
to Fair Housing Choice**

CITY OF SURPRISE, ARIZONA

May 2012

ON REQUEST, THIS DOCUMENT CAN BE AVAILABLE IN ALTERNATE FORMATS

Analysis of Impediments to Fair Housing Choice City of Surprise, Arizona May 2012

Table of Contents

I.	INTRODUCTION	4
	Analysis of Impediments Background.....	4
	Fair Housing Act.....	5
	Who Conducted the AI	5
	Participants in the AI	5
	Planning and Research Methodology	6
	Summary of Impediments Found.....	7
	Summary of Recommendations to Address Impediments.....	7
	Summary of Actions Still Required to Resolve Previous Impediments	8
	AI Funding	8
II.	COMMUNITY PROFILE	9
	Introduction.....	9
	Population, Race, and Ethnicity	9
	Household Characteristics	15
	Income, Education, and Employment.....	19
	Transportation and Commuting	28
III.	HOUSING PROFILE	33
	Housing by Tenure.....	33
	Housing Affordability	39
	Community Housing Affordability Study (CHAS)	42
	Housing Stock Available to Disabled Persons.....	51
	Homeownership by Race and Ethnicity.....	55
	Recent City Housing Accomplishments	59
	Public Housing Authority Policies.....	61
IV.	COMPLIANCE DATA AND ANALYSIS	68
	Introduction.....	68
	CRA Compliance	68
	HMDA Data Analysis.....	69

Foreclosure Data	82
Fair Housing Complaint Data	88
Legal Cases	92
V. PUBLIC OUTREACH.....	93
Introduction.....	93
Citizen Surveys	93
Additional Surveys.....	104
Key Person Interviews	108
Public Meetings and Community Outreach.....	112
Public Education and Outreach.....	113
VI. FAIR HOUSING IMPEDIMENTS AND RECOMMENDATIONS	120
PREVIOUSLY IDENTIFIED IMPEDIMENTS AND RECOMMENDATIONS.....	120
Impediment #1:	120
Impediment #2:	121
Impediment #3:	121
Impediment #4:	122
Impediment #5:	122
CURRENT IDENTIFIED IMPEDIMENTS AND RECOMMENDATIONS	123
Impediment #1	124
Impediment # 2	124
Impediment #3	126
ACTION PLAN AND TIMELINE	126
APPENDIX 1 - Glossary of Tables, Charts, and Maps	129
APPENDIX 2 – Summary of Status of Fair Housing Goals/Strategies 2006.....	132
APPENDIX 3 - Survey Instrument.....	135
APPENDIX 4 - Key Person Interview Questions.....	142
APPENDIX 5 – Public Survey Flyer.....	146
APPENDIX 6 – Public Meeting Notices	147

I. INTRODUCTION

Analysis of Impediments Background

The Analysis of Impediments to Fair Housing Choice (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. The AI is required for the City of Surprise, as all HUD grant entitlement jurisdictions, by federal regulatory requirements at 24 CFR 91.255(a)(1); 91.325(a)(1); and 91.425(a)(1)(I).

The AI involves:

- A review of the city's demographic, economic, and housing characteristics.
- A review of a city's laws, regulations, and administrative policies, procedures and practices;
- An assessment of how those laws, policies and practices affect the location availability and accessibility of housing; and
- An assessment of conditions, both public and private, affecting fair housing choices for all protected classes;

According to HUD, impediments to fair housing choice are:

1. Any actions, omissions, or decisions *taken because of* race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices.
2. Any actions, omissions or decisions *that have the effect of* restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

Although the AI itself is not directly approved or denied by HUD, its submission is a required component of the City's Consolidated Plan. HUD states that the purposes of the AI are to:

- serve as the substantive, logical basis for the Fair Housing Plan;
- provide essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates; and
- assist in building public support for fair housing efforts both within an entitlement jurisdiction's boundaries and beyond.

To most accurately evaluate current fair housing conditions within the City of Surprise, the AI includes a review of demographic and housing market data, pertinent legislation, regulations affecting fair housing, public education and outreach efforts, and a community fair housing survey. The AI allows the City to identify any existing impediments or barriers to fair housing choice and to develop an action plan containing strategies to mitigate such barriers.

Fair Housing Act

The Federal Fair Housing Act, passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, gender, familial status, and disability. The Fair Housing Act covers most types of housing including rental housing, home sales, mortgage and home improvement lending, and land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons. The State of Arizona has a fair housing law (Title 41, Article 7) similar to the Federal Fair Housing Act, with some enhanced protections specifically addressing familial status and disability.

Who Conducted the AI

The City of Surprise's 2012 Analysis of Impediments to Fair Housing Choice was conducted by ASK Development Solutions, Inc. (ASK), a consulting firm working on behalf of the City of Surprise.

Participants in the AI

The City of Surprise AI included input from many city officials, citizens, and key persons involved in housing and community development industry, and in particular, fair housing. The consultant developed fair housing surveys for citizens, housing service providers, Realtors, and lending institutions. A fair housing survey link was posted on the City's website and in the newsletter. The link was also placed on flyers which were posted at the city libraries to facilitate people who did not have computers at home. Flyers and survey information was also made available at the Senior Center, with Dial-A-Ride drivers, and through an email blast. Surveys were distributed to realtors and other attendees at public meetings and to the Surprise Quality of Life Commission Members. The online and hard copy of the survey was also available in Spanish.

Surveys were utilized to gather information from housing consumers and from various sectors of the housing industry about their experiences and perceptions of housing discrimination and their opinions on the fair housing laws and services. ASK staff conducted interviews with key individuals from City staff, non-profits, the U.S. Department of Housing and Urban Development (HUD), and housing providers to collect additional information about fair housing practices and impediments in the City. Additionally, public meetings were conducted to solicit input on fair housing discrimination and impediments to fair housing from the City's Quality of Life Commission, various industry representatives and service providers, and the public stakeholders at large. Additional information was gathered via meeting, teleconference and email correspondence with the Arizona Attorney General's Office and nonprofit and advocacy groups. Staff of the City of Surprise Community Development Department, Neighborhood Services Division, actively participated in development of the AI.

Planning and Research Methodology

The consultant's methodology in undertaking the 2012 Surprise AI was based on the recommended methodology in the *Fair Housing Planning Guide Vol. 1* (HUD Office of Fair Housing and Equal Opportunity); experience conducting AIs for other cities and counties, and the desires of the City of Surprise as espoused by the Community Development Department. The scope of work consisted of the following tasks:

Task 1 - Project Launch

Consultant met with the staff of City's Community Development Department to refine work tasks and the project schedule, establish reporting relationships and review expectations of the project. Consultant collected relevant data, identified potential candidates for key person interviews, and discussed the public participation components of the study. Consultant then began creation of the survey instruments.

Task 2 - Community Data Review

Consultant reviewed existing demographic, economic, employment and housing market information for the City of Surprise using the U.S. Census 2008 American Community Survey; lending data from the Home Mortgage Disclosure Act (HMDA); foreclosure data from RealtyTrac; data and maps from Surprise's Five Year Consolidated Plan for FY 2010–2014; data from the previous four Consolidated Annual Performance and Evaluation Reports (CAPER); and data and maps from documents available via the City's website. In addition, the consultant conducted public meetings and teleconferences.

Task 3 - Regulatory Review

Consultant researched and collected information regarding Surprise's current development regulations, planning and zoning fees, housing policies and programs that influence fair housing choice and impediments, through a review of the City's planning, zoning and land use regulations and policies as well as interviews with key City staff. ASK staff corresponded via email and/or teleconference with the State Attorney General's office, as well as fair housing service providers and agencies, to further investigate fair housing policies and potential impediments.

Task 4 - Compliance Data Review

The consultant collected and analyzed all applicable available data regarding compliance with local, state and federal Fair Housing Law, including the Home Mortgage Disclosure Act (HMDA), the Fair Housing Act and the Community Reinvestment Act (CRA). ASK also analyzed reported fair housing complaints from the Arizona Attorney General's Civil Rights Division, and conducted a review of legal cases in the City involving Fair Housing law. Complaint data and the process of disposition of any cases were reviewed for evidence of fair housing practices and impediments.

Task 5 - Internet Surveys, Direct Surveys, and Personal Interviews

Beginning March 2012, the consultant conducted an online survey available to all Surprise residents and industry stakeholders. The survey asked respondents about their experience and perception of housing discrimination, their knowledge of fair housing laws,

their utilization of Surprise's housing assistance and social service programs, and their opinions about housing and social service needs in the city. In addition to the online survey for housing consumers, surveys were created to elicit input and fair housing data from housing providers, realtors and lenders. Surveys were also directly administered and public meetings conducted by both City staff and the consultant to secure input. As well as the online surveys, City staff administered the survey instrument at several meetings and City events or through non-profit agencies resulting in a strong response with over 140 total responses. The consultant conducted key person interviews with members of the Quality of Life Commission, Realtors, community groups, the Arizona Attorney General's office, City of Surprise staff, and nonprofit agencies.

Task 6 - Identification and Analysis of Impediments

The consultant then analyzed the findings from the first five tasks in order to determine what impediments to fair housing choice exist in the City of Surprise. The consultant also reviewed identified impediments from the 2006 Surprise Analysis of Impediments report, determined what actions had been taken by the City to address those impediments and whether these still remained impediments.

Task 7 - Recommendations

In consultation with City staff, the consultant developed a recommended Action Plan including activities, strategies and a timeline for addressing the identified impediments.

Summary of Impediments Found

- Lack of fair housing awareness and lack of a dedicated fair housing officer.
- Inadequate public transportation between housing and employment and medical services due to lack of funding resources.
- Existence of accessible housing needs.

Summary of Recommendations to Address Impediments

- Designate fair housing officer
- Use existing institutional structure and partners to more effectively disseminate fair housing information.
- Use existing institutional structure to review fair housing complaints and issues.
- Increase the use of the City's government access channel, Surprise Channel 11, the City's website, and City's newsletter for fair housing education. Also, use City's social media sites such as Facebook and Twitter to educate on and promote fair housing.
- Collaborate with transit authorities to improve and expand public transit routes and hours of operations, specifically to housing, medical, commercial, and employment centers.
- Provide additional information on ADA requirements to builders and developers.
- Use the Disability Advisory Commission to conduct a review of accessible housing supply and demand, and uses, to aid Commission to increase outreach on fair housing issues.

- Update AI data at least once prior to completing a new AI in the future.
- Review data from partners and other sources such as HUD and the Attorney General's office to assess fair housing trends and documents files at least annually or every two years. Use American Community Survey information.

Summary of Actions Still Required to Resolve Previous Impediments from 2006 AI

- Continue to partner with the real estate community to increase opportunities for greater diversity in neighborhoods.
- Pursue partnership with the Arizona Fair Housing Partnership.
- Conduct/oversee fair housing testing.
- Request an annual summary from the Housing Authority of Maricopa County on public housing units and Section 8 voucher recipients within the City of Surprise. Continue to provide fair housing education and training opportunities for City staff, real estate professionals, residents, and other segments of the Surprise population.
- Include a direct link on the City's website to the Arizona Attorney General's Fair Housing page for filing complaints.

AI Funding

The City allocated funds for the preparation of this 2012 AI. In addition, the Surprise Neighborhood Services Supervisor of the Community and Economic Development Department spends approximately 3% of staff time on fair housing activities annually. One hundred percent (100%) of the Neighborhood Services Supervisor position is paid from the City of Surprise General Fund. Other staff in the Community and Economic Development Department work on fair housing issues as well.

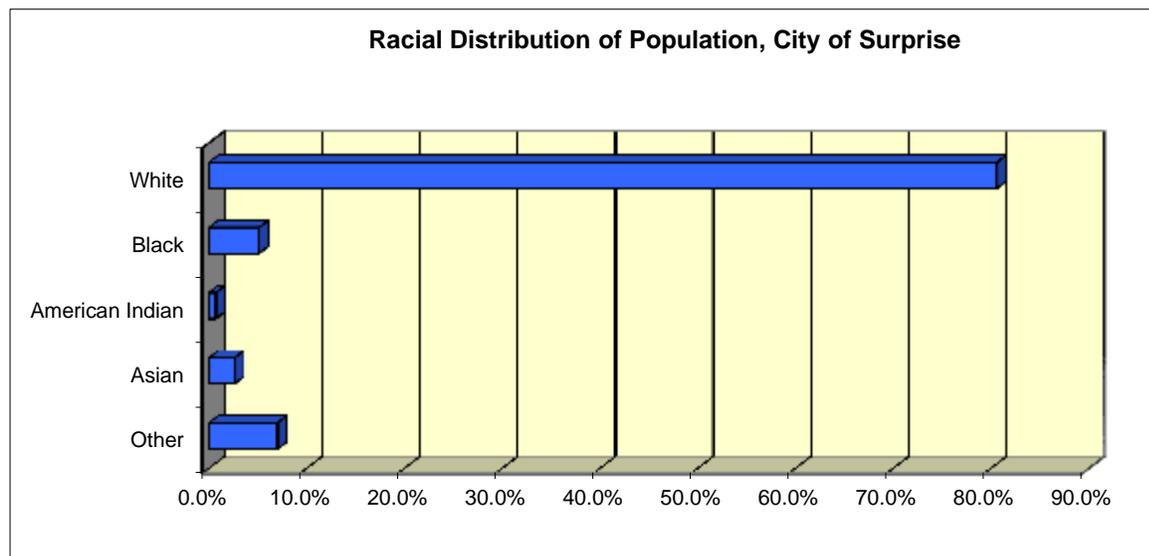
II. COMMUNITY PROFILE

Introduction

The 2010 U.S. Census represents the most recent data from the U.S. Census, and that data is used for this report when possible and available. Some areas of data-gathering, however, required use of the American Community Survey which provides most informational items as the decennial Census, but not always at the lowest geographic levels. Map 1 shows the City of Surprise with 2000 Census Tracts, and Map 2 shows 2010 Census Tracts. The 2010 Census, American Community Survey, in addition to a variety of other highly regarded data sources were utilized for the preparation of this report, including Home Mortgage Disclosure Act (HMDA) data; RealtyTrac data service; official City of Surprise planning and reporting documents, and direct communication with local agencies. Census tract 610.39 includes the Luke Air force Base flight path over the majority of it, which restricts residential development. Overall, the data paints a revealing and fair portrait of the community and housing conditions therein. As the population of Surprise has greatly increased, it has become more diverse resulting in an increase in the need for fair housing education, enforcement and outreach.

Population, Race, and Ethnicity

The City of Surprise had a total population of 117,517 at the time of the 2010 Census. The 2000 Census reflects a population of 30,848. Surprise had a huge population growth over the ten year period of 86,669 persons (almost four times as large) from 2000 to 2010. According to the 2010 Census, the racial makeup of the community was primarily White (80.6%), but also included populations identifying themselves as Black (5.1%), American Indian (0.7%), Asian (2.6%), and other races, including two or more (3.8%). Over 18% (21,724) of Surprise's population identified themselves as being of Latino or Hispanic origin, representing the largest ethnic population in the City. See Maps 3 and 4 for further illustration. Nine percent (9%) of Surprise's population, or 10,672 persons, were born outside of the United States.

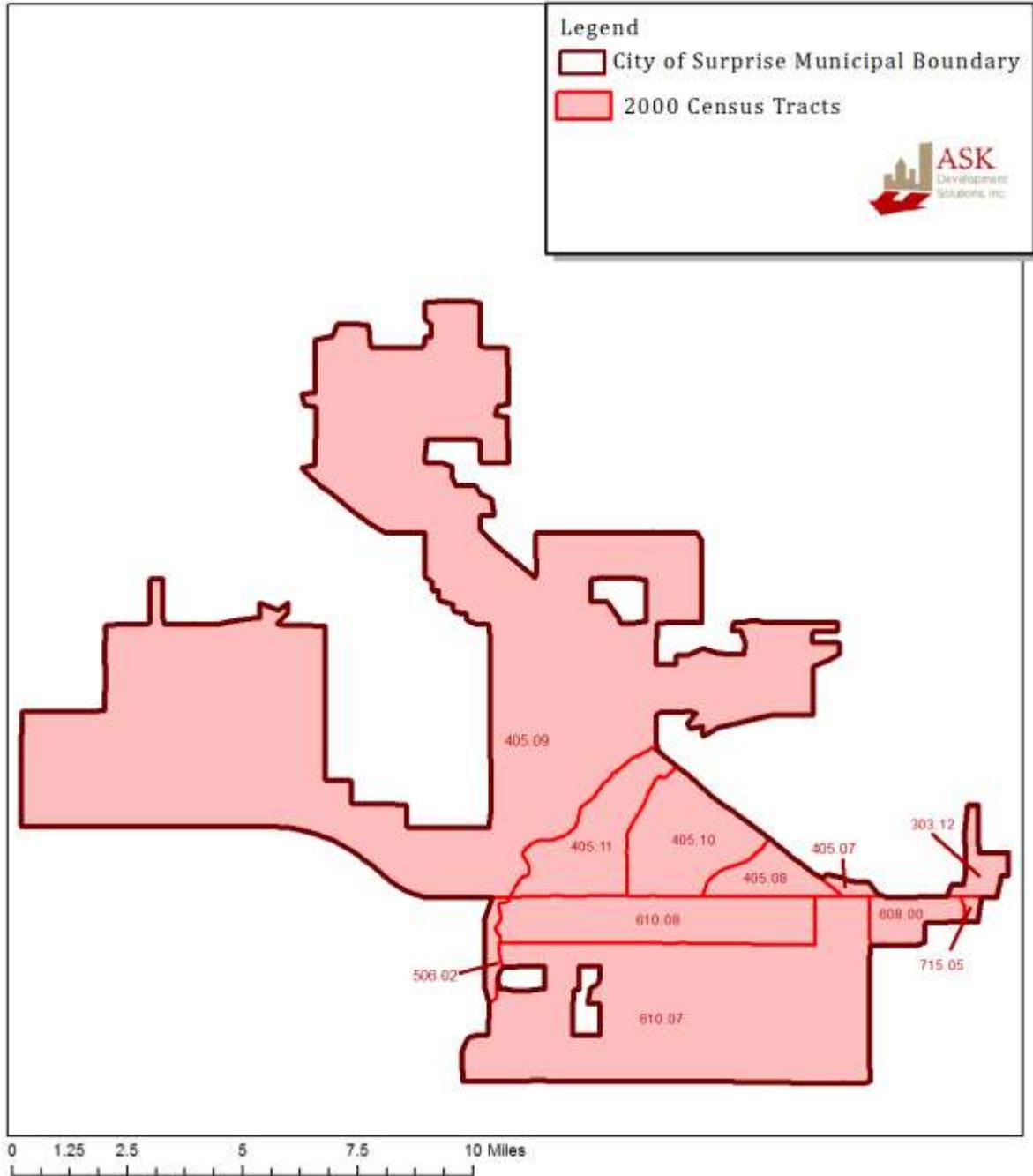


Source:

2010 U.S. Census

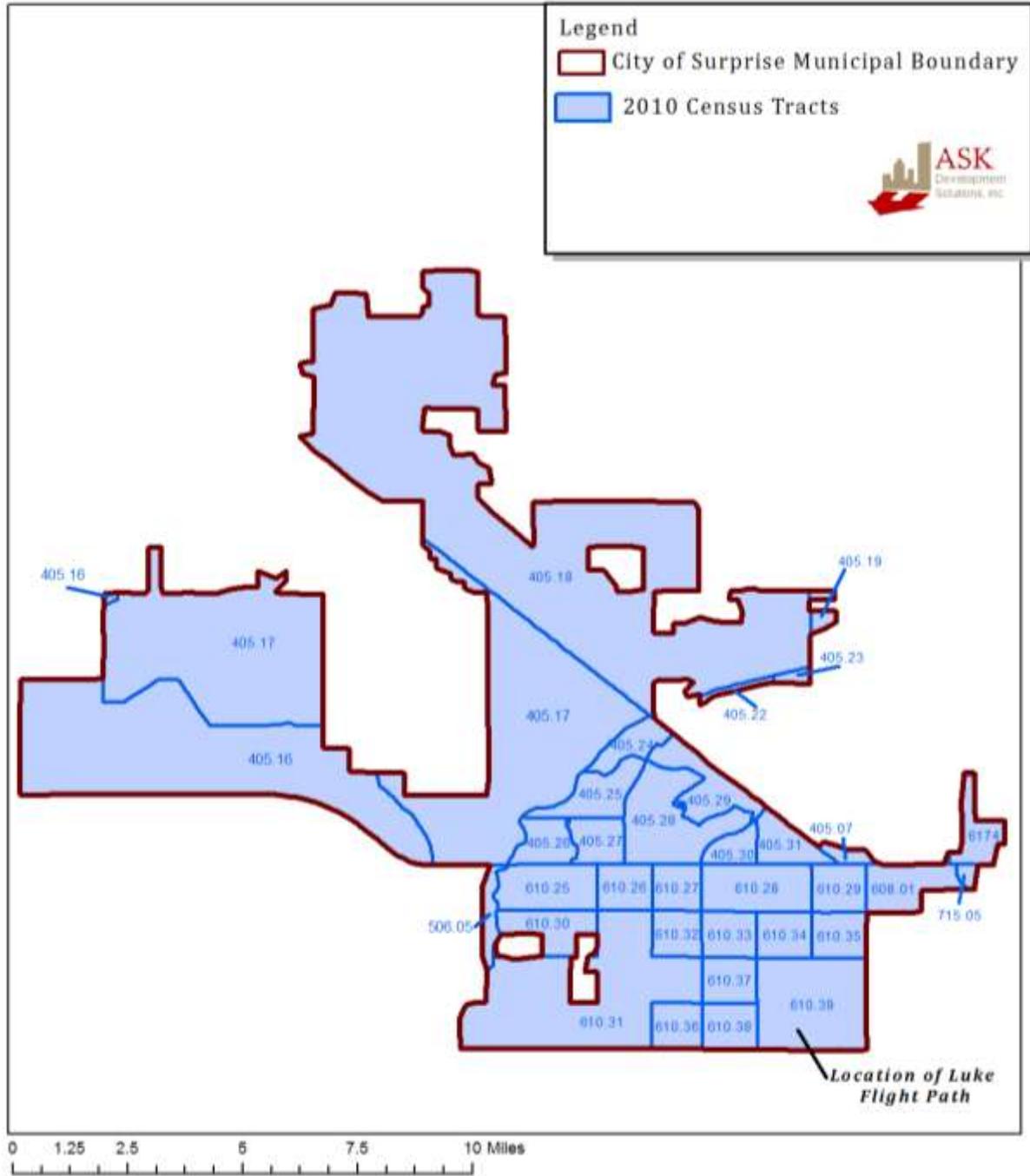
Map 1

City of Surprise: 2000 Census Tracts



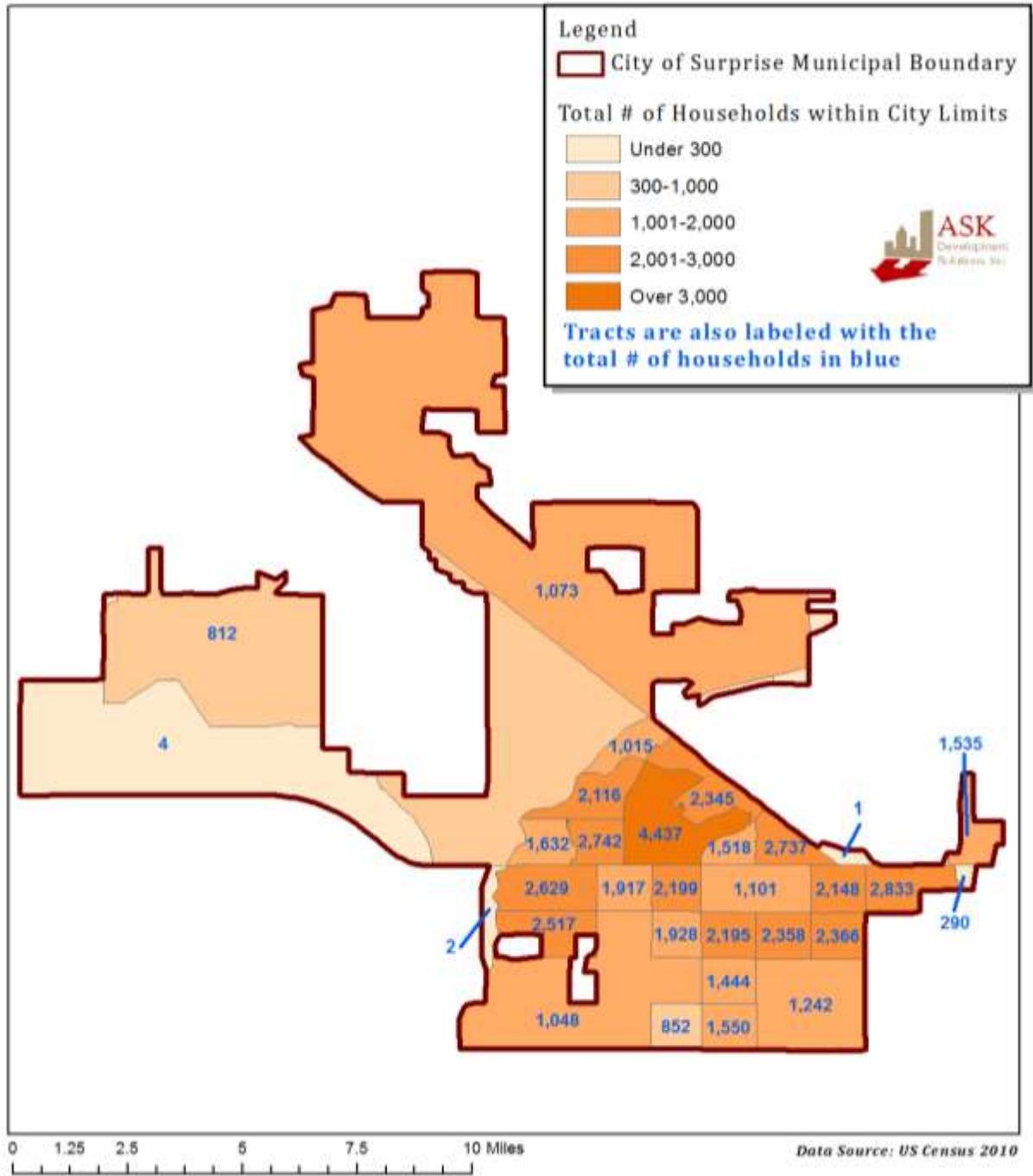
Map 2

City of Surprise: 2010 Census Tracts

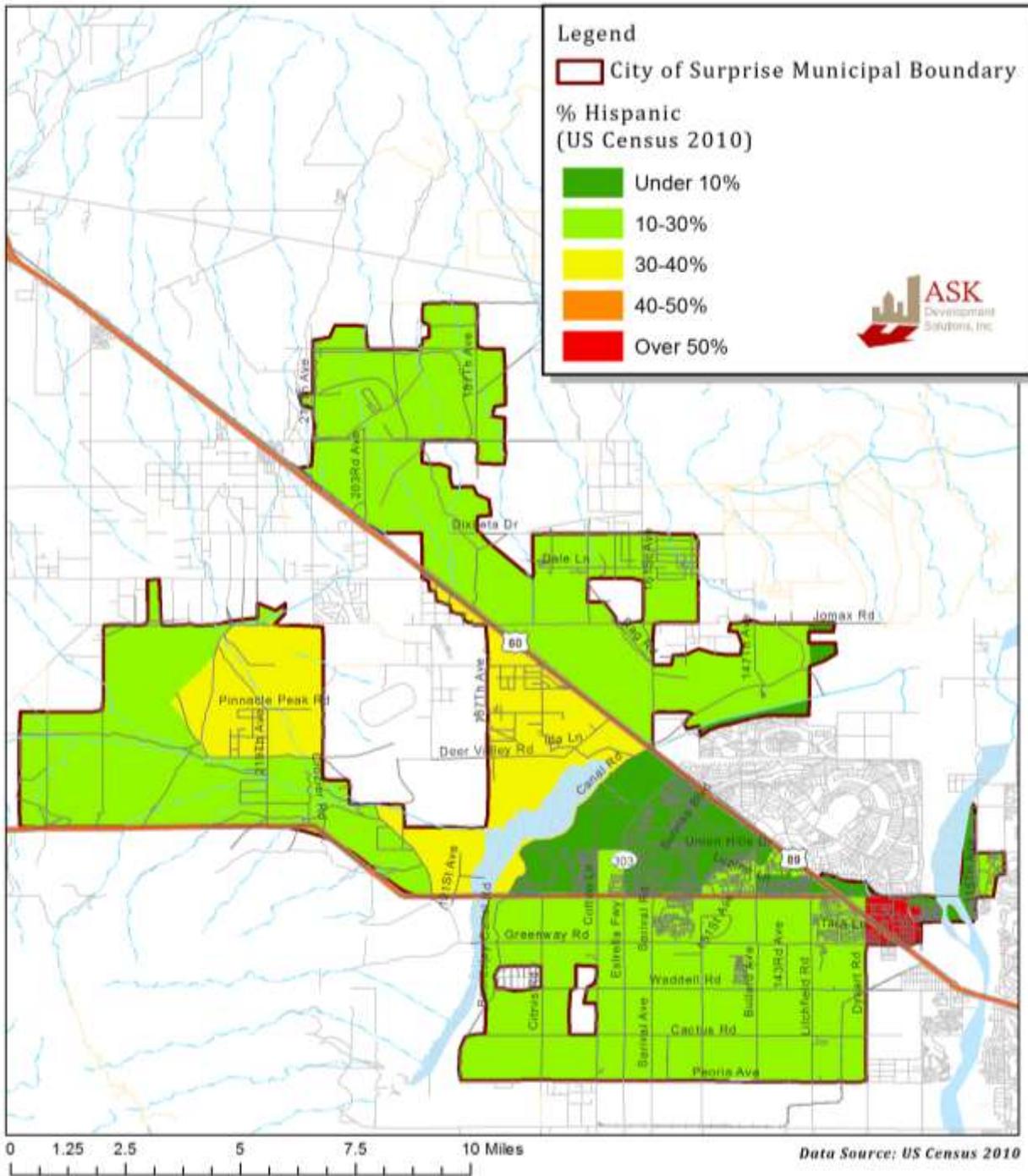


Map 3

City of Surprise: Number of Households within City Limits



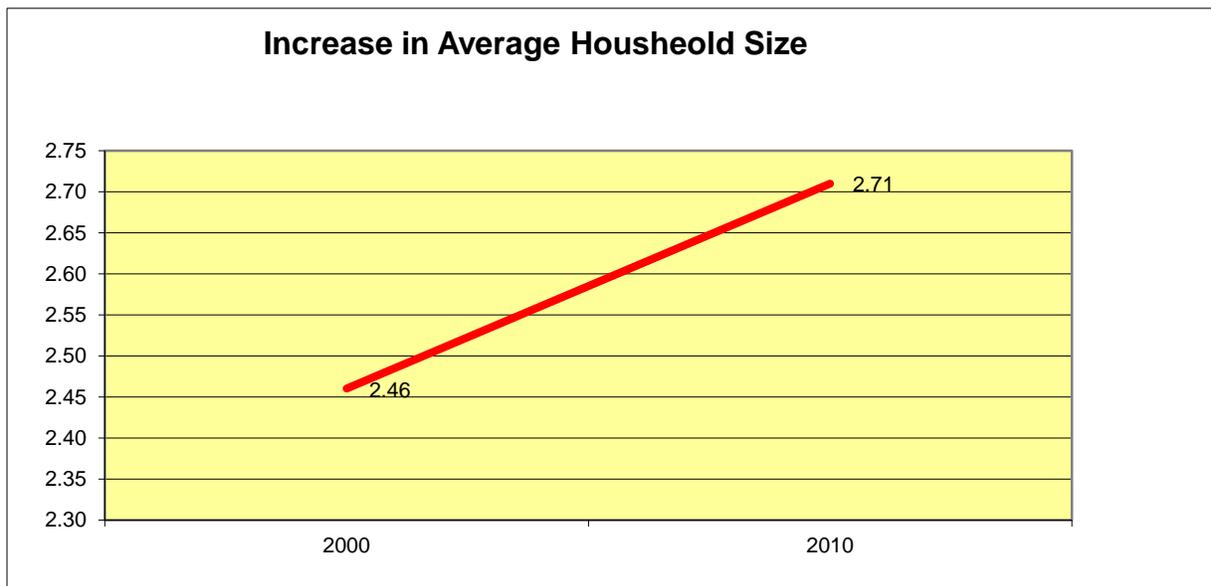
City of Surprise: Percent Hispanic in 2010



Household Characteristics

Map 3 shows the number of households within each census tract from the 2010 Census. For census tracts that partially overlap with the City of Surprise, the total number of households that were within the city limits and not the entire census tract are shown. Maps 4 and 5 show the percentages of main minority population groups within the City by census tracts. The largest concentration of Hispanic population groups were in the 405.17 and 608.01 census tracts with the highest concentration in the latter census tract. African American populations showed a greater distribution but had clusters in census tracts 601.28, 601.38, and 601.27. From the two main minority population groups in the City of Surprise, Hispanics were more represented than African Americans in percentages.

Since the 2000 Census, average household sizes have increased from 2.46 persons per household to 2.71 persons per household (2010 Census), as shown in the chart below. Map 6 shows the rate of overcrowding in the City of Surprise.



Source: U.S. Census Bureau, 2000 and 2010 Census

Map 6

City of Surprise: Overcrowding* Averages from 2006-2010

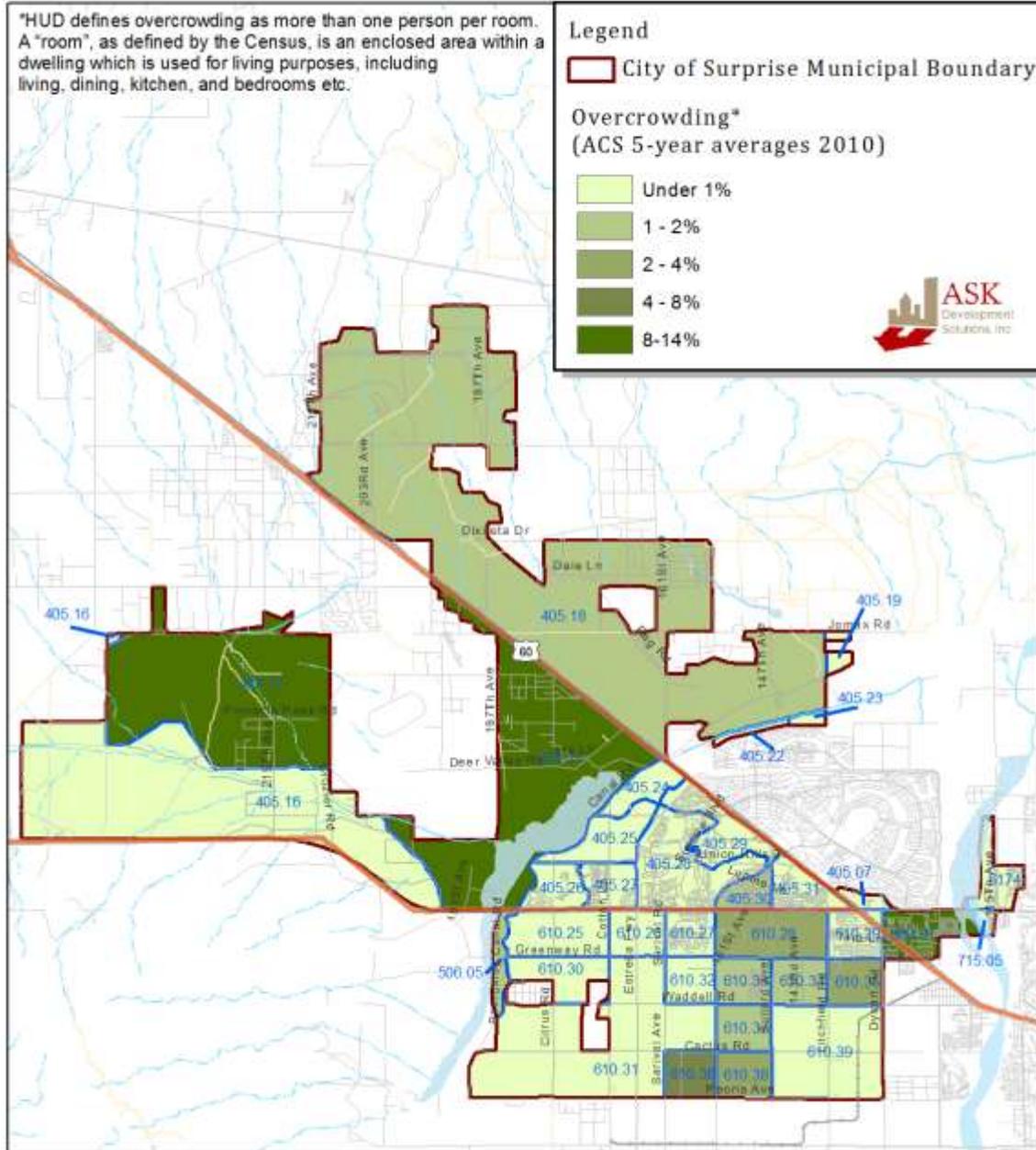
*HUD defines overcrowding as more than one person per room. A "room", as defined by the Census, is an enclosed area within a dwelling which is used for living purposes, including living, dining, kitchen, and bedrooms etc.

Legend

 City of Surprise Municipal Boundary

Overcrowding*
(ACS 5-year averages 2010)

-  Under 1%
-  1 - 2%
-  2 - 4%
-  4 - 8%
-  8-14%



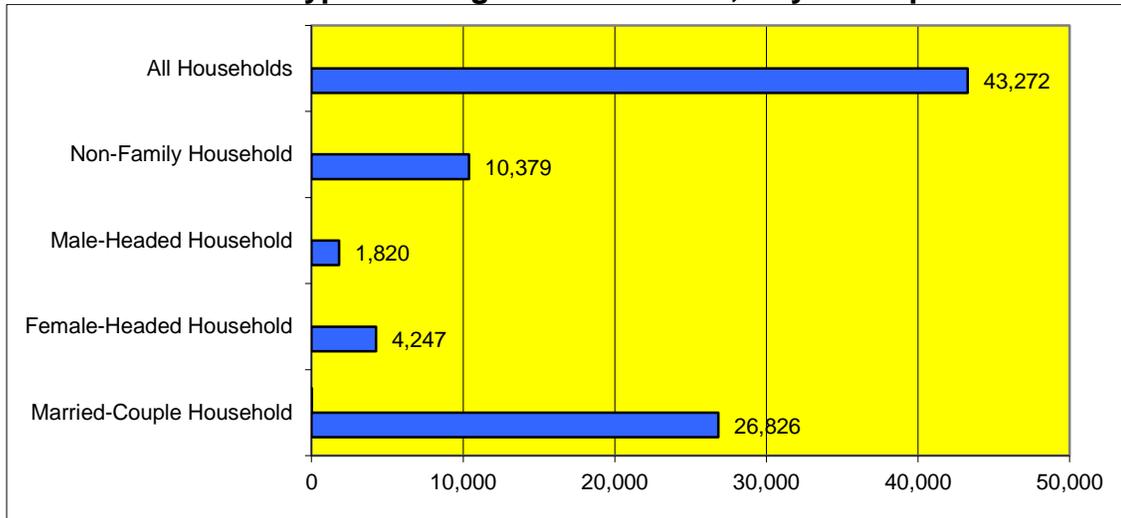
0 1.25 2.5 5 7.5 10 Miles

Data Source: 2010 American Community Survey

According to the 2010 U.S. Census, among Surprise's 43,272 households, family households represented 76% of all households, including: 26,826 (62%) married couple families; 1,820 male-headed households (4.2%); and 4,247 (9.8%) female-headed households. Non-family households comprised a significant amount at 24% (10,379) of all households.

Married couple families were most often homeowners at 66.5% (22,626) of all households, followed by non-family households at 23.2% (7,911). Female-headed households exceeded numbers of male-headed households in terms of homeownership: 4,745 female-headed and 3,166 male-headed. Map 7 shows the female-headed households with the City. The married couple rate of homeownership exceeded their respective rental rates. Male-headed and female-headed householders were more likely to be renters. Married-couple families exhibited the greatest discrepancy between rates of homeownership and renting with 66.5% owning and 45.4% renting.

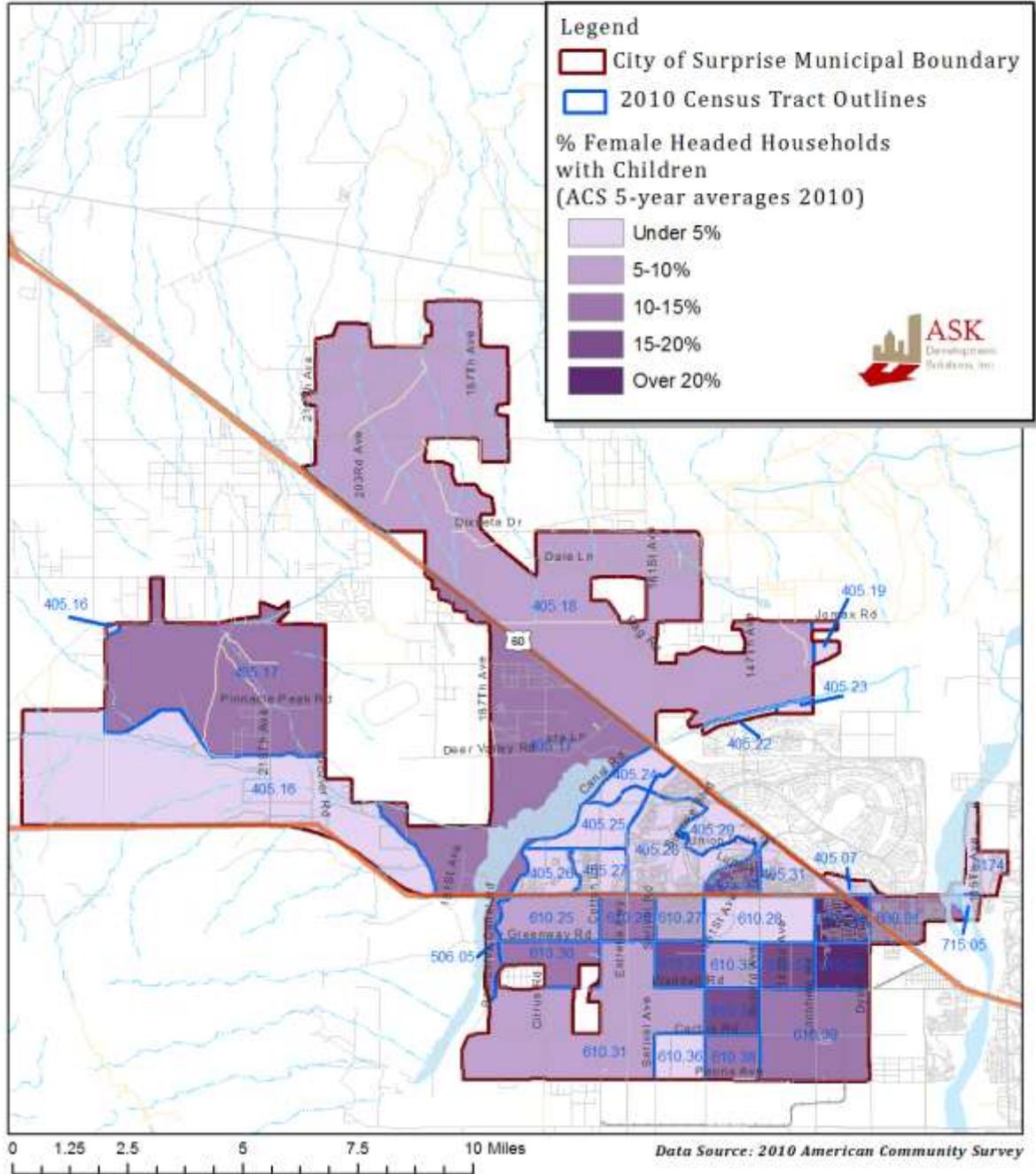
Household Types among All Households, City of Surprise



Source: 2010 U.S. Census

Map 7

City of Surprise: Percent Female Headed Households with Children Averages from 2006-2010



Income, Education, and Employment

Income Characteristics

HUD's 2010 Income Limits for Maricopa County (part of the Phoenix-Mesa-Glendale, AZ MSA), defined Extremely Low (30%) Income Limits as those earning no more than \$20,000; Very Low Income (50%) Income Limits as those earning no more than \$33,300; and Low Income (80%) Income Limits as those earning no more than \$53,300. All figures are based on a household size of four (4) and 2010 Area Median Income of \$66,600 for Maricopa County, as the chart below depicts.

FY 2010 Maricopa County HUD Income Limits Summary

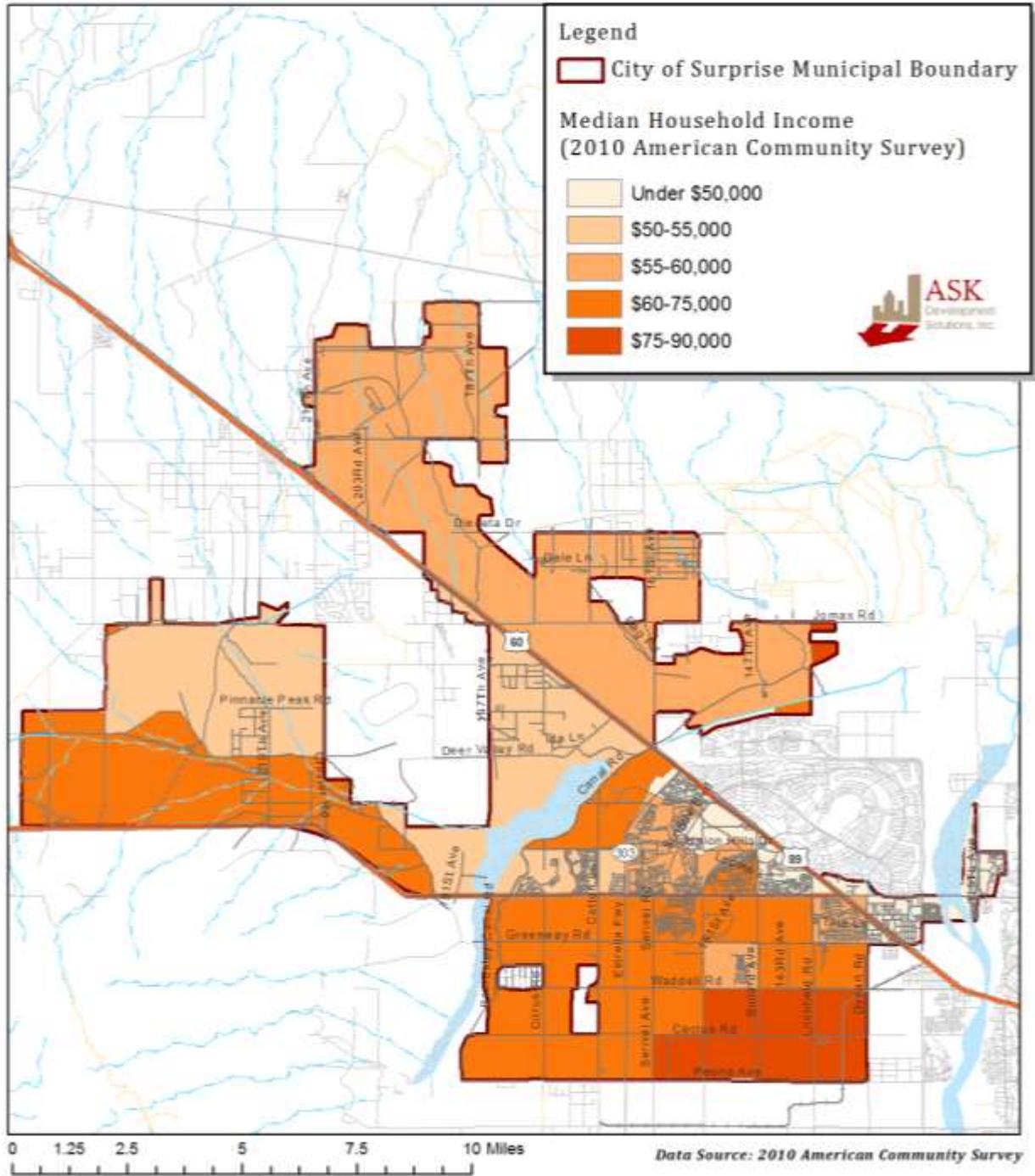
FY 2010 Income Limit Category	1 Person House hold	2 Person HH	3 Person HH	4 Person HH	5 Person HH	6 Person HH	7 Person HH	8 Person HH
Extremely Low (30%) Income Limits	\$14,000	\$16,000	\$18,000	\$20,000	\$21,600	\$23,200	\$24,800	\$26,400
Very Low (50%) Income Limits	\$23,350	\$26,650	\$30,000	\$33,300	\$36,000	\$38,650	\$41,300	\$44,000
Low (80%) Income Limits	\$37,350	\$42,650	\$48,000	\$53,300	\$57,600	\$61,850	\$66,100	70,400
100%	\$46,687	\$53,312	\$60,000	\$66,625	\$72,000	\$77,312	\$82,625	\$88,000
120%	\$56,000	\$63,950	\$72,000	\$79,900	\$86,400	\$92,750	\$99,100	\$105,600

According to the 2010 American Community Survey, the median household income in the City of Surprise was \$57,114, an increase of approximately 30% over that of 2000 (\$44,156). However, this reflects a lower median household income (14% lower) than that of Maricopa County for 2010. Map 8 shows Surprise median household income for 2006-2010.

Further examination of household income distribution in Surprise shows that a majority of households in Surprise enjoy relatively above-average incomes. In 2010, of the total 41,747 households in Surprise, only 15% (6,337) earned less than \$25,000 annually, with another 27% (11,243) having earned between \$25,000 and \$50,000. The majority of households (58%) earned incomes the middle and upper brackets in 2010, with over 22% (9,517) having earned between \$50,000 and \$75,000; 19% (7,985) having earned between \$75,000 and \$100,000; and 16% (5,165) having earned more than \$100,000. Map 9 illustrates low and moderate income groups by Census Block groups in Surprise.

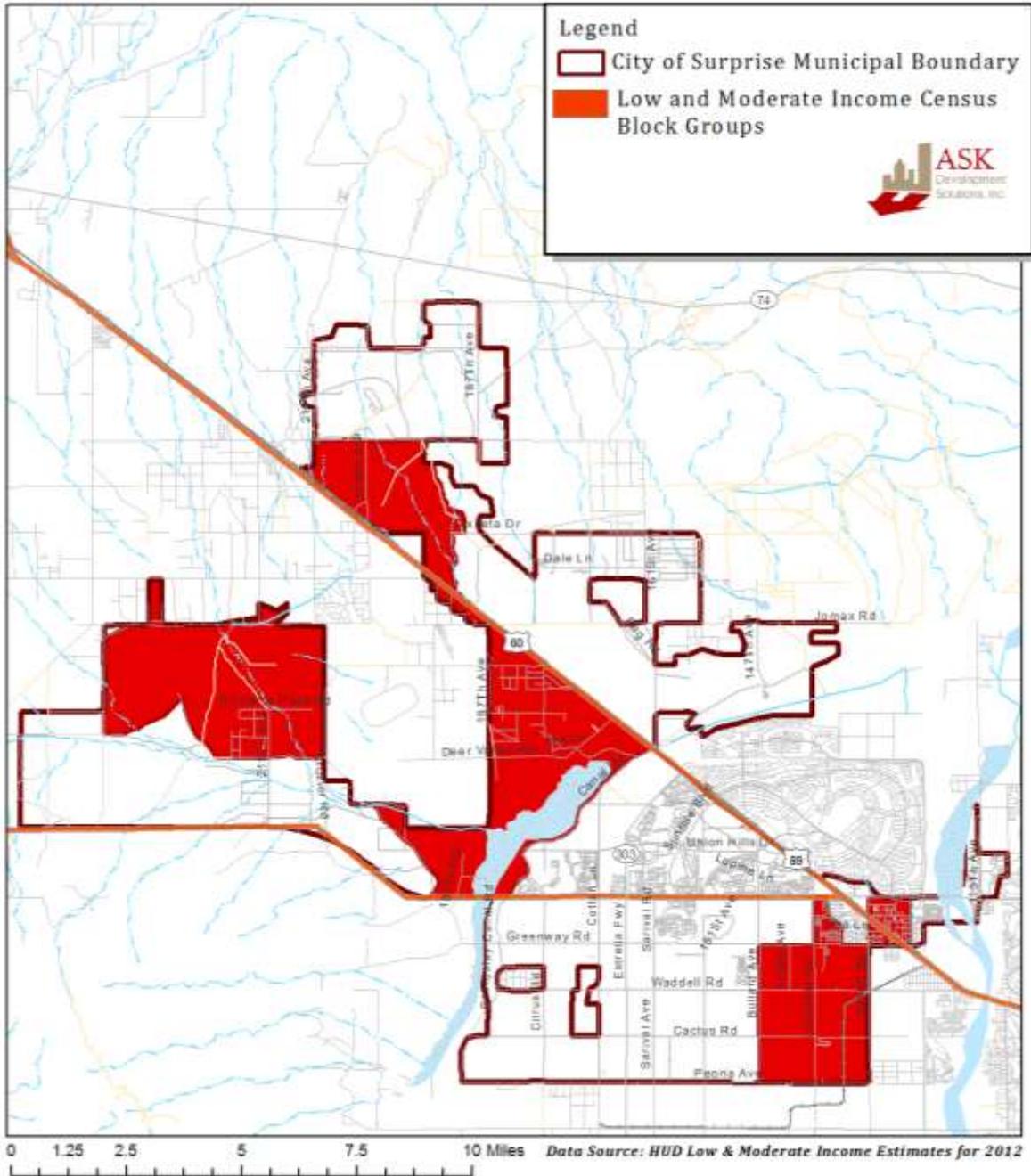
Map 8

City of Surprise: Median Household Income Averages from 2006-2010



Map 9

City of Surprise: Low and Moderate Income Census Block Groups as Defined by HUD for 2012



City of Surprise Household Income Levels

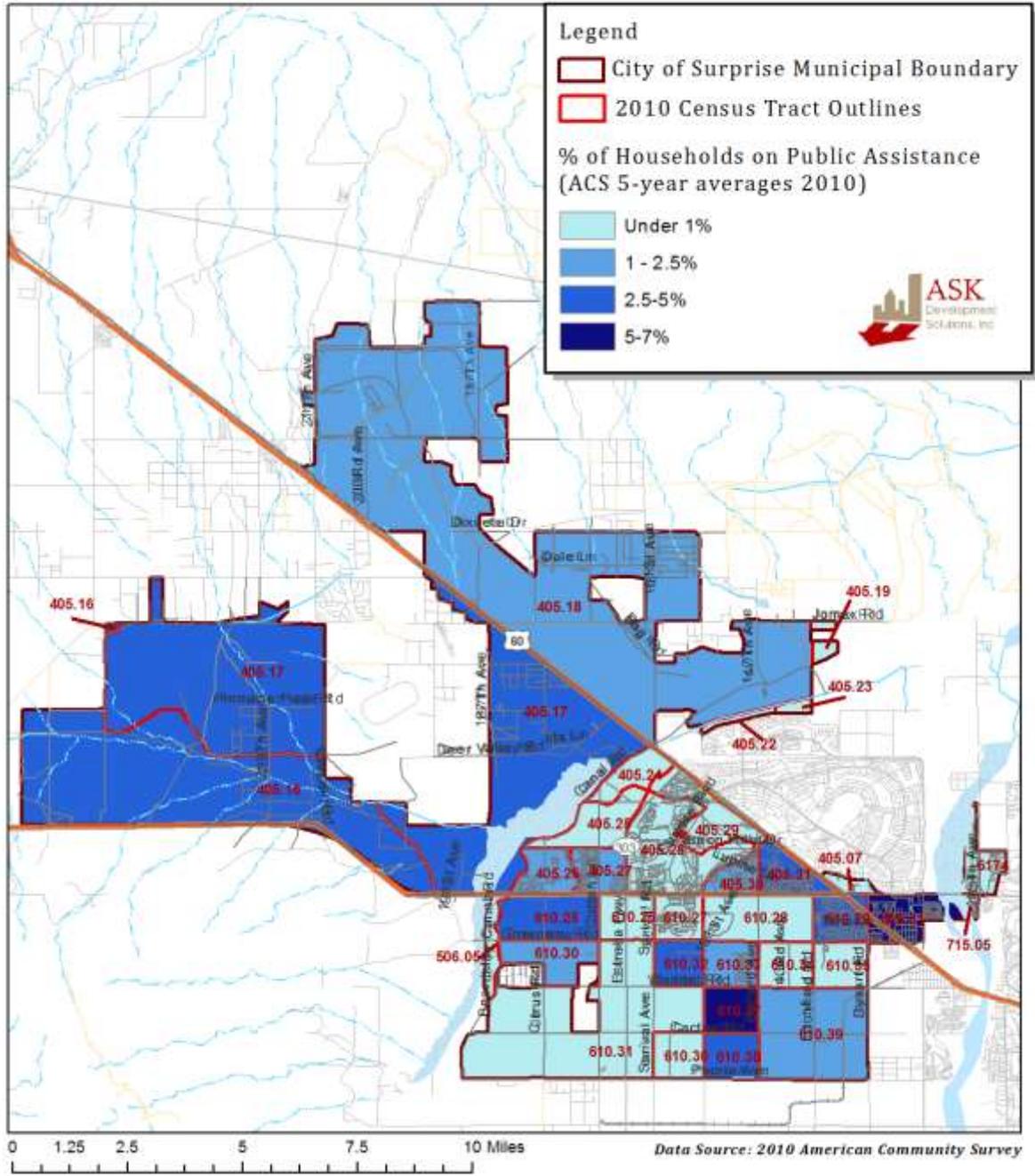
INCOME LEVEL	# OF HOUSEHOLDS	% OF HOUSEHOLDS
Less than \$10,000	1,297	3.1
\$10,000 to \$14,999	683	1.6
\$15,000 to \$24,999	4,357	10.4
\$25,000 to \$34,999	5,060	12.1
\$35,000 to \$49,999	6,183	14.8
\$50,000 to \$74,999	9,517	22.8
\$75,000 to \$99,999	7,985	19.1
\$100,000 to \$149,99	4,544	10.9
\$150,000 to \$199,999	1,658	4.0
\$200,000 or more	463	1.1

Source: 2010 American Community Survey, U.S. Census Bureau

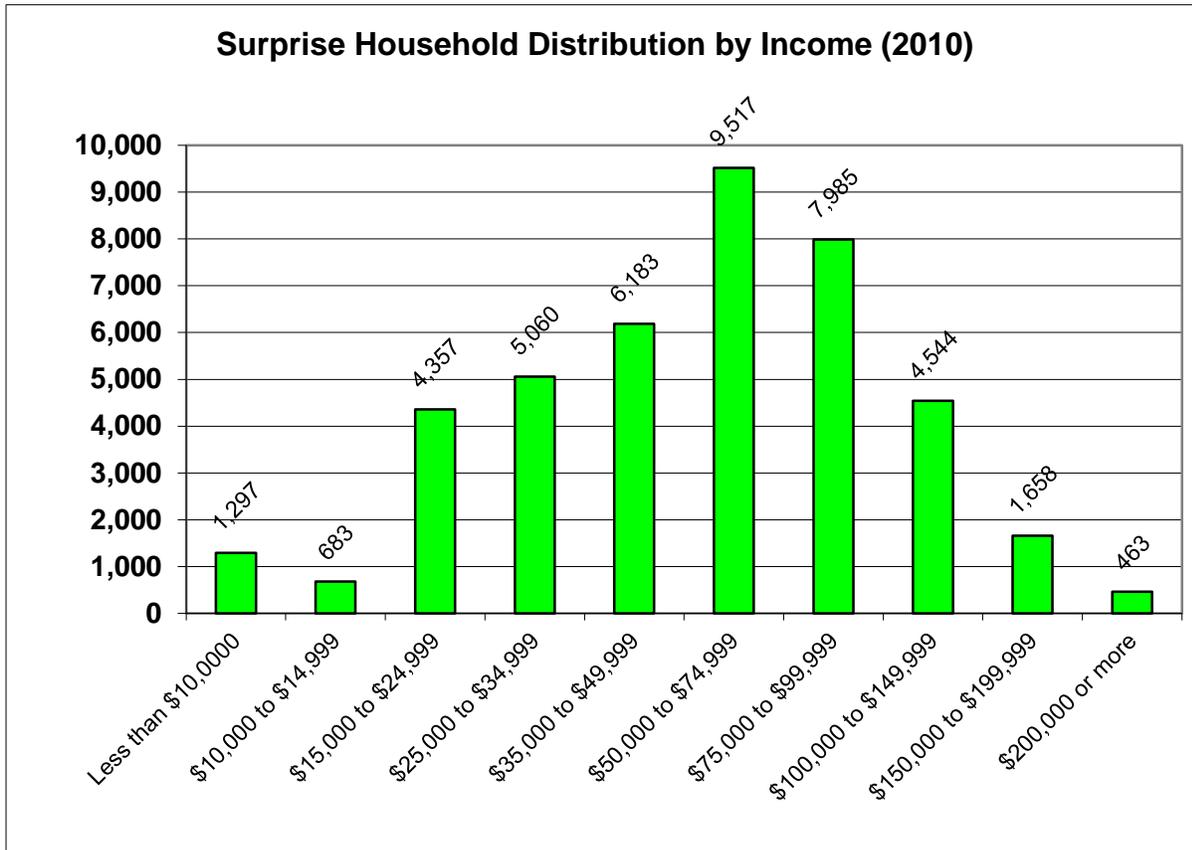
Per HUD income limit definitions, approximately 10% (4,158) fell into the Extremely Low Income category (0-30% AMI); 17% (7,238) fell into the Very Low Income category (31-50% AMI); 15% (6,183) fell into the Low Income category (51-80% AMI); and 22% (9,517) fell into the Middle Income category (81-120% AMI). Thirty-six percent of households earned greater than 120% of Area Median Income. In total 42% of Surprise households met the HUD low- and moderate-income definition (0 – 80% AMI).

Per the 2010 American Community Survey, of Surprise’s estimated 117,686 person population, 10.8% (12,710) subsist below the poverty level. This reflects an increase from 2000, when 8.7% of the population was below poverty level. In 2010, people ages 65 years and over had experienced a lower rate of poverty at 6.1%. Families experienced also experienced a lower rate of poverty at 7.3%, and married couple families had a significantly lower rate of living below poverty level (5.4%). Female-headed households experienced poverty at the greatest rate of all groups measured (17.4%), particularly in proportion to their incidence in the total population (9.8% of all households). Map 10 depicts the poverty rate in the City of Surprise. In 2010, approximately 37% of Surprise’s household population received Social Security income. An additional 11.3% received other public assistance such as SSI, cash public assistance income, or Food Stamp/SNAP benefits. Map 11 shows households on public assistance within the City of Surprise.

**City of Surprise: Percent of Households on Public Assistance
Averages from 2006-2010**



The following table depicts the income distribution of all households in the City of Surprise.



Source: U.S. Census Bureau, 2010 American Community Survey

Educational Attainment

The level of educational attainment of the citizens of Surprise is impressive with 92% of persons over age twenty-five having achieved a high school diploma or its equivalency (2010 American Community Survey). Another 30% of this population began college coursework, but did not attain a degree, or hold an Associate of Arts degree. Nineteen percent (19%) of Surprise's population 25 years and older holds a bachelor's degree, and 10% hold a Master's, Doctoral, or Professional degree.

Employment

As of 2010, Surprise's population aged 20 to 64 years numbered 59,458 persons, of which approximately 80% was in the labor force. The labor force was approximately 47% male and 53% female. Labor force participation for persons aged 16 and older was just over 58%. Map 12 depicts the unemployment rate averages for Surprise from 2006-2010.

The national economic downturn in recent years has struck the Phoenix-Mesa Metropolitan area as well, and unemployment in Maricopa County has risen dramatically from 3.4% in 2007 to 9.2% in 2010 (U.S. Bureau of Labor Statistics), with the State of Arizona exhibiting a slightly higher 2010 unemployment rate of 10.5% (comparable to the U.S. 2010 unemployment rate). Census data for the City of Surprise indicated an unemployment rate of 10.6% in 2010, demonstrating that the economic downturn has similarly affected the Surprise population.

The City of Surprise has job opportunities in a fairly diversified economy, and the well-educated character of its population is reflected in the major industries of employment. According to the 2010 American Community Survey, the six top industries provide employment for over two-thirds of the City's workforce:

Education, Healthcare, and Social Assistance_____	10,353 (23.4%)
Retail Trade_____	6,584 (14.9%)
Public Administration_____	4,006 (9.1%)
Transportation, Warehousing and Utilities Info._____	3,613 (8.2%)
Arts, Entertainment, Recreation, Food Services_____	3,476 (7.9%)
Finance, Insurance, Real Estate, Rental Leasing_____	3,461 (7.8%)

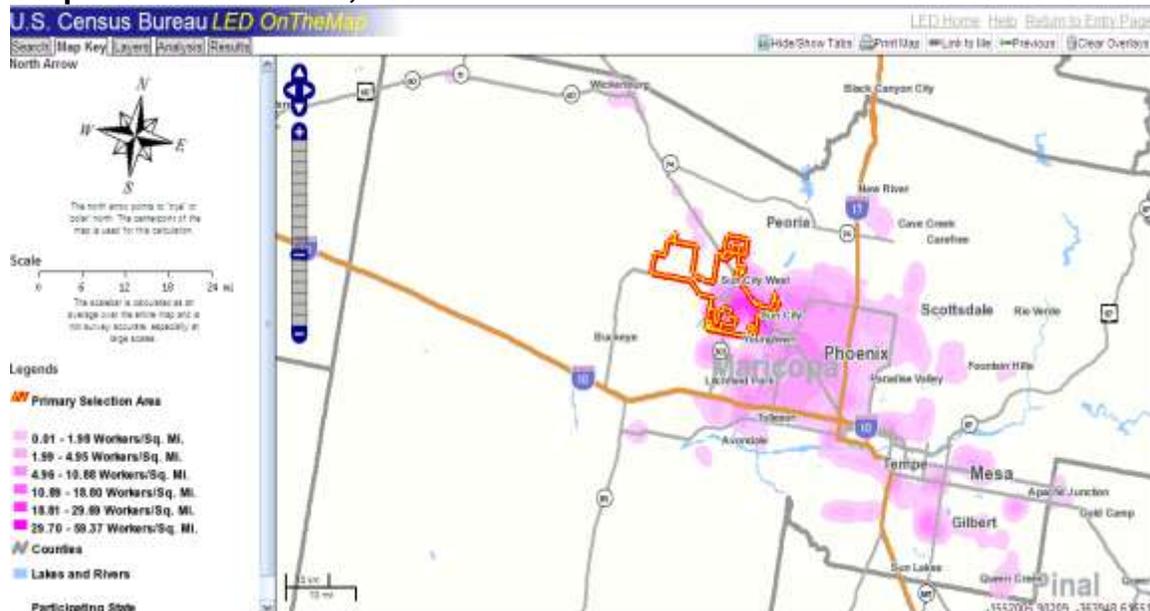
Surprise has a well-developed and growing economic base that provides employment opportunities not only for the citizens of Surprise, but also for commuters from the surrounding communities. The top ten employers located in Surprise provide a total of 27,908 jobs in a variety of fields.

City of Surprise Largest Employers, 2010

Business Name	Number of Employees
Dysart Unified School District 89	1,654
City of Surprise	867
Smith Food/Drug Frys Food Store	549
Walmart	549
County of Maricopa	202
Crescent Crown Distributing, LLC	200
Kohls Department Stores	195
Safeway Stores, Inc.	188
The Home Depot	166
Sams Club	134

Source: Maricopa Association of Governments, Employment Summary for Surprise, 2010

Surprise Labor Market, 2006



Source: U.S. Census Bureau, as reported in the 2008 West Valley Workforce and Labor Market Study

As is shown above, Surprise employers draw workers from all parts of the Metro Phoenix area but primarily from the West Valley. (Surprise is the yellow/red area and workers are drawn from the pink areas of the map.) According to the 2008 West Valley Workforce and Labor Market Study, over 16% of Surprise employees live and work in the city.

Transportation and Commuting

Transportation

The City of Surprise Transportation Division is responsible for:

- Transportation planning for all modes in the city with emphasis on regional connectivity.
- Traffic engineering operations, design and planning; including signs, signals, pavement markings, work zone traffic control, incident response, and Intelligent Transportation Systems (ITS) applications.
- Transportation Capital Improvement Program Infrastructure Engineering.
- Review of Developer Traffic Impact Analysis to assure compliance with the Regional Transportation Plan.
- Assure that new developments are in compliance with generally accepted transportation engineering standards through plan review and permitting.
- Resident transportation services; including Dial-A-Ride and links to Valley Metro Service.

Bus, ride share and light rail service are provided by Valley Metro. Valley Metro offers three Express trips from Surprise to downtown Phoenix on Route 571, twice a day. There is also Surprise to Scottsdale Airpark service on Route 572. This route also

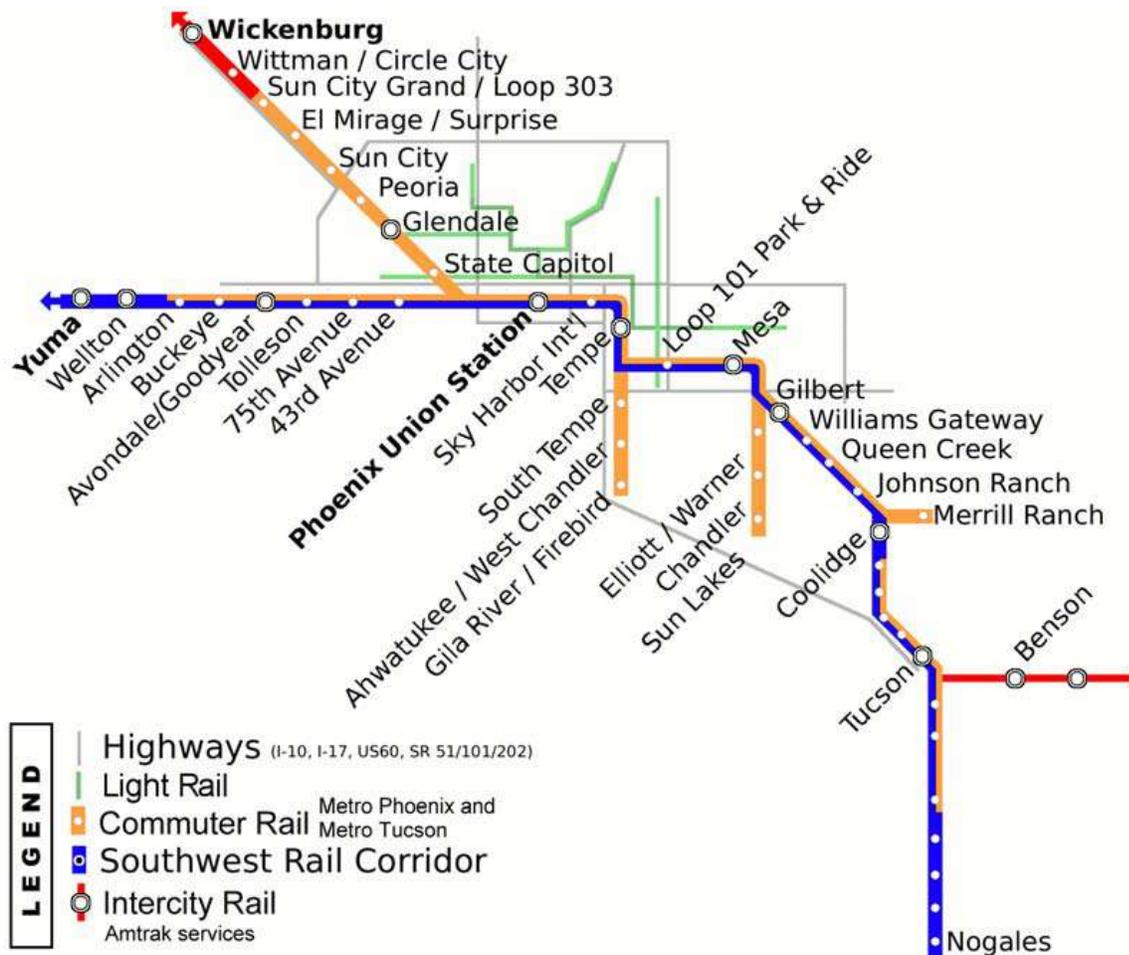
provides two morning stops at Arrowhead Towne Center that allow transfers to the Route 573 which travels on to downtown Phoenix. The Surprise pickup and drop-off location for Routes 571 and 572 is in front of Dream Catcher Park in Surprise Center. The City has provided a dedicated Park and Ride lot for commuters using Route 571 Valley Metro service. Route 571 travels from the Surprise Park and Ride lot on the south side of Bell Road to the bus stop at Greenway Road/Surprise Elementary School, 1st Ave at Van Buren, and 18th Avenue at Adams. Route 573 travels from 75th Ave at Beardsley, to the Arrowhead Towne Center, the Glendale Park and Ride, and on to Phoenix. All vehicles used on these routes are ADA accessible.

Valley Metro Regional Public Transportation Authority held a series of public hearings/meetings on possible service changes to certain routes, including Route 571 in Surprise. The meeting took place on March 12, 2012, at Surprise City Hall. The proposed service change impacting the city-funded Route 571 would be to remove the stop at Greenway/Sunny Lane. The proposed route would then be as follows: Surprise Park and Ride, south on Dysart to Thunderbird (a stop at Wal-Mart to replace Greenway/Sunny Lane stop), east to Grand Avenue, southeast to Van Buren, east to Central Station, south to Washington, and west to Capitol. Changes may become effective as early as July 2012.

Surprise Dial-A-Ride, administered by the City of Surprise Public Works Department, is available to every resident of Surprise and has the capability of transporting wheelchair clients. Surprise Dial-A-Ride provides two types of service: ADA, and General Public. The Americans with Disabilities Act (ADA) of 1990 requires public transportation agencies to provide paratransit services—which complement regular fixed-route bus service—for individuals who do not have the functional ability to ride public transit buses. Surprise Dial-A-Ride service provides shared-ride public transportation, although there is no fixed-route service within the City of Surprise at this time. The City of Surprise has elected to make Dial-a-Ride services available to the general public under very specific conditions. Priority is given to Dial-A-Ride reservations that serve (listed in order of priority): life-sustaining medical trips (dialysis and/or chemotherapy treatment); ADA certified passengers; transportation to medical appointments; transportation to work; and transportation to shopping, barber and beauty shops. Within the city limits of Surprise, Dial-A-Ride service is \$1.00 per trip. For trips outside of Surprise, the fee is \$1.25. Dial-A-Ride is implementing a taxicab service to augment service and offset total service denials. Taxicab service will be door-to-door, with rates set at the same level as regular Dial-A-Ride service. There are approximately 400 taxicabs available throughout the Valley Metro area.

According to the 2008 City of Surprise General Plan, there is a high demand for rail services to and from Surprise, and the BNSF line is planned to be of utmost importance in achieving this objective. The BNSF rail line currently carries four to five trains daily at an approximate speed of 49 miles per hour. Upgrades and changes desired for implementing light rail on the BNSF line will include new signals, a second track, and reduced main track switching activity. Additional implementation requirements include: governance and administration, railroad cooperation, funding and finance. The

following map, from the 2008 General Plan, illustrates the highway and rail corridors within the Phoenix Metropolitan Area, of which Surprise lies within.



Source: 2008 City of Surprise General Plan

The Surprise 2008 General Plan states with limited arterial streets and highway capacity, growing traffic volumes and congestion, and restricted opportunities for new highways, it is time to develop high quality and attractive transit service in the corridor that is competitive with the private automobile in terms of travel time, cost, and convenience. Transit corridors are planned to be multi-modal and located to maximize ridership opportunities. High quality and attractive transit service has been known to stimulate desirable and positive land use development and redevelopment. In addition, the General Plan states that Surprise’s Community Development Department identified the intersection of Grand Avenue and 211th Avenue as the heart of a future “Uptown Surprise.” Accordingly, Uptown Surprise is a prime candidate for a major rail station and interchange with Grand Avenue, which should be developed in accordance with Transit-Oriented Development (TOD) principles. As part of the Sustainable Surprise initiative, Surprise has partnered with Arizona State University’s College of Design to define development patterns for Uptown Surprise that promote TOD and concentrations of activity and density while preserving washes and other natural features throughout the landscape.

Commuting

According to the 2010 American Community Survey, a significant majority of Surprise residents (84%) commute alone to work via automobile, truck, or van. Of all auto commuters, 12% do so via carpooling, a rate lower than Maricopa County's carpooling rate of 15%. The use of other forms of commuting is very low, with less than 1% of commuters walking or using public transportation. Of the total of employed persons aged 16 and over, 4% work at home, slightly lower than Maricopa County's 4.8% rate of home employment. Map 13 on the previous page depicts workers in Surprise that take public transportation.

The mean travel time to work for Surprise commuters is 37 minutes, according to the 2010 American Community Survey. A break-out of the commute times is follows:

Travel Time to Work (one way)	Persons	Rate
Less than 10 minutes	3,124	7.3%
10 to 14 minutes	3,466	8.1%
15 to 19 minutes	4,836	11.3%
20 to 24 minutes	2,610	6.1%
25 to 29 minutes	1,155	2.7%
30 to 34 minutes	6,033	14.1%
35 to 44 minutes	5,221	12.2%
45 to 59 minutes	8,473	19.8%
60 or more minutes	7,917	18.5%

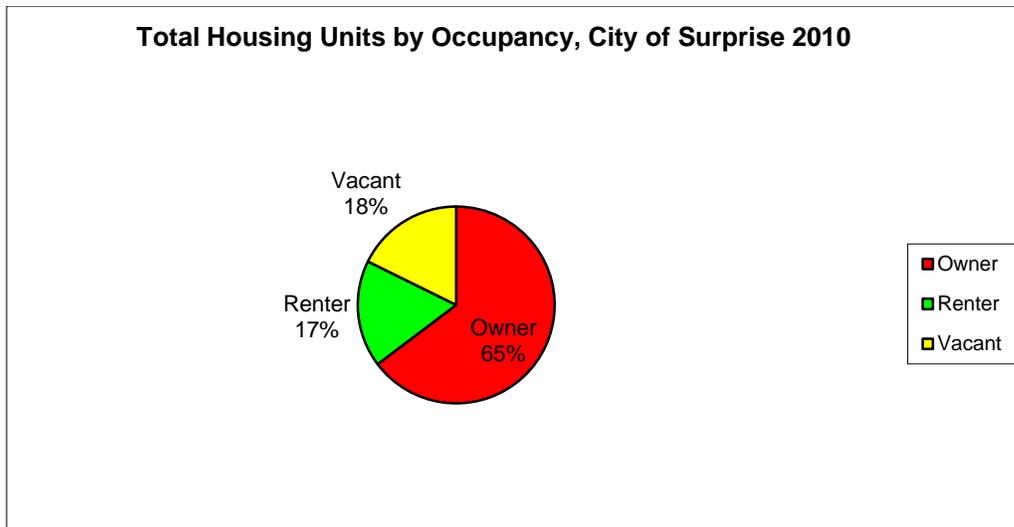
Source: U.S. Census Bureau, 2010 American Community Survey

As can be seen by review of the data above, the length of commute for residents of Surprise was fairly high for the majority, and the mean time (37 minutes) is higher than that of the Maricopa County metropolitan area (25.3 minutes). Approximately sixty-five percent (65%) of commuters traveled 30 minutes or more to their place of work. Within that group, over a third (38%) of all commuters traveled 45 minutes or more to their place of employment.

III. HOUSING PROFILE

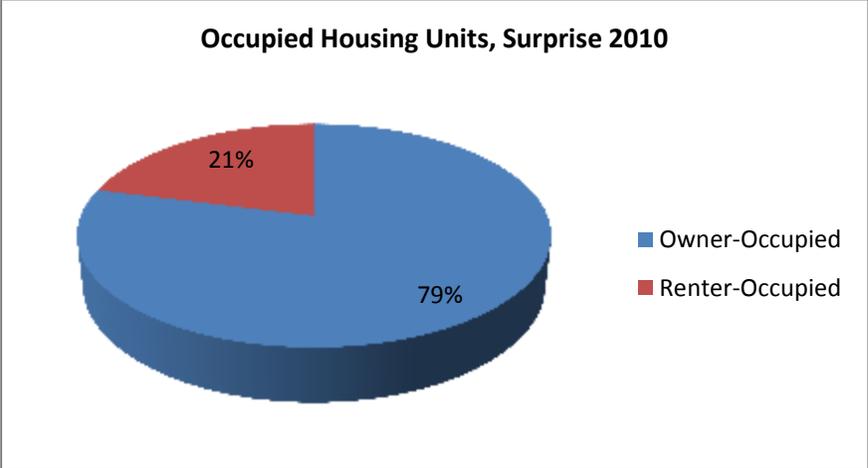
Housing by Tenure

The number of housing units in Surprise has grown from 16,260 in 2000, to 52,586 in 2010, a 220% increase. The growth in housing units mirrors the growth in the City's total population (280%). It is important to note, however, that approximately 18% of all Surprise's housing units are now vacant (9,314 units). See chart below showing total housing units by occupancy which also shows that 65% of the units are owner occupied and 17% are renter occupied. Map 14 on the following page shows housing unit vacancy percentages in the City of Surprise in 2010.



Source: U.S. Census Bureau, American Community Survey, 2010

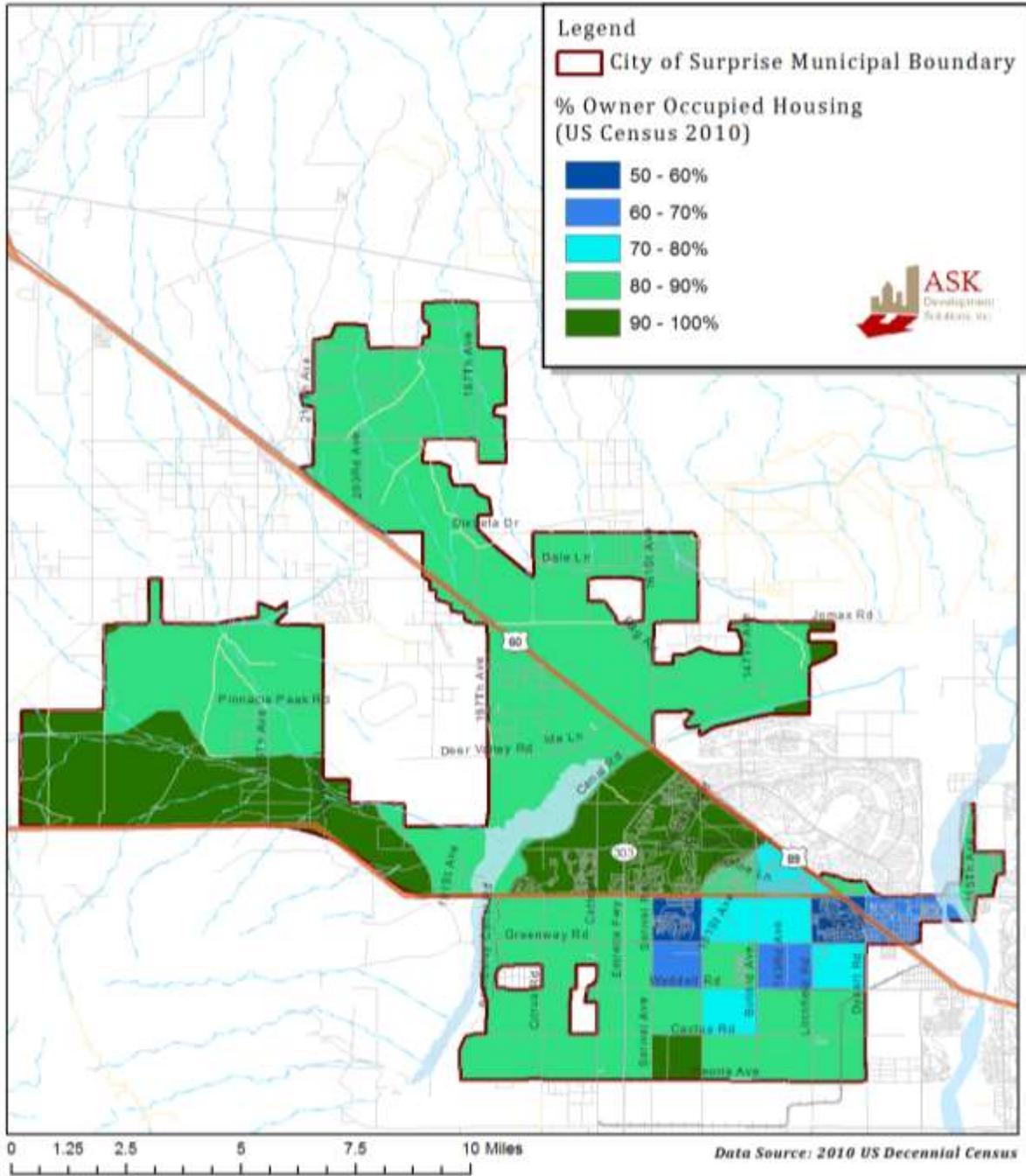
In the chart below, of the 43,272 occupied (non-vacant) housing units in 2010, approximately 79% (34,031) were owner occupied and 21% (9,087) were renter occupied. This reflects a nearly 10% decrease in the rate of homeownership (down from 88% in 2000) and a corresponding increase in rental tenure (12% in 2000). Map 15 depicts the owner occupied housing units in the City of Surprise.



Source: U.S. Census Bureau, American Community Survey, 2010

Map 15

City of Surprise: Percent Owner Occupied Housing in 2010



The 2010 American Community Survey gives a break-out of the types of units in the Surprise housing stock, as well as the year structures were built. Surprise is a fairly new community and as such the earliest housing units were built after 1939.

Housing Unit Types, Surprise 2010

Total/Type Housing Units	Number of Units	Percentage
1-Unit, Detached	41,755	82.6%
1-Unit, Attached	1,050	2.1%
2 Units	182	0.4%
3 or 4 Units	430	0.9%
5 to 9 Units	1,064	2.1%
10 to 19 Units	1,320	2.6%
20 or More Units	1,743	3.4%
Mobile Home	2,830	5.6%
Boat, RV, Van, etc.	181	0.4%

Source: 2010 American Community Survey

Year Structure Built, Surprise 2010

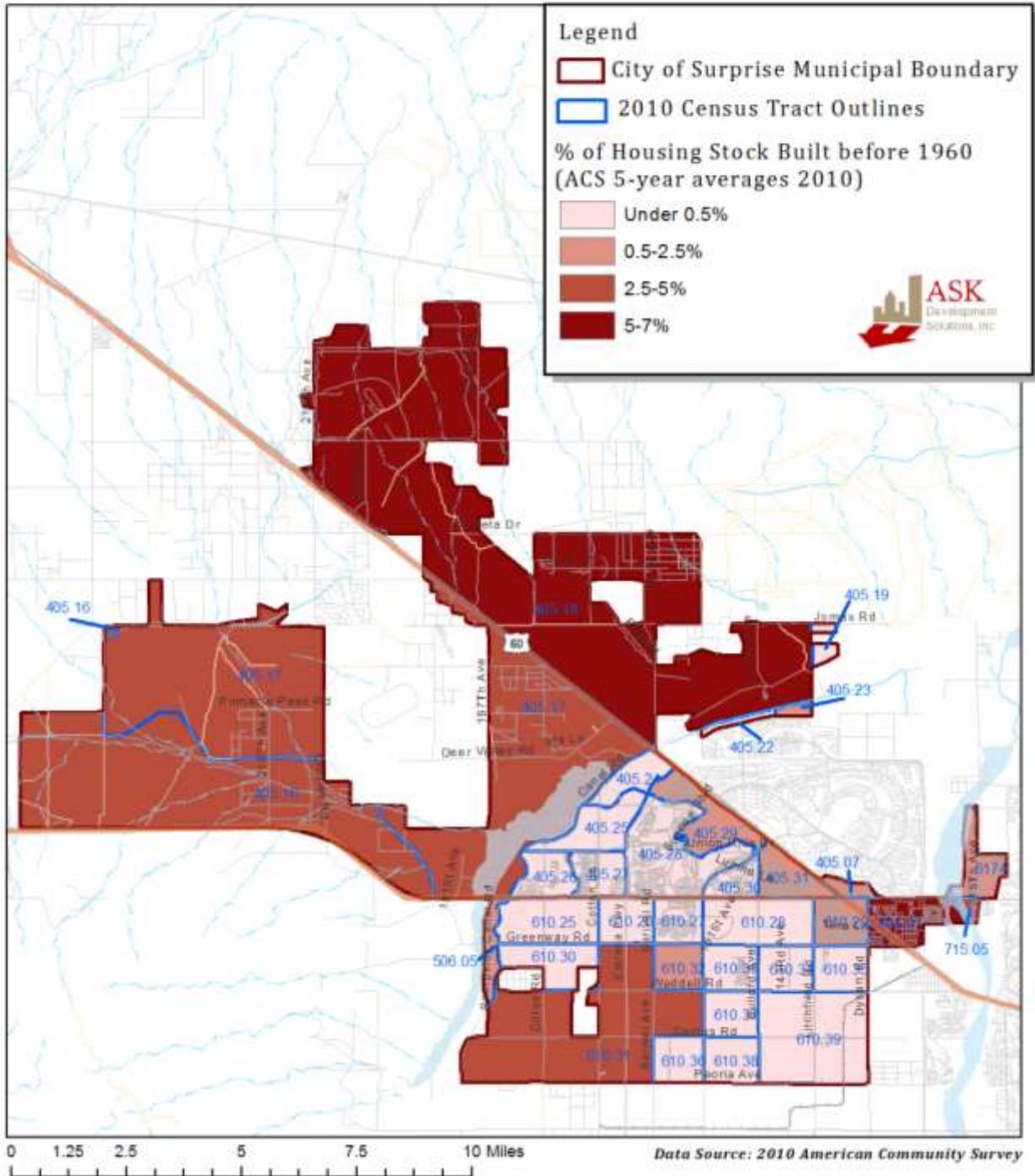
Year Structure Built	Number of Units	Percentage
Built 2005 or later	13,205	26.1%
Built 2000 to 2004	22,220	44.0%
Built 1990 to 1999	10,546	20.9%
Built 1980 to 1989	3,074	6.1%
Built 1970 to 1979	527	1.0%
Built 1960 to 1969	443	0.9%
Built 1950 to 1959	364	0.7%
Built 1940 to 1949	173	0.3%
Built 1939 or earlier	0	0%

Source: 2010 American Community Survey

The predominant type of housing in Surprise is the single-unit, detached structure (83%), followed by mobile home (6%) and structures with 20 or more units (3%). Comparatively, the 2000 Census predominant housing type was also single-unit, detached (71% of structures), followed by mobile home (14%), and boat/RV/van (4%). The housing stock is considered to be fairly new, with over two-thirds (70%) of structures being built in 2000 or later, and most (91%) being built in 1990 or later. Map 16 gives a depiction of the pre-1960 housing stock by percentage in the City of Surprise.

Map 16

City of Surprise: Percent of Housing Stock Built before 1960 Averages from 2006-2010



Housing Affordability

The median value of an owner occupied housing unit in 2010 was \$165,100, an increase of almost 30% since 2000 (\$128,300). Using the industry standard of three (3) times income to afford a 2010 median priced home in Surprise, a household would need to earn \$55,033 annually. Map 17 shows the median home value averages from 5 years of the American Community Survey (2006-2010).

Median contract rent in 2010 was \$933 monthly. That actually reflects a decrease of \$213 since the 2000 Census (\$1,146 median contract rent). Map 18 shows median contract rent for the City of Surprise. Based on HUD standards that a household should not pay more than 30% of its gross income for a housing unit to be considered affordable, a household would need to earn \$37,320 annually to afford the median rent.

Median Rent and Median Home Value with Income Required for Affordability, 2010

Geographic Area	Median Contract Rent	Income Required to Afford Median	Median Home Value	Income Required To Afford Median
Maricopa County	\$744	\$29,760	\$180,800	\$60,267
Gilbert	\$1,003	\$40,120	\$229,600	\$76,533
Glendale	\$691	\$27,640	\$153,900	\$51,300
Mesa	\$679	\$27,160	\$154,600	\$51,533
Peoria	\$860	\$34,400	\$181,300	\$60,433
Phoenix	\$691	\$27,640	\$158,600	\$52,867
Scottsdale	\$921	\$36,840	\$389,300	\$129,767
Surprise	\$933	\$37,320	\$165,100	\$55,033

Source: American Community Survey, U.S Census Bureau (2010)

- 1) Income to afford median rent calculated by multiplying monthly rent by 12 months, and then dividing result by thirty percent (30%).
- 2) Income to afford a home of median value was calculated by real estate industry standard of multiplying household income by three (3) to determine maximum affordable purchase price.

Community Housing Affordability Study (CHAS)

HUD's Community Housing Affordability Study (CHAS) is a commonly-used gauge of housing affordability, or lack thereof. HUD considers a housing unit affordable if the occupant household expends no more than 30% of its income on housing cost. In the situation where the household expends greater than 30% of its income on housing cost, the household is considered cost burdened. Cost burdened households have less financial resources to meet other basic needs (food, clothing, transportation, medical, etc.), less resources to properly maintain the housing structure, and are at greater risk for foreclosure or eviction.

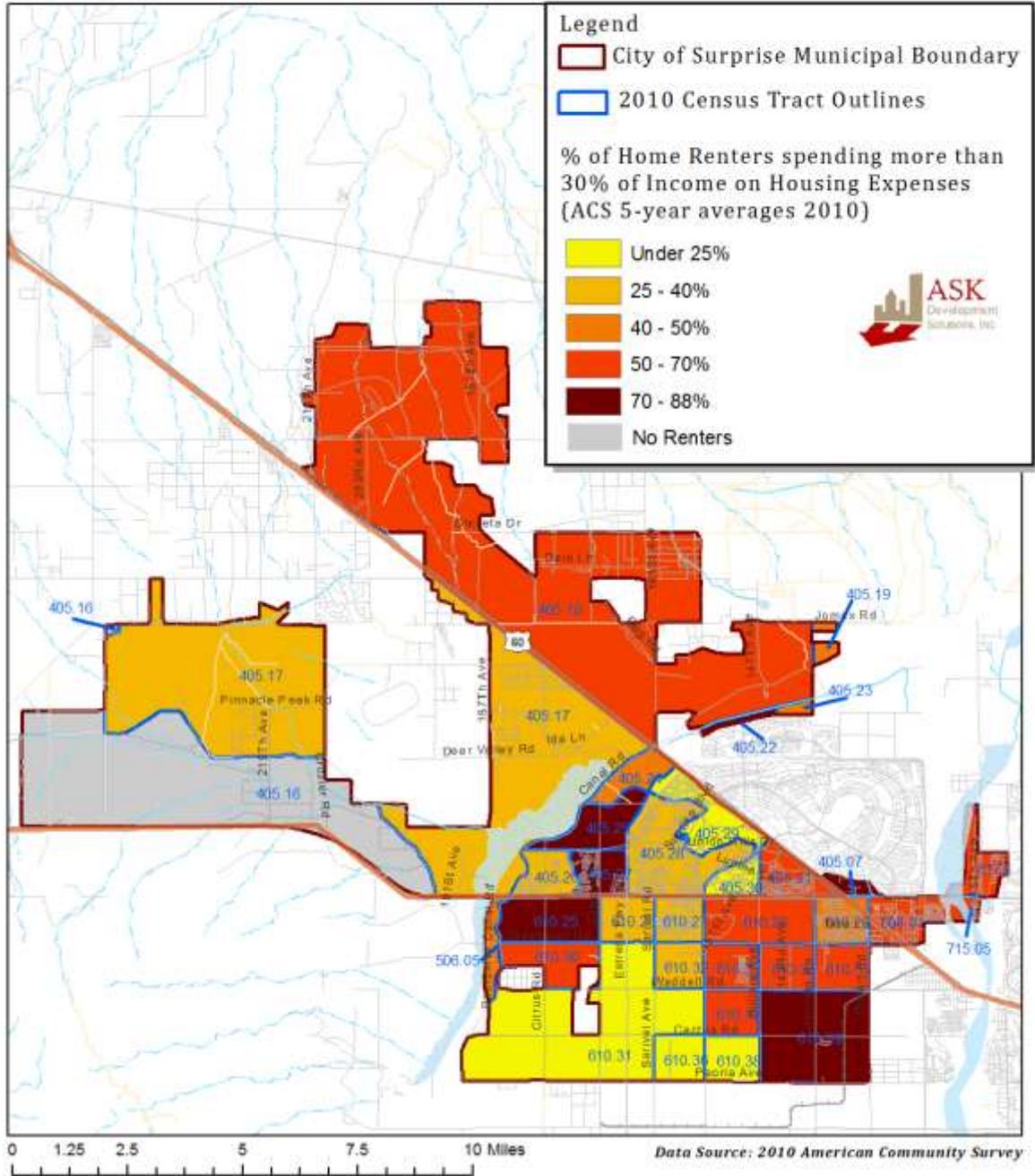
Cost-Burden of Owners and Renters

According to the 2010 American Community Survey, 8,354 (37%) of the 22,590 total owner households with mortgages in Surprise were cost-burdened. The remaining 63% of owners with mortgages were considered to be in affordable housing situations. In addition, 645 (7%) of owner households without a mortgage were cost burdened.

According to the 2010 American Community Survey, an estimated 4,853 (51%) of the 9,582 renter households in Surprise (excluding those renters whose incomes were not computed) paid more than 30% of their monthly income toward rent and utilities, and are considered cost burdened. Maps 19 and 20 depict homeowners and renters respectively in Surprise that have spent more than 30% of their income on housing expenses. The remaining 49% of renters were considered to be in affordable housing situations. Compared to owners, renters were more likely to be cost-burdened.

Because CHAS data is not available for the City of Surprise, CHAS data for the State of Arizona was reviewed. Surprise is located in Maricopa County, which is home to almost 60% of the entire Arizona low and moderate income population. In addition, data was reviewed for the Maricopa County HOME Consortium, of which Surprise is a participating member.

City of Surprise: Percent of Home Renters spending more than 30% of Income on Housing Expenses (Averages from 2006-2010)



State of Arizona

There are 605,725 total renter households within Arizona that represent approximately 31% of all households. Within the renter households, 60% fall into low income categories.

Renters by Income Level, Arizona 2009

Income Category	# of Renter Households	% of Renter Households
Extremely low (0-30% AMI)	136,645	19.6%
Very low (31-50% AMI)	121,035	17.4%
Low (51-80% AMI)	157,845	22.7%
Moderate and above (>80% AMI)	280,200	40.3%
TOTAL	695,725	100%

Source: HUD, 2009 CHAS Data

According to 2009 CHAS data for the State of Arizona, low-income renter households faced increased cost burdens and other housing problems. Only 19% of non-low income households experienced any form of housing problem, but 60% of low income renters, and 94% of extremely low income renters experienced a housing problem. When looking at cost burdens specifically, just 13.4% of non-low income renters experienced a cost burden, while nearly 81% of extremely low income households experienced one.

According to HUD, a household with problems consists of:

1. Persons and families living in units with physical defects (lacking a complete kitchen or bath); or
2. Persons and families living in overcrowded conditions (greater than 1.01 persons/room); or
3. Persons and families cost burdened (paying more than 30% of income for housing, including utilities).

Summary Housing Problems, Renter, Arizona 2009

Percentage Renter Households with Housing Problems

Income Category	Cost Burden >30%	Cost Burden >50%	Any Housing Problem
Extremely low (0-30% AMI)	80.8%	73.6%	93.9%
Very low (31-50% AMI)	75.4%	36.7%	89.3%
Low (51-80% AMI)	50.9%	12.4%	60.2%
Moderate and above (>80% AMI)	13.4%	5.3%	18.6%
All households	22.3%	21.3%	48.6%

Source: HUD, 2009 CHAS Data

According to the Arizona Consolidated Plan for 2010-2014, the state has adequate rental housing and it is largely affordable to low income households and above. Arizona

generally lacks rental housing that is affordable to very low income and extremely low income households. In the Arizona Consolidated Plan, the unmet need of affordable housing for small-related, large-related, elderly and other households living at or below 50% of area median income remain high or medium level priorities as these households are frequently experiencing a cost burden or some other form of housing problem 75% or more of the time.

Owners by Income Level, Arizona 2009

Income Category	# of Renter Households	% of Renter Households
Extremely low (0-30% AMI)	98,740	6.5%
Very low (31-50% AMI)	127,470	8.4%
Low (51-80% AMI)	225,585	14.8%
Moderate and above (>80% AMI)	1,068,240	70.3%
TOTAL	1,520,035	100%

Source: HUD, 2009 CHAS Data

For much of the 2000s, the median home price increased faster than income. From 2000 to 2008, the median sales price of a home in Arizona increased by 70.7%, while during the same period median income only increased 7.5% (Arizona Department of Housing, 2009 Arizona Housing Market at a Glance).

Summary Housing Problems, Owner, Arizona 2009

Percentage Owner Households with Housing Problems

Income Category	Cost Burden >30%	Cost Burden >50%	Any Housing Problem
Extremely low (0-30% AMI)	75.5%	62.2%	84.9%
Very low (31-50% AMI)	54.5%	32.5%	61.4%
Low (51-80% AMI)	43.1%	16.3%	49.2%
Moderate and above (>80% AMI)	16.6%	2.5%	18.9%
All households	27.6%	11.0%	31.2%

Source: HUD, 2009 CHAS Data

Less than 19% of Arizona non-low income owner households experienced any form of housing problem, while 49% of low income, 61.4% of very low income, and 84.9% of extremely low income owner households experienced some form of housing problem. Only 2.5% of moderate and above income owner households experienced a cost burden of greater than 50%, while 62.2% of extremely low income households experienced the same level of cost burden. According to the Arizona Consolidated Plan, these trends identify a growing need for programs, funding, and other supportive services to help low income households address affordability and other housing problems.

Within Arizona, Maricopa County had the highest median income (HUD FY 2009 Income Limits). For each income level, the home mortgage a four-person household at

the top of their income level could afford is shown below (Arizona Department of Housing Consolidated Plan, 2010-2014).

Affordable Mortgages by Income Category – Maricopa County, 2009

Income Category	Income Limit	Available for P&I	Affordable Mortgage
Very Low (50% AMI)	\$32,950	\$673	\$93,415
Low (80% AMI)	\$52,700	\$1,168	\$162,242
Median (100% AMI)	\$65,900	\$1,497	\$207,894
Moderate (120% AMI)	\$79,100	\$1,828	\$253,851

Source: HUD FY 2009 Income Limits

Assumptions based on 30% housing debt ratio, no other debts, fixed taxes, and insurance at \$1,800 per year, 6.5% interest rate on a 30-year amortized loan.

According to the Arizona Consolidated Plan, home values between December 2006 and December 2009 plummeted from a statewide median of approximately \$280,000 to under \$140,000. The average sales price fell from about \$250,000 to approximately \$185,000 in the same time period, even dropping to around \$160,000 in June 2009 before rising slightly. As is shown in the table below, Maricopa County was not spared from this market decline.

Median Sales Price by County, 2006 and 2009

County	December 2006	December 2009
Apache	\$394,400	\$119,380
Cochise	\$218,408	\$77,000
Coconino	\$542,243	\$458,171
Gila	\$329,595	\$269,749
Graham	\$112,500	\$163,000
Greenlee	n/a	\$153,000
La Paz	\$167,688	\$161,364
Maricopa	\$342,621	\$176,065
Mohave	\$284,900	\$158,892
Navajo	\$269,282	\$240,638
Pima	\$140,445	\$137,539
Pinal	\$224,516	\$113,280
Santa Cruz	\$217,500	\$69,000
Yavapai	\$322,390	\$221,422
Yuma	\$308,393	\$83,450

Source: Multiple list service (MLS) database

Even though the chart above reflects a decline in housing prices, the Arizona Consolidated Plan reports that ownership housing is not affordable to many Arizona residents. Arizona residents are facing higher unemployment, increased foreclosure rates, and an overall decline in Arizona's general economy. Consequently, there is a

need for affordable housing for low income residents of Arizona that may have lost their homes or are unable to afford housing due to under-employment, particularly for the very low income residents.

Maricopa County HOME Consortium

According to the Maricopa HOME Consortium Consolidated Plan for 2010-2014, high foreclosure rates and substantial declines in home values throughout Maricopa County are increasing overcrowding and abandoned and dilapidated dwellings. The City of Surprise is a part of the Consortium.

Extremely Low Income Households:

It is estimated in the Consolidated Plan that a total of 61,200 households (8% of all households) in the Consortium are comprised of households earning less than 30% of the median income, with housing problems.

Of the 33,095 renter households with problems in 2010:

- 20% are elderly;
- 26% are small households;
- 12% are large households; and
- 42% are one-person households.

Of the 14,660 owner households with problems in 2010:

- 52% are elderly;
- 21% are small households;
- 9% are large households; and
- 18% are one-person households.

Households paying more than 50% of their income for housing are considered severely cost burdened. In FY 2010, 36,100 Maricopa Consortium extremely low income households were severely cost burdened, comprised of 57% renters and 43% owners. By FY 2014, the Consortium Consolidated Plan estimated that an additional 10,100 extremely low income households will have problems.

Very Low Income Households:

The Consolidated Plan estimates that 67,600 households (9% of all households) in the Consortium are comprised of households earning between 31 and 50% of the median income, with housing problems.

Of the 25,500 renter households with problems in 2010:

- 19% are elderly;
- 35% are small households;
- 15% are large households; and
- 31% are one-person households.

Of the 22,800 owner households with problems in 2010:

- 40% are elderly;

- 30% are small households;
- 15% are large households; and
- 15% are one-person households.

Households paying more than 50% of their income for housing are considered severely cost burdened. In FY 2010, 18,950 Maricopa Consortium very low income households were severely cost burdened, comprised of 42% renters and 58% owners. By FY 2014, the Consortium Consolidated Plan estimated that an additional 11,100 very low income households will have problems.

Low Income Households:

The Consolidated Plan estimates that 62,700 households (8% of all households) in the Consortium are comprised of households earning between 51 and 80% of the median income, with housing problems.

Of the 25,500 renter households with problems in 2010:

- 15% are elderly;
- 32% are small households;
- 18% are large households; and
- 35% are one-person households.

Of the 37,300 owner households with problems in 2010:

- 23% are elderly;
- 35% are small households;
- 17% are large households; and
- 25% are one-person households.

Households paying more than 50% of their income for housing are considered severely cost burdened. In FY 2010, 8,600 Maricopa Consortium low income households were severely cost burdened, comprised of 20% renters and 80% owners. By FY 2014, the Consortium Consolidated Plan estimated that an additional 10,340 low income households will have problems.

The Consortium Consolidated Plan included an analysis of the 2000 CHAS data, which indicates that Hispanics, Blacks, and Asians in certain income categories have a disproportionately greater need for housing. The following chart from that plan is included below.

**Minority Housing Assessment
Maricopa Home Consortium, 2000**

Income Level	All Households	White	Hispanic	Black	Native American	Asian	Hawaiian & Pacific Islander	Self Care Limitation
Earning less than 30 MFI	39,682	26,866	8,196	1,322	1,155	1,379	33	9,524
With Problems	72%	74%	84%	79%	76%	56%	70%	74%
Earning 31-50% MFI	43,718	32,162	8,535	1,052	604	865	34	10,360
With Problems	69%	66%	84%	84%	72%	86%	77%	64%
Earning 51-80% MFI	79,759	62,196	12,372	2,297	839	1,301	72	15,252
With Problems	51%	47%	61%	61%	48%	63%	56%	43%

Source: 2000 CHAS data for Maricopa Home Consortium

Housing Stock Available to Very-Low Income (VLI) Households

Geographic Area	50% Median Owner Income	Total Occupied Owner Units	Number Affordable to VLI Owners	Percentage Affordable to VLI	50% Median Renter Income	Total Occupied Renter Units	Number Affordable to VLI Renters	Percentage Affordable to VLI Renters
Maricopa County	\$34,754	910,811	73,274	8.0%	\$18,204	427,237	46,795	11.4%
Chandler	\$41,888	59,184	2,900	4.9%	\$24,040	27,542	3,944	14.9%
Gilbert	\$44,492	47,714	668	1.4%	\$25,553	13,379	1,358	10.4%
Glendale	\$33,723	48,467	4,459	9.2%	\$15,844	28,029	2,538	9.3%
Mesa	\$31,006	112,834	17,038	15.1%	\$17,154	56,040	4,975	8.8%
Peoria	\$36,412	41,554	3,449	8.3%	\$19,632	15,301	5,032	32.8%
Phoenix	\$32,731	295,455	22,750	7.7%	\$16,199	187,755	17,986	9.9%
Scottsdale	\$43,031	66,941	2,276	3.4%	\$24,888	26,415	3,479	13.7%
Surprise	\$33,849	31,662	1,307	4.1%	\$22,565	8,952	2,767	30.9%

Source: American Community Survey, US Census Bureau (2008)

1. Fifty percent (50%) of estimated 2008 household median income by tenure for each jurisdiction.
2. Total and affordable renter units include both units with contract rent and units with no cash rent.

Housing Stock Available to Disabled Persons

The most recent data comprehensive data on disability status among Surprise's population was the U.S. Census 2010 American Community Survey. There are 10,931 people (9.3% of the total population) in Surprise with a disability. The survey included the following breakdown of the disabled population by age group. It should be noted that the 65 and over category has the largest disabled population, more than three times the other two categories combined.

Disability Status of the Civilian Non-Institutionalized Population Surprise, Arizona 2010

Population Status	Number	Percentage
Total Population	117,007	100%
With a Disability	10,931	9.3%
Population Under 18 years	35,065	
With a Disability	679	1.9%
Population 18 to 64 years	60,596	
With a Disability	4,372	7.2%
Population 65 years and over	21,346	
With a Disability	5,880	27.5%

Source: American Community Survey, US. Census Bureau (2010)

The 2010 American Community Survey also provides information regarding type of disabilities within the Surprise population, as well as the incidence of two or more disabilities within age groups.

Disability Characteristics of the Surprise Population, 2010

Population/ Characteristic	Total	# With a Disability	% With a Disability
Total Population	117,007	10,931	9.3%
Population under 5 years	9,213	0	0%
With a hearing difficulty		0	0%
With a vision difficulty		0	0%
Population 5 to 17 years	25,852	679	2.6%
With a hearing difficulty		263	1.0%
With a vision difficulty		263	1.0%
With a cognitive difficulty		602	2.3%
With an ambulatory difficulty		290	1.1%

With a self-care difficulty		213	0.8%
Population 18 to 64 years	60,596	4,372	7.2%
With a hearing difficulty		926	1.5%
With a vision difficulty		635	1.0%
With a cognitive difficulty		1,521	2.5%
With an ambulatory difficulty		2,432	4.0%
With a self-care difficulty		373	0.6%
With an independent living difficulty		1,775	2.9%
Population 65 years and over	21,346	5,880	27.5%
With a hearing difficulty		3,074	14.4%
With a vision difficulty		1,110	5.2%
With a cognitive difficulty		1,000	4.7%
With an ambulatory difficulty		3,620	17.0%
With a self-care difficulty		1,029	4.8%
With an independent living difficulty		2,211	10.4%

Source: American Community Survey, US Census Bureau (2010)

The highest percentage of disabilities occurs in the 65 and over population group (27.5%). Many of the above individuals have more than one reported disability item, and therefore there is much duplication between categories of disability items. The data provided further representation of these populations.

Age and Number of Disabilities, Surprise 2010

Population	Number
Total Population	117,007
Population under 5 years	9,213
With either a vision or hearing difficulty	0
With both hearing and vision difficulty	0
Population 5 to 17 years	25,852
With one type of disability	416
With two or more types of disability	263
Population 18 to 34 years	21,996
With one type of disability	207
With two or more types of disability	0
Population 35 to 64 years	38,600
With one type of disability	2,542
With two or more types of disability	1,623
Population 65 to 74 years	13,061
With one type of disability	1,491
With two or more types of disability	927
Population 75 years and over	8,285
With one type of disability	1,301
With two or more types of disability	2,161

Source: American Community Survey, US. Census Bureau (2010)

The majority of the identified disabled population is able to live independently with or without supportive services, or is cared for by family members in private housing arrangements. However, the data still indicates the need for specialized housing for disabled persons, particularly given the high prevalence of disabilities in the older population groups. The need for specialized housing is dependent on the type of disability. Such housing may be specialized in terms of physical modifications, sleeping accommodations, organizational structure, security monitoring, and staffing with applicable supportive services.

Most home features needed to allow independent living by persons with physical mobility disabilities can be incorporated into new construction at marginal cost (estimated at 0.5% additional cost by Arizona Bridge to Independent Living (ABIL)), and without substantially altering the standard unit floor plan. Retrofitting an existing unit is a more expensive, and therefore less cost-effective alternative, but necessary for those disabled households which would like to comfortably “age in place” and not have to move from their long-time homes due to developing physical mobility limitations.

The City of Tucson and Pima County, as well as many local governments throughout the U.S., have local ordinances with extensive requirements for accessibility to single-family homes. In 2009, Surprise adopted a Visitability Program that includes builders constructing “zero-step” entrances at all model homes, and posting signs at all model homes alerting potential buyers of accessibility options. Federal legislation requiring minimum “home visitability” standards in all new housing construction was not successful in the 2009-10 U.S. Congress.

The Surprise Consolidated Plan estimates that 3% of the Maricopa County disabled population resides in Surprise. That percentage is used to calculate the population served by agencies that assist with the distribution of housing, social, medical, and other services to the disabled population. The following chart delineates the disability services needed and provided within Surprise.

**Special Needs Analysis
Surprise, Arizona**

Population	Maricopa County	Surprise (3% of County)	Services	Service Provider
Persons with severe mental illness	79,876	2,397	Outreach, treatment, health care, income support, rehabilitation services.	Arizona Health Care Cost Containment System (AHCCCS), Arizona's Medicaid agency
Developmentally disabled persons	24,116	723	Assistive technology, employment training, transportation, caregiver respite	The Centers for Habilitation, Arizona Bridge to Independent Living (ABIL), Maricopa County Transportation, AHCCCS
Physically			Assistive technology,	AZ Technology Access

disabled persons	307,215	9,216	employment training, transportation, caregiver respite	Program, Easter Seals, SW Human Development, AZ Center for the Blind, Valley Center for the Deaf, AZ Commission for the Deaf, ABIL, Maricopa County Transportation, AHCCCS
------------------	---------	-------	--	--

The Division of Developmental Disabilities within the Arizona Department of Economic Security provides services and programs to 31,320 people with developmental disabilities as of June 30, 2011. The Division reports people can best be supported in integrated community settings, and the majority of the Division’s programs and services are tailored to meet the individual needs of individuals and their families at home and in community-based settings (Department of Economic Security Family Support Annual Report, 2011). The Division coordinates services through central administrative offices throughout Arizona. Services are delivered through a network of individual and agency providers. The Family Support Annual Report delineates the following residential service options in Arizona:

- *Individually Designed Living Arrangement:* provides for alternative, non-licensed living situation, where the consumer assumes all responsibility for the residence. The focus of this service is to provide teaching support (habilitation).
- *Adult Development Home:* residential setting for adults that is licensed to provide room, board, supervision, and teaching for up to three people.
- *Child Development Home:* residential setting for up to three children that is licensed to provide supervision, teaching, room and board. The long-term goal is to move the children out of foster care and into a permanent home.
- *Group Home:* community residential setting for up to six people that provides supervision, habilitation, room and board.
- *Nursing Facility:* a Medicaid certified facility that provides inpatient room, board, and nursing services to individuals who need are in need, but do not require hospital care or daily care from a physician.
- *Immediate Care Facility for Persons with Intellectual Disabilities:* facility with the primary purpose to provide health, habilitative, and rehabilitative services.

Through the Section 811 Supportive Housing for Persons with Disabilities program, HUD provides funding to develop and subsidize rental housing with the availability of supportive services for very low-income adults with disabilities. The Section 811 program allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services. The newly reformed Section 811 program is authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies. The assistance to the state housing agencies can be applied to new or

existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs. In FY 2012, no funding was appropriated for traditional 811 capital advances.

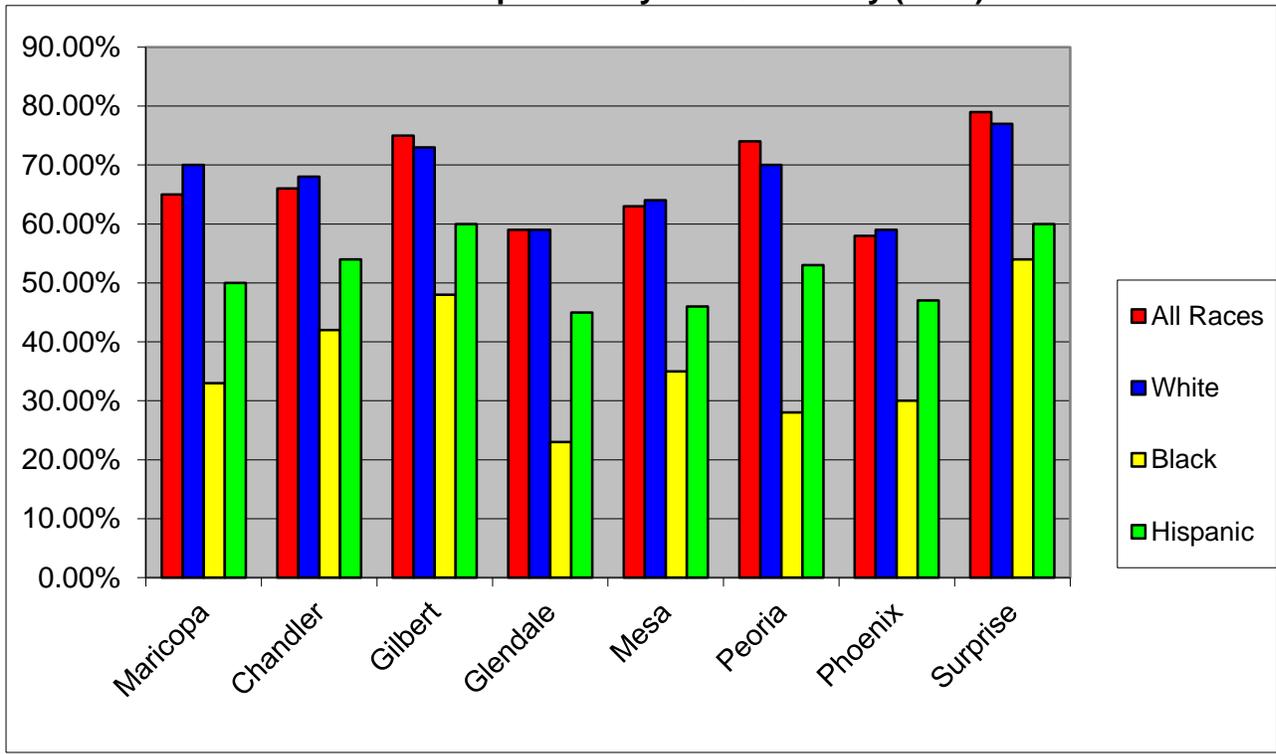
Elderly and Frail Elderly

According to the 2008-2010 Arizona State Plan on Aging (Arizona Department of Economic Security/Division of Aging and Adult Services), the number of Arizonans over the age of 85 is going to double in the next 15 years. The Plan states that thousands of Arizona's citizens already receive long-term care because of age or disability. In January 2007, Arizona Governor Napolitano issued Executive Order 2007-01, Ensuring Quality in Long-Term Care, to address long-term abuse and neglect while also rewarding facilities that provide the best care. The Executive Order directs the Arizona Departments of Health Services, Economic Security, and Health Care Cost Containment System to develop a comprehensive three-year strategy to improve quality in long-term care, including focusing on nursing home in the first year, assisted living in the second year, and community care in the third year.

Homeownership by Race and Ethnicity

As in most areas of the country, rates of homeownership vary by race/ethnicity in the City of Surprise and its neighboring communities within Maricopa County. The overall rate of homeownership in Surprise, for all races, was 79%, higher than that of Maricopa County's 65%. In Surprise, as in the identified neighboring communities, Whites have the highest rate of homeownership (77%), followed by Hispanics/Latinos (60%), and then Blacks (54%). The Surprise homeownership rates are higher than those of Maricopa County as a whole (Whites—70%; Hispanic/Latino—50%; and Black—33%). The following table depicts homeownership rates by race in Surprise, Maricopa County, Phoenix, and its neighboring communities. It is important to note that of all the 2010 data collected for Phoenix Metro area, Surprise has the highest rates of homeownership in each race or ethnicity measured (total population, White, Black, and Hispanic).

Homeownership Rates by Race/Ethnicity (2008)



Source: U.S. Census Bureau, American Community Survey, (2010)

For further illustration, Map 21 depicts the percentage of Black/African-American that home owners in 2010. Map 22 depicts the percentage of Hispanic residents that owned their homes in 2010.

Recent City Housing Accomplishments

The Surprise Consolidated Annual Performance and Evaluation Report (CAPER) includes a summary of programmatic accomplishments and an assessment of progress toward meeting the priority needs and specific objectives identified in the city's Consolidated Plan. The recent CAPER discusses the city's development objectives and how the city has been able to successfully implement programs and projects during the 2009-2010 program year (PY). The City of Surprise was awarded \$373,123 of Community Development Block Grant (CDBG) funds to allocate to projects and programs for the PY 2009-2010 (July 1, 2009 - June 30, 2010). This is the fourth year of entitlement in receiving funds directly. The City was also awarded \$97,340 of CDBG-Recovery (CDBG-R) grants. The projects selected to receive PY2009-2010 funding were Sidewalk Connectivity and Senior Center Flooring Improvements within the Original Townsite (OTS) of Surprise.

The Neighborhood Services Supervisor acts as the City's Fair Housing Coordinator. At least 3 percent of the person's salary (which is paid from general funds) plus time of other staff is spent on fair housing activities. The cost of the AI was also part of fair housing expenditures. The City also has an ADA Coordinator position that addresses accessibility issues citywide.

The City of Surprise was the recipient of \$2,197,786 in Neighborhood Stabilization Program (NSP) funds in 2008 to address the negative effects of foreclosure on neighborhoods. The City of Surprise focuses much of this assistance on homeownership opportunities. The City of Surprise also received \$117,091 HOME funds as part of the Maricopa HOME Consortium. The City of Surprise's HOME funds are distributed through the Maricopa County Consortium. The Maricopa Consortium serves as the lead agency for the HOME program.

City of Surprise Projects and Funding 2009-2010 Program Year

Project	Funding Source	2009-10 Status	Funds Allotted	Funds Expended	Future Action
Sidewalk Connectivity Project	CDBG	Engineering Design Completed	\$49,661	\$45,020	Environmental Review; Construction
Senior Center Flooring Project	CDBG-R	Construction Started	\$43,627	\$26,237	Construction
Acquisition/ Rehab and Homeowner Assistance	NSP	17 Homes Purchased; 5 Homes Sold	\$2,498,763	\$2,032,276	Continuance of Program
Administrative Allotment	CDBG	Completed	\$45,143	\$45,143	None

Source: City of Surprise 4th Year CAPER, 2010

On-Going Actions by the City of Surprise to Promote Fair Housing

The following list includes events that the City of Surprise has sponsored and/or attended in order to promote fair housing since the last AI was done in 2006.

- *April 13, 2006* -- A Fair Housing Proclamation was prepared and signed by the Mayor and City Clerk of Surprise.
- *June 26, 2007* -- A Fair Housing orientation was conducted with the Southwest Fair Housing Council. Topics covered included:
 - ✓ What is the Fair Housing Act?
 - ✓ History of fair housing
 - ✓ Protected classes
 - ✓ Activities prohibited under the Fair Housing Act
- *June 26, 2007* -- Surprise area Realtors and staff from Surprise Community Improvement, Police, Risk Management, Legal, and Building Safety attended an overview session of the accessibility requirements of the Fair Housing Act amendment. The session provided information on accessibility requirements and gave specific information on how to measure and incorporate accessibility requirements.
- *January 6, 2009* -- Surprise Planning and Zoning adopted a Visitability Program that includes builders constructing “zero-step” entrances at all model homes, and posting signs at all model homes alerting potential buyers of accessibility options.
- *January 10, 2009* – The City of Surprise produced a Disability and Human Services Summit, with almost 300 people in attendance. Twenty-six organizations were exhibitors, and 25 businesses honored for participation in the Access Northwest Index. The Access Northwest Index is a listing of Northwest Valley businesses that take extra measures to meet accessibility needs,
- *January 21, 2009* – The Surprise Disability Advisory Commission hosted and attended a fair housing presentation/training given by Fred Karnus, Director of the Arizona Department of Housing.
- *April 2009* -- A Fair Housing Proclamation was prepared and signed by the Mayor and City Clerk of Surprise.
- *April 25, 2009* – City staff and Sandy Fagan, Director, Southwest Fair Housing Council, conducted a workshop on accessibility, accommodation, and disability issues in housing. The workshop included rental rights and responsibilities, the Americans with Disabilities Act, housing discrimination, and the Fair Housing Act.
- *December 2, 2009* – City staff and Sandy Fagan, Director, Southwest Fair Housing Council, conducted an HOA Connection workshop on HOAs and the Fair Housing Act. Thirty-nine HOA managers, residents, and board members attended the workshop. Topics included ADA, the Fair Housing Act, protected classes, and housing discrimination.

- *March 7, 2011* – City staff held another HOA Connection workshop to address current issues, fair housing, and compliance. Ten HOAs were represented at the workshop.
- *April 12, 2011* -- A Fair Housing Proclamation was prepared and signed by the Mayor and City Clerk of Surprise.
- *October 4, 2011* – City staff held an HOA Connection Fair Housing Seminar. The former Attorney General of Arizona, Terry Goddard, discussed various fair housing topics. Forty-one HOA representatives attended the seminar.
- *October 25-27, 2011* – City staff attended a training done by the Rural Community Assistance Corporation (RCAC) in Phoenix, including training on fair housing and the HOME program.
- *April 2012* – A Fair Housing Proclamation for Fair Housing Month was prepared and signed by the Mayor and City Clerk of Surprise. The Director of the Neighborhood Services Division, Community Development Department, was also interviewed on fair housing issues on the local television station as part of the “Today in Surprise” segment shown that month.

Public Housing Authority Policies

Public Housing is a program funded by The U.S. Department of Housing and Urban Development (HUD) for low-income residents. Annual gross income must be within limits as established by HUD, and eligible families pay a monthly rent equal to the greatest of 30% of their monthly adjusted income or 10% of unadjusted monthly income. Applicants may qualify as a family and/or as an eligible single person.

The HUD Section 8 Housing Choice Voucher Program is a federal program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Housing assistance is provided on behalf of the family or individual, and participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing agencies (PHAs). A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family. In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live.

The Housing Authority of Maricopa County (HAMC) owns and manages 790 units in 16 communities, including Surprise, throughout Maricopa County. These properties are generally located in the smaller cities and unincorporated areas of the County. Most of the larger cities in the Metropolitan Phoenix area have their own Housing Agencies that serve the populations of each city. Because of the size of the Phoenix Metropolitan

area, HAMC has divided its operation into four separate areas, including a Northwest Valley/Surprise office. The Housing Authority of Maricopa County (HAMC) has two public housing developments in Surprise, and administers HUD Section 8 Housing Choice Vouchers in the private rental market. The operations of HAMC in Surprise have not been formalized since Surprise incorporated as a city, and an intergovernmental agreement has not been adopted.

The Maricopa County Board of Supervisors is responsible for HAMC policy and provides general oversight and administrative direction for the organization. In addition, they provide for the on-going management of the Housing Authority through the office of the HAMC Executive Director. The Housing Authority of Maricopa County fully endorses and supports all Fair Housing laws. Our nondiscrimination policy covers admission and access to or treatment or employment in HAMC's facilities, programs, services and activities. If residents think their rights have been violated, they can file a housing discrimination complaint. Complaints should contain the following information: name and address, contact information, the name of the person or company your complaint is about, the date of occurrence and a short description of the circumstances or incident (for example, what happened and the address of the house or apartment that was for rent). There is no cost to file a charge. HAMC has designated Janet Belfield as the Fair Housing Advocate for matters relating to complaints of housing discrimination, accessibility issues or any violation of local, state and federal fair housing statutes in HAMC properties or by landlords working with HAMC.

HAMC screens applicants to determine they meet the federally mandated qualifications for the Public Housing Program. This includes verification of eligibility and income information provided on the application form. Income limits for program eligibility are adjusted according to family size and deductible allowances specified in federal legislation. Applicants are also screened for criminal and drug related activities. It is the goal of the HAMC to provide a safe, comfortable and drug-free environment for our residents.

Families wishing to apply for a rental unit with the Housing Authority of Maricopa County must complete a written application and submit it to the Main office. HAMC maintains four separate Public Housing waiting lists for different areas of Maricopa County: The Northwest (Surprise), Southwest (Avondale), East Valley (Mesa) and South Phoenix (Coffelt). Applications are screened to determine eligibility to apply, based upon information provided. If eligible, a letter is sent regarding qualification and the application process. Applicant names are then be added to the wait list.

The following tables from Maricopa HOME Consortium Consolidated Plan depict the assisted housing inventory, availability, and conditions in Maricopa County, including Section 8 and public housing.

**Maricopa HOME Consortium
Assisted Housing Inventory**

Program Type	Number of Units	Estimated Income
Public Housing	1,316	Less than 50% AMI
Section 8	4,914	Up to 50% AMI
Section 8 Mod Rehab	0	Up to 50% AMI
Project Based Section 8, 202, or 811	1,472	Up to 50% AMI
Section 236	721	Less than 50% AMI
Other FHA Management Units	1,083	Up to 80% AMI
Low Income Housing Tax Credits	4,851	Up to 60% AMI

Source: HUD 2009, as reported in Maricopa HOME Consortium Consolidated Plan

**Maricopa HOME Consortium
Public Housing Units**

Locality	# Units	% Occupied	% Units Needing Mod. Repair	# on Waiting List	Waiting Time (months)	List Status
City of Glendale	155	100%	2%	718	24	Open
Maricopa County	788	100%	20%	1,945	12	Open
City of Chandler	303	100%	100%	2,608	24	Open
City of Peoria	82	100%	data included in Maricopa County numbers			

Source: Maricopa HOME Consortium Consolidated Plan

**Maricopa HOME Consortium
Section 8 Vouchers and Mod Rehab**

Locality	# Units	% Occupied	# on Waiting List	Waiting Time (months)	List Status
City of Glendale	1,054	100%	730	n/a	Closed
Maricopa County	1,481	100%	758	24	Closed
City of Chandler	480	100%	1,023	59	Closed

City of Tempe	1,082	100%	978	12	Closed
City of Scottsdale	735	100%	248	48	Closed
City of Peoria	70	100%	In Maricopa County		

Source: Maricopa HOME Consortium Consolidated Plan

City Regulatory Review

The City of Surprise completed a Planning and Zoning Review of Public Policies and Practices to assist with the identification of land use and zoning regulations, practices, and procedures that may act as a barrier to development and the site/use of housing for individuals with disabilities. The following information was garnered from this review:

- The definition of “family” in the Surprise Municipal Code allows up to three (3) unrelated people to live as a single housekeeping unit. Residential Setting Care Facilities allow up to ten (10) residents, excluding the operator and their family.
- Applicants that wish to zone development for mixed uses are required to complete a Planned Unit Development (PUD) that creates and outlines land uses and standards.
- The City does not require a public hearing to obtain public input for specific exceptions to zoning and land use rules for disabled applicants.
- The Zoning Ordinance contains special provisions for making housing accessible to persons with disabilities.
- Occupancy standards or maximum occupancy limits set by the City do not exceed those imposed by state law.
- The Zoning Ordinance does not include a discussion of fair housing.
- The City of Surprise utilizes the 2006 International Building Code, Section 1106.1 for minimum standards/amenities of multifamily projects and handicap parking.
- An Assisted Living Facility is defined as: *“A special combination of housing, supportive services, personalized assistance and health care licensed and designed to respond to the individual needs of those who need help with activities of daily living. Supportive services may be available twenty-four (24) hours a day to meet scheduled and unscheduled needs in a way that promotes maximum dignity and independence for each resident. The term does not include a convalescent care facility, nursing home or other special care facility.”*
- A Group Home is defined as: *“A single, residential structure having common kitchen facilities occupied by persons having physical, mental, emotional or social problems and living together for the purpose of training, observation and/or common support.”*
- A Residential Setting Care Facility is defined as: *“A facility licensed by Arizona Department of Health Services that provides supervisory care services, personal care services, or directed care services for ten (10) or fewer persons in a residential setting. The limitation of ten (10) or fewer persons does not include the operator of the facility, members of the operator’s family, or persons employed as staff, except that the total number of all persons living and working at the facility shall not exceed twelve (12) at any given time.”*

- The City of Surprise Planning Code does not reference the Fair Housing Act, but the adopted Building Code does refer to it.

Many municipal zoning ordinances fail to make the “reasonable accommodation” for community residences for people with disabilities (group homes, halfway houses, and recovery communities) that the 1988 amendments to the nation’s Fair Housing Act (FHA) require. The FHA requires local jurisdictions to make a “reasonable accommodation” in their zoning rules and regulations to enable community residences for people with disabilities to locate in the same residential districts as any other residential use. Relatively few cities have used their zoning codes to affirmatively advance fair housing for people with disabilities.

The Surprise zoning code allows any residential care home — which by zoning ordinance definition are for people with disabilities — to locate in every residential district as of right as long as it has any required state license or certification and meets other requirements. A group home is defined in the code as “a single, residential structure having common kitchen facilities occupied by persons having physical, mental, emotional or social problems and living together for the purpose of training, observation and/or common support.” However, the Surprise’s zoning code also places a restriction on group homes that has raised concerns and some challenges from mostly operators. One of the requirements is that “no group home shall be located on a lot within 1,320 feet, measured by a straight line in any direction, from the lot line of another group home.” The intent of this requirement was not to restrict the number of group homes, but to retain the residential profile of these communities. Group homes are considered commercial businesses and a proliferation of them in communities could affect the land use. The City’s requirement still allows the provision of housing for people with disabilities while maintaining the residential nature of communities.

The City of Surprise has been working with the development community through the Home Builders Association since 2005 to determine how developers can accommodate the disabled community. The City and Home Builders Association studied inclusive home design ordinances of Pima County and the City of Phoenix. The result was the development of a “zero-step” ordinance for the development of all new houses. The City also developed a Special Needs Commission survey to determine the needs for accommodations for the disabled.

According to the FY 2010-1014 Consolidated Plan, the City of Surprise assessed current barriers to affordable housing development by completing the HUD checklist. Based on the checklist, the following potential barriers exist. The Consolidated Plan states that these barriers exist only due to the significant legal or financial costs of each.

1. The City’s comprehensive plan housing element does not provide estimates of current and anticipated housing needs.
2. The City has not adopted specific building code language regarding housing rehabilitation that encourages such rehabilitation through graduated regulatory requirements applicable as different levels of work are performed in existing buildings.

3. Manufactured (HUD-Code) housing is not permitted “as of right” in all residential districts and zoning classifications in which similar site-built housing is permitted, subject to design, density, building size, foundation requirements, and other similar requirements applicable to other housing, irrespective of the method of production.
4. Within the past five years, the City has not convened or funded comprehensive studies, commissions, or hearings or established a formal ongoing process to review the rules, regulations, development standards, and processes of the jurisdiction to assess their impact on the supply of affordable housing.
5. Within the past five years, the City has not modified infrastructure standards and/or authorized the use of new infrastructure technologies to significantly reduce the cost of housing.
6. The City does not give “as-of-right” density bonuses sufficient to offset the cost of building below market units as an incentive for any market rate residential development that includes a portion of affordable housing.
7. The City has not established time limits for government review and approval or disapproval of development permits in which failure to act, after the application is deemed complete, by the government within the designated time period, results in automatic approval.
8. The City does not have an explicit policy that adjusts or waives existing parking requirements for all affordable housing developments.

The City of Surprise completed a major General Plan Update in 2008. It should be noted that the 2008 General Plan did not pass voter ratification. A new General Plan update is currently going through the development process, and it is anticipated to go before the voters of Surprise in November 2013. Included in that plan were the following recommendations that could affect fair housing choice. The General Plan states that the City should:

- Encourage and support federal, state, local, and private programs that provide resources for those in need of safe affordable housing.
- Support financial assistance programs that serve to increase home ownership for low and moderate income residents.
- Promote programs that offer counseling on the responsibility of home ownership and debt management, home loan information, and technical assistance to potential home owners from all segments of the population.
- Encourage and support programs that provide a mix of services to elderly residents, including but not limited to assistance with financial, transportation, and social/isolation issues, to enable them to remain in their houses.
- Continue to work with county, state, and federal agencies to receive a reasonable share of funding for housing.
- Continue to streamline the permit application process to reduce the length of time for review and approval.
- Appropriately amend the zoning ordinance to establish clear development standards, review, and approval procedures for a variety of housing types, including but not limited to multi-family housing.

- Maintain an adequate supply of appropriately zoned land with amenities to accommodate the projected housing needs.
- Review and adjust city residential development standards that are determined to be a constraint on the development of housing.
- Support well designed and compatible second units and carriage homes and other conventional housing opportunities such as live-work spaces.
- Support transit oriented residential development along transit corridors.
- Promote and facilitate the build out of vacant and underutilized urban land through infill, reuse, and redevelopment activities as appropriate for housing.
- Research all appropriate state, federal and private funding and programs for the development and rehabilitation of housing affordable to very low, low, and moderate income people.
- Continue to work with non-profit home builders (ex. Habitat for Humanity) on infill and redevelopment projects.
- Encourage the development of a variety of housing styles and lot sizes to accommodate all types of households.
- Allow flexibility within the city's standards and regulations to encourage a variety of housing types.
- Research potential zoning and building codes that allow for visitability or easier conversion of a home to accessibility needs.
- Research, define, and set a desired level of affordable housing in Surprise.
- Support LEED (Leadership in Energy and Environmental Design), or similar standards, that provide certifications to buildings and neighborhoods exceeding minimum efficiency energy standards.
- Administer the Tree Planting Program to provide shade and to help with neighborhood revitalization and beautification.
- Research and create "Green Building Standards" for all new residential housing.

IV. COMPLIANCE DATA AND ANALYSIS

Introduction

This section contains an analysis of home loan, community reinvestment and fair housing complaint data. Community Reinvestment Act (CRA) performance ratings and Home Mortgage Disclosure Act (HMDA) data are used in AIs to examine fair lending practices within a jurisdiction. Data regarding fair housing complaints and cases help to further illustrate the types of fair housing impediments that may exist. This section also includes a summary of fair housing legal cases for 2005 to present.

CRA Compliance

The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 563e, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate. The Community Reinvestment Act (CRA) requires the FDIC, in connection with the examination of a State nonmember insured financial institution, to assess the institution's CRA performance. A financial institution's performance is evaluated in the context of information about the institution (financial condition and business strategies), its community (demographic and economic data), and its competitors. Upon completion of a CRA examination, the FDIC rates the overall CRA performance of the financial institution using a four-tiered rating system. These ratings consist of:

- * Outstanding
- * Satisfactory
- * Needs to Improve
- * Substantial Noncompliance

There were no banks based in Surprise examined and rated by the FDIC. Therefore, other area banks were reviewed. From 2002 to present, two (2) banks based in Glendale and ten (10) banks based in Phoenix received CRA Performance Ratings. Eleven banks received a rating of "Satisfactory," and one (1) bank received a rating of "Outstanding."

FDIC CRA Performance Ratings

FDIC Release Date	Bank Name	City	State	Last FDIC CRA Rating	Asset Size (in thousands)
07/05/2008	Arrowhead Community Bank	Glendale	AZ	Satisfactory	\$89,346
12/01/2005	Cactus Commerce Bank	Glendale	AZ	Satisfactory	\$24,215
07/10/2010	Alliance Bank of Arizona	Phoenix	AZ	Satisfactory	\$1,122,876
01/01/2011	Arizona Bank & Trust	Phoenix	AZ	Satisfactory	\$267,959
10/06/2008	Asian Bank of	Phoenix	AZ	Satisfactory	\$28,211

	Arizona				
08/03/2009	Bank 1440	Phoenix	AZ	Satisfactory	\$60,386
09/01/2010	Biltmore Bank of Arizona	Phoenix	AZ	Satisfactory	\$262,910
04/01/2007	Camelback Community Bank	Phoenix	AZ	Satisfactory	\$83,364
08/01/2008	Desert Hills Bank	Phoenix	AZ	Satisfactory	\$496,773
05/01/2010	FirstBank of Arizona, Inc.	Phoenix	AZ	Outstanding	\$128,918
11/01/2009	Metro Phoenix Bank	Phoenix	AZ	Satisfactory	\$60,973
03/01/2002	Valley Commerce Bank	Phoenix	AZ	Satisfactory	\$103,487

Source: FDIC, <http://www2.fdic.gov/crapes/>

HMDA Data Analysis

Home Mortgage Disclosure Act (HMDA) data consists of information about mortgage loan applications for financial institutions, savings and loans, savings banks, credit unions and some mortgage companies. The data contains information about the location, dollar amount, and types of loans made, as well as racial and ethnic information, income, and credit characteristics of all loan applicants. The data deemed most pertinent to this report and analyzed herein is limited to loan denial rates by location within areas of racial/ethnic and income distinction for loans for 1 – 4 family dwellings and manufactured homes, but excluding data on loan applications for investment purposes (non-owner occupancy). Three types of loan products were included: home-purchase loans (conventional and government-backed), re-financings, and home improvement loans.

HMDA provided the disposition of various types of loan products at the Census Tract level, which were extracted and displayed for each individual tract comprising the City of Surprise. These tracts were analyzed to identify those whose median income (in relation to the MSA) fell below that of the City as a whole, and those with a significantly higher minority concentration than the City-wide rate. Specifically, data was analyzed pertaining to the disposition of loan applications by the minority and income characteristics of the Census Tract in which the subject property of the loan was located to identify if there were any discernible patterns that might suggest discriminatory lending practices based on race.

It should be noted that Census Tracts include areas both within and outside the municipal bounds of the City of Surprise. In best effort to most accurately portray HMDA data for the City, only those tracts were utilized which were either entirely within the City or whose area fell predominantly within City boundaries. Certain tracts where only a small area fell within the City boundaries were excluded from the calculations. It should be noted discriminatory lending practices cannot be definitively identified by correlation of HMDA data elements; however, the data can display real patterns in lending to indicate potential problem areas.

General Loan Application Data

The most recent available HMDA data was for the 2010 calendar year and utilized in this analysis (extracted from HMDA Aggregate Table 1, 2010). In summary, among the Census Tracts analyzed, there were 13,447 loan applications made for purchase, refinancing, or improvement of owner occupied homes. Of this total, 3,425 applications were denied (25.5%).

**Loan Applications and Denials, Minority Percentage, and
Percent of MSA Median Income by Census Tract
City of Surprise, 2010**

Census Tracts	Applications	Denials	Denial Rate	% Minority	% of MSA Median Income
303.12	298	36	12.1%	4%	90%
405.07	293	40	13.6%	2%	93%
405.08	320	53	16.6%	17%	92%
405.09	2,750	485	17.6%	19%	87%
405.10	685	90	13.1%	3%	116%
405.11	815	138	17.0%	2%	78%
506.02	1,187	229	19.3%	29%	101%
608.00	120	24	20.0%	78%	58%
610.07	2,898	454	15.7%	29%	100%
610.08	925	124	13.4%	21%	99%
715.05	254	52	20.5%	2%	77%
	10,545	1,725	16.4%		

Source: Data extracted for City of Surprise from HMDA, Aggregate Table 1, 2010

1. Census Tracts where the denial rate exceeds the City of Surprise average of 16.4% are highlighted in **YELLOW**.
2. "Minority" Tracts are those where the minority % exceeds the City total (19%) by at least 10% (for a total of 29% or greater). These are highlighted in **RED**.

Analysis of Denial Rates for Minority Census Tracts

For purposes of this analysis, a “minority” tract is defined as a Census Tract where the minority concentration exceeds the City of Surprise total (19%) by at least 10%. Therefore, Tracts with 29% or greater minority population were considered “minority.”

Among all eleven (11) identified Surprise Tracts, three (3) or 27% met the definition being used for “minority”. Of these, 2 of the 3 had an application denial rate higher than that of the City as a whole (16.4%). Collectively, among these “minority” Tracts there were 4,205 loan applications and 707 denials, equating to a denial rate of 16.8%, which only slightly exceeds that of the City (by approximately 0.4%). This is an insignificant variance, and at face value, would appear to indicate an absence of discrimination in lending based on property location in areas of minority concentration. However, it is important to examine income characteristics in the following analysis.

As was previously noted, the City of Surprise exhibits a median income lower than that of the Phoenix-Mesa-Scottsdale MSA. Accordingly, the majority of Tracts within Surprise exhibit median incomes lower than that of the MSA. However, four (4) or 36% of Surprise Tracts had median incomes greater than that of the MSA. Only three (3) tracts (27%) met HUD’s definition of low- and moderate income (not greater than 80% Area Median Income). It is important to note that those three tracts, together, exhibited a denial rate of 11.3%, much lower than that of Surprise as a whole.

There are two (2) tracts exhibiting a coincidence of “minority” as a percentage of the MSA median income, was lower than that of the City as a whole. Among Surprise’s “minority” Tracts, six (6) or 67% had incomes lower than the MSA median, and eight (8) or 89% had incomes lower than the City median.

In looking at all eleven (11) Surprise tracts in the analysis, six (6) or 55% had denial rates higher than the City average. The data does not reflect an automatic correlation between high denial rate and low median income. The data shows that the three (3) tracts with the highest denial rates were tracts 715.05, 608.00, and 506.02, with denial rates of 20.5%, 20.0%, and 19.3%, respectively. Two (2) of these tracts also had the lowest median incomes (608.00 at 58% of AMI, and 715.05 at 77% AMI). The other tract, however, was not even close to being the lowest (506.02 at 101% AMI).

Conversely, the tracts with the highest median incomes were not most likely to have the lowest denial rates. Although the tract with the highest median income (tract 405.10), did exhibit one of the lowest denial rates (13.1%), the tract with the absolute lowest denial rate (12.1%) exhibited a relative low median income (90% of AMI). The two other tracts with the lowest denial rates (tract 610.08 with a rate of 13.4%, and tract 610.07 with a rate of 15.7%) also have some of the higher median incomes (99% AMI for tract 610.08, and 100% for tract 610.07). Again, the data does not reflect an automatic correlation between low denial rate and high median income.

Overall, the cumulative data would indicate that the elevated denial rate in just one (1) “minority” tract (608.00) is based more on the lower income characteristic of the tract (58% AMI, the lowest in Surprise), rather than the racial/ethnic characteristics.

The data shows a greater co-relation of higher denial rates in three census tracts namely: 506.02, 608, and 610.07. For conventional loan applications, the data showed that these census tracts had higher denial rates with tract 608 (highest at 77.5%) at 21.9%. It was also noted that census tract 405.09 (minority 18.5%) had a denial rate of 11.8% which was higher than the three tracts with higher minority percentages. Census tract 715.05 had a much higher denial rate (13.8%) than all tracts except the tract with the highest minority population. The co-relation between the three census tracts with the highest minority populations held for refinance loan applications. In this category, the census tract (405.08) showed a much higher denial rate (20.1%) than for conventional loans (7.3%) in the same census tract. Census tract 715.05 (minority population of 2.3%) shows a much higher denial rate than all census tracts with the highest minority populations. For home improvement loans, overall the denial rates were much higher with the tracts with highest minority populations. However, census tract 405.08 had the second highest denial rate of 66.7%. Census tract 405.07 (minority population of 1.7%) had a denial rate of 42.9%.

The HMDA data does not conclusively indicate a pattern of discrimination in lending based on race/ethnicity characteristics of property area location within Surprise. For refinance and home improvement loans, six out of 11 census tracts with higher minority populations had high denial rates. While five out of 11 census tracts with minority populations of less than 3% also had high denial rates, if not as high as the areas with high minority populations for home improvement loans and refinance loans. Since these types of loans are tied to home equity, it is not unusual that the denial rates would be as high as in non-minority areas. Regarding conventional loans, the data was more varied. Four out of the six census tracts with higher minority populations had higher denial rates while two had denial rates of 7-9%. Of the five census tracts with lower minority populations of four percent or less, two had denial rates of over seven percent but less than 14%. Due to the current national lending crisis, denial rates are likely to be less striking and there may be other factors that account for denials. A definitive conclusion would require a greater degree of analysis taking into consideration additional data not available from HMDA at the geographic level specific to Surprise. More specific HMDA data was, however, available for the Phoenix-Scottsdale-Mesa MSA, and discussion follows the Surprise HMDA data maps on the next pages.

The following tables give a further breakdown of the type of loans (Conventional, Refinance, and Home Improvement Loans), and the respective denial rates and minority rates for each type of loan, within each Census Tract. These tables show that the highest denial rates, in general, exist for Home Improvement Loans. Conventional mortgages carry the lowest denial rates, with Refinance Loans in the middle. There is some correlation with the, number of applications, qualification standards or risk involved, and the type of loan. Maps 23 through 28 on the following pages show loan applications by census tracts and loan denial rates by type of loans and census tracts.

Home Purchase Loans (Conventional) Applications 2010

Census Tracts	Home Purchase Loans (Conventional) Applications	Home Purchase Loan Denials (Conventional) Application Denials	Home Purchase Loan (Conventional) Applications Denial Rates %	Tract Minority %
303.12	91	2	2.2%	3.9%
405.07	92	7	7.6%	1.7%
405.08	82	6	7.3%	16.9%
405.09	739	87	11.8%	18.5%
405.1	131	7	5.3%	2.9%
405.11	139	15	10.8%	1.8%
506.02	388	50	12.9%	28.7%
608	32	7	21.9%	77.5%
610.07	731	83	11.4%	28.5%
610.08	241	21	8.7%	20.9%
715.05	87	12	13.8%	2.3%

Refinance Loan Applications 2010

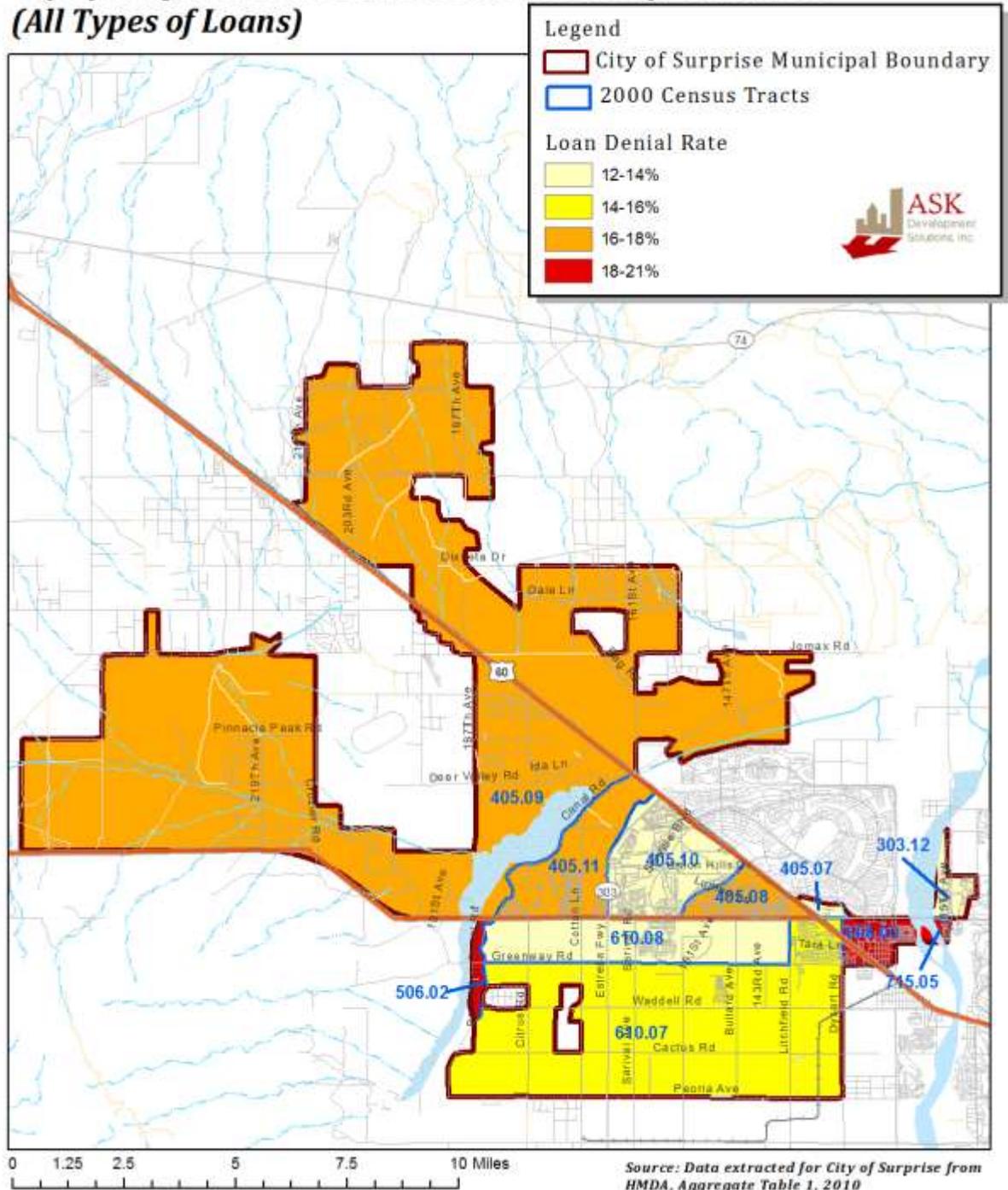
Census Tracts	Refinance Loan Applications	Refinance Loan Application Denials	Refinance Loan Applications Denial Rates %	Tract Minority %
303.12	129	24	18.6%	3.9%
405.07	179	26	14.5%	1.7%
405.08	159	32	20.1%	16.9%

405.09	1389	306	22.0%	18.5%
405.1	533	78	14.6%	2.9%
405.11	612	113	18.5%	1.8%
506.02	392	103	26.3%	28.7%
608	19	6	31.6%	77.5%
610.07	983	203	20.7%	28.5%
610.08	341	62	18.2%	20.9%
715.05	134	35	26.1%	2.3%

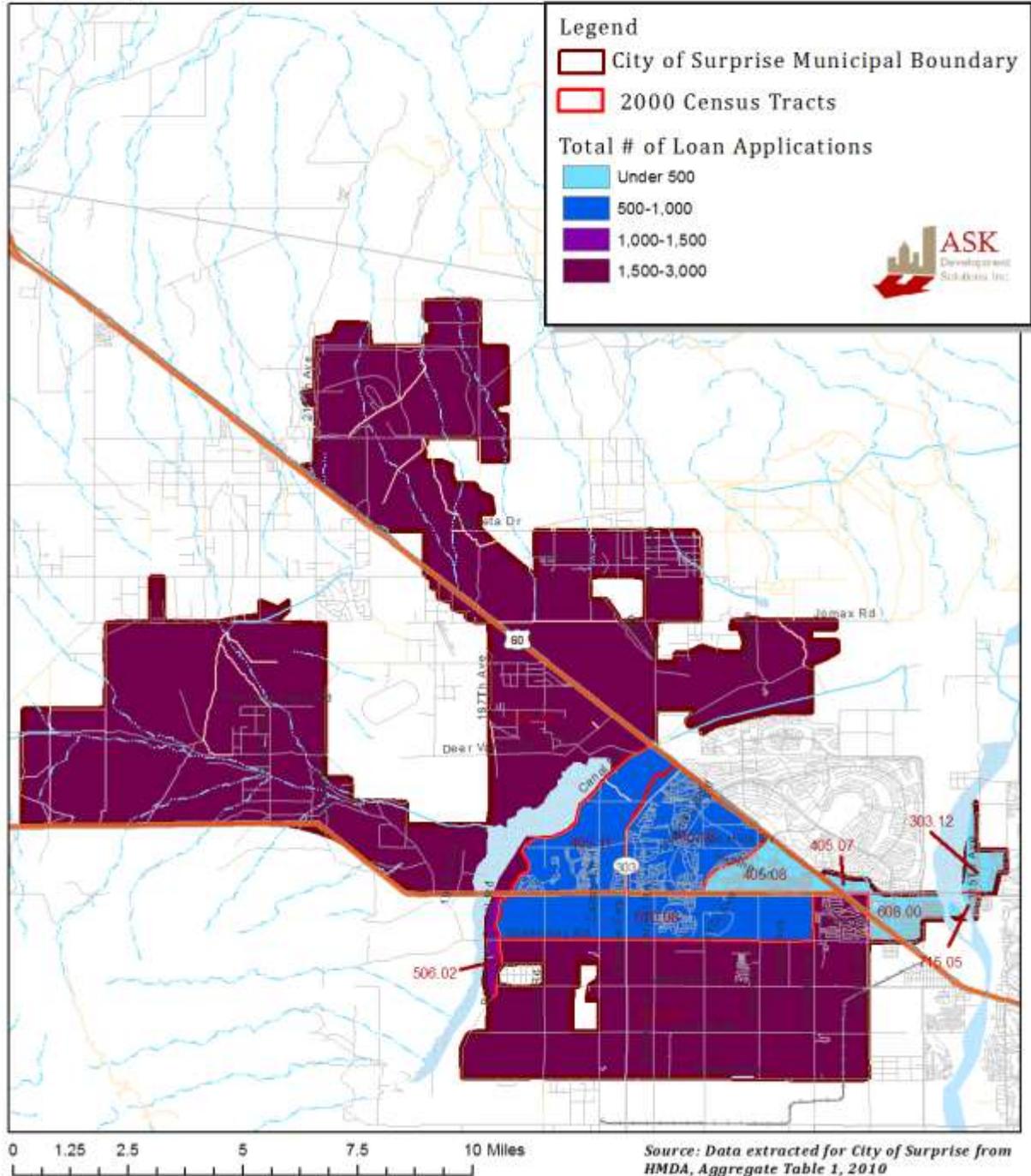
Home Improvement Loan Applications 2010

Census Tracts	Home Improvement Loan Applications	Home Improvement Loan Application Denials	Home Improvement Loan Applications Denial Rates %	Tract Minority %
303.12	1	0	0.0%	3.9%
405.07	7	3	42.9%	1.7%
405.08	6	4	66.7%	16.9%
405.09	47	21	44.7%	18.5%
405.1	10	4	40.0%	2.9%
405.11	10	3	30.0%	1.8%
506.02	34	15	44.1%	28.7%
608	2	2	100.0%	77.5%
610.07	56	27	48.2%	28.5%
610.08	26	10	38.5%	20.9%
715.05	0	0	0.0%	2.3%

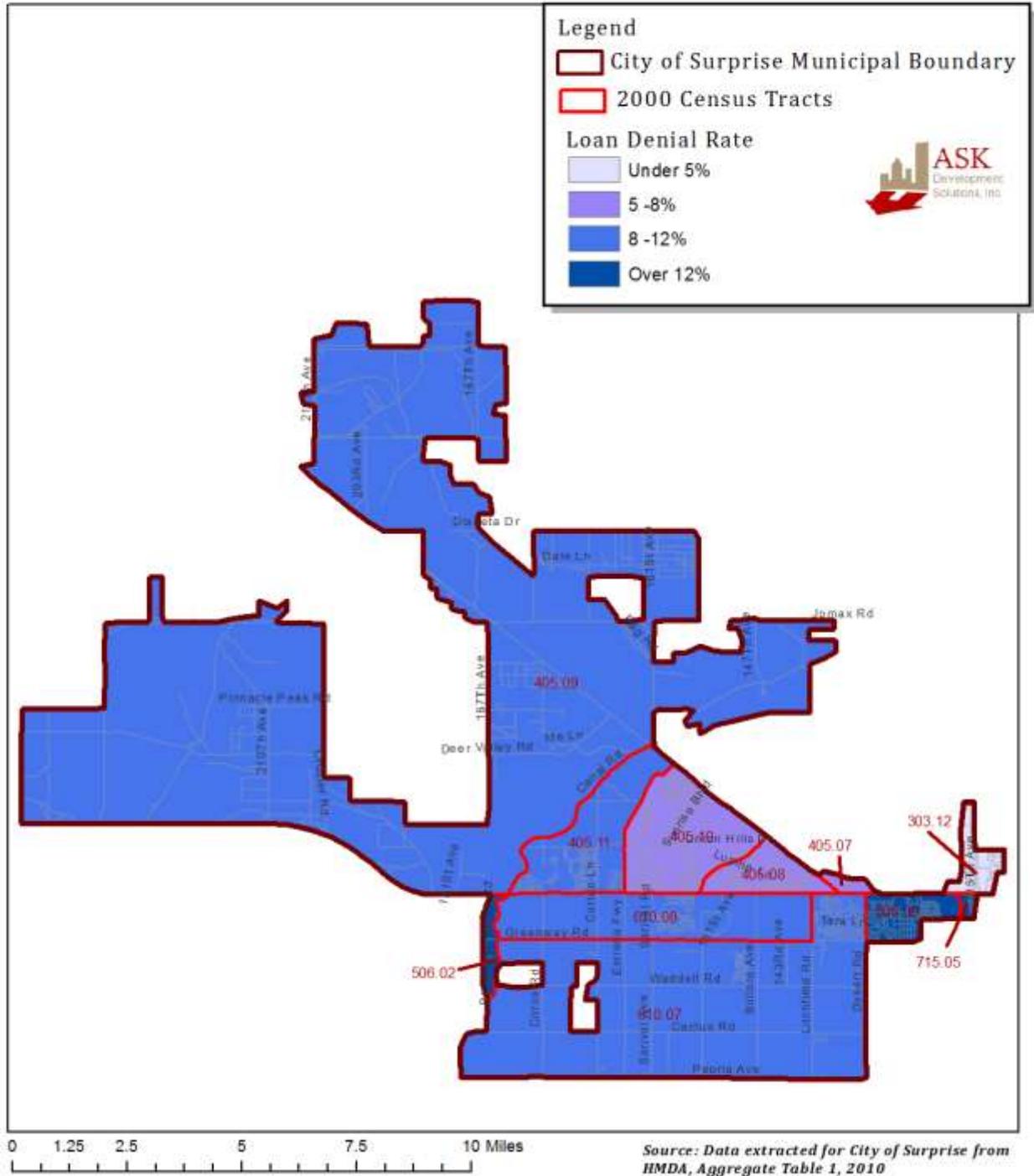
City of Surprise: Loan Denial Rates in 2010 from HMDA (All Types of Loans)



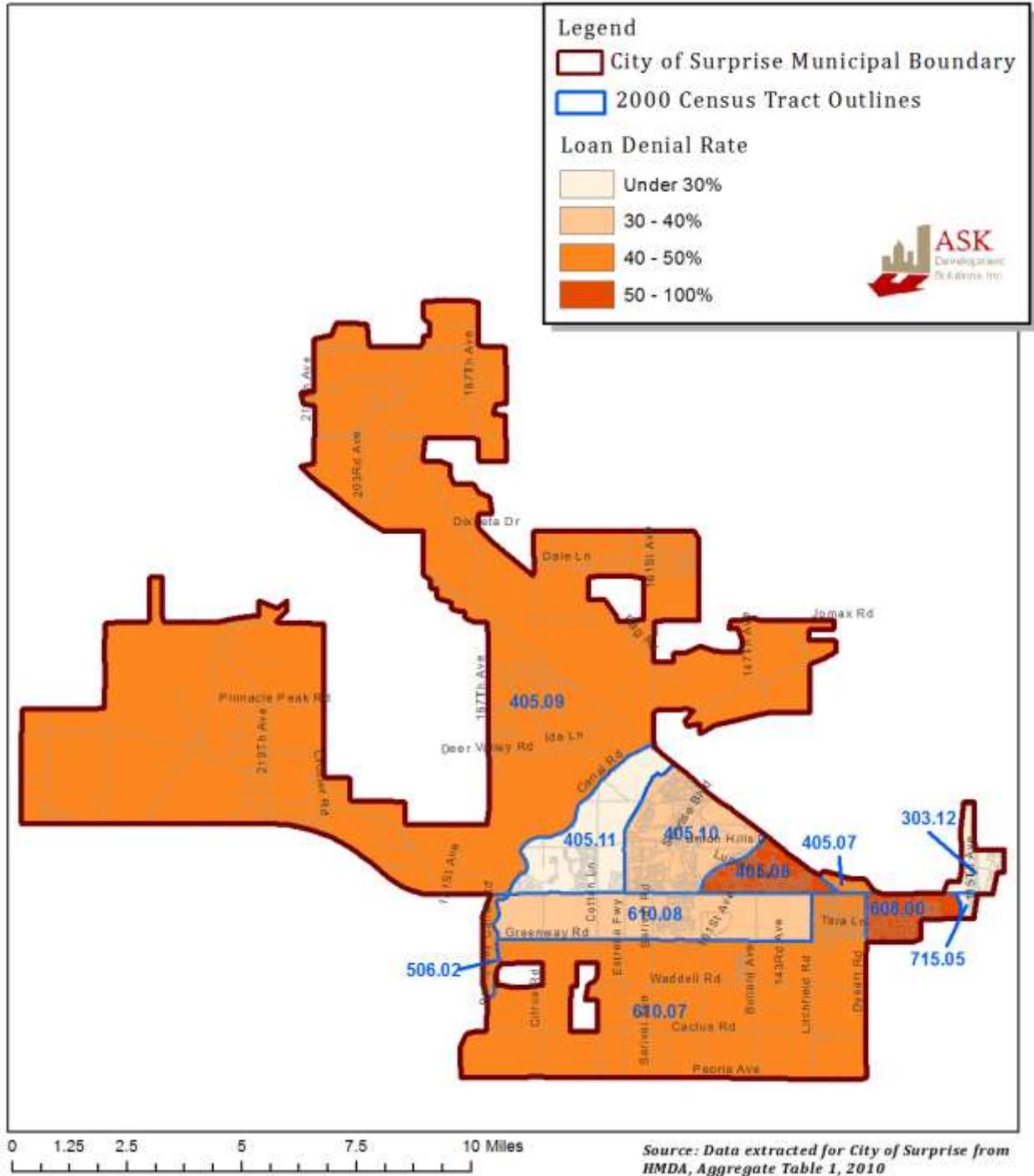
City of Surprise: Total Number of Loan Applications in 2010 from HMDA



City of Surprise: Loan Denial Rates in 2010 from HMDA (Conventional Home Purchase Loans)

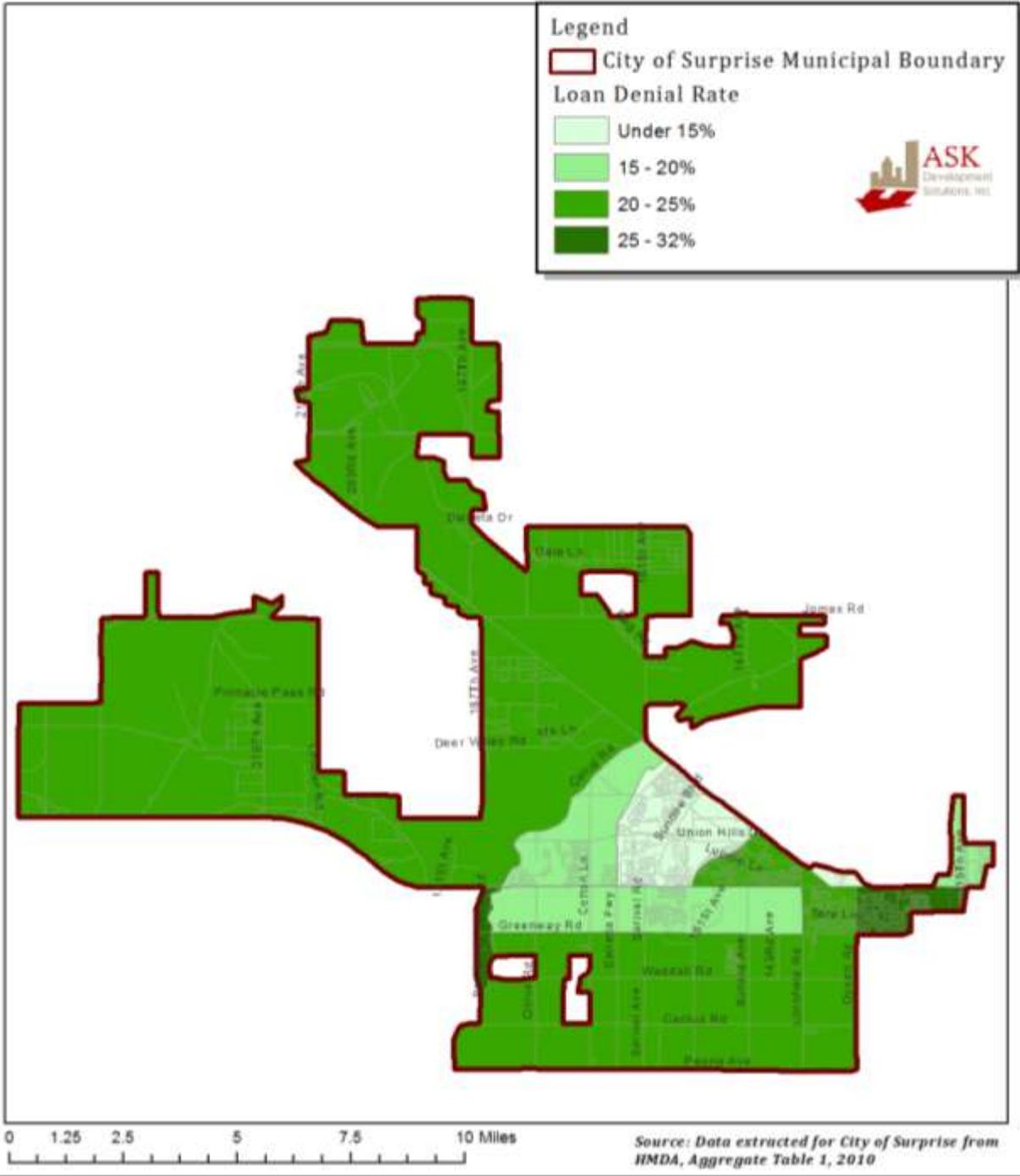


City of Surprise: Loan Denial Rates in 2010 from HMDA (Home Improvement Loans)

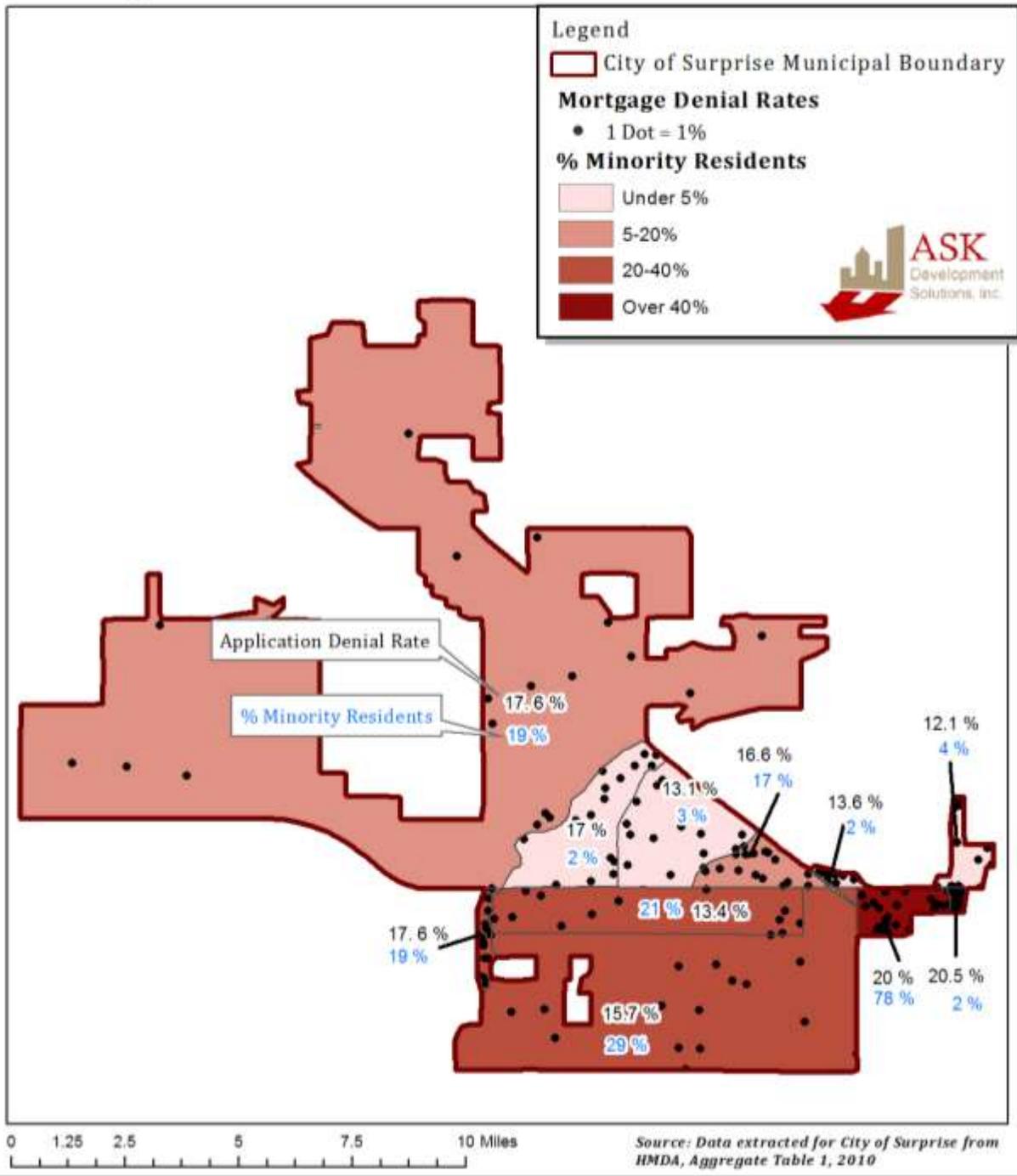


Map 27

City of Surprise: Loan Denial Rates in 2010 from HMDA (Refinance Loans)



City of Surprise: Mortgage Denial Rates by % Minority Residents in 2010 from HMDA



Data for Phoenix-Scottsdale-Mesa MSA

The HMDA data for the Phoenix-Scottsdale-Mesa MSA was provided in a format that permitted a more detailed analysis in terms of originations by specific level of minority concentration and by specific level of income within Census Tract of property location.

In total (all loan products combined -- conventional loans, re-financings, and home improvement loans for 1–4 family and manufactured home dwellings) there were significant variances in rates of loan origination between tracts of different minority compositions. Rates of loan origination were 53.7% in tracts with less than 10% minority composition; 47.9% in tracts with 10 – 19% minority composition; 42.1% in tracts with 20 – 49% minority composition; 32.4% in tracts with 50 – 79% minority composition; and 26.3% in tracts with 80 to 100% minority composition. This data reveals the higher the concentration of minorities in a Census Tract, the lower the rate of originations, or a negative correlation between origination rates and minority composition of the property location.

Loan Origination Rates by Minority Concentration in a Census Tract of Property Location, Phoenix-Mesa-Scottsdale MSA

<u>Racial Composition</u>	Total, All Loan Products		
	Applications	Originations	%
Less than 10% Minority	32,285	17,327	53.7%
10 – 19% Minority	52,727	25,236	47.9%
20 – 49% Minority	77,589	32,675	42.1%
50 – 79% Minority	29,142	9,435	32.4%
80 – 100% Minority	8,191	2,157	26.3%

Source: HMDA Aggregate Table 7-2, 2008

There were also significant variances in the rates of loan origination between lower-income and higher income census tracts. Rates of loan origination were 28.9% in the low income tracts, 33.7% in the moderate income tracts, 41.9% in the middle income tracts, and 51.2% in the upper income tracts. This data reveals that the lower the income characteristic of the census tract, the lower the rate of loan origination, or a positive correlation between rate of loan origination and income characteristic of the property location.

Loan Origination Rates by Income Characteristic in a Census Tract of Property Location, Phoenix-Mesa-Scottsdale MSA

Total, All Loan Products

Income Characteristics	Applications	Originations	%
Low Income	2,988	863	28.9%
Moderate Income	42,918	14,473	33.7%
Middle Income	79,553	33,344	41.9%
Upper Income	74,428	38,133	51.2%

Source: HMDA Aggregate Table 7-2, 2008

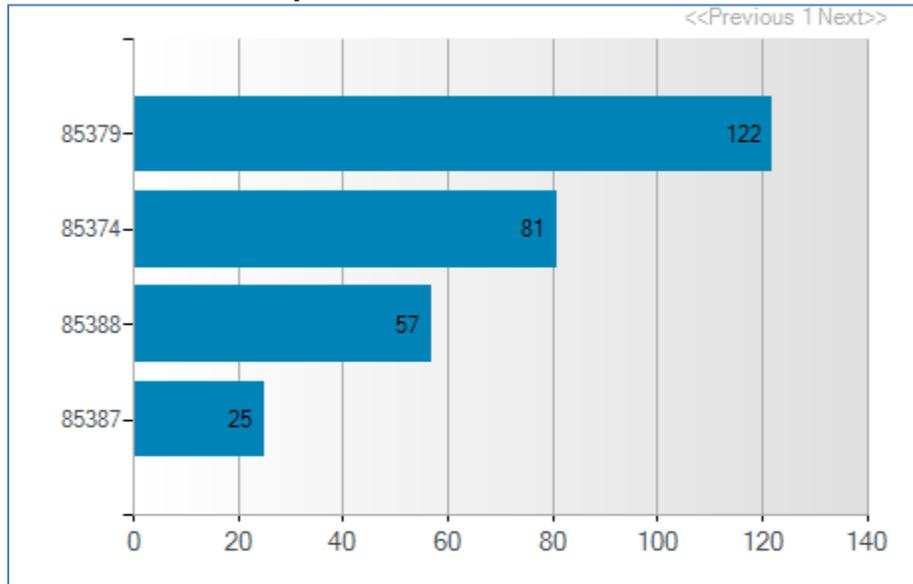
This data indicates a certain degree of discrimination in lending based on minority racial/ethnic characteristics of the property location, however, definitive conclusion would require a greater degree of statistical analysis taking into consideration other applicant characteristic factors effecting underwriting decisions.

Foreclosure Data

The southwestern region of the United States, in particular the State of Arizona and the Phoenix-Mesa-Scottsdale MSA has been particularly hard hit by the recent home foreclosure crisis. Unfortunately, the City of Surprise was not spared the damaging effects of this trend. For further analysis, data was gathered from RealtyTrac.com. RealtyTrac is recognized as the most comprehensive, one-stop source of foreclosure data. The RealtyTrac data management system was utilized to gather the figures and charts cited herein, including homes in pre-foreclosure, at auction, and bank-owned (REO) properties. The RealtyTrac data was available for 4 out of 5 zip codes located in Surprise (85374, 85379, 85387, and 85388). RealtyTrac stated that some zip codes may not be available (in this case, zip code 85378) due to lack of available housing unit data. When referencing a current zip code map for Surprise, it does not appear that the one missing zip code will significantly alter the data. Therefore, foreclosure data and activity is being reported and analyzed for the available data.

As of April 5, 2012, the City of Surprise had 285 single-family housing units in foreclosure, or 1 out of every 188 of the City's housing stock (or 0.53% of all units). This is considered a very high rate of foreclosure by RealtyTrac. Foreclosures include all for-sale housing unit types (single-family attached/ detached and condominium) in pre-foreclosure, bank ownership, or up for auction. This rate is most severe in zip code 85379, as evidenced in the table below.

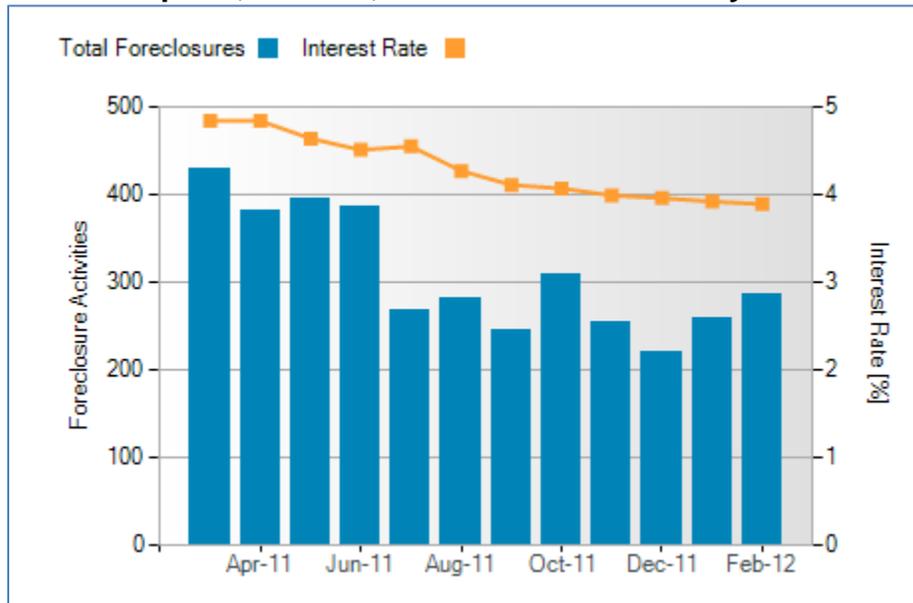
Foreclosure Activity Counts by Zip Code Surprise, Arizona, March 2012



Source: RealtyTrac, 2012

RealtyTrac tracks current foreclosure activity and interest rates on 30-year mortgages. In April 2011, when interest rates were a full percentage point higher than current rates, the number of foreclosures was rising slightly. Generally, as the foreclosure rates began to drop, particularly in September 2011, interest rates began to drop as well.

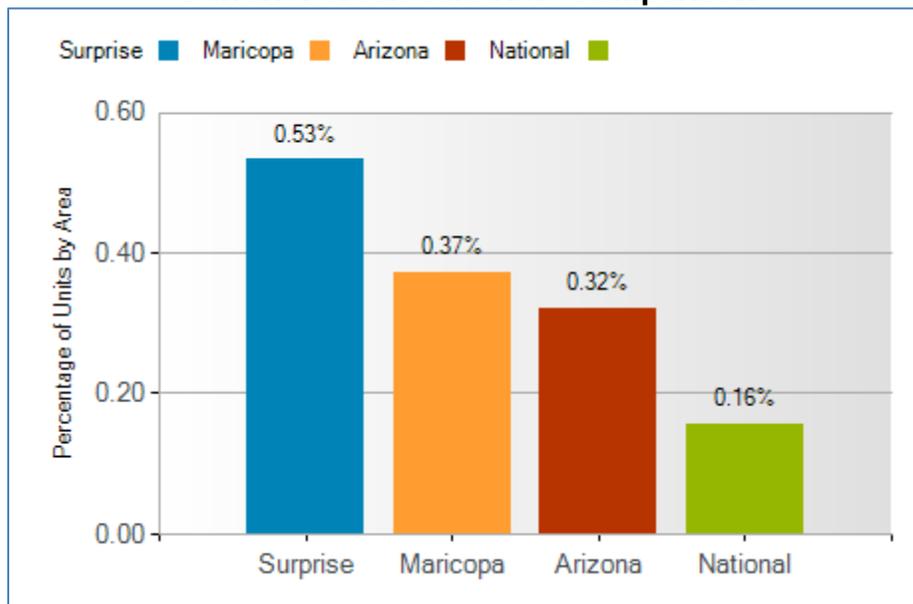
12-Month Foreclosure Activity and 30-Year Mortgage Rate Surprise, Arizona, March 2011 to February 2012



Source: RealtyTrac, 2012

To determine current foreclosure rates, RealtyTrac divided the number of properties that received a foreclosure filing in the most recent month by the total number of housing units in the zip code, county, state, or nation. When compared to Maricopa County, the State of Arizona, and the U.S. as a whole, Surprise currently has a significantly higher foreclosure rate (0.53% of units) than all units in comparison: Maricopa County at 0.37% of units; Arizona at 0.32% of units; and U.S. at 0.16 percent of units. It is important to note, however, that all of Arizona is still twice that of the national average; Maricopa County is more than twice than the national average; and Surprise is more than triple the national average.

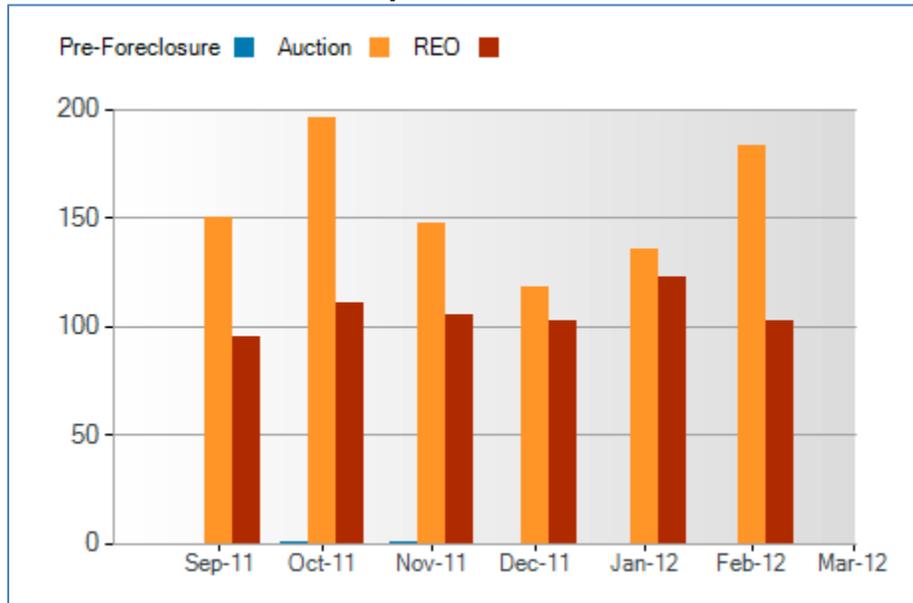
Current Foreclosure Rate Comparison



Source: RealtyTrac, 2012

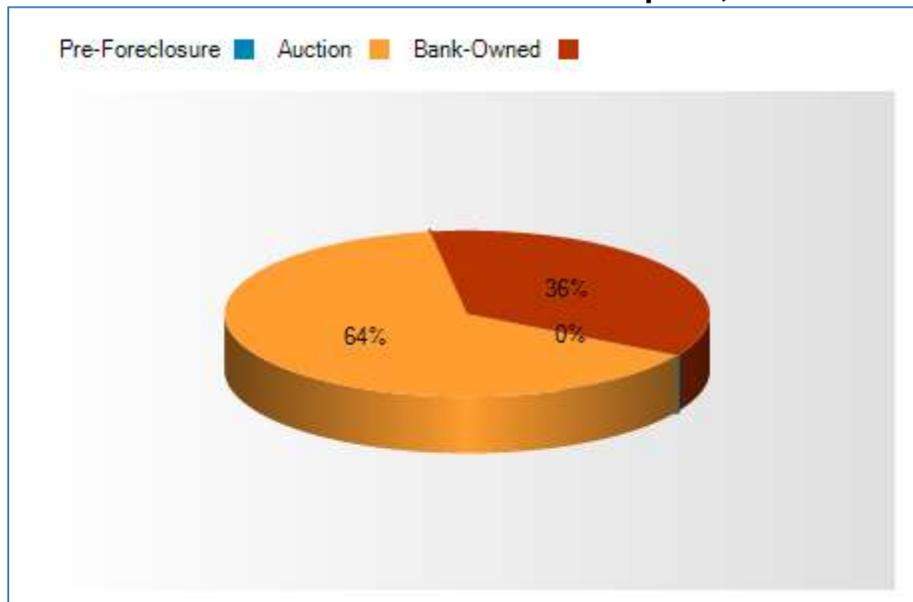
RealtyTrac also tracks the past and current number of foreclosures by type. These counts are based on the total number of properties that received a foreclosure filing, broken down by type of filing – default notice, foreclosure auction notice, or bank repossession (REO). Although the current rate of foreclosure auction notice is not as high as the peak in October 2011, RealtyTrac categorizes the 6-month trend in foreclosure activity as “Rising.”

Type of Foreclosure Activity by Month Surprise, Arizona



Source: RealtyTrac, 2012

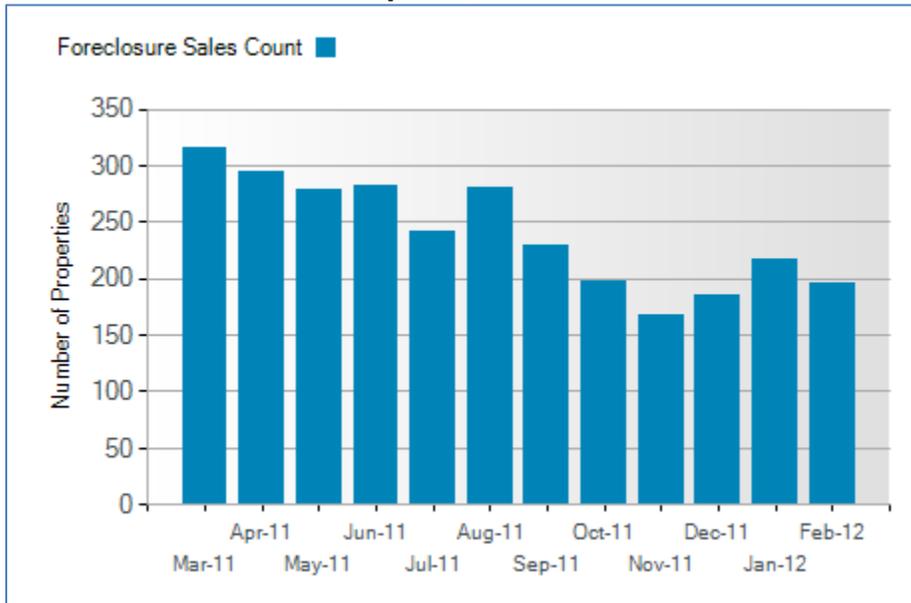
Foreclosure Status Distribution – Surprise, Arizona



Source: RealtyTrac, 2012

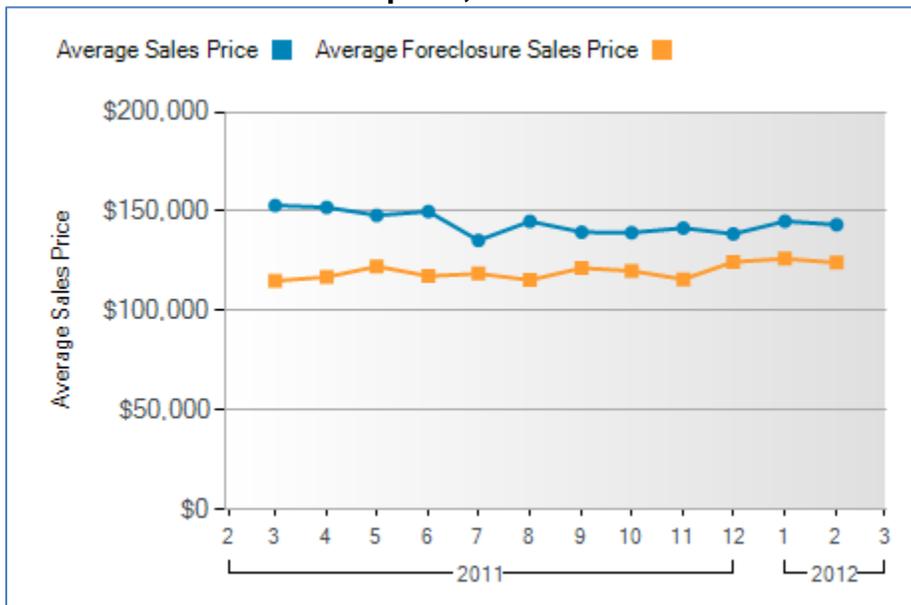
RealtyTrac reports that Surprise has had 1,522 foreclosure homes, with an average foreclosure sales price of \$124,083. RealtyTrac tracks foreclosure sales prices, as well as the foreclosure and non-foreclosure sales prices in each zip code within Surprise. The current difference in price between foreclosure and non-foreclosure sales is \$19,140.

Foreclosure Sales Count Surprise, Arizona



Source: RealtyTrac, 2012

Average Sales Price Surprise, Arizona



Source: RealtyTrac, 2012

Additional foreclosure information/data was available in the Maricopa HOME Consortium Consolidated Plan, based on reporting for the Neighborhood Stabilization Program (NSP). HUD NSP data gathered in the Consolidated Plan offers insight into the magnitude of distress evident in the Maricopa housing market. At the peak of the

housing market bubble – from 2004 to 2006 – 110,204 (25%) of all home loans originated in the region were “high cost.” High cost infers the designation of subprime per HUD definitions. It is estimated that 27,000 homes were vacant in June 2008, and it is unlikely that this number has declined substantially, given prevailing market conditions.

Neighborhood Stabilization Factors for Maricopa County

Neighborhood Stabilization Factors	Maricopa County	Maricopa HOME Consortium
Total Dwelling Units	1,133,048	520,234
Estimated Foreclosures 2 nd Quarter 2008	59,309	29,234
Estimated # of Mortgages	1,026,415	589,336
Estimated Foreclosure Rate June 2008	5.8%	5.0%
90-Day Residential Vacancies June 2008	67,172	26,696
Total Residential Addresses	1,529,803	795,755
Estimated 90-Day Vacancy Rate June 2008	4.4%	3.4%
Total High Cost (Subprime) Loans Originated from 2004 to 2006	220,633	110,204
Total Loans Originated From 2004 to 2006	773,619	444,187
Estimated High Cost Loan Rate	28.5%	24.8%

Source: HUD 2009, as reported in Maricopa HOME Consortium Consolidated Plan

In February 2009, the Arizona Attorney General announced that Arizona was to receive approximately \$1.6 Billion as part of a national mortgage settlement, and settled separate lawsuit with Bank of America for over \$10 Million. Attorney General Horne

stated that the “puts in place new protections for homeowners in the form of improvements to mortgage servicing standards.” Arizona’s estimated total share of the settlement is delineated as:

- \$1.3 Billion for principal reduction, but also including other relief to homeowners;
- Arizona borrowers who lost their home to foreclosure from January 1, 2008, to December 31, 2011, and suffered servicing abuse will be eligible to an estimated \$110.4 Million in cash payments to borrowers (estimated at approximately \$2,000 per borrower);
- The State of Arizona will receive a direct payment of approximately \$102.5 Million.

Fair Housing Complaint Data

The Arizona Fair Housing Act (AFHA) of 1991 (ARS § 41.1491) provides the same substantive protections as the Federal Fair Housing Act; however, it provides different procedures for the administrative complaint processing. The AFHA also amended the Arizona Landlord and Tenant Act to bring it into compliance with the State Fair Housing Statute. Because AFHA is essentially the same as the FHA, and the Arizona Attorney General has both the administrative capability and fiscal ability to carry out the law, Arizona law has been federally designated as “Substantially Equivalent.” As a result of this designation, under the Federal Fair Housing Assistance Program (FHAP), HUD contracts with the Arizona Attorney General’s (AG) Civil Rights Division to investigate and rule on many fair housing cases on its behalf.

Citizens of Surprise who believe they have experienced fair housing discrimination may file their complaints through the following entities: the Arizona Attorney General’s office, HUD’s Office of Fair Housing and Opportunity (FHEO), the Arizona Fair Housing Center, and the Southwest Fair Housing Council. Arizona State Law gives the Arizona Attorney General administrative authority over the Fair Housing Act, including taking and investigating complaints. However, the Attorney General may refer complaints to organizations in the State with substantial equivalency (determined by HUD) and/or towns or cities in Arizona of more than 350,000 persons that have adopted a local fair housing ordinance.

A complaint of unlawful housing discrimination is a "complaint", not “proof” of discrimination. Many persons “filing” complaints of unlawful housing discrimination sometimes feel strongly that they have been treated unlawfully. Persons or entities “accused” of unlawful housing discrimination often deny the allegation. The investigating agency initially seeks to determine if there is evidence that supports the complaint and seeks to resolve the complaint. If the parties are unable to resolve the issue through mediation, it sometimes requires a judge or a jury to hear the evidence and make a determination. Unless the defendant has admitted liability, it is only after a determination has been made by a judge or jury that it is possible to conclude that the "complaint" of unlawful discrimination has been "proven".

In order to prove housing discrimination, it must be proven that the discrimination occurred "because of" the respondent's unlawful reaction to the complainant's protected group status (race, color, sex, religion, national origin, familial status, disability status, marital status or age). It is not enough to prove that a person was "treated badly". Proof of unlawful housing discrimination requires that the complainant/plaintiff prove that the reason for the "bad" treatment was because of membership in one of protected classes. Such cases are difficult to prove since many acts of unlawful housing discrimination are not overt and in many cases, both claimant and respondent may not be aware or knowledgeable about fair housing rights. If the discrimination cannot be proved, then a finding of "no cause determination" is found.

It has been determined that relatively few (less than 1 %) of the housing discrimination complaints filed with any agency or organization result in conclusive proof of unlawful discrimination. However, a greater number (from 10% to 40% of all filed complaints) result in "adjustments" or "settlements", normally including financial payments to the complainant, made by the person or entity accused of the unlawful housing discrimination. If there are "adjustments" and/or "settlements" they are considered evidence that supports the conclusion that incidents of unlawful housing discrimination are present in a community. Although "adjustments" or "settlements" often include denials of liability by the defendant., financially large settlements (in excess of \$10,000 or more) are usually prompted by very strong evidence of practices of unlawful housing discrimination.

Arizona Attorney General, Civil Rights Division

The Arizona Attorney General Civil Rights Division (ACRD) investigates and resolves housing discrimination complaints. It also mediates and conciliates complaints and can bring legal action on an individual's behalf if no solution can be found prior to litigation being initiated. Most housing discrimination charges filed with the Attorney General's (AG) Office are considered to be dual-filed with the United States Department of Housing and Urban Development (HUD). There is no cost to file a housing discrimination complaint with the Civil Rights Division or HUD. Fair housing complaints must be filed within one year after the discriminatory act(s). The following table lists all fair housing complaints involving properties in Surprise, as investigated by the Arizona AG's office. The tables show complaints from 2005 to present, along with the basis of the complaint, description, and reason for closure.

After a charge of discrimination is filed, the ACRD will begin an investigation of the allegations contained within the charge. An investigation may include conducting interviews, obtaining documents, and doing site visits. Generally, after investigation, the ACRD will determine either that no unlawful discriminatory practice or act has occurred (no cause determination) or that there is reasonable cause to believe that an unlawful discriminatory practice or act has occurred.

If, after an investigation, the ACRD determines that no unlawful discriminatory practice or act has occurred, the ACRD will notify the parties in writing of this fact. On the other hand if, after an investigation, the ACRD determines there is reasonable cause to believe that an unlawful discriminatory practice or act has occurred, the ACRD may bring a civil action. Whether the ACRD investigation concludes that an unlawful discriminatory practice or act has occurred or has not occurred, private parties retain the right to bring their own civil action within the time limitations specified by law.

Fair Housing Complaints Involving Properties in Surprise, Arizona January 1, 2005 to Present

	File Date	Close Date	Basis	Discriminatory Action	Outcome
1	04/04/2005	02/13/2006	Black or African American	Discriminatory refusal to sell and negotiate for sale; False denial or representation of availability – sale; Discrimination in terms/conditions/privileges relating to sale.	Judicial consent order
2	08/28/2007	03/25/2008	Black or African American; Children Under 18; Retaliation	Discriminatory terms, conditions, privileges, or services and facilities.	Lack of jurisdiction
3	03/24/2008	06/27/2008	Physical Disability	Failure to make reasonable accommodation.	No cause determination
4	05/01/2008	08/04/2008	Hispanic or Latino	Discriminatory terms, conditions, privileges, or services and facilities.	No cause determination
5	08/07/2008	11/06/2008	National Origin (not Hispanic or Latino)	Other discriminatory acts.	No cause determination
6	02/23/2010	06/02/2010	Black or African American; Physical Disability	Discriminatory refusal to rent and negotiate for rental; discriminatory terms, conditions, privileges, or services and facilities; failure to make reasonable accommodation.	No cause determination
7	10/04/2010	01/12/2011	Black or African American; Mental Disability; Physical Disability	Discriminatory refusal to rent; discriminatory refusal to rent and negotiate for rental; discriminatory terms, conditions, privileges, or services and facilities; discrimination in services and facilities relating to sale.	No cause determination

8	11/01/2011	02/29/2012	Physical disability	Failure to make reasonable accommodation.	Conciliation/ settlement successful
---	------------	------------	---------------------	---	---

Source: Arizona Attorney General, Civil Rights Division

Many tenant cases result in no cause determinations. Tenants often claim discrimination after evictions even when discrimination was not previously indicated. Education and awareness of fair housing rights would help in ensuring that more bona fide cases are reported.

On April 10, 2007, the Arizona Civil Rights Advisory Board published a letter to HUD and other agencies regarding the issue of crime free housing programs. The Advisory Board had public hearings in Tucson and Phoenix to receive testimony and opinions on these crime free housing programs. The Advisory Board was particularly concerned that the crime free programs could potentially be used as a pretext for underlying discriminatory actions on the part of the owners, property managers and homeowners' associations. The Board also felt like the crime free programs may have a disparate impact on women and families with children who are victims of domestic violence. In addition, the Board was concerned about the potential disparate impact of crime free housing programs on certain racial and ethnic minority groups who represent a disproportionately high percentage of people with criminal backgrounds. The letter concluded by stating that fair housing training is imperative for all landlords, property managers, leasing agents, and homeowners' association board members involved in implementing crime free housing programs. The letter also encouraged housing providers to engage in open dialogue with housing advocates with a view toward adopting policies for implementing crime free housing programs that are based on individual factors, including the applicability of reasonable accommodation for disabled individuals whose criminal backgrounds may be related to their disabilities.

Legal Cases

According to the Arizona AG's Office, the AG Civil Rights Division has litigated one lawsuit involving property in Surprise since 2005.

***The State of Arizona ex. rel. Terry Goddard, the Attorney General;
and the Civil Rights Division of the Arizona Department of Law v.
William Lyon Homes, Inc., a California Corporation***

After issuing a reasonable cause determination in the matter listed as number one (1) in the preceding chart, the Civil Rights Division of the Arizona Attorney General's office filed State ex. rel. Goddard v. William Lyon Homes, Inc., Number CV2005-017666 (Arizona Superior Court, Maricopa County) on November 14, 2005. The case was resolved by Consent Decree entered on February 10, 2006. Included in the Consent Decree were the following requirements:

- Each of the sales employees for William Lyon Homes in the State of Arizona will receive a minimum of three hours of training in the state and federal fair housing laws within three months of effective date of the Consent Decree.
- Within 30 days after effective date of the Consent Decree, William Lyon Homes shall remind all of its employees and its construction foremen/contractors in the State of Arizona that it is unlawful to discriminate in housing based on race, color, religion, sex, national origin, familial status, or disability.
- William Lyon Homes shall keep posted at all times in a conspicuous, well-lighted place at all of its sales office in Arizona a poster if provided by the Arizona Civil Rights Division that states, in English and Spanish, that discrimination in housing based on race, color, religion, sex, national origin, familial status, or disability is prohibited.

(Source: Office of Arizona Attorney General, and Consent Decree CV2005-017666, Arizona Superior Court)

V. PUBLIC OUTREACH

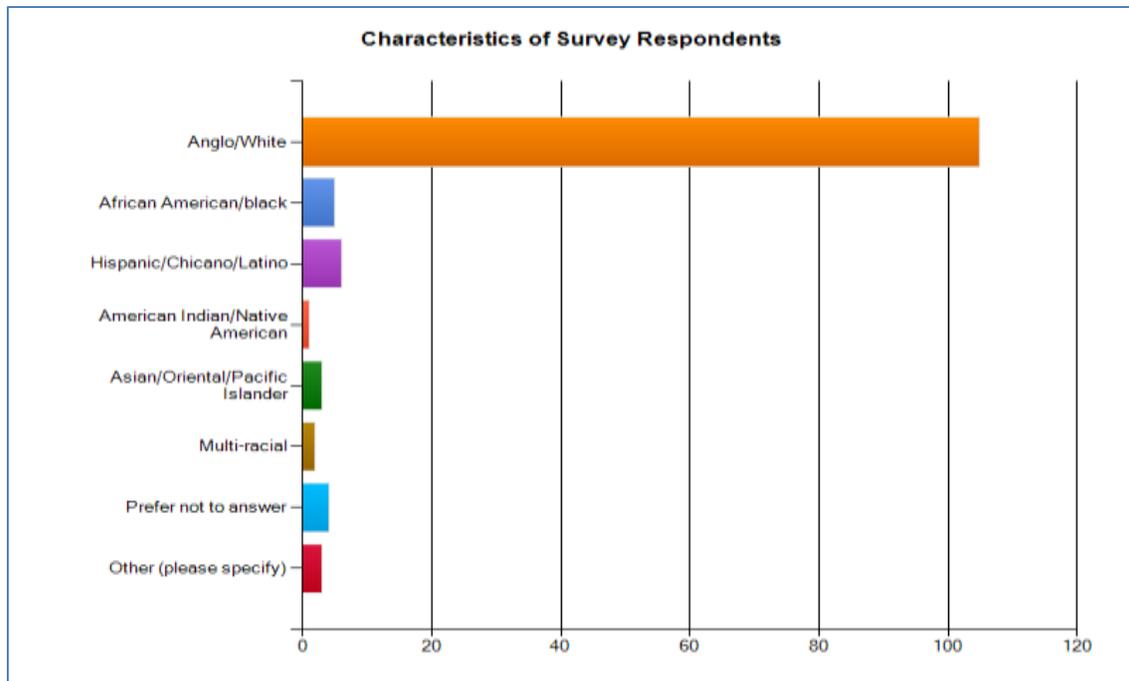
Introduction

This section summarizes the results of the surveys, public meetings, and key person interviews conducted as part of the public outreach process for the City of Surprise AI. In addition, this section gives a brief overview of fair housing public outreach conducted by stakeholders in Surprise. The consultant conducted an online and written survey available to all Surprise residents and industry stakeholders. The survey asked respondents about their experience and perception of housing discrimination, knowledge of fair housing laws, use of Surprise's housing assistance and social service programs, and opinions about housing and social service needs in the city. ASK also directly administered surveys, conducted public meetings, and held key person interviews with members of the Quality of Life Commission, community groups, City of Surprise staff, nonprofit agencies, and area real estate agents.

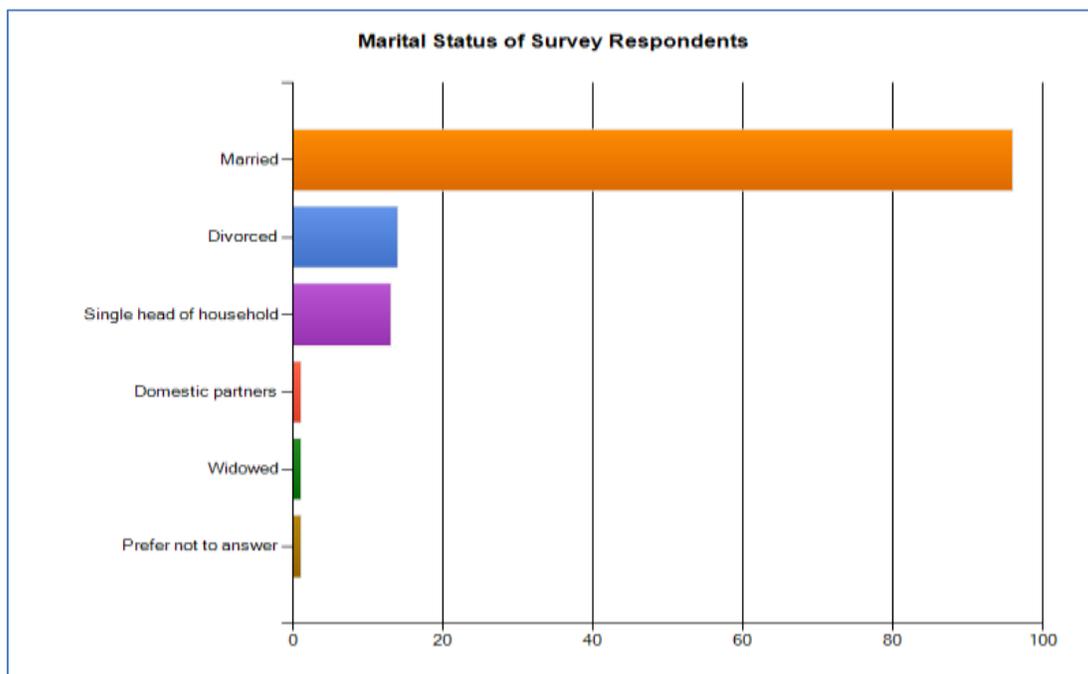
ASK developed fair housing surveys for citizens, housing service providers, Realtors, and lending institutions. Copies of the survey were available in Spanish. A fair housing survey link was posted on the City's website and in the newsletter. The link was also placed on flyers which were posted at the city libraries to facilitate people who did not have computers at home. Flyers and survey information was also made available at the Senior Center, with Dial-A-Ride drivers, and through an email blast. Surveys were distributed to Surprise Quality of Life Commission Members. The online and hard copy of the survey was also available in Spanish. Please refer to the Appendix section of the AI to view the survey instruments. The findings from these activities are discussed in turn.

Citizen Surveys

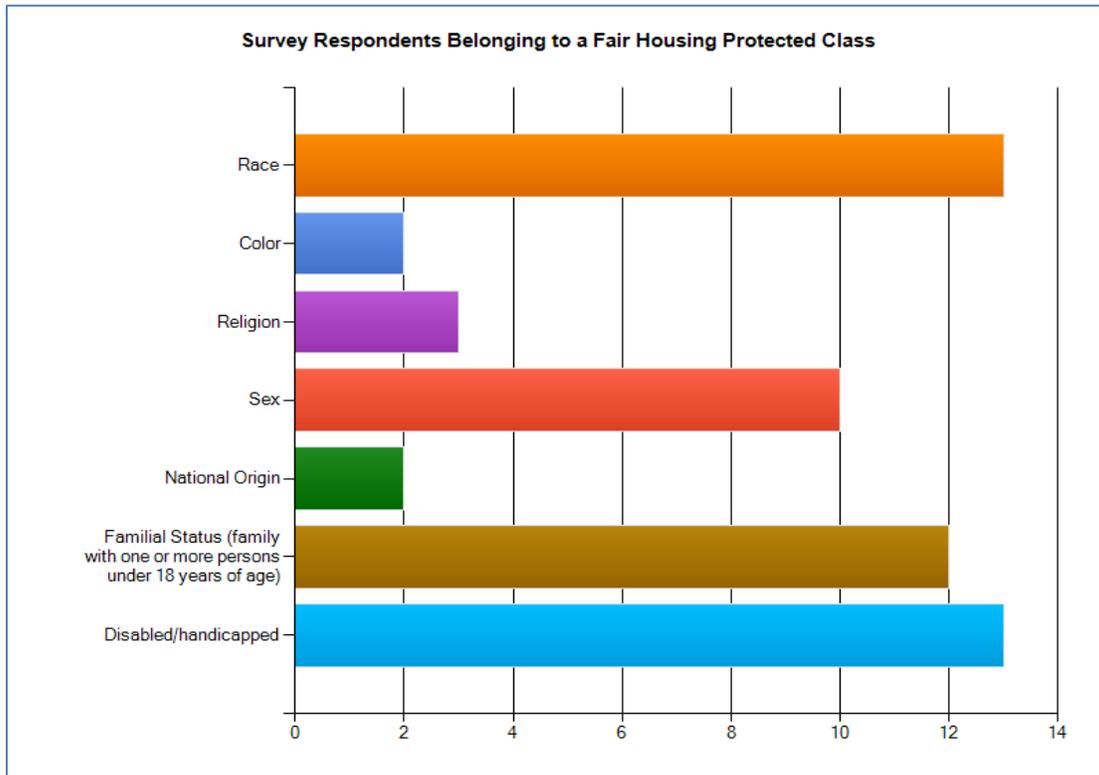
An online, 30-question fair housing survey was designed by ASK and available for all residents to complete via <http://www.surveymonkey.com>, and as distributed by City of Surprise staff. The online and hard copy of the survey was also available in Spanish. The survey was opened in the month of March and was completed by 128 Surprise residents.



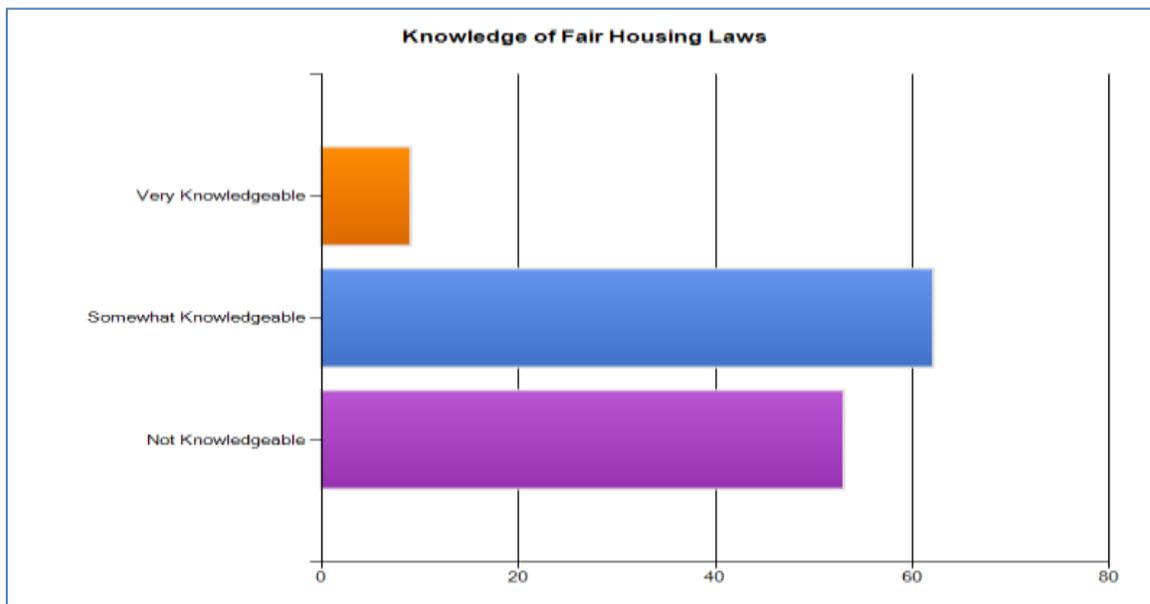
Of the citizens surveyed, 105 persons (83.3%) are White, 5 (4.0%) are Black, 6 (4.8%) Hispanic, 1 (0.8%) are American Indian, 3 (2.4%) are Asian, 2 (1.6%) are Multi-racial, and 3 (2.4%) are other races. With the exception of the Hispanic population, the survey group represents a similar racial/ethnic makeup as the City of Surprise: White (80.6%), Black (5.1%), Hispanic (18%), American Indian (0.7%), Asian (2.6%), and two or more races (3.8%).



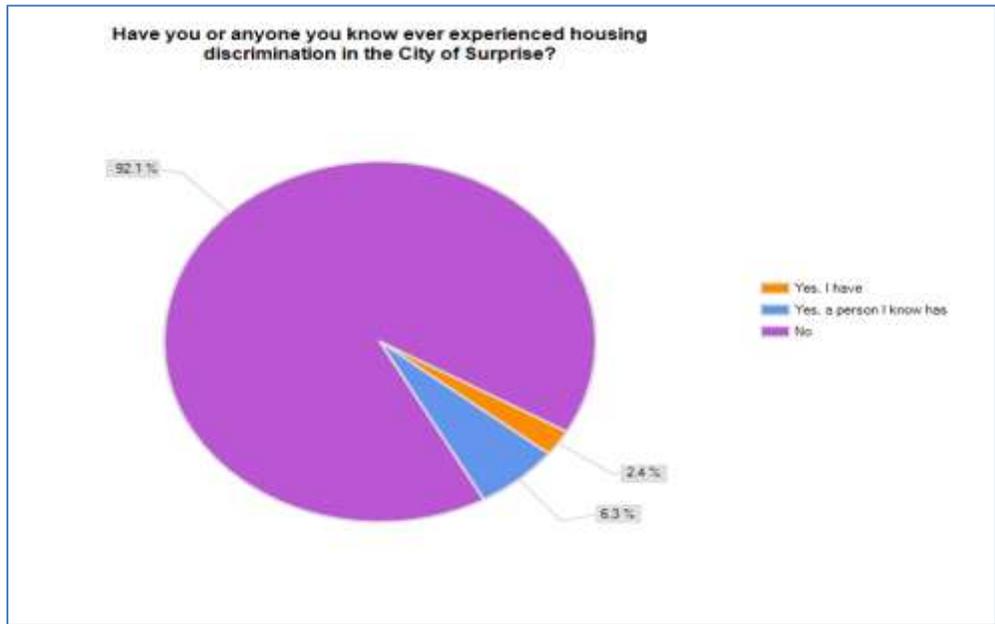
Of the citizens surveyed, 96 persons (76%) are married, 14 (11%) are divorced, 13 (10%) are single head of household, 1 (0.8%) is a domestic partner, and 1 (0.8%) is widowed.



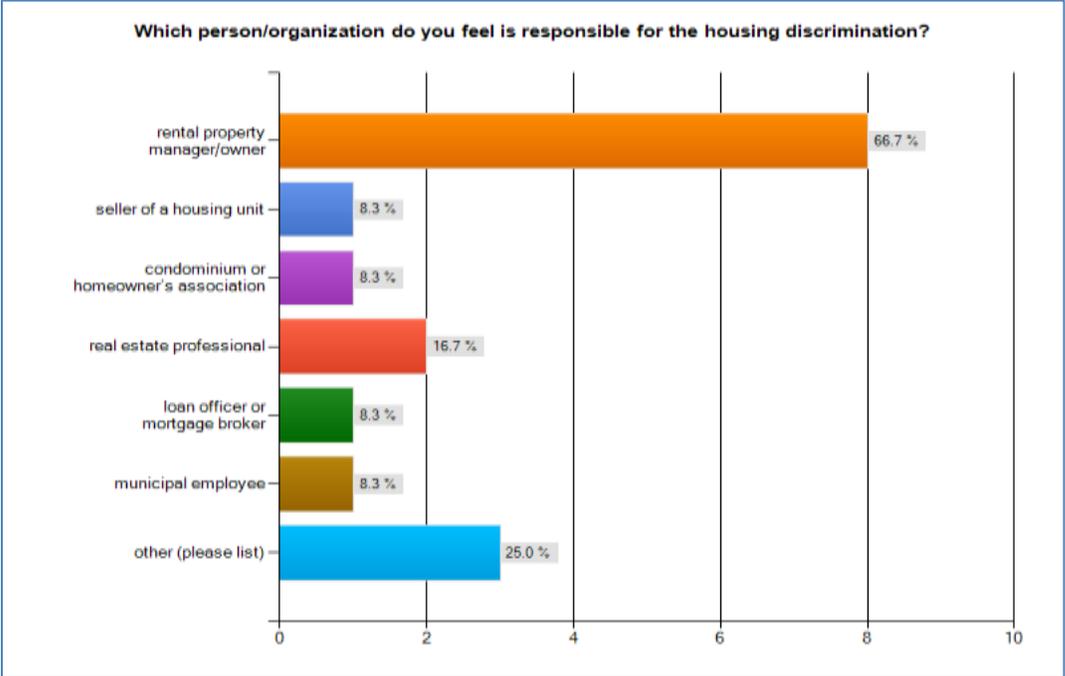
Of the 39 survey respondents that considered their household to belong to a protected class, the classification breakdown is as follows: 13 (33%) qualify for their Race; 2 (5%) for Color; 3 (8%) for Religion; 10 (26%) for Sex; 2 (5%) for National Origin; 12 (31%) for Familial Status; and 13 (33%) for Disability.



Of the 124 respondents that answered the question regarding Fair Housing laws, only 9 (7%) consider themselves to be Very Knowledgeable, 62 (50%) are Somewhat Knowledgeable, and 53 (43%) are Not Knowledgeable.



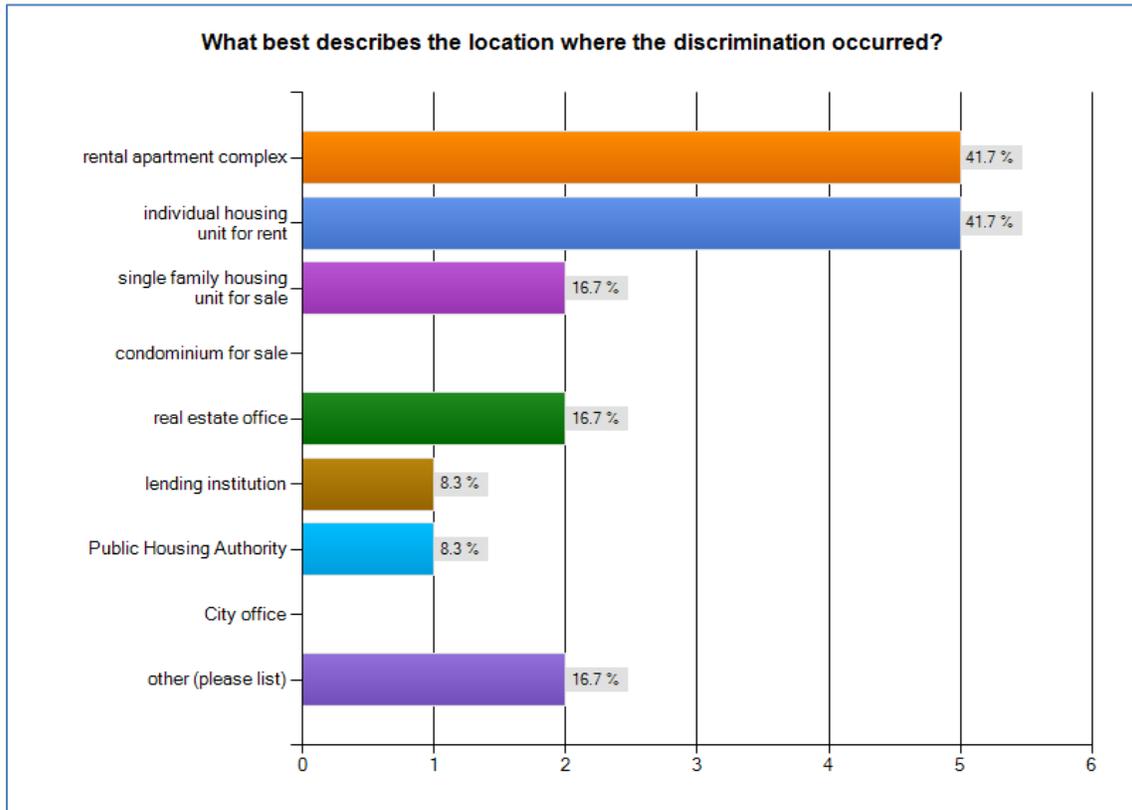
Of the 126 survey respondents, 3 persons (2.4%) feel that they have experienced housing discrimination, 8 persons (6.3%) know of someone who has, and 116 persons (92.1%) have not experienced housing discrimination (do not have first- or second-hand knowledge).



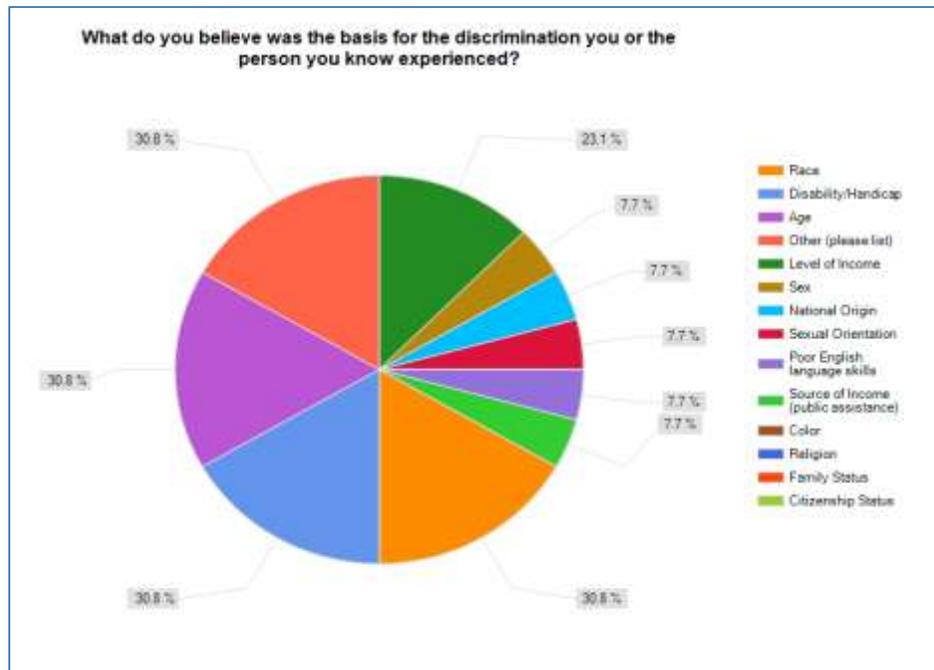
Twelve respondents listed the person/organization they feel are responsible for housing discrimination. Of these responses, some experienced discrimination in more than one location. The other locations (as written in by respondents) included:

- Property manager/governing body of community

- Government programs that only cater to minorities

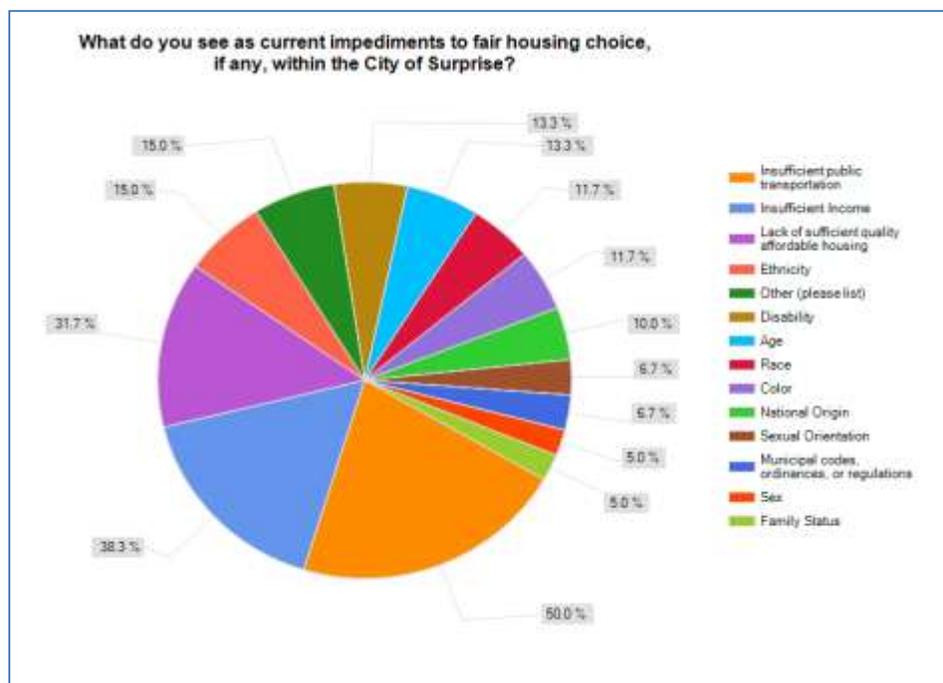


Twelve respondents listed the location where housing discrimination occurred. Of these responses, some experienced discrimination in more than one location. The other location (as written in by respondent) was common property in community belonging to all homeowners



Of the 13 responses to this question, 4 respondents state other reasons for the discrimination that was experienced. Of these responses, many experienced discrimination on more than one basis and used the “Other” category to describe that. These responses include, but are not limited to:

- We were partially discriminated against when we tried to refinance, as the drop in the value of our home had dropped 50% in the past three years due to Obama not doing anything intelligent-like killing the Dodd/Frank bill.
- Because I am White.



Of the 60 respondents to this question, the largest impediment to fair housing is shown as being Insufficient Public Transportation, followed by Insufficient Income and Lack of Sufficient Quality Affordable Housing. Of the 9 responses for "Other," most felt that there are multiple impediments and used the Other category to describe that. These responses include, but are not limited to:

- Quality affordable senior housing
- Religion/politics
- Not fair to White people
- Extreme and bogus rules by large corporate out-of-state HOAs
- No central information center
- A Class D felony conviction
- Current fiscal policies employed by big banks and lenders

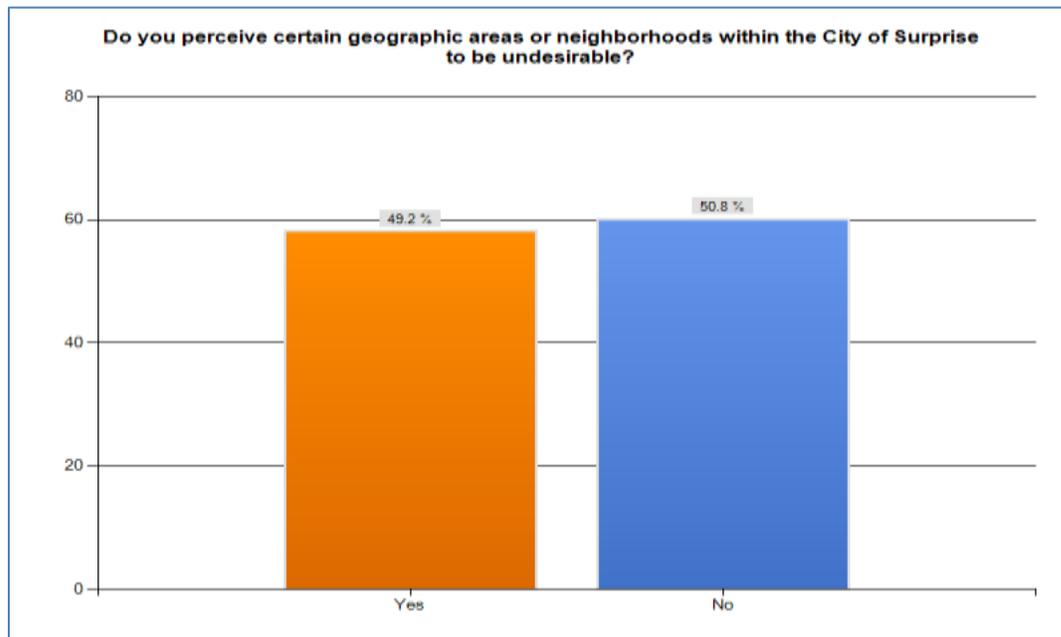
Of the citizens surveyed, 15% feel that housing choices are geographically limited to certain areas or neighborhoods in the City of Surprise while 85% do not. The citizens that feel that limitations exist named the following reasons (many of these responses were repeated in various forms):

- quality affordable senior housing
- crime rate
- retirement communities
- national origin
- lack of accessibility
- Sun City grand and other 55 plus communities mandate to the age rule.
- income & affordable housing
- Without a car or adequate public transportation, getting around is difficult.

Eighty-four respondents (74%) feel that affordable housing options are located throughout the City of Surprise, whereas 29 (26%) feel that affordable housing options are concentrated in certain areas/neighborhoods. When asked to identify the areas with concentrated affordable housing, the answers included the following (many of these responses were repeated):

- Old Town Site
- Off Reems and the Original square mile
- Just certain areas where as a disabled person, you feel afraid or not safe to go out on your own
- I haven't lived here long. But I think around Crossroads Shopping Center for sure
- Parkview and Bell
- Greenway Road
- South of Bell Road, in location of Greasewood and surrounding streets
- Concentrated in less than desirable areas
- Age restricted communities
- Some of the older neighborhoods north of Grand would cost less than the newer neighborhoods like Marley Park and the homes to be built around Prasada

- Greenway Parc 2
- The older neighborhoods & apartment complexes
- Near the DMV
- Bell & El Mirage Road

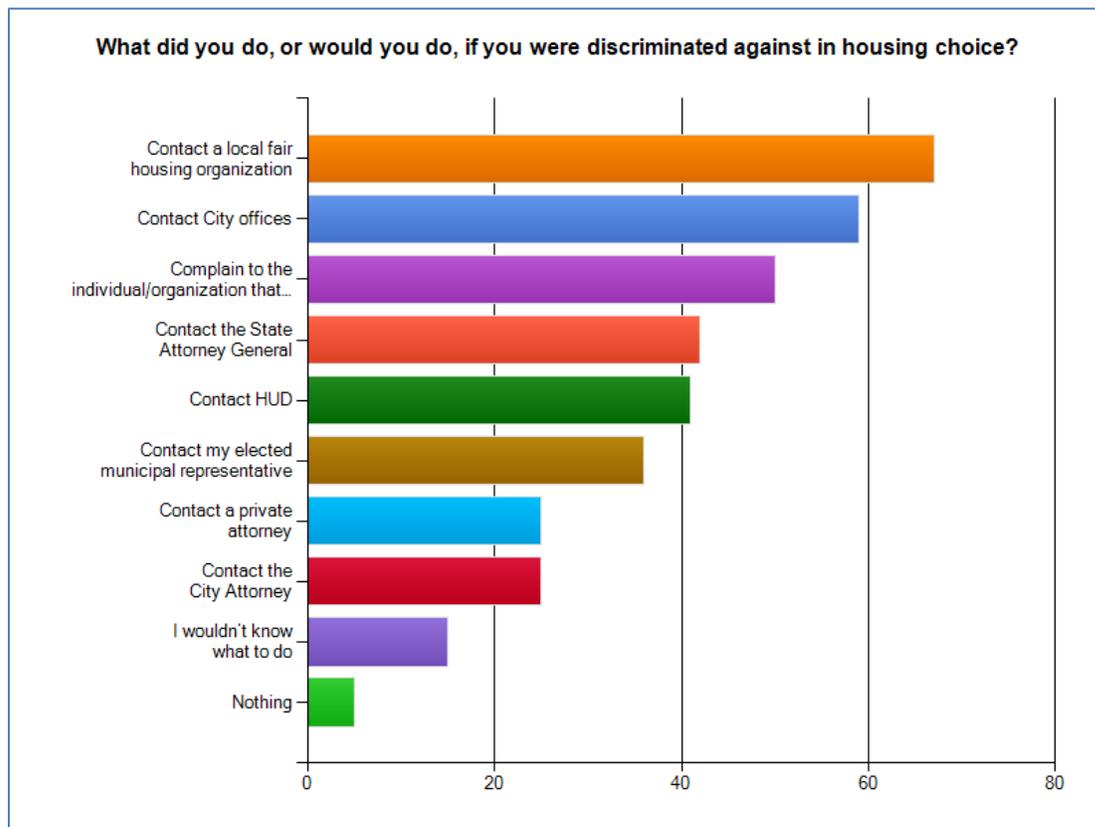


When asked if they perceive certain geographic areas or neighborhoods within Surprise to be undesirable, 49% (58) answered affirmatively. In addition, the undesirable areas were identified by those surveyed to include (many of these responses were repeated in various forms):

- Age restricted communities
- Old Town Site area
- High Crime areas
- Parcel 7 Sierra Montana
- Original Square Mile of Surprise
- Near El Mirage
- East of Grand
- I don't know that much of the area, but around the Crossroads Shopping Center
- Greenway Dysart to Grand
- Near the community center east of Grand
- South of Bell Road and Grand Ave
- Neighborhoods near Section 8 homes
- Kingswood Park area
- There are some older neighborhoods that look like gang areas
- Older northern section, newer section west of 303, SCG
- Sun Ridge communities on Bell Road due to high crime
- Greenway Parc 1 & 2

- South of Bell between Grand & El Mirage; 3 mile radius at intersection of Reems & Bell
- Because they are in disrepair
- Ashton Ranch
- The older area between Greenway/Bell and Greasewood/Dysart

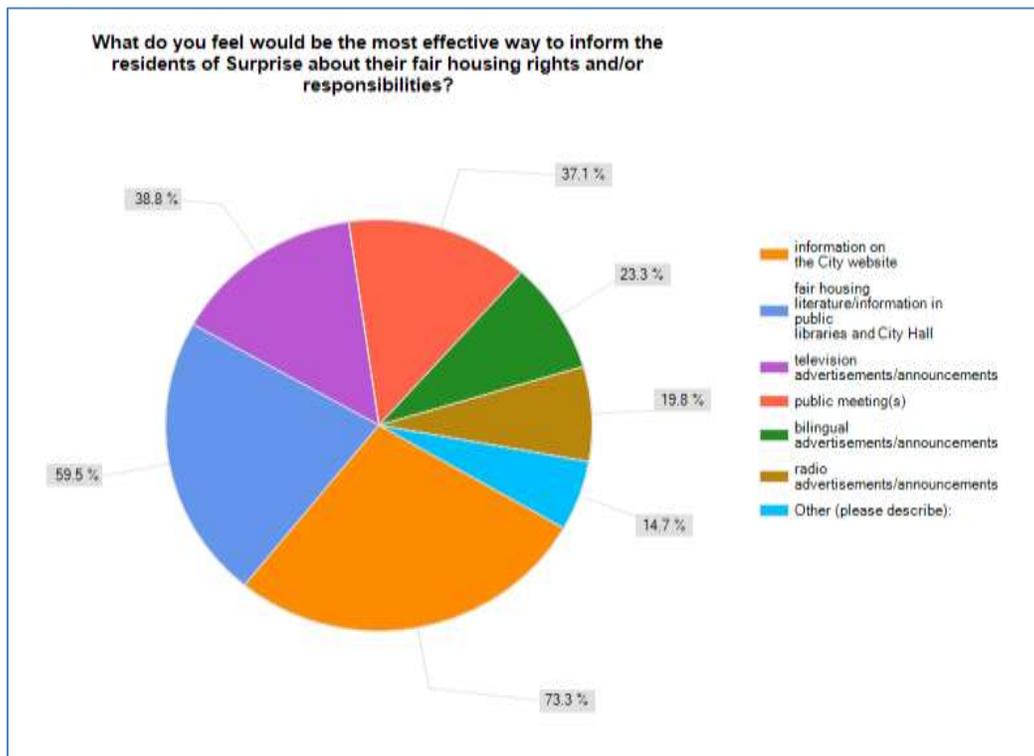
The majority of respondents (74%) felt that there was an adequate supply of affordable housing in Surprise; 87% felt an adequate supply was available to senior citizens; 78% felt than an adequate supply was available to disabled citizens; and 90% felt that an adequate supply was available to families with children.



The largest number of citizens surveyed (67 persons, or 55%) answered that they would contact a local fair housing organization if discriminated against in housing choice. Other answers were spread throughout the other options.

Based on the survey results, there would appear to be a deficit of fair housing information that is either familiar or recognizable to residents. Eighty-one percent (81%), or 99 persons surveyed, are not familiar with the fair housing or the social services provided by the City of Surprise. In addition, 84% (103 persons) have not seen or heard information regarding fair housing programs, laws, or enforcement within the City of Surprise. When asked if current fair housing laws and enforcement mechanisms are effective, 32% felt they are Highly Effective,

57% felt that they are Somewhat Effective, and 11% felt that they are Not Effective.



Of the 116 respondents to this question, the most effective way to inform residents is shown as being Information on the City Website (73%), followed by Information in the Libraries and City Hall (60%), and Television Advertisement/Announcements (39%). Of the 17 responses for Other, most felt that there are multiple ways and used the Other category to describe that. These responses include:

- Bigger articles/ads in the Surprise newspapers
- Surprise Today Newspaper
- Mailers
- Specific information as to who to contact to get a complaint heard quickly
- E-mails and mail outs
- Enclosures in utility bills
- Channel 11
- Newspaper/flyers at major locations like Target, Walmart, and grocery stores

The survey results reflect a recurring theme of either frustration with and/or misunderstanding of current fair housing policy. Surveyed citizens were asked for suggestions to change fair housing laws and practices. Suggestions included (and many were repeated in various forms):

- Teach how to deal with individuals who make baseless fair housing claims
- Treat all residents equally, listen to safety issues, and correct poorly designed safety features
- More public transportation

- Make it clear who and how we contact someone that will truly help
- Repeal fair housing laws
- Make it equal to all races
- Consider that senior single adults, with retirement (Social Security) income have funds just as valid as senior couples, and are entitled to fair, affordable housing. Rental companies, including those affiliated with HUD offering affordable housing options, need to be just as fair in offering rental properties to senior singles, as well as the current senior couples.
- I am concerned that the fair housing laws can diminish the quality of neighborhoods as some may qualify for a home they ultimately cannot afford. This, may, in return, create homeowners who may not take as much pride and care in their home and community as others who may have put a large portion of their own money towards their home or those who can afford their home and spend the money to maintain and improve their homes.
- I think some laws unfairly discriminate against those outside of "protected categories".
- Zero tolerance for gang & drug related activities
- Need a central location to go to for necessary information -- I visited City Hall and was told there is none.
- Have housing available for individuals recently released from jail or prison
- I'm not sure this exists now but offer section 8 housing in areas with grade A+ education not in the grade C schools.

Survey respondents were asked to suggest actions that the City of Surprise could take to address impediments and improve fair housing choice for all residents. Additional public transportation was viewed by many respondents as a very important, positive action the City could take to address fair housing choice. In addition, it is clear that residents desire to have their fair housing needs heard by the City, and that they would like the City's response be reasonable, fair, and courteous. Other answers reflect a need for additional outreach and/or education to many Surprise residents regarding the rights and responsibilities of fair housing law. Suggestions and/or responses include:

- Yearly, fair housing information events
- Seniors live in other parts of Surprise, then in just the senior communities and they have limited income and are restricted in their lifestyles. They have many needs. They are falling through the cracks. The City of Surprise needs to provide more funding to the needs of the seniors.
- Ensure Community Outreach programs include this topic whenever possible
- Build housing to comply with HUD for all needs of all peoples
- Need to make everything possible to raise the standard of living in OTS. These citizens deserve more and it would improve the perception of the OTS.
- Make sure that all renters or realtor acknowledge that the renter has received literature on their fair housing rights.

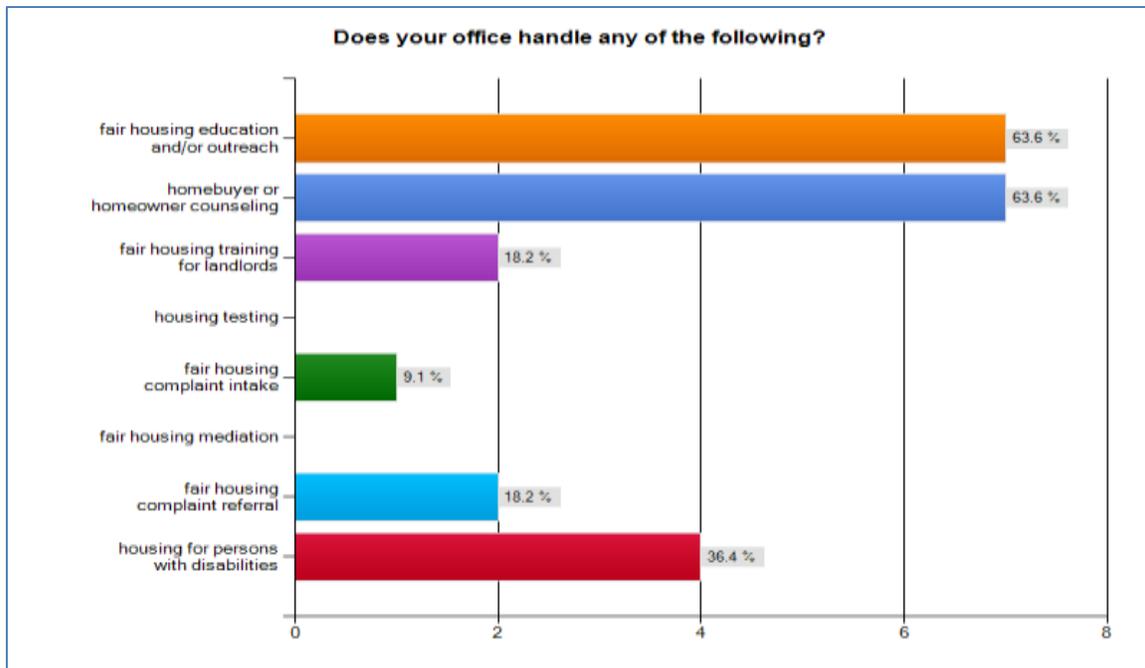
- Check for streets or give ideas as to how to get to local areas in a wheelchair so we don't end up turned over due to excessive slants or just dead ends of sidewalk.
- Seriously approach and determine viable solutions. City staff could be respectful of senior single persons rather than dismissing them out of hand.
- Improve public transportation. I have serious needs.
- Increase public transportation. This is a major hindrance to live in the city even if the housing is affordable. If someone who is disabled and or can't afford to possess a driver's license due to various reasons they will not choose to live in the city to be able to travel for work or go to school or go anywhere else outside the city.
- Do not allow landlords or property management agencies to deny housing to convicted individuals
- Poll, listen and respond in a positive manner to Surprise.

Additional Surveys

Additional online surveys and questionnaires were created for Housing Service Providers, Realtors, and Lending Institutions in the Surprise area via <http://www.surveymonkey.com>. These surveys were open in March and links were sent to area service providers, Realtors, and lenders. At the time of publication, thirteen (13) surveys had been completed by Surprise area Realtors, and four (4) housing service provider surveys had been completed.

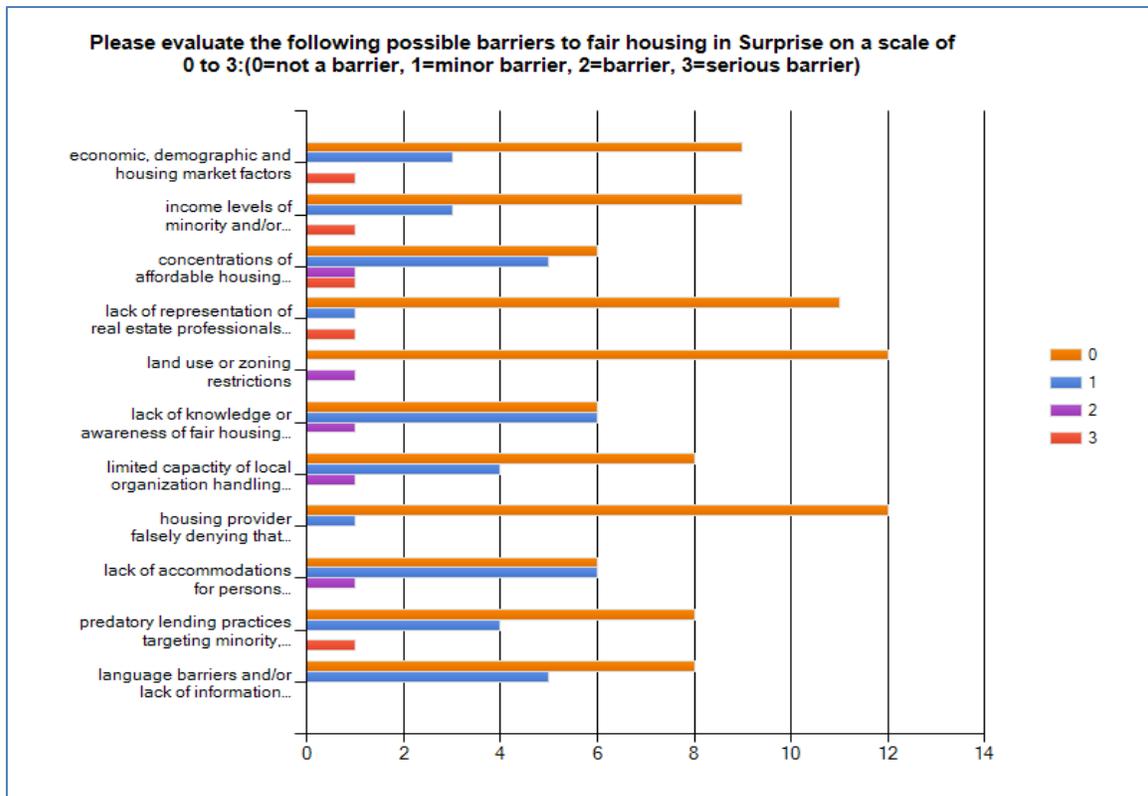
Realtor Surveys

Of the 13 Realtors that responded to the Surprise Fair Housing survey, 10 (77%) answered that they were Very Knowledgeable of fair housing laws, and 3 (23%) answered that they were Somewhat Knowledgeable. No Realtors surveyed felt that they were Not Knowledgeable of fair housing laws. Twelve (92%) stated that their company had written policies addressing rights and responsibilities required under fair housing laws, and 1 (8%) stated that they did not have such policies.



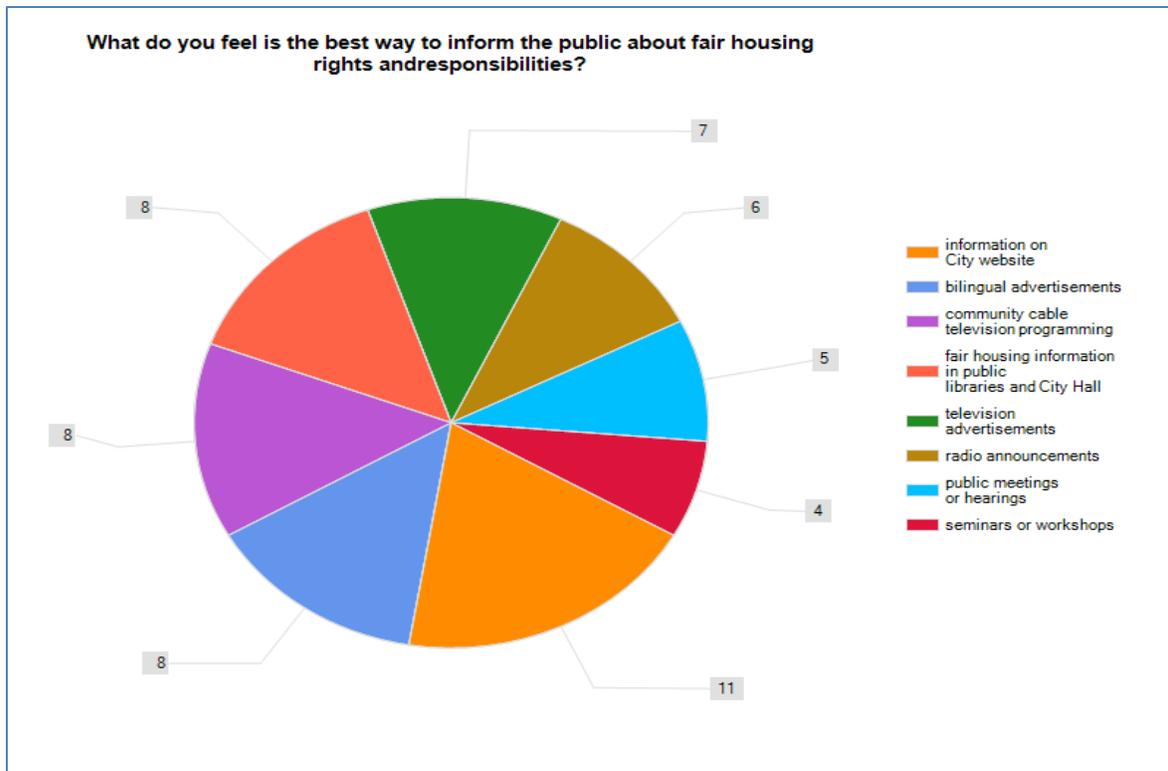
Of the 11 respondents to this question, 7 (64%) Realtors handle fair housing education and/or education; 7 (64%) offer homebuyer or homeowner counseling; 2 (18%) handle fair housing training for landlords; 1 (9%) conducts fair housing complaint intake; 2 (18%) refer fair housing complaints; and 4 handle housing for persons with disabilities. (Respondents could select more than one answer.)

The majority of respondents (11 Realtors, or 85%) answered that their marketing materials and/or display advertisements for soliciting buyers include images of people of diverse racial/ethnic backgrounds, and they publish in local minority and multi-lingual publications. Ten (10, or 83%) of survey respondents work for companies that undertake special/affirmative marketing efforts to target minorities or low-income clients, but only 6 (46%) intentionally employ bilingual individuals on management/sales staff in order to serve clients with poor English language skills.



Realtor survey respondents were asked to evaluate possible barriers to fair housing in Surprise. The categories noted to be serious barriers noted were: economic, demographic, and housing market factors; income levels of minority and/or female-headed households; concentrations of affordable housing; lack of representation of real estate professionals for differing races/ethnicities; and predatory lending practices targeting minority, female-headed, and/or elderly households.

All survey respondents (100%) accept listings regardless of home value as well as listings in low-income neighborhoods of the City of Surprise. Most respondents (12, or 92%) feel existing fair housing laws are enforced in a fair and impartial manner. The single respondent that did not agree felt it was unfair that buyers utilizing homebuyer assistance funds have not been allowed to choose their own representation in real estate transactions.



Realtor respondents (85%) felt that information on the City website was the best way to inform the public about fair housing rights and responsibilities. This was also deemed as the best way by resident survey respondents. Sixty-two percent (62%) of Realtors surveyed also felt that bilingual advertisements, community cable television programming, and fair information in public libraries and City Hall were some of the best ways to inform the public.

Ideas stated by Realtors in the surveys for removing impediments to fair housing and improving fair housing education include:

- Company training is always the best
- More classes
- We need a local resource for seniors who are taken advantage of here. I have one now that is the victim of a predatory lender and she is losing her home because of it and the bank who holds the loan does not care.
- The City needs to be more aware of various needs regarding permits, zoning, etc.
- Allow home buyers the option to choose their own agent when using neighborhood stabilization funds.

Housing Service Provider Surveys

Four (4) housing service providers completed fair housing surveys for the City of Surprise. Within that group of respondents, the only impediments to fair housing choice identified were insufficient income and inadequate public transportation.

Half of the respondents felt that affordable housing was restricted to certain areas of Surprise due to ethnicity/race, but that no areas of Surprise were undesirable. All respondents felt that current fair housing laws and enforcement mechanisms were only Somewhat Effective (no respondents chose Highly or Not Effective). Three of the four respondents feel that there is a need for more public education and outreach on fair housing, and indicated that the best way to do that would be through information on the City website, fair housing information in public libraries and City Hall, and seminars or workshops. The only idea/request listed by the housing service providers for removing impediments to fair housing and improving fair housing education was periodic training by a fair housing organization.

Key Person Interviews

In conjunction with the surveys, ASK conducted key person interviews person-to-person, by teleconference, and via email correspondence with members of the City of Surprise Staff, State Attorney General’s staff, and nonprofit and advocacy groups.

City of Surprise	Key Person
City of Surprise, Community and Economic Development Department	Jeff Mihelich, Director Chris Boyd, Assistant Director Christina Ramirez, Neighborhood Services Supervisor Adam Copeland, Planner Hobart Wingard, Planner Carolyn Ellington, Community Programs Coordinator Jay Brimhall, Community Programs Officer
City of Surprise, Marketing and Communications Department	Diane Arthur, Public Information Officer
City of Surprise, Public Works Department	David Kohlbeck, Assistant Director Internal Services Nick Mascia, City Engineer, Traffic Division Dave Golder, Transit Supervisor Transportation Division
City of Surprise, Community and Recreation Services Department	Leslie Rudders, Senior Services Supervisor
City of Surprise, Quality of Life Commission	Paula Forster, Chair Chet Chetkauskas, Vice Chair Janet Frost Wayne Tuttle Debra Allen-Norum Richard Perry Eric Cultum Dennis Alton Tony Segarra

City Staff

Surprise staff members and Commissioners were asked a number of questions about the status of fair housing, affordable housing and community service needs in Surprise. Discussion and responses from City Staff are summarized below.

ADA and Accessibility:

- Surprise has a lack of accessible rental units.
- Approximately 30% of the City's CDBG funding has been spent on addressing accessibility issues.
- Surprise has a large retirement population – aging in place.
- The City has established zero step/visitability requirements in model homes.
- Most of the City's housing stock was built around 2000 or later.
- The City is in the process of revising the Planning Code to create a Surprise Uniform Development Code, with visitability as major component.
- The City is in the process of developing requirements for ratio of accessible units.
- There have been complaints, particularly from HOAs, regarding group homes. Group homes and/or residential care facilities are viewed as commercial properties, and are perceived to increase traffic and decrease property values.
- There have been complaints about assisted living facilities, the majority of them related to the City ordinance that limits the distance between group homes.
- The City's Disability Commission is a very active group.
- Dream Catcher Park is an ADA accessible park, and adaptive recreation programs are being used by the City.

Fair Housing Education and Outreach:

- Plans are underway for Fair Housing Month in April.
- The City posts on Facebook, Twitter, the City's website, and has a dedicated fair housing page with a link for registering a fair housing complaint.
- There are many avenues the City can use to disseminate fair housing information: "Surprise in Five" City's public television education segment; Compassionate Surprise social service web page; posters/flyers; PSA on fair housing; City Academy; quarterly magazine for seniors; yearly education for HOAs; show pre-packaged videos/streams on the internet; and show a federal PSA available from the Fair Housing Network.

Affordable Housing and Planning

- Two or three tax credit projects have been built since the last AI.
- Luke Air Force Base has an effect on housing densities.
- The Original Town Site (OTS) incentive of an impact fee waiver for any housing infill is 52 years old.

- The OTS has a greater number of high interest rates, loans, and refinancing, especially among elderly.
- The average market rent is at or below the fair market rent. HOME rents are low.
- There have been questions from citizens about limiting the number of Section 8 houses – Marley Park is an example.
- There is a general resistance to rental property in Surprise of any kind.
- Three unrelated persons are considered a family in the City.

Quality of Life Commissioners

The Quality of Life Commission was involved in discussion/interviews via teleconference during a regularly scheduled Commission meeting. Although some members were absent, the Commission had a quorum, and the Commissioners were asked a number of questions about the status of fair housing, affordable housing and community service needs in Surprise. Members of the public were also invited to participate in the discussion.

Discussion and responses from the Quality of Life Commission meeting is summarized below:

Fair Housing Complaints

- There were approximately 2 fair housing complaints made directly to the City in the last 6 years. These complaints were forwarded to HUD. One complaint involved a property owner who wanted to create a group home. Unfortunately, the property owner did not do due diligence with regard to planning/zoning regulations, and did not know another group home was located very close by. HUD dismissed this fair housing complaint. The other complaint forwarded to HUD involved a church group and HOA. This was not a complaint against the City, and did not involve the City.
- If/when the City receives calls that are said to be fair housing complaints, they are usually concerns regarding eviction and non-payment of rent, not fair housing.

Public Education/Awareness

- The Commission discussed current methods of informing the public about City issues, including: flyers, advertisements, continued education classes, webpage, social media, community and senior centers, email blasts, etc.
- The Commissioners did not feel any segment of the population was being overlooked during this AI process.

ADA/Accessible Housing

- A member of the public pointed out that there may be a lack of affordable, handicap accessible housing in Surprise. He also felt that accommodations and modifications to current housing may be more expensive to do in Surprise than neighboring communities. The population is growing, aging, and he feels that the disabled population is growing as well. He feels this is an underserved need.

- The Consultant discussed the Zero Step requirement for visitability in model homes in Surprise. City Staff present at the Commission meeting pointed out that CDBG Housing Rehabilitation funds have been used to do modifications, for free, as a forgivable 5 year loan. Staff estimates that approximately 60% of rehab done via CDBG has included modifications such as ramps, roll-in tubs, bars, etc. Approximately 30 rehabs are done per year, throughout the City, based on income qualification.

Current Conditions

- The Commissioners had no first or second-hand knowledge of housing discrimination in Surprise.
- The Commissioners felt that there exists a lack of public transportation throughout the City of Surprise. Although the City Dial-A-Ride does a good job, there is only 1 bus line going to downtown Phoenix. There is no way via public transportation for residents to get around town. No area of town has affordable, available public transportation.
- Some City services and public facilities seem to be concentrated in the Original Town Site (OTS), partially due to CDBG Area Benefit. In addition, HOAs often have their own facilities, available only to that community. Section 10 does seem to be lacking public facilities. Lack of public transportation seems to make this worse.
- The OTS is the most diverse part of town, particularly the rest of the City grew around it. It has a demographic and cultural mix not seen in other parts of the City. The OTS also has a larger number of non-traditional housing options. City staff stated that the area may have been viewed as undesirable, but that is changing since the OTS is one of the few places without HOAs. Residents desiring larger lot size, less restrictions regarding parking work trucks, etc. are finding the OTS attractive.

Housing Service Providers

Organization	Key Person
Neighborhood Housing Services of Phoenix	Ramiro Pompa, Lending Manager
Chicanos Por La Causa	Tom Wilson, Project Manager

Interviewees were asked a number of questions about fair housing, affordable housing and community service needs in Surprise. In addition, interviewees were asked to complete the applicable survey for supplementary data-gathering. Their responses are summarized below. In addition, many key person interview questions are contained in the Appendix section of this document.

- Neighborhood Housing Services of Phoenix (NHSP) provides first mortgage lending, subsidy programs, education, and counseling (fair

housing component in homebuyer counseling and pre-purchase counseling).

- NHSP is licensed to do business in Arizona and partners with other developers such as Chicanos Por La Causa (CPLC) to develop houses.
- NHSP has not funding housing development in Surprise.
- CPLC has homes that have been acquired in Surprise.
- The biggest area of feedback from the public is that there is not enough assistance, such as HOME and downpayment assistance for residents.
- Clients of NHSP must come to Phoenix to attend training and counseling; there is no NHSP office in Surprise.
- NHSP has a comprehensive education program on fair housing issues as part of the education and counseling activities. The clients are advised of rights, and complaints are referred to Community Legal Services. Surprise residents have occasionally attended NHSP classes. NHSP materials are provided in English and Spanish.
- NHSP knows of no specific discrimination complaints in the City of Surprise.

Public Meetings and Community Outreach

Members of the general public, as well as representatives of various community groups were invited to attend public input meetings. Public meetings were held on February 28 and 29, 2012, specifically for Residents, Lenders, Realtors, and Housing Service Providers. In addition, many representatives were contacted via phone and email in order to solicit their input and participation in the appropriate fair housing survey. Since survey completion is anonymous, it is not known which organizations provided input through the survey. However, many organizations were contacted and their information has been included in this analysis. Organizations contacted include:

Member of Public or Agency/Organization Represented
Arizona Attorney General , Civil Rights Division
Arizona Bankers Association
West Maricopa Association of Realtors (WeMAR)
Community Services of Arizona, Inc. (CSA)
Arizona Fair Housing Center
Southwest Fair Housing Council
Arizona Department of Economic Security
Arizona Bridge to Independent Living (ABIL)
Arizona Center for Disability Law
Catholic Charities Community Services
Community Services of Arizona, Inc. (CSA)

Urban League
Arizona Office for Americans with Disabilities
Benevilla
Maricopa County Community Development Agency
Housing Authority of Maricopa County
local residents, business owners, retirees

Public Distribution of the AI

The AI document was available for the public via the City’s website for a public comment period of at least 30 days. Copies of the AI were also provided to the Surprise elected body and at the City’s libraries. Participants in the AI process will be notified of the availability of the draft document and sufficient copies made available for interested parties at City Hall.

Public Education and Outreach

City of Surprise

The City of Surprise currently has 15 advisory boards and commissions with seats held by resident citizens. The commitment to each board or commission varies, but most meet once per month for several hours. Information regarding available seats and applications is available on the city’s website. Citizens may be appointed to the following boards and commissions, with additional information given for those boards/commission that may involve fair housing issues:

- Arts and Cultural Advisory Board
- **Board of Adjustment Committee** - serves as an appellate governing body when a Planning & Zoning Commission action is called into dispute.
- **Building and Construction Review Board** - shall hear and decide appeals of orders, decisions or determinations made by the building official concerning the application, interpretation, and enforcement of the adopted technical codes. The board shall also determine the suitability of alternate materials and methods of construction and, if applicable, recommend modifications.
- Community and Recreation Services Advisory Board
- **Disability Advisory Commission** - advises the City Council and city staff on issues of access, representation, employment, housing and quality of life affecting the city residents with disabilities and their respective families. Commissioners also serve as a resource for city residents with disabilities and their families to express concerns regarding issues affecting them.
- **General Plan Advisory Committee** - charged with providing important advice and oversight on the General Plan update process by systematically reviewing completed work, including draft goals, policies, and action programs, and generally providing feedback to staff on the

General Plan update. The Committee may also help out with building community support for the plan they are helping create.

- Judicial Selection Advisory Commission
- Municipal Property Corporation Board
- Personnel Appeals Board
- **Planning and Zoning Commission** – makes recommendations to the Surprise City Council on all zoning or rezoning, as well as preliminary plats and general plan amendments. Members also recommend such regulations and restrictions concerning the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land, as it shall deem to be in the best interests of the city and its inhabitants. The commission also approves conditional use permits and new site plans.
- **Quality of Life Commission** – advises the City Council regarding the most advantageous methods of revitalization, as determined by the board's participation in a collaborative process with city residents and businesses, as well as gathering information and seeking the assistance of other agencies that may be helpful to the process of revitalization. The board also can make recommendations on the city's revitalization efforts, code enforcement, planning and economic development in areas of the city in need of revitalization.
- **Transportation Commission** – participates in periodic updates to the city transportation plan, review specific corridor plans and regional transportation facilities that may impact city transportation networks. The review and oversight by this commission is not limited to city-led planning efforts, but also includes studies done by, or on the behalf of, other transportation agencies in the region. The Transportation Commission will also make recommendations and/or reports to city council on transportation plans and specific projects.
- Teen Advisory Board
- Tourism Advisory Board
- Loss Trust Fund Board

A division of the City Manager's Office, Marketing & Communications communicates the goals and activities of Surprise city government and assists residents and visitors in finding information about the City. The Marketing & Communications division operates the City's web site and Surprise Channel 11. The division also publishes the Surprise Progress quarterly, the annual Newcomer's Guide and Telephone Directory, brochures, advertisements and more. Communications staff also issues news release and responds to media inquiries about city government.

Surprise 11 is the city-operated cable channel serving the residents of Surprise and the neighboring community of Sun City West. Surprise 11 is available to Cox cable subscribers on Channel, and is available online. Surprise Channel 11 programming includes:

- **City Council Meetings**
- **Planning and Zoning Meetings**
- **Progress TV**

- **Today in Surprise**
- **Chamber Minute**
- **Chamber Speaker Series**
- **Surprise Spotlight**
- **Council Conversations**
- **On the Road**
- **Surprise in Five**
- **Dispatch – Public Safety TV**
- **Surprise University**
- **Welcome to Surprise!**
- **State of the City**

The **Surprise Progress** magazine is direct-mailed to about 50,000 Surprise households four times per year. It includes in-depth articles on events, people and issues involving the City. The magazine may also be viewed on the City's web site.

The **Compassionate Surprise** effort is committed to linking residents to programs that provide the help people need in many facets of life, programs that offer the support needed for a fuller, safer, more community-oriented Surprise life. On the Compassionate Surprise webpage, residents will find access to resources ranging from fire safety, flu shots, emergency clothing, and employment assistance. Some of the programs are provided directly by the City, others are provided by regional assistance agencies.

The **Surprise Neighborhood Award Program (SNAP)** was created by the Surprise Quality of Life Commission to recognize neighborhoods, community leaders/ partners and young community activists who "SNAP" into action and make significant contributions to improve the city's neighborhoods. SNAP is presented once a year for the following categories: Outstanding Neighborhood Leader; Outstanding Neighborhood Partner; Outstanding Neighborhood; Outstanding Young Leader; and Outstanding Faith-based Partner.

The **Community Mediation Program** offered by the city of Surprise provides trained volunteers who act as an impartial third party to facilitate discussion between disputing parties and help them to arrive at a mutually satisfying solution. Surprise has a team of mediators available. The Community Mediation Program will consider the following types of disputes: neighbor-to-neighbor, resident to HOA board or committee, landlord-tenant, consumer issues, resident to city, commercial and business disagreements, and workplace related disputes. Disputes involving violence or the threat of violence will not be accepted.

Surprise University gives Surprise residents and others an understanding of City government and operations, as well as training to become effective community servants and leaders. Classes offered through Surprise University include Citizen's Patrol Police Academy, City Academy, Financial Fitness, Homeowner's Association (HOA) Academy, HOA Connection, Landscape

Classes for Homeowners, the Mediation Program, Teen Leadership Academy, and the Business Academy.

The City of Surprise Community Development Department, Neighborhood Services Division, offers free rentals of its **Block Party Trailer**. The trailer comes equipped with everything you will need to get your Block Party started including: chairs, tables, coolers, canopy tents, sports equipment, name tags, garbage bags, a PA-stereo system, lighting, and a generator. City staff will deliver the trailer and be present during the event.

The **Surprise Citizen Patrol** was created in 1997 to help ensure a safe environment by providing quality customer service to the people who live and work in the City of Surprise. This volunteer based program is currently comprised of 62 highly-trained men and women who donate their time and skills in the furtherance of the Police Department Mission. Members of the Surprise Citizen Patrol wear uniforms and operate patrol vehicles while performing a wide variety of valuable services.

Fleet Watch is a local effort involving the City and businesses in crime prevention and public safety. Each citizen involved in Fleet Watch is an additional set of eyes and ears for local law enforcement officials. Participants in Fleet Watch are encouraged to notify law enforcement via two-way radio or telephone if they observe anything of a suspicious nature, a traffic accident, a child in trouble/distress, or if approached by a citizen with similar issues or concerns.

The **Civilian Observer Ride-A-Long Program** was introduced to provide an opportunity for citizens to get a first-hand look at the services provided to the community by the City of Surprise Police Department. Approved Observer's will ride side by side with a Patrol Officer as they respond to daily calls for service such as crime reports, traffic stops, court service, and arrests.

The **Teen Leadership Academy** was designed to increase the understanding of the Police Department's operations to Surprise teens. The Academy is conducted over a four week period encompassing four consecutive Saturdays.

Other Public Outreach

The **Arizona Attorney General (AG) Civil Rights Division's** website (http://www.azag.gov/civil_rights/fairhousing/) offers information to the public on housing discrimination facts, the Fair Housing Act (FHA), Tenants Rights and Responsibilities handbook, FHA Accessibility Compliance Site Review form, and a direct link for making a housing discrimination complaint. Much of this information is available is also available in Spanish form.

The **Southwest Fair Housing Council (SWFHC)** is a non-profit agency funded by memberships, donations, HUD, the Arizona Department of Housing, and CDBG funding. SWFHC works to ensure fair housing by providing a variety of free services directed toward education and enforcement:

- Investigating individual complaints of housing discrimination;
- Obtaining evidence to support enforcement action by public agencies conducting legal or administrative actions;
- Initiating complaints and litigation to serve fair housing goals;
- Informing and advising community residents of their fair housing rights, including presentations at community meetings and special events;
- Conducting mediations;
- Conducting conferences, training programs, and seminars to inform housing professionals about housing laws;
- Assisting businesses, neighborhood groups, agencies, and units of government in the development of fair housing goals, plans and strategies, and actions; and
- Providing information and referrals for persons and families with housing needs. (Source: <http://www.swfhc.com/about.htm>)

SWFHC has assisted the City of Surprise with fair housing education for residents, homeowner associations (HOAs) and Realtors.

The **Arizona Fair Housing Partnership (AZFHP)** is a statewide coalition of government agencies, housing industry representatives, nonprofit organizations and housing advocates. The purpose of the AZFHP is to:

- Provide information to the public and policy officials regarding fair housing;
- Sponsor fair housing training for housing professionals;
- Monitor discriminatory practices and recommend actions to overcome fair housing barriers;
- Strive to achieve a discrimination free housing market through the partnership model; and
- Recruit agencies and representatives to promote equal access to fair housing.

The **Arizona Multihousing Association (AMA)** is a non-profit advocacy association for the rental housing industry. They do not participate in direct outreach to the public, but the AMA is a partner of AZFHP. Every year the AMA offer fair housing training for landlords, leasing agents, and managers. The training classes are taught by attorneys who specialize in fair housing.

Community Legal Services (CLS) is a not-for-profit Arizona law firm incorporated in 1952 as a legal aid program organized to promote equal access to justice for all. CLS provides legal services to clients in certain civil (non-criminal) areas of the law that affect the critical needs of the low income client community. These services are provided to individuals and families residing in the CLS five county service areas, including Maricopa County, whose household income is at or below 125% of the federal poverty guidelines.

The **Arizona Fair Housing Center (AFHC)** is a private, non-profit civil rights advocacy organization. Its mission is to eliminate housing discrimination through enforcement, education and outreach. AFHC is funded by federal and local

governments, and private donations, but is not currently funded by the City of Surprise. AFHC can perform the following fair housing services:

- Intake of fair housing complaints;
- Systemic investigation of housing discrimination;
- Referrals to attorneys and government agencies;
- Counseling and mediation; and
- Provide technical assistance and professional support to government agencies, civil rights organizations, housing providers, social service agencies, and other housing industry professionals.

The **Arizona Bridge to Independent Living** (ABIL) is Arizona's largest center for Independent Living. ABIL offers and promotes programs designed to empower people with disabilities to take personal responsibility so they may achieve or continue independent lifestyles within the community. ABIL offers services to facilitate implementation of the Americans with Disabilities Act (ADA) throughout the state including ADA training, technical assistance and materials to businesses and persons with disabilities on the requirements and options of the ADA. ABIL offers advocacy services with the intent of facilitating cooperative compliance. ABIL provides ADA counseling on larger projects such as facility surveys and job accommodations. ABIL is a partner within the Arizona Fair Housing Partnership and includes coverage of Maricopa County. ABIL estimates that they receive approximately 300 phone calls per month from the public, and that one-third of those calls are housing related. Information regarding cases/calls specifically within the City of Surprise is not available.

Benevilla is a nonprofit organization in Surprise that provides an Adult day center, dementia specific adult day facilities, child day care and intergenerational programming, Friendly Visitor program, grocery shopping service for homebound individuals, business assistance, minor home repair service, Lifeline personal response systems, home delivered meal program for Surprise residents, a Family Resource Center, and information and referral services.

Catholic Charities Community Services provides counseling for individuals, couples, families, adults, and children on a sliding fee scale. Community services include information and referral by phone or in person, life skills classes, crisis intervention, emergency financial assistance for utilities, prescriptions, work and school clothing.

Area Agency on Aging, Region One/Phoenix, plans, coordinates, develops and delivers services for seniors (60 years and older), persons of any age who are HIV positive, adults (18-59 years) with disabilities and long-term care needs, and family caregivers of older adults.

Society of St. Vincent de Paul, Phoenix, directs programs including services for the homeless, medical and dental care for the working poor, charity dining rooms, thrift stores, a transitional housing shelter and general assistance for individuals in need.

Community Action Program (CAP) provides services including access to health care, nutrition programs, financial education, literacy services, employment services, financial assistance, tax assistance, GED and English as a second language services, case management, and referral services. Limited financial assistance is available for utilities, electricity, gas, rent, and mortgage for eligible residents. Funding for this program comes primarily from Maricopa County, Department of Human Services.

VI. FAIR HOUSING IMPEDIMENTS AND RECOMMENDATIONS

PREVIOUSLY IDENTIFIED IMPEDIMENTS AND RECOMMENDATIONS

Based on the research and data available, the following Action Plan and activities are recommended to reduce impediments to fair housing within the City of Surprise. Surprise's previous Analyses of Impediments to Fair Housing provided recommendations for specific actions that the City of Surprise could take to reduce impediments to fair housing choice. This section briefly reviews some of those previously recommended actions from the 2006 Analysis, provides an update on City actions, and sets forth updated recommendations. See Appendix 2 for status matrix on previous impediments.

Impediment #1: Lack of diversity in many Census Tracts.

Recommendation #1:

Engage the real estate community in increasing opportunities for greater diversity in neighborhoods.

(Performance measure: number of meetings initiated.)

Become a participant in the Arizona Fair Housing Partnership.

(Performance measure: number of meetings attended.)

Current status:

In 2007, the City hosted a Fair Housing and ADA overview for Realtors and City staff. The City has also hosted several fair housing-related workshops over the last 6 years, open to the general public.

The City of Surprise is not listed one of the participants/partners of the Arizona Fair Housing Partnership (<http://azfairhousing.info/Partners.html>).

Updated recommendation:

The City should continue to partner with the real estate community to increase opportunities for greater diversity in neighborhoods. It is apparent that there is very little diversity throughout the City (81% White according to 2010 Census Bureau data).

It is not clear from performance reporting whether the City of Surprise regularly attends Arizona Fair Housing Partnership (AFHP) meetings. However, the City should pursue partnership with AFHP to have greater access to information, resources, and networking opportunities with other municipalities (8 Arizona cities are currently partners with AFHP).

Impediment #2: High denial rates for Black/African Americans in Census Tract 405.11.

Recommendation #2:

Engage the services of one of the fair housing services to provide paired test to assess whether minorities are treated with different terms and conditions. (Performance measure: Number of tests performed.)

Current Status:

There is no evidence that fair housing testing was done in Census Tract 405.11, or anywhere in the City of Surprise. The City changed its focus to fair housing education efforts instead.

Updated Recommendation:

According to 2010 HMDA data, Census Tract 405.11 is 2% minority with a denial rate of 17%. The City of Surprise denial rate is 16.4%, only 0.6% difference. Although the denial rate does not seem markedly higher than the City's average rate, it is recommended that the City fulfill the original goal of fair housing testing in order to completely investigate the possibility of unequal access to housing and mortgages, and avoid potential fair housing complaints/cases. In addition, the City exhibits fairly low number of minorities according to 2010 Census data, particularly when compared to neighboring municipalities, and it is important to know whether that could be a result of discrimination or other factors.

Impediment #3: Lack of affordable rental housing has a disproportionate impact on single female heads of household with children.

Recommendation #3:

Develop an IGA with the Housing Authority of Maricopa County to formalize the operating relationship with the agency. (Performance measure: IGA executed.)

Seek additional resources to facilitate development of affordable rental housing. (Performance measure: Additional affordable units constructed for families.)

Current Status:

The City does not have an intergovernmental agreement (IGA) with the Housing Authority of Maricopa County (HAMC) because it was determined that the City has a relationship with the HAMC that allows for referral of persons in need of housing. It was felt that a formal intergovernmental agreement without some specific funding or goals that could be pursued would not be effective.

The City has been has qualified for \$2,197,786 in Neighborhood Stabilization Program (NSP) funds over the course of four years (2009 - 2012). Surprise is in the process of using the money to purchase at least 12 foreclosed properties in the city. The homes are repaired, or demolished and rebuilt, then resold to qualified homebuyers, some of which could address this recommendation.

Updated Recommendation:

The above results in a determination that the requirement of an intergovernmental agreement should be considered closed. As an alternative, the City will request an annual summary from the Housing Authority of Maricopa County of the number of public housing units and Section 8 voucher recipients within the City of Surprise. The summary report should also include pertinent demographic and economic data of residents, protected classes represented within the units, fair housing education on behalf of tenants and landlords, and other data important for tracking and reporting purposes.

The City should continue to fulfill the goals and performance measures of the NSP.

Impediment #4: Lack of knowledge about fair housing rights and how to file a fair housing complaint.

Recommendation #4:

*Facilitate and/or participate in fair housing training for City staff, real estate professionals, and citizens.
(Performance measure: sessions provided.)*

Current status:

Since 2006, the City has facilitated approximately 8 seminars covering fair housing issues.

Updated recommendation:

The City should continue to provide education and training opportunities for City staff, real estate professionals, residents, and other segments of the Surprise population.

Impediment #5: Lack of fair housing infrastructure required as part of the CDBG Certification to Affirmatively Further Fair Housing.

Recommendation #5:

*Modify the Fair Housing page on the City website to access directly HUD and the Attorney General's fair housing web sites.
(Performance measure: new information available.)*

*Develop a data base that can be used by both the Fair Housing Coordinator and the ADA Coordinator to record, identify, and track resolution when fair housing complaints and inquiries come to the City.
(Performance measure: a new useable database.)*

Develop a grievance procedure for Section 504 complaints. Such a procedure may also be used for other types of complaints related to federal grants administration.

(Performance measure: a formal administrative grievance procedure.)

Update the AI periodically as new information is available from the Census or other sources which makes an update appropriate.

(Performance measure: periodic updates to the AI.)

Current status:

Within the City's Fair Housing page, there is a direct link to, but not one for the Arizona Attorney General.

The City of Surprise has an ADA Coordinator. In addition, the Neighborhood Services Supervisor in the Surprise Community Development Department serves as Fair Housing Coordinator. Other staff within the Community Development Department works on fair housing issues as well. There is a database within the Community Development Department that can be used to track fair housing complaints.

The ADA Coordinator has a dedicated webpage and direct link for Section 504 (and ADA) related complaints. The City also has a Disability Advisory Committee to focus on community-wide accessibility issues.

There have been no updates to the AI since 2006.

Updated recommendation:

The City's Fair Housing page should include a direct link to the Arizona Attorney General's Fair Housing page as well as HUD. Arizona law has been federally designated as "Substantially Equivalent," and the Arizona Attorney General's (AG) Civil Rights Division investigates and rules on many fair housing cases on HUD's behalf. Fair Housing complaints can be filed online at:

http://www.azag.gov/civil_rights/complaintform.html. The ADA Coordinator should continue to work with the public on ADA and Section 504 complaints.

Due to its rapid and continued growth, the City should consider updating AI data at least once prior to completing a new AI. Tracking population and demographic changes would assist the City of Surprise with ensuring fair housing choice for protected classes.

CURRENT IDENTIFIED IMPEDIMENTS AND RECOMMENDATIONS

A. Impediment #1: Lack of Fair Housing Awareness; and Lack of a Fair Housing Officer

Action: Improve Fair Housing Awareness; Designate a Fair Housing Officer

Recommendation 1

The City should designate a Fair Housing Officer to be consistently available to address fair housing issues. That person should maintain representation and active participation with fair housing networks and service providers such as the Arizona Fair Housing Partnership.

Status:

The City's Neighborhood Services Supervisor currently serves in the role of Fair Housing Officer. Other staff of the Community and Economic Development Department, supervised by that position, also works with fair housing education and information but in a limited role.

Recommendation 2

The City should use existing institutional structure to disseminate fair housing information, provide fair housing education opportunities, and assist with fair housing complaint referrals.

Status:

The City has made great strides in promoting fair housing education and outreach. However, rapid growth (Surprise is now 4 times more populous than in 2000) and development necessitate increased efforts of raising fair housing awareness. Of citizens surveyed, 81% were not familiar with fair housing or social services provided by the City of Surprise, and 84% had not seen/heard information on fair housing within the City of Surprise.

There exists an extensive institutional structure of nonprofits and other service groups that could be used to disseminate fair housing information and provide education. In addition, these existing groups could assist with outreach efforts by properly referring citizens with fair housing complaints. The City should target local, countywide, and statewide organizations for this purpose, including but not limited to: Surprise Quality of Life Commission; Disability Advisory Commission; Arizona Fair Housing Center; Community Legal Services; Southwest Fair Housing Council; and Arizona Fair Housing Partnership. By providing fair housing outreach efforts with these organizations, the City would engage a command audience to receive fair housing information.

Recommendation 3

Use existing institutional structure to quarterly survey agencies and organizations for status of fair housing complaints and issues and assess data on a bi-yearly basis for any needed follow-up.

Status:

In conjunction with Recommendation 1, the City could also target their outreach efforts to existing organization meetings to survey, track, and assess fair housing issues community-wide. If needed, the City could take any needed action or follow-up by the Fair Housing Officer.

Recommendation 4

Continue to use Surprise Channel 11 programming and website, and the City newsletter, to reach more citizens with fair housing information. Also, use the City's social media sites such as Facebook and Twitter to educate and promote fair housing.

Status:

Surprise Channel 11 programming, the Channel 11 website, and use of the City newsletter has the potential to reach many protected classes of people with fair housing information. The majority of citizens surveyed (63%) felt that information on the City website would be the best way to inform citizens of fair housing issues and updates.

B. Impediment #2: Limited Public Transportation limits Housing Choices

Action: Pursue Additional Public Transportation Options

Recommendation 5

As feasible, the City shall collaborate and cooperate with regional transit authorities to improve and expand public transit routes and hours of operations, specifically in housing, medical, commercial, and employment centers.

Status:

Public transportation can play a significant role in increasing the supply of affordable housing to groups in need and others protected under fair housing laws. Public transportation is inefficient and nonexistent in much of the City, making many neighborhoods inaccessible to those without dependable means of transportation, particularly very low-income residents, the elderly, and persons with disabilities. Fifty percent (50%) of citizens surveyed felt that insufficient public transportation with a barrier to fair housing. Due to local budget challenges and dwindling state resources, the City is unable to meet its transportation needs. However, the City does provide some subsidized public transportation services for the elderly and medical reasons. City staff also works with regional bodies and changes to regional routes for greater efficiency has assisted.

C. Impediment #3: Accessible Housing Needs Exist

Action: Evaluate ADA Education and Accessible Housing Needs

Recommendation 6

The City should continue to make efforts to provide builders with information packets regarding ADA requirements, post requirements on the City's website, and incorporate ADA requirements in the development review and permitting process of housing construction.

Recommendation 7

It is recommended that the City consider addressing the apparent deficit of affordable housing that is ADA accessible by having the Disability Advisory Commission conduct a comprehensive review of the ADA accessible housing unit levels of supply and demand. Using that data, the City can support the development and/or retrofitting of additional ADA accessible housing units. This would also encourage the Commission to broaden their scope and assist the City's fair housing efforts.

Status:

Much of the growing Surprise population is ages 65 years and over (18% of total population). That segment of the population has the higher incidence of disabilities, estimated at over 27% for 2010. Many of these residents choose to live in place and need accessible, affordable options for doing so. According to the Planning and Zoning Review of Public Policies and Practices completed by City staff, the zoning ordinance does not deny housing opportunities for disabled individuals with on-site housing services. However, the planning and zoning code does not include a definition of "disability" that is included in the Fair Housing Act.

ACTION PLAN AND TIMELINE

Remedial Action Recommended	1-Year Goals	3-Year Goals	On-Going Goals
ACTIONS TO ADDRESS PREVIOUSLY IDENTIFIED IMPEDIMENTS			
Continue to partner with the real estate community to increase opportunities for greater diversity in neighborhoods.			X
Pursue partnership with the Arizona Fair Housing Partnership.	X		
Conduct/oversee fair housing testing.		X	

Request an annual summary from the Housing Authority of Maricopa County on public housing units and Section 8 voucher recipients within the City of Surprise.	X		
Continue to provide fair housing education and training opportunities for City staff, real estate professionals, residents, and other segments of the Surprise population.			X
Include a direct link on the City's website to the Arizona Attorney General's Fair Housing page for filing complaints.	X		
ACTIONS TO ADDRESS EXISTING IMPEDIMENTS			
<p>Impediment: <i>Lack of fair housing awareness and Lack of a Fair Housing Officer</i></p> <p>Action: <i>Improve Fair Housing Awareness; Designate a Fair Housing Officer</i></p>			
<p>Recommendation 1</p> <p>Designate a fair housing officer and maintain representation and active participation with fair housing networks and providers</p>			X
<p>Recommendation 2</p> <p>Use existing institutional structure and partners to more effectively disseminate fair housing information, provide fair housing education, and assist with fair housing complaints.</p>	X		
<p>Recommendation 3</p> <p>Use existing institutional structure to quarterly review fair housing complaints and issues and assess data on a bi-yearly basis for follow up.</p>			X
<p>Recommendation 4</p> <p>Increase the use of the City's government access channel, Surprise Channel 11, the City's website, and City's newsletter for fair housing education. Also, use the City's social media sites to educate and promote fair housing.</p>			X
<p>Impediment: <i>Lack of adequate public transportation between</i></p>			

<p><i>housing and employment, and medical services.</i></p> <p>Action: Pursue Additional Public Transportation Options</p>			
<p>Recommendation 5</p> <p>As feasible, the City shall collaborate and cooperate with regional transit authorities to improve and expand public transit routes and hours of operations, specifically in housing, medical, commerce, and employment centers.</p>			<p>X</p>
<p>Impediment: Existence of accessible housing needs.</p> <p>Action: Evaluate ADA Education and Accessible Housing Needs</p>			
<p>Recommendation 6</p> <p>Continue to provide additional information on ADA requirements to builders and developers, post requirements on the City’s website, and incorporate ADA requirements in the development review and permitting process.</p>	<p>X</p>		
<p>Recommendation 7</p> <p>Use the Disability Advisory Commission to conduct a review of accessible housing supply and demand, and uses, to aid Commission to increase outreach on fair housing issues.</p>		<p>X</p>	

APPENDIX 1 - Glossary of Tables, Charts, and Maps

Racial Distribution of Population Chart	9
Surprise 2000 Census Tracts Map (1).....	10
Surprise 2010 Census Tracts Map (2).....	11
Number of households within the City Limits Map (3).....	12
Percent African-American Map (4.).....	13
Percent Hispanic Map (5).....	14
Average Household Size Chart.....	15
Surprise Overcrowding Map (6).....	16
Household Types Chart.....	17
Percent Female Headed Households with Children Map (7).....	18
FY 2010 Maricopa County HUD Income Limits Summary Table.....	19
Median Household Income Map (8)	20
Low and Moderate Income Census Block Groups Map (9).....	21
Household Income Levels Table.....	22
Poverty Rate Map (10).....	23
Percent of Households on Public Assistance Map (11).....	24
Household Distribution by Income Chart.....	25
Unemployment Rate Map (12).....	26
Largest Employers Table.....	27
Surprise Labor Market Map.....	28
Transportation Corridors Map.....	30
Workers Taking Public Transportation Map (13).....	31
Travel Time to Work Table.....	32
Total Housing Units by Occupancy Chart.....	33
Percent Vacant Housing Map (14).....	34
Occupied Housing Units Chart.....	35
Percent Owner Occupied Housing Map (15).....	36

Housing Unit Types Table.....	37
Year Structure Built Table.....	37
Percent of Housing Stock Built Before 1960 Map (16).....	38
Median Rent and Median Home Value with Income Required for Affordability Table.....	39
Median Home Value Map (17).....	40
Median Contract Rent Map (18).....	41
Homeowners Spending More Than 30% of Income on Housing Map (19).....	43
Home Renters Spending More Than 30% of Income on Housing Map (20).....	44
Arizona Renters by Income Level Table	45
Arizona Summary of Housing Problems Table.....	45
Arizona Owners by Income Level Table.....	46
Arizona Owner Housing Problems Table.....	46
Maricopa County Affordable Mortgages Table.....	47
Median Sales Price by County Table.....	47
Minority Housing Assessment Table.....	50
Housing Stock Available to Very Low Income Households Table.....	50
Disability Status Table.....	51
Disability Characteristics Table.....	51
Age and Number of Disabilities Table.....	52
Special Needs Analysis Table.....	53
Homeownership Rates by Race/Ethnicity Chart.....	56
African-American Households That Own Their Own Home Map (21).....	57
Hispanic Households That Own Their Own Home Map (22).....	58
City of Surprise Projects and Funding Table	59
Assisted Housing Inventory Table.....	63
Public Housing Units Table.....	63
Section 8 Vouchers and Mod Rehab Table.....	63
FDIC CRA Performance Ratings Table.....	68

Loan Applications and Denials, Minority %, and % AMI by Census Tract Table.....	70
Home Purchase Loan Applications Table.....	73
Refinance Loan Applications Table.....	73
Home Improvement Loan Applications Table.....	74
Loan Denial Rates Map (23)	75
Loan Applications Map (24).....	76
Conventional Loan Denial Rates Map (25).....	77
Home Improvement Loan Denial Rates Map (26).....	78
Refinance Loan Denial Rates Map (27)	79
Mortgage Denial Rates by % Minority Residents Map (28).....	80
Loan Origination Rates by Minority Concentration Table.....	81
Loan Origination Rates by Income Characteristic Table.....	82
Foreclosure Activity Counts Chart.....	83
12-Month Foreclosure Activity and 30-Year Mortgage Rate Chart.....	83
Current Foreclosure Rate Comparison Chart.....	84
Type of Foreclosure Activity by Month Chart.....	85
Foreclosure Status Distribution Chart.....	85
Foreclosure Sales Count Chart.....	86
Average Sales Price Chart.....	86
Neighborhood Stabilization Factors for Maricopa County.....	87
Fair Housing Complaints Involving Properties in Surprise Table.....	90
Survey Response Data Charts.....	94-107
Key Person Interview List.....	108-113
Action Plan and Timeline Table.....	126-127

APPENDIX 2 – Summary of Status of Fair Housing Goals/Strategies 2006

(HUD Impediment Matrix)

Key Impediments	Action Plan: Six Goals	Activities to Meet Goals	Current Status, Entity Implementing it, Year Completed (City to Complete)	\$ Invested	Still an Impediment (Yes/No)
Lack of diversity in many Census Tracts.	Opportunities for diverse populations to choose places to live throughout the community.	<p>Engage the real estate community in increasing opportunities for greater diversity in neighborhoods.</p> <p>Become a participant in the Arizona Fair Housing Partnership.</p>	<p>To be undertaken by Fair Housing Coordinator. (Completed?)</p> <p><i>Yes, through continuous education and outreach</i></p> <p>To be undertaken by Fair Housing Coordinator. (Completed?) <i>No, but participated in many third party practitioner trainings.</i></p>		Yes
High denial rates for Black/African Americans in Census Tract 405.11.	Equal access to credit and mortgages throughout the community.	Engage the services of one of the fair housing services to provide paired testing to assess whether minorities are treated with different terms and conditions.	<p>To be done by Neighborhood Services within the next 2 years. (Completed?)</p> <p><i>Not completed because drastic changes occurred in the housing market that made community education become a higher priority.</i></p>		No
Lack of affordable rental housing has a disproportionate impact on single female heads of households with children.	Opportunities for parents who become single to find places to live in the community.	Develop an IGA with the Housing Authority of Maricopa County to formalize the operating relationship with the agency.	<p>To be done by Community Development within next 18 months.</p> <p>(Completed?) <i>Wasn't necessary</i></p>		No

Key Impediments	Action Plan: Six Goals	Activities to Meet Goals	Current Status, Entity Implementing it, Year Completed (City to Complete)	\$ Invested	Still an Impediment (Yes/No)
		Seek additional resources to facilitate development of affordable rental housing.	<p>since market rate rental rates became the same as “affordable” rate.</p> <p>Community and Economic Development (What actions were taken? Ongoing?) Support provided to non-profit agencies seeking tax credits to build affordable housing, ie. Bell Mirage Estates</p>		
Lack of knowledge about fair housing rights and how to file a fair housing complaint.	Increase in people’s knowledge of fair housing rights.	Facilitate and/or participate in fair housing training for City staff, real estate professionals, and citizens.	Several sessions were conducted or attended by City staff. The department also worked with homeowner associations and other partners and disseminated fair housing information.		Yes
Lack of fair housing infrastructure required as part of the CDBG Certification to Affirmatively Further Fair Housing.	Compliance with the CDBG Certification to Affirmatively Further Fair Housing.	<p>Modify the Fair Housing page on the City website to access directly HUD and the Attorney General’s fair housing web sites.</p> <p>Develop a data base that can be used by both the Fair Housing Coordinator and the ADA Coordinator to record, identify, and track resolution when fair housing complaints and inquiries</p>	<p>Neighborhood Services and City Web Manager. (Completed?) Yes</p> <p>Monitored 2 HOME multi-family properties as peer review for a HOME consortium. Projects located in the City of Surprise.</p>		No

Key Impediments	Action Plan: Six Goals	Activities to Meet Goals	Current Status, Entity Implementing it, Year Completed (City to Complete)	\$ Invested	Still an Impediment (Yes/No)
		<p>come to the City.</p> <p>Develop a grievance procedure for Section 504 complaints. Such a procedure may also be used for other types of complaints related to federal grants administration.</p> <p>Update the AI periodically as new information is available from the Census or other sources which makes an update appropriate.</p>	<p>New useable database updated throughout 2008-9 Grant year.</p> <p>(Currently used/available/reporting?) A procedure was established as it relates to accessing any Federal Program within the City.</p> <p>Fair Housing Coordinator and City Attorney. (Completed?) New AI will address this. No previous updates.</p>		

APPENDIX 3 - Survey Instrument

I. INTRODUCTION

THIS SURVEY IS FOR INFORMATIONAL PURPOSES ONLY AND ALL SURVEY RESPONDENTS IDENTITIES WILL REMAIN ANONYMOUS.

This survey is for the Analysis of Impediments to Fair Housing Choice (A.I.), a document required of the City of Surprise by the U.S. Department of Housing and Urban Development (HUD).

The Federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, national origin, religion, sex, familial status, and disability.

II. BACKGROUND

HUD defines Impediments to Fair Housing Choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices;
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

If you have encountered a barrier/impediment to renting or buying a home because of your race, color, national origin, religion, family status, gender, disability, or sexual orientation, you may have experienced housing discrimination.

Examples of Possible Housing Discrimination:

- An agent refusing to sell, rent, or show available housing.
- A person only being shown housing in areas or neighborhoods of minority concentration.
- A landlord providing different housing services, or enforcing different rules, for minority tenants.
- A prospective tenant being told the dwelling is not appropriate for a family.
- A dwelling has an available sign, but prospective tenants are told it is not available.
- The existence of planning and zoning regulations that limit the ability or choices of certain groups to secure decent housing.
- A person being denied a loan, or getting a higher interest rate, because of being a member of a certain group.
- A person being denied a loan, or getting a different interest rate, because of buying in a minority neighborhood.

III. SURVEY QUESTIONS

1. Do you live within the limits of the City of Surprise, or have your address listed as the City of Surprise?
 Yes
 No

2. Which ethnic or cultural group do you consider yourself a member of? Please check one:
 Anglo/White
 African American/black
 Hispanic/Chicano/Latino
 American Indian/Native American
 Asian/Oriental/Pacific Islander
 Multiracial
 Prefer not to answer
 Other (please specify): _____

3. What is your current marital status? Please check one.
 Married
 Single head of household
 Domestic partners
 Divorced
 Widowed
 Prefer not to answer

4. Which income category does your total household income fall into? Please check one:
 Less than \$20,000
 \$20,001 to \$30,000
 \$30,001 to \$40,000
 \$40,001 to \$50,000
 \$50,001 to \$60,000
 \$60,001 to \$70,000
 \$70,001 or more
 Prefer not to answer

5. Do you, or someone in your household, qualify as a “protected class” according to the Fair Housing Act? (Please see next question for a list of protected classes.)
 Yes
 No

6. If you answered "Yes" to question #5, to which protected class do you/your household belong? (check all that apply)
- Race
 - Color
 - Religion
 - Sex
 - National Origin
 - Familial Status (family with one or more persons under 18 years of age)
 - Disabled/handicapped
7. Do you have children under the age of 18 years?
- Yes
 - No
8. Housing discrimination can occur if someone is denied housing or housing financing based on which of the following categories (check all that apply):
- Race
 - Color
 - Religion
 - Sex
 - Disability/Handicap
 - Family Status (family with one or more persons under 18 years of age)
 - National Origin
 - Age
 - Sexual Orientation
 - Poor English Language Skills
 - Citizenship Status
 - Level of Income
 - Source of Income (public assistance)
 - Other (please list) _____
-
9. How much do you know about Fair Housing Laws, including State of Arizona Fair Housing Law?
- Very Knowledgeable
 - Somewhat Knowledgeable
 - Not Knowledgeable
10. Have you or anyone you know ever experienced housing discrimination in the City of Surprise?
- Yes, I have
 - Yes, a person I know has
 - No

11. If yes, which of the following best describes the person or organization that discriminated against you or the person you know?

- rental property manager/owner
 - seller of a housing unit
 - condominium or homeowner's association
 - real estate professional
 - loan officer or mortgage broker
 - municipal employee
 - other (please list)
-

12. What best describes the location where the discrimination occurred?

- rental apartment complex
 - individual housing unit for rent
 - single family housing unit for sale
 - condominium for sale
 - real estate office
 - lending institution
 - Public Housing Authority
 - City office
 - other (please list):
-

13. What do you believe was the basis for the discrimination you or the person you know experienced?

- Race
 - Color
 - Religion
 - Sex
 - Disability/Handicap
 - Family Status
 - National Origin
 - Age
 - Sexual Orientation
 - Poor English language skills
 - Citizenship Status
 - Level of Income
 - Source of Income (public assistance)
 - Other (please list):
-

14. What do you see as current impediments to fair housing choice, if any, within the City of Surprise?

- Race
- Color
- Ethnicity
- National Origin
- Sex
- Sexual Orientation

- Family Status
- Disability
- Age
- Insufficient Income
- Lack of sufficient quality affordable housing
- Insufficient public transportation
- Municipal codes, ordinances, or regulations
- Other (please list): _____

15. Do you feel your housing choices are geographically limited to certain areas or neighborhoods in the City of Surprise?

- No
- Yes

If yes, on what basis? (you may select from list above at question #14):

16. Do you think that affordable housing options are located throughout the City of Surprise, or are they concentrated in certain areas/neighborhoods?

- Spread throughout the City of Surprise
- Concentrated in certain areas/neighborhoods, such as:

17. Do you perceive certain geographic areas or neighborhoods within the City of Surprise to be undesirable?

- No
- Yes

If yes, please

identify: _____

18. Do you feel that there is an adequate supply of affordable housing that is available to all residents?

- Yes
- No

Why/why

not? _____

19. Do you feel that there is an adequate supply of affordable housing that is available to disabled residents?

- Yes
- No

Why/why

not? _____

20. Do you feel there is an adequate supply of affordable housing that is available to senior citizen residents?

- Yes

No
Why/why
not? _____

21. Do you feel there is an adequate supply of affordable housing that is available to residents with children?

Yes
 No
Why/why
not? _____

22. What did you do, or would you do, if you were discriminated against in housing choice? (Check all that apply)

- Nothing
- I wouldn't know what to do
- Complain to the individual/organization that discriminated against me
- Contact City offices
- Contact my elected municipal representative
- Contact a local fair housing organization
- Contact HUD
- Contact a private attorney
- Contact the City Attorney
- Contact the State Attorney General
- Other (please identify):

23. Are you familiar with fair housing services or other social services provided by the City of Surprise?

- Yes
- No

List the City services you know of such as senior, youth, disability, and employment services. Provide names/descriptions, if possible.

24. Have you seen or heard information regarding fair housing programs, laws, or enforcement within the City of Surprise?

- Yes
- No, (please skip to question #26)

25. If you answered yes to question #24, what information have you seen/heard? (check all that apply):

- fair housing flyers or pamphlets
- fair housing handbook
- fair housing public service announcement on the radio
- fair housing public service announcement on the television

- fair housing information at a public event
- other (please list):

26. Do you think that adequate fair housing information is available in other language translations?

- Yes
- No

27. In your opinion, how effective are the current fair housing laws, programs, and enforcement mechanisms?

- Very Effective
- Somewhat Effective
- Not Effective

28. What do you feel would be the most effective way to inform the residents of Surprise about their fair housing rights and/or responsibilities? (check all that apply):

- public meeting(s)
- fair housing literature/information in public libraries and City Hall
- television advertisements/announcements
- radio advertisements/announcements
- bilingual advertisements/announcements
- information on the City website
- other (please describe):

29. Do you have any suggestions for changes to fair housing laws and practices that would increase fair housing choice and/or remove impediments to fair housing choice?

If yes, please list:

30. Please list below what additional actions would you suggest that the City of Surprise could take to address impediments and improve fair housing choice for all residents:

IV. SURVEY COMPLETION

THANK YOU FOR PARTICIPATING IN THE FAIR HOUSING SURVEY. YOUR RESPONSES WILL INFLUENCE IMPORTANT FAIR HOUSING PLANNING DECISIONS MADE BY THE CITY OF SURPRISE. IF YOU HAVE QUESTIONS ABOUT THE CONTENT OF THIS SURVEY, PLEASE CONTACT THE CITY OF SURPRISE AT (623) 222-3240.

APPENDIX 4 - Key Person Interview Questions

City of Surprise Analysis of Impediments to Fair Housing Informational Meeting for Housing Professionals Wednesday, February 29, 2012, 9:00 AM

1. What type of need exists for more public education in our community regarding fair housing issues?
2. Are there any fair housing issues dealt with directly by your agency or organization?
3. If your organization acts as a referral service for fair housing issues, to whom do you refer the public?
4. What are the impediments to fair housing in Surprise as you see them? What impediments affect the people your organization serves?
5. Can you describe any trends or patterns that have developed regarding impediments to fair housing? What are the possible causes for these trends/patterns?
6. In your opinion, what actions could or should be undertaken to address fair housing impediments and/or discrimination?

As a follow up, who do you think should be responsible for the taking the actions you identified?

7. Are there adequate resources, training, and other information on fair housing in the Surprise area?

If yes, what are some of these resources?

If no, please tell me some resources/training/information that would be helpful to you.

8. What zoning or land use laws in Surprise, if any, create barriers to fair housing choice, or encourage housing segregation?
9. Is there a lack of training in fair housing laws for real estate brokers and agents?
10. Which particular "predatory lending" practices are a serious problem in this area?

(Predatory lending practices may include targeting minority, female-headed, and/or elderly households with high interest rates; charging excessive fees without regard for borrowers' ability to pay; etc.)

11. Do financial institutions offer less favorable loan terms to minorities or special population groups? In what way?
12. Which lending practices that limit fair housing choice have you witnessed -- such as unfair procedures in loan origination and processing, prescreening, assessing credit risk, conducting appraisals and/or selecting appraisers, underwriting decisions, providing mortgage insurance or selecting insurers?
13. Where has Surprise experienced instances of redlining -- that is, an unwillingness of a financial institution to invest in declining or deteriorating neighborhoods, neighborhoods with a high concentration of minorities, or neighborhoods undergoing cultural and social change?
14. When have you seen an unequal application of "compensating factors" in conducting credit assessments of minorities or special population groups? (Compensating factors may include such things as: homebuyer education classes, a higher down payment or a down payment paid solely by the borrower, a strong credit score, length of employment, or savings.)
15. Do you have any suggestions or comments to make about fair housing policy or general fair housing issues in this community?

**City of Surprise Analysis of Impediments to Fair Housing
Meeting for Quality of Life Commission
Tuesday, February 28, 2012, 6:30 PM**

1. Are there landlords/property owners in Surprise who won't rent to minorities or persons of certain ethnic origins? Have you experienced this?
2. Are there landlords/property owners in Surprise who won't rent to persons receiving government housing or financial assistance?
3. Are mortgage or loan rejections in Surprise at a higher rate for minorities or special population groups than the general population?
4. Is there a lack of training in fair housing laws for real estate brokers and agents?
5. What specific sectors of the Surprise community need to be surveyed/interviewed/heard regarding fair housing issues?
6. Are Section 8 and/or affordable housing opportunities available in all areas? Or only in areas of high minority concentration? Other areas?
7. Do discriminatory practices exist in tenant selection in Surprise? Have you experienced this?
8. Which lending practices that limit fair housing choice have you witnessed -- such as unfair procedures in loan origination and processing, prescreening, assessing credit risk, conducting appraisals and/or selecting appraisers, underwriting decisions, providing mortgage insurance or selecting insurers?
9. Where has Surprise experienced instances of redlining -- that is, an unwillingness of a financial institution to invest in declining or deteriorating neighborhoods, neighborhoods with a high concentration of minorities, or neighborhoods undergoing cultural and social change?
10. When have you seen an unequal application of "compensating factors" in conducting credit assessments of minorities or special population groups? (Compensating factors may include such things as: homebuyer education classes, a higher down payment or a down payment paid solely by the borrower, a strong credit score, length of employment, or savings.)

11. Are there an adequate number, location, and/or types of public and privately owned rental units that are accessible to and modified for, persons with physical disabilities?
12. Does Surprise have neighborhoods without effective public transportation to jobs and job training opportunities (including persons with mental and/or physical disabilities)? Which neighborhoods?
13. Are neighborhoods in Surprise experiencing racial conflict? How so?
14. Are there numerous deteriorating and declining neighborhoods in Surprise – where high crime and drugs, lack of transportation, vacant and deteriorating buildings, insufficient recreational facilities, high unemployment, and limited commercial enterprises exist?
15. Is there an unequal provision of city or municipal services to specific neighborhoods? Which neighborhoods?
16. Is there a disproportionate concentration of minorities in declining and deteriorating neighborhoods? Which neighborhoods?
17. Is affordable housing concentrated in deteriorating and declining neighborhoods? Where?
18. Is there a shortage in the overall supply of affordable housing, or an inequitable distribution of affordable housing?
19. Have you experienced neighborhood resistance to minorities, low-income persons, or persons with disabilities moving into a non-minority neighborhood, or into a moderate to high-income neighborhood?
20. Do you have any suggestions or comments to make about fair housing policy or general fair housing issues in this community?

APPENDIX 5 – Public Survey Flyer



PLEASE TAKE ONE!

ATTENTION ALL RESIDENTS:

SURPRISE NEEDS YOUR INPUT!

The City of Surprise is requesting your input as we analyze and review important fair housing programs and policies. Below is a link to a **brief online survey**, and we value your participation. The purpose of the survey is to gather information that will allow us to evaluate and assess current fair housing choices within the City of Surprise.

This information will be used in the preparation of the Analysis of Impediments to Fair Housing Choice (AI), a U.S. Department of Housing and Urban Development (HUD) mandated review of impediments to fair housing choice in the public and private sector.

We value your assistance and opinion, and appreciate you spending a few minutes to give us feedback and information.

Please use the following link to complete the survey:

<http://www.surveymonkey.com/s/SurpriseFairHousing>

Thank you for your assistance!

APPENDIX 6 – Public Meeting Notices



NOTICE OF PUBLIC MEETING

Attention: All Surprise Residents

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The City of Surprise will hold a Public Meeting on **Wednesday, February 29, 2012 at 2:00 P.M. at City Hall, located at 12425 W. Bell Road, Surprise, Arizona, 85374.** This meeting is intended to inform Surprise residents about the Analysis of Impediments to Fair Housing Choice (AI), as well as provide an opportunity for all to participate in the AI planning process.

Entitlement communities like Surprise are required by the U.S. Department of Housing and Urban Development (HUD) to complete an AI every five years. 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.

Persons living and working in Surprise are encouraged to attend and provide input. Anyone unable to attend this meeting but wishing to make their views known may do so by submitting written comments to: City of Surprise Community and Economic Development Department, 16000 N. Civic Center Plaza, Surprise, AZ 85374.

Individuals with disabilities requiring auxiliary aids or services should contact the City by writing or calling the following: City of Surprise Community and Economic Development Department, 623-222-3238, 16000 N. Civic Center Plaza, Surprise, AZ 85374.



NOTICE OF PUBLIC MEETING

Attention: Realtors, CDCs, Bankers, Mortgage Lenders, and Housing Service Providers

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The City of Surprise will hold an Informational Meeting on **Wednesday, February 29, 2012 at 9:00 A.M. at City Hall, located at 12425 W. Bell Road, Surprise, Arizona, 85374**. This meeting is intended to inform Surprise area Realtors, CDCs, Bankers, Mortgage Lenders, and Housing Service Providers about the Analysis of Impediments to Fair Housing Choice (AI), as well as provide an opportunity for all to participate in the AI planning process.

Communities like Surprise that receive federal funds are required by the U.S. Department of Housing and Urban Development (HUD) to complete an AI every five years. 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.

Persons working in the housing and mortgage industries in Surprise are encouraged to attend and provide input. Anyone unable to attend this meeting but wishing to make their views known may do so by submitting written comments to: City of Surprise Community and Economic Development Department, 16000 N. Civic Center Plaza, Surprise, AZ 85374.

Individuals with disabilities requiring auxiliary aids or services should contact the City by writing or calling the following: City of Surprise Community and Economic Development Department, 623-222-3238, 16000 N. Civic Center Plaza, Surprise, AZ 85374.