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# FINAL REPORT



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## **ACKNOWLEDGEMENTS**

The analysis and results presented in this report could not have been produced without the commitment and hard work of the Fair Housing Resource Center, Inc. (hereinafter referred to as “FHRC”) staff, Executive Director, Patricia A. Kidd, Esq.; Hollie Rondini, Project Manager; Nicholas Nebelski Testing Coordinator; Karen Smith Education and Outreach Coordinator; Nicole Saunders, Project Specialist and our subcontractors: Housing Research and Advocacy Center and Attorney Diane Citrino, and lastly our testers. FHRC could not have completed this study without the support from the U.S. Department of Housing and Urban Development (HUD). This report was authored by the Executive Director and the Program Manager and the views expressed in this report are those of the authors.

## **FORWARD**

This three year (3) comprehensive report documents the study performed by the Fair Housing Resource Center, Inc. to determine the extent of housing discrimination that exists in the Tri-County area of Lake, Ashtabula and Geauga Counties. This study examined the following markets; rental, deaf/hard of hearing, visually impaired, Housing Choice Voucher (HCV), lending, REO Sales, zoning, Homeowners Association (HOA) and accessibility / new construction housing. This report focuses on the differences in treatment of individuals who are of the following protected classes: race, familial status and persons with disabilities.

This report is the result of comprehensive testing and analysis that provided estimates of discrimination encountered by the three (3) protected classes mentioned above in their search for rental housing, home mortgage, and homeowner associations during 2014 through 2017.

The work of this project included a total of 549 paired rental, deaf/hard of hearing, visually impaired, HCV, REO sales, and lending tests conducted throughout this tri-county area. Also, there were a total of fifty four (54) Homeowner Association analyses in Lake, Geauga and Ashtabula County to determine compliance with the Fair Housing Act. Lastly, FHRC has monitored the Tri-County area for new construction projects. While new construction has practically stopped in the last few years, recently a few new developments have been completed over the last few months of the project.

# **I. INTRODUCTION AND SUMMARY**

April 2018 marks the 50<sup>th</sup> anniversary of the signing of the Fair Housing Act. However, housing discrimination still remains prevalent throughout our communities. Housing providers in the Tri- county area are still engaging in discriminatory practices that limits housing choice in our community.

The U.S. Department of Housing and Urban Development is the primary enforcement agency of the federal fair housing laws. HUD has partnered with state and local governments to investigate housing discrimination complaints. HUD has also provided grant dollars to nonprofit fair housing organizations to undertake more effective fair housing enforcement and education initiatives. These initiatives fund nonprofit groups to help prevent or eliminate discriminatory housing practices. This initiative was the source for funding the Fair Housing Resource Center, Inc. used to conduct this current study. The results of this study as outlined below demonstrates housing discrimination remains prevalent in the Northeast Ohio region.

## **1. STUDY PURPOSE AND SCOPE**

The U.S. Department of Housing and Urban Development (HUD) contracted with the Fair Housing Resource Center, Inc. (FHRC) to conduct a county-wide systemic testing program to measure discrimination against families with children, African-Americans, and persons with disabilities in the Lake, Geauga and Ashtabula County, Ohio rental and sales housing markets. The program sought to identify and change a major social and economic problem in Lake, Geauga and Ashtabula County – severe housing segregation and the discriminatory behavior of professionals in housing that sustains the segregation.

## **2. SUMMARY OF FINDINGS**

FHRC's systemic testing results under the FY2014 Multi-Year PEI grant dated 12-1-2014 through 11-30-2017, yielded that discrimination occurs for individuals when seeking rental homes in the Tri-County area. Specifically, the testing evidence revealed various forms of discrimination against residents including: imposing questionable occupancy standards that discriminate against families with children; refusing to make accommodations to policies for persons with disabilities; outright refusals to consider applicants because of their handicap, race, or national origin.

FHRC conducted this systemic testing program to help eliminate the strong evidence of housing segregation apparent within the Tri-County community and to provide an enforcement mechanism to serve as a deterrent to housing providers that engage in illegal practices encouraging such segregation. FHRC found direct evidence that persons with disabilities encounter significant levels of adverse treatment when they search for rental housing in the Lake, Geauga and Ashtabula Counties as compared to nondisabled home seekers. FHRC also noted direct evidence that persons of color as well as families with children are also encountering adverse treatment when home seeking compared to similarly situated white individuals without children.

## **3. ORGANIZATION OF THE REPORT**

FHRC has organized the report in four sections. The first section will outline the testing methodology used in this study. The second section will detail the results of the testing portion of the study. The third section will detail the efforts the agency made to educate the community of the Fair Housing Act, and the final section will conclude the findings of the study as well as list recommendations for further research and policy considerations.

## II. TESTING METHODOLOGY

Paired testing methodology is a recognized tool for fair housing enforcement and research. In order to yield reliable measures of differential treatment in rental, sales, and/or lending markets, paired testing requires rigorously consistent protocols and representative sampling to yield generalizable results about the prevalence of housing discrimination.<sup>1</sup>

The Fair Housing Resource Center, Inc. (hereinafter referred to as “FHRC”) implemented paired testing methodologies that included rigorous protocols and representative sampling to help yield accurate data. FHRC conducted total paired tests as follows: ninety-two (92) Rental Audits testing treatment of African Americans; sixty-nine (69) Rental Audits testing treatment of families with children; one hundred and thirty-seven (137) Rental Audits testing treatment of persons with disabilities; one (1) Rental Audit testing treatment of sex; one (1) Rental Audit testing treatment of national origin; two (2) Rental Audits testing other protected classes; twenty (20) Rental Audits testing treatment of deaf/hard of hearing individuals; twenty-five (25) Rental Audits testing treatment of visually impaired individuals; twenty-five (25) Rental Audits testing treatment of individuals with a Housing Choice Voucher; sixty-five (65) REO Sales Audits testing the treatment of African-Americans; and forty-five (45) Lending Audits testing the treatment of African-Americans,. These audits were conducted in Lake, Geauga and Ashtabula County Ohio, which is comprised of 82 communities, with an overall population of 425,000 individuals.

### 1. SAMPLING

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<sup>1</sup> *Paired Testing and the Housing Discrimination Studies*, U.S. Department of Housing and Urban Development Office of Policy Development and Research, Evidence Matters - Newsletter, Spring/Summer 2014.

FHRC mainly relied on two basic methods to obtain representative sampling data for testing locations: weekly sampling selection and on-site advertising selection. Weekly sampling selection methodology incorporates the testing of rental or sales properties that were advertised either in local newspapers or online, particularly Craigslist. FHRC believes this methodology mimics the process an actual renter or homebuyer would utilize and specifically chose not to utilize a mathematical/scientific approach to site selection process.<sup>2</sup> This testing approach yielded positive results as the sites and agents selected were in direct proportion to the share that the rental/sales market would hold. The testers had a starting basis to contact the rental agent and the testers' characteristics were specifically created for the type of property advertised. The weekly sampling method produced reliable results. However, this type of site selection involved much time and effort as it required the Test Coordinator to review the local newspapers, Craigslist and Facebook postings on a daily basis, including Sunday classified advertisements, to obtain a fresh sample of advertisements each week in which testing was to be conducted.<sup>3</sup>

There are many advantages of sampling newspapers, including the ability to identify a number of housing agents who use the metropolitan newspaper to advertise available units. The individual advertisements allowed the Test Coordinator to tie the characteristics (household size and income) and preferences (housing type and location) of testers to housing actually available from the agent, ensuring consistency for the tests. However in some cases, some advertisements were found to be ineligible for a number of reasons including: advertised units were no longer available, the saturation of agents, or saturation of the location. Therefore, ad sampling was not the only methodology employed for site selection.

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<sup>3</sup> The newspapers included The News-Herald, The Star Beacon and online housing databases.



On-site advertising selection was also utilized for site identification. This approach identified properties that were advertised on the premises with a “For Rent” sign, and not advertised in printed material. Housing agents used this marketing approach less frequently than printed advertising, but the results yielded are similar to weekly sampling discussed above. Many home seekers will not rely on newspaper or Craigslist advertisements alone for available rentals. Many will look through a community they are interested in moving to, or rely on referrals from friends and family. Furthermore, there are many housing providers that do not advertise on a regular basis. Generally, it was noted that the smaller apartment complexes tend not to advertise at all and instead display “For Rent” signs on or near the property. In the event a location was identified as available to rent, the relevant information was provided to the Test Coordinator. The Test Coordinator then determined if that particular location should be tested. The decision was based on a number of determining factors including the availability of testers and saturation of complex or locality to be tested. In other instances, sites were selected for testing based on location only without any advertising in the newspaper or at the premises, or “cold testing”; however those methods did not yield consistent results.

## **2. TESTING AND PAIRED TESTING PROTOCOLS**

### **a. Test Assignment**

The paired testing methodology used by FHRC is typical of the testing methodology used throughout the country for market testing. In a paired test, two trained individuals<sup>4</sup> pose as otherwise identical home seekers, with comparable housing needs and resources. Each tester was assigned the same social and economic characteristics to make them equally qualified to rent, purchase or insure the housing unit. Testers were also assigned comparable family and job

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<sup>4</sup> One individual would be classified as the subject tester – a member of a protected class and the other individual would be classified as a control tester – Caucasian or a tenant/home seeker with no children or no disabilities.

characteristics, education levels and housing preferences. Both testers contact the site for testing and document their experience. Each tester systematically records the information and/or assistance he or she received from the agent, for example: location, quality and condition, price, application process, selection criteria, additional fees, availability and other terms and conditions, in a signed testing report.

Prior to each test, the Test Coordinator provides the testers with the personal, household and financial characteristics, along with a detailed set of instructions such as type of approach<sup>5</sup>, reason for moving, and when the unit/quote was needed. The tester also received other testing characteristics, such as number of bedrooms to request, reason for moving, and when the unit was needed. The Test Coordinator contacted each tester in person, by phone, or by email and reviewed the test assignment form, assigned characteristics, instructions and any other necessary information prior to assignment of each test.

## **b. Conducting the Tests**

After reviewing the testing assignment, the testers were encouraged to begin their tests. During their test visits, testers were trained to inquire about the availability of the units that prompted their visit, similar units that might be available, and other units that might meet their housing needs. Testers, posing in the role of an ordinary home seeker, inspected units that were shown to them by the rental/sales agents and responded to questions from the agents. Testers were trained to express no preferences for particular amenities or locations. Testers were instructed not to submit any formal applications, agree to credit checks, or make firm offers to rent/buy the testing location.

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<sup>5</sup> Other approaches included: drive by the property, viewed advertisement in newspaper, and viewed a “for sale/rent sign” on the property.

### **c. Subsequent Each Test**

At the conclusion of each test, testers were to complete all forms in the test packet. Testers were instructed to record their experience on the forms provided of the treatment he or she experienced while conducting the test. As part of the testing form, testers would complete a narrative statement that provided a detailed, chronological accounting of the test experience, which was signed and dated on each narrative page. Testers were required to contact their Test Coordinator to conduct a debriefing session. During debriefing, the Test Coordinator was responsible for discussing the testing experience of the tester, answering any necessary questions a tester may have about the test, or discussing any deviations they may have made from the test assignment or instructions. If a particular test required follow-up contact by the tester, the Test Coordinator would instruct the tester on how to proceed and how to record their experience. The Test Coordinator would make arrangements to receive the testing materials and would thoroughly review each test to ensure the forms were filled out completely.

### **3. Tests Used to Measure Discrimination**

A paired test can result in any one of three basic outcomes for measure of treatment:

1. **Probable Cause that discrimination may have occurred (PC):** Used in instances in which the tests have been analyzed and findings conclude the control tester was treated more favorably than the subject tester.
2. **No Probable Cause that discrimination has occurred (NPC):** Used in instances in which both testers receive the same treatment (either favorable or unfavorable).
3. **Inconclusive (INC):** Used in instances in which either differences in the testers visit to each location made it inconclusive to make a final determination and/or some variations of treatment existed but did not rise to the level of a Probable Cause determination.

FHRC was careful to keep in mind that there are several reasons adverse treatment may occur during a test that is not attributed to intentional discrimination. While there may be differences in the race and ethnicity of the testers, there may also be differences between their circumstances of the visits to the rental property. For instance, in the time between two testers' visits an apartment may have been rented or the testers visited with different agents. FHRC analyzed the testing data and eliminated cases in which random events resulting in differential treatment occurred. In many cases, retesting the property was necessary to clearly determine the test status. If the testers visited two different agents, the testers were then instructed to meet with a specific agent. If the housing was unavailable in the time between each tester's visits, then a follow-up test would be scheduled in the future if possible. The results from all of the retested locations were compared as a whole – analyzing the whole testing experience at that location rather than an individual test.<sup>6</sup> However, there are many locations that resulted in an inconclusive determination even after a retest was scheduled simply because a final determination could not be made.

The Test Coordinator reviewed and analyzed the testing documents and submitted a post-test data comparison analysis to the FHRC Director for review, comments and final determination. FHRC filed all meritorious complaints that resulted in a Probable Cause determination to the U.S. Department of Housing and Urban Development.

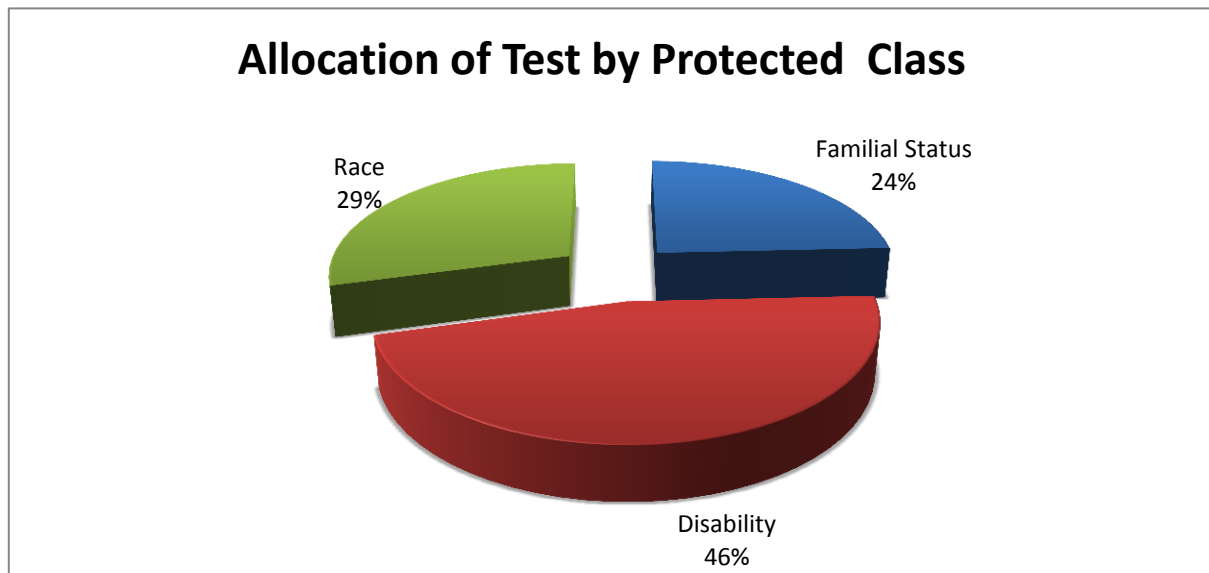
### **III. RENTAL TESTING**

FHRC conducted over three hundred and two (302) paired tests throughout the eighty-two (82) communities of Lake, Geauga and Ashtabula County, Ohio during 2014 – 2017 to determine if members of protected classes received any difference in treatment when searching

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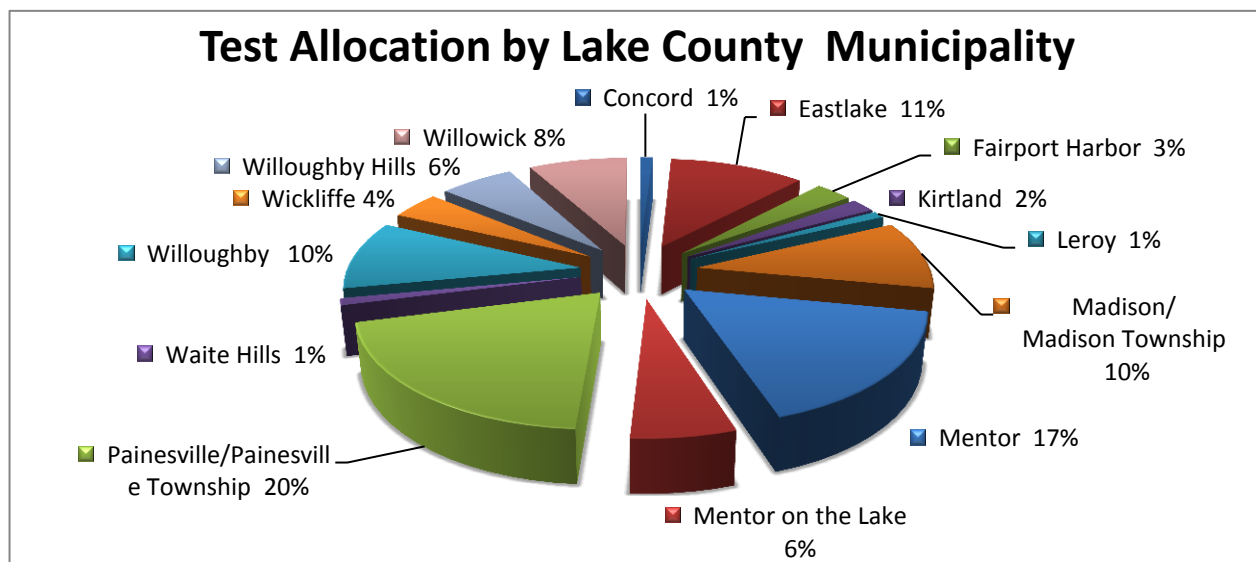
<sup>6</sup> Conclusions of test findings were made on a case-by-case basis.

for housing in the Tri-County area. The paired tests of the protected classes were broken down as follows: seventy-one (71) rental audits testing treatment of families with children; eighty-eight (88) rental audits testing the treatment of African Americans; and one hundred and forty (140) audits testing treatments of disabled individuals.

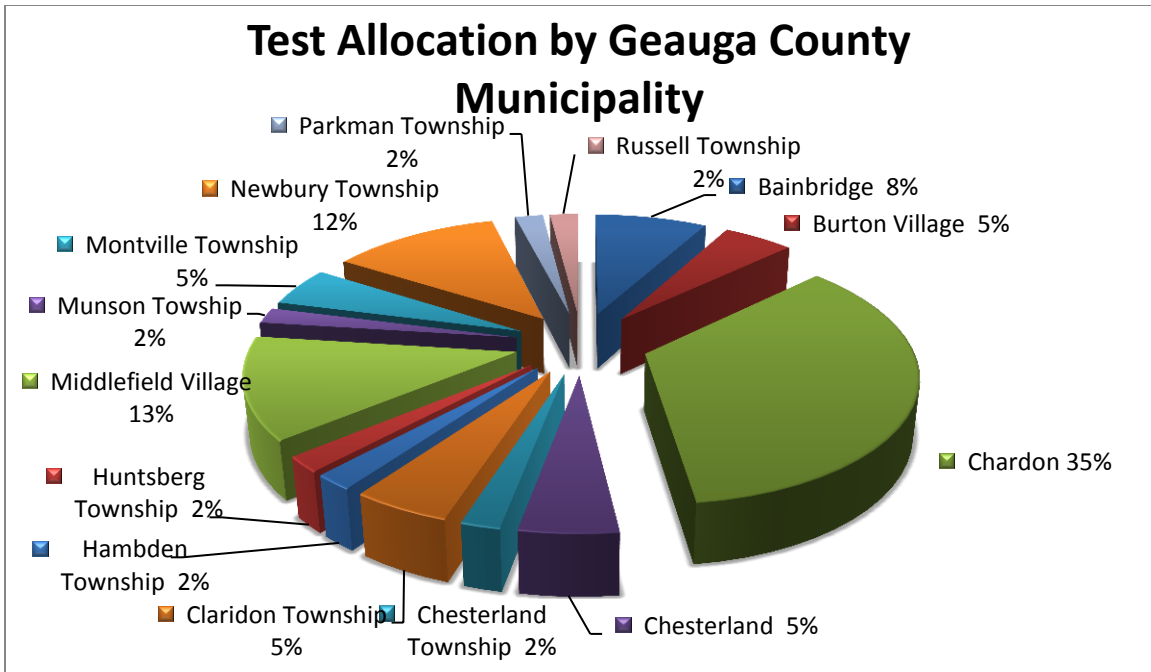


**Chart 1-1**

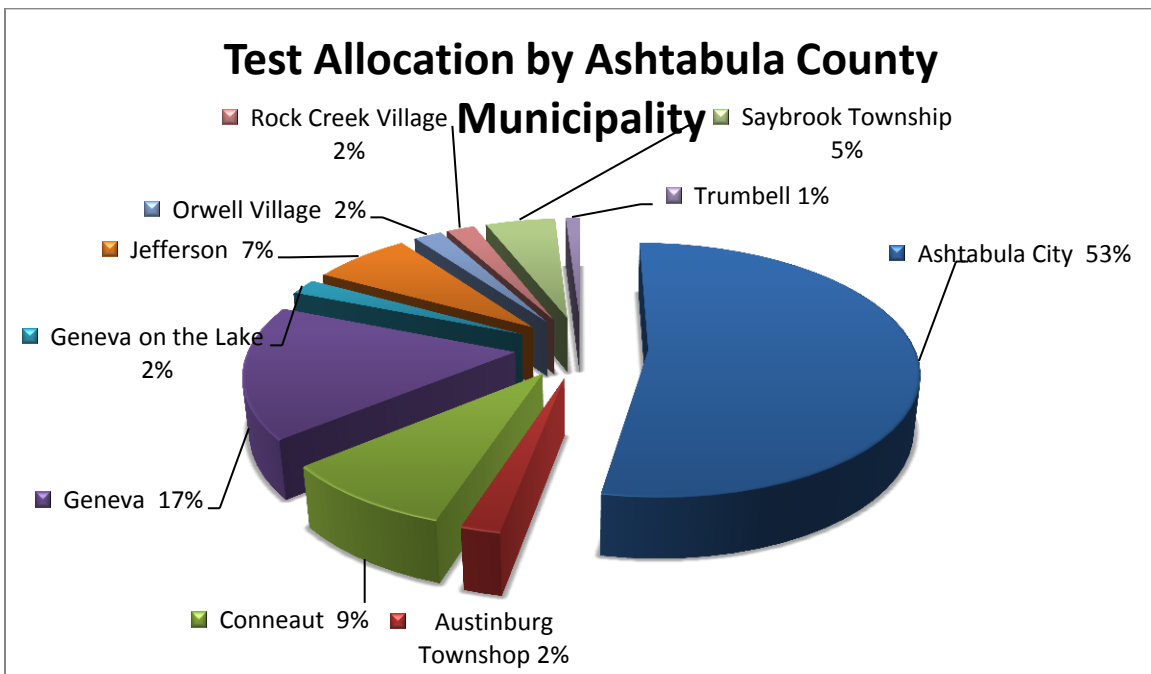
FHRC used market sampling to identify locations for testing. Charts 1-2, 1-3 and 1-4 follows and provides details on the percentage of testing share for each community, County by County:



**Chart 1-2**



**Chart 1-3**

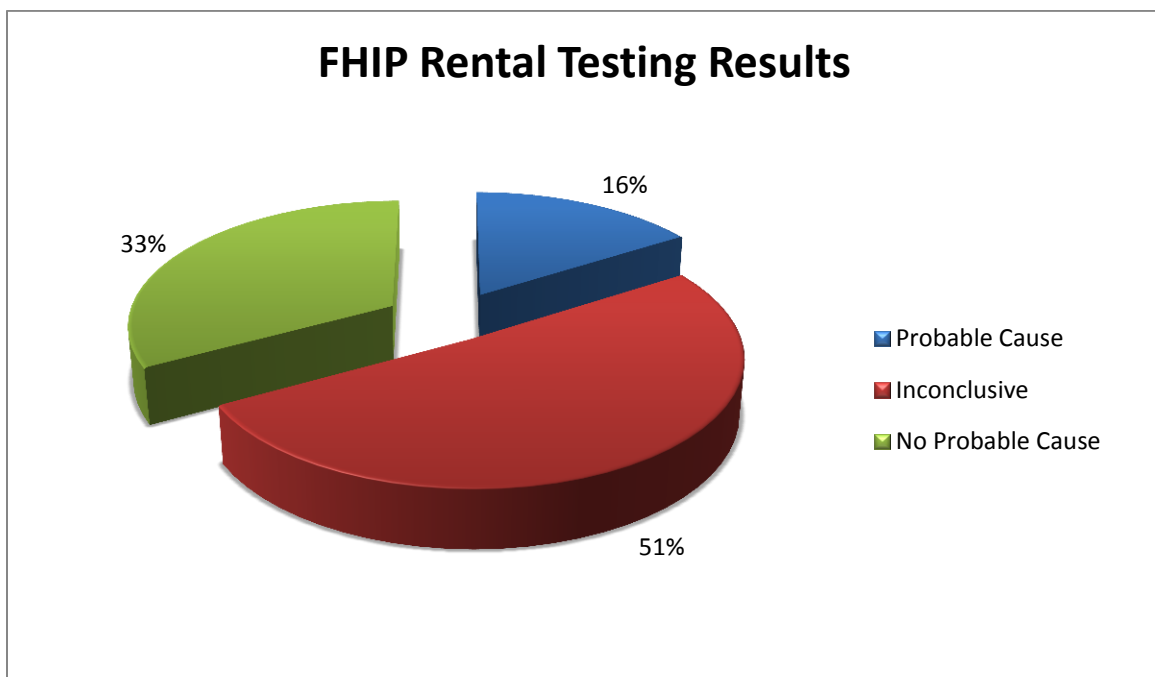


**Chart 1-4**

As evidenced by the tables listed below, FHRC actually conducted more paired tests than originally proposed.<sup>7</sup> FHRC conducted three hundred two (302) regular paired tests and seventy (70) follow-up tests for a total of three hundred and seventy-two (372) paired tests.

AGGREGATE FHIP TEST FINDINGS				
County	Total Test Allocation	Probable Cause	No Probable Cause	Inconclusive
Lake	184	27	60	97
Ashtabula	81	10	34	37
Geauga	37	6	14	17
<b>Total</b>	<b>302</b>	<b>43</b>	<b>108</b>	<b>151</b>

**Table 1-1**



**Chart 1-5**

<sup>7</sup> Seventy (70) follow up tests were required due to various reasons.

AGGREGATE FOLLOW-UP FINDINGS				
County	Total Test Allocation	Probable Cause	No Probable Cause	Inconclusive
Lake	47	7	16	24
Ashtabula	8	3	6	6
Geauga	15	1	0	7
<b>Total</b>	<b>70</b>	<b>11</b>	<b>22</b>	<b>37</b>

**Table 1 -2**

FHRC categorized three basic outcomes for the measurement of treatment to determine the testing results: Probable Cause, No Probable Cause, and Inconclusive. These categories were then further analyzed by: the total number of tests completed and findings, findings classified by community, and outcome based on protected class. The sections following will summarize this results data of the Rental Study portion of the project.

## **1. Rental Study – Probable Cause Findings**

A Probable Cause finding is used in instances in which the tests have been analyzed and findings conclude the control tester received more favorable treatment on one or more individual items, while the paired subject tester received either no favorable treatment or less than favorable treatment.<sup>8</sup>

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<sup>8</sup> Probable Cause determinations were made on a case-by-case basis.



### PROBABLE CAUSE DETERMINATION EXAMPLE

A subject tester emailed the office in response to a rental advertisement. The tester received a phone call back from an agent who immediately asked the subject if she had a dog and the subject said that she had a therapy assistance animal, a boxer which was prescribed to her. The agent said ‘well, that’s a dog.’ The agent went on to say that it is “very difficult for them to accept dogs in a multi-family building.” She stated the she would have to allow the dog but it “would be a big consideration.” She said she would not want the dog in the shared courtyard and kept saying that it would be difficult. The woman said that she would be better off in a pet environment. The subject asked to see the unit and the woman said she would be out of town for several weeks.

Of the total three- hundred and two (302) rental audits conducted throughout the Tri-County area, FHRC determined that it was probable that discrimination may have occurred regardless of the protected class tested in forty-three (43) paired tests. The following chart demonstrates the percentage of distribution of those Probable Cause findings throughout Lake, Ashtabula and Geauga County.

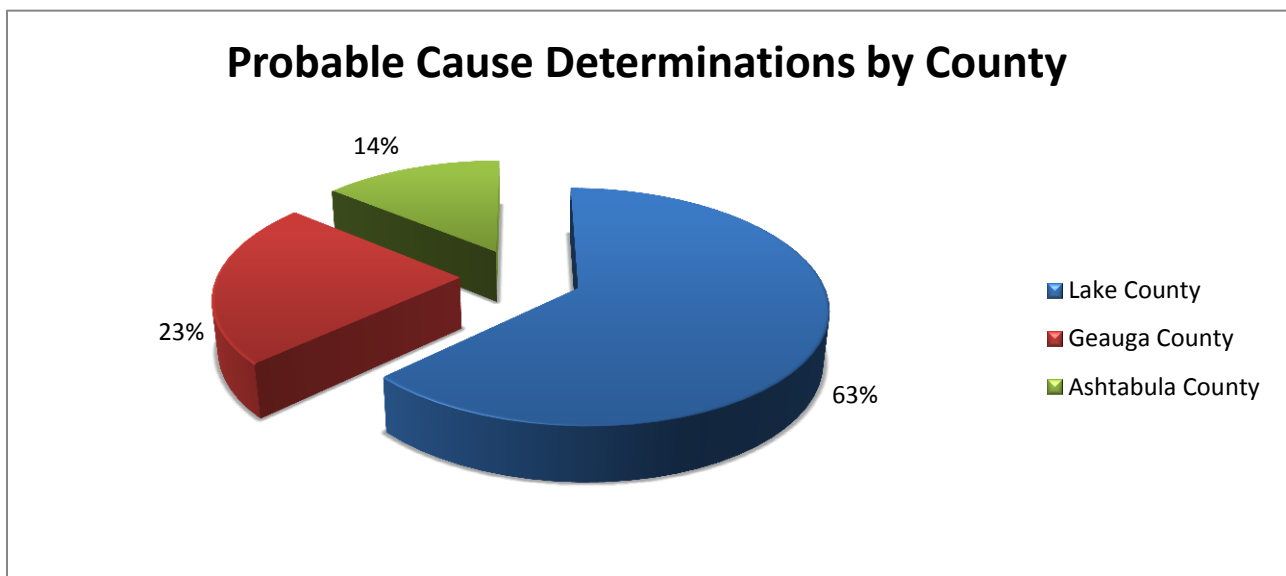


Chart 1-6

The data demonstrated in Chart 1-6 displays the aggregate percentages of Probable Cause findings per county for the whole project, *based on the number of tests conducted in that county*. However, the statistics change when each community is analyzed independently. The community breakdown is as follows:

PERCENTAGE OF PC DETERMINATIONS PER COUNTY			
County	Total Test Allocation	Probable Cause	PC Percentage (per allocation)
Lake	184	27	63%
Ashtabula	81	10	14%
Geauga	37	6	23%
<b>TOTALS:</b>	302	43	-----

**Table 1-3**

## **2. Rental Study – No Probable Cause Findings**

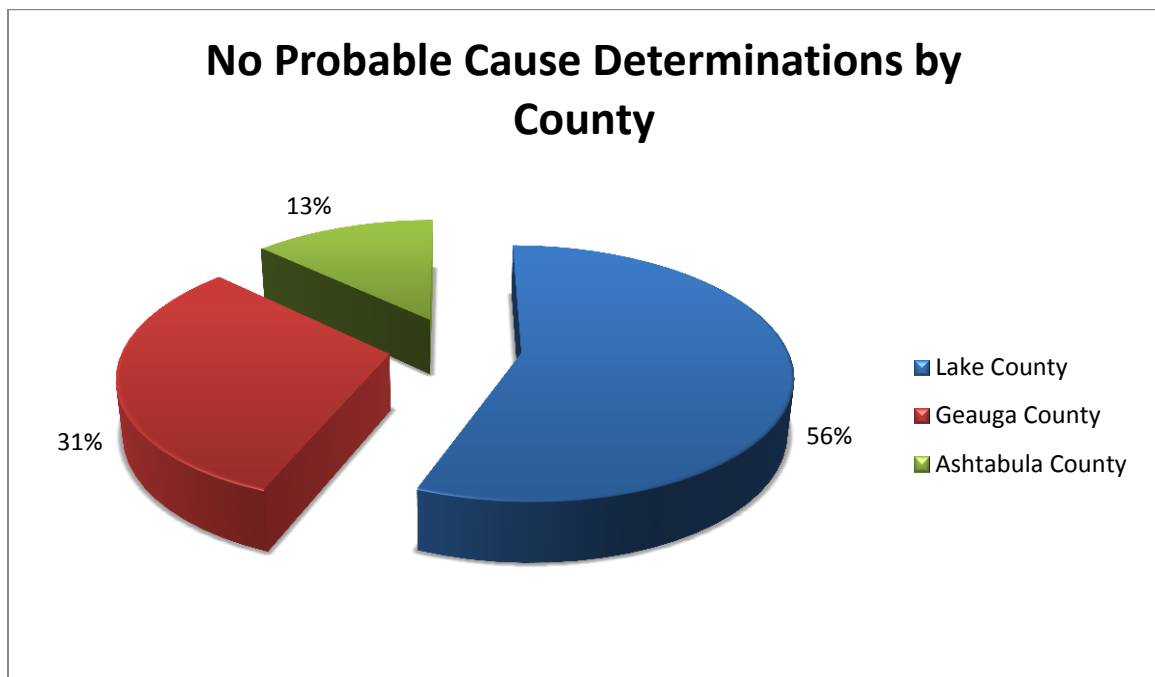
Utilizing the same methodology as previously indicated, FHRC analyzed the No Probable Cause determinations by city and number of tests conducted per city. A No Probable Cause finding is used in instances in which both testers receive the same treatment and no adverse treatment was found.

### **NO PROBABLE CAUSE EXAMPLE**

Both the Subject tester and the Control tester contacted an apartment complex to inquire on an apartment for rent. The Subject tester was a single mother with 3 small children, whereas the Control tester was seeking an apartment for four adults. Both testers were quoted the same amount for rent, security deposit, features, and availability. Both testers were encouraged to apply for the housing and told there was a \$25.00 application fee and a credit check. Since both testers were told the same information and quoted the same amount for the rental unit, they were treated similarly and therefore there was no evidence of differing treatment.

Of the total three hundred and two (302) rental audits conducted, FHRC determined that it was likely discrimination *did not* occur in one-hundred and eight (108) paired tests only 36%

of the time. The following table demonstrates the percentage of distribution of those No Probable Cause findings throughout the Counties:



**Chart 1-7**

Interestingly, the statistics changed drastically when each county is analyzed independently, resulting in the following:

PERCENTAGE OF NPC DETERMINATIONS PER COUNTY ALLOCATION			
County	Total Test Allocation	No Probable Cause	NPC Percentage (per allocation)
Lake	184	60	56%
Ashtabula	81	34	13%
Geauga	37	14	31%
<b>TOTALS:</b>	<b>302</b>	<b>108</b>	-----

**Table 1-4**

The data evidenced above indicates there were many instances in which a No Probable Cause finding was made. The FHRC staff is pleased to report that in those paired tests, no adverse treatment was found.

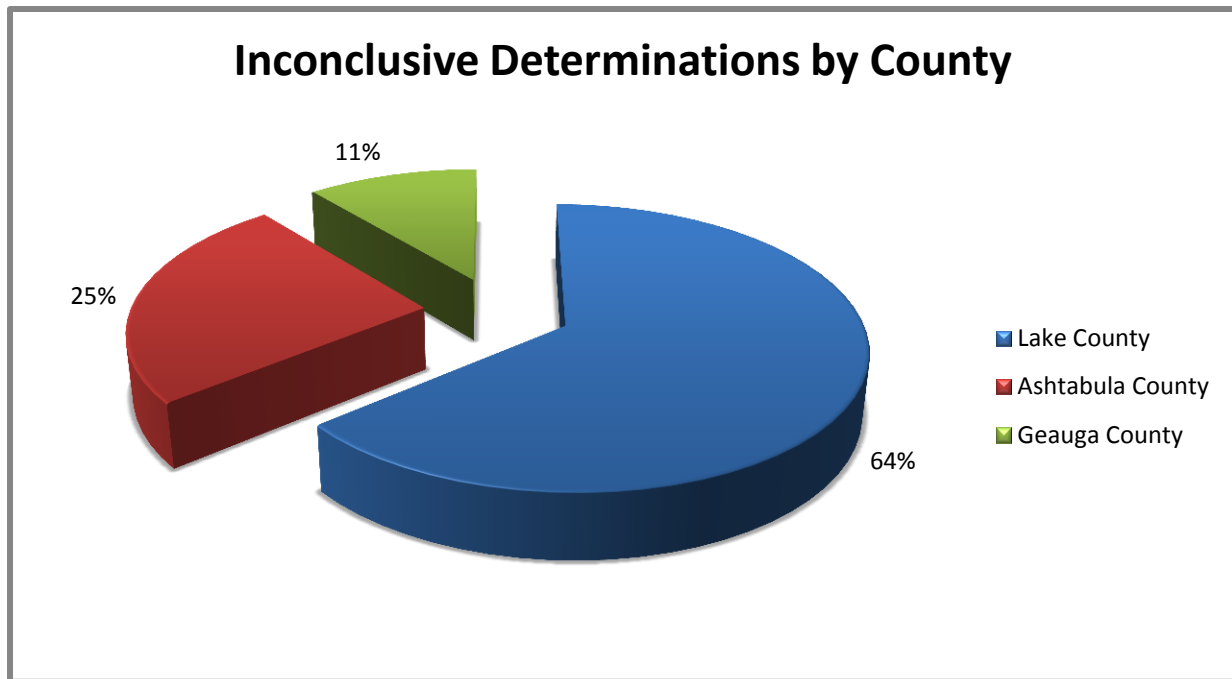
### 3. Inconclusive Findings

An Inconclusive Finding is used in instances in which differences in the testers visit to each location made it inconclusive to make a final determination and/or some variations of treatment existed but did not rise to the level of a Probable Cause determination.

#### INCONCLUSIVE EXAMPLE

Over the course of a two week period, a Control tester phoned and left voice mail messages responding to an advertisement for an available apartment to rent. The Control tester eventually received a call back from an agent that stated the apartment is for rent and they won't have another apartment open for 2 more months. The subject tester phoned and left several messages responding to the same advertisement and never received any phone call back from the agent. Therefore, it was determined to be Inconclusive as there were variations in treatment between the two testers, but the variation of one tester receiving a return phone call while the other did not, does not rise to the level of a Probable Cause determination.

Of the three hundred and two (302) rental audits conducted, FHRC determined that one hundred and fifty-one (151) paired tests revealed inconsistencies that made it impossible to categorize as probable or not probable that discrimination may have occurred. In analyzing the Inconclusive results, a high rate of Inconclusive is not necessarily a positive indication of compliance since the data reveals “red flags” that may or may not be discriminatory. The data demonstrated in Chart 1-8 displays the aggregate percentages of Inconclusive findings per County for the whole project, *based on the number of tests conducted in that county*.



**Chart 1-8**

Similarly to the Probable Cause findings, the statistics remain nearly unchanged when each county is analyzed independently. The county breakdown is as follows:

PERCENTAGE OF INC DETERMINATIONS PER COUNTY ALLOCATION			
County	Total Test Allocation	Inconclusive	INC Percentage (per allocation)
Lake	184	97	64%
Ashtabula	81	37	25%
Geauga	37	17	11%
<b>TOTALS:</b>	<b>302</b>	<b>151</b>	-----

**Table 1-5**

FHRC is extremely concerned with the high rate of Inconclusive findings of this project. An Inconclusive recommendation is mostly used when some evidence of preferential treatment was noted, but there was insufficient evidence to substantiate a Probable Cause determination.

FHRC realizes that in some instances an Inconclusive determination was made due to issues involving tester error, site unavailability during the test, or differing agents within one test. However, with those exceptions just mentioned, the Inconclusive findings greatly exceeded our expectations. The fact that it was indeterminable that discrimination may have occurred in 50% of the sites tested clearly evidences a problem that should be noted and further investigated.

#### 4. Findings by Protected Class and Community

The results of the Rental Study indicate that there is a **substantial** likelihood of discrimination occurring when a member of a protected class is home-seeking in Lake and Geauga County. The following charts illustrate a community in each county with special attention to the protected basis upon which discrimination likely occurred:

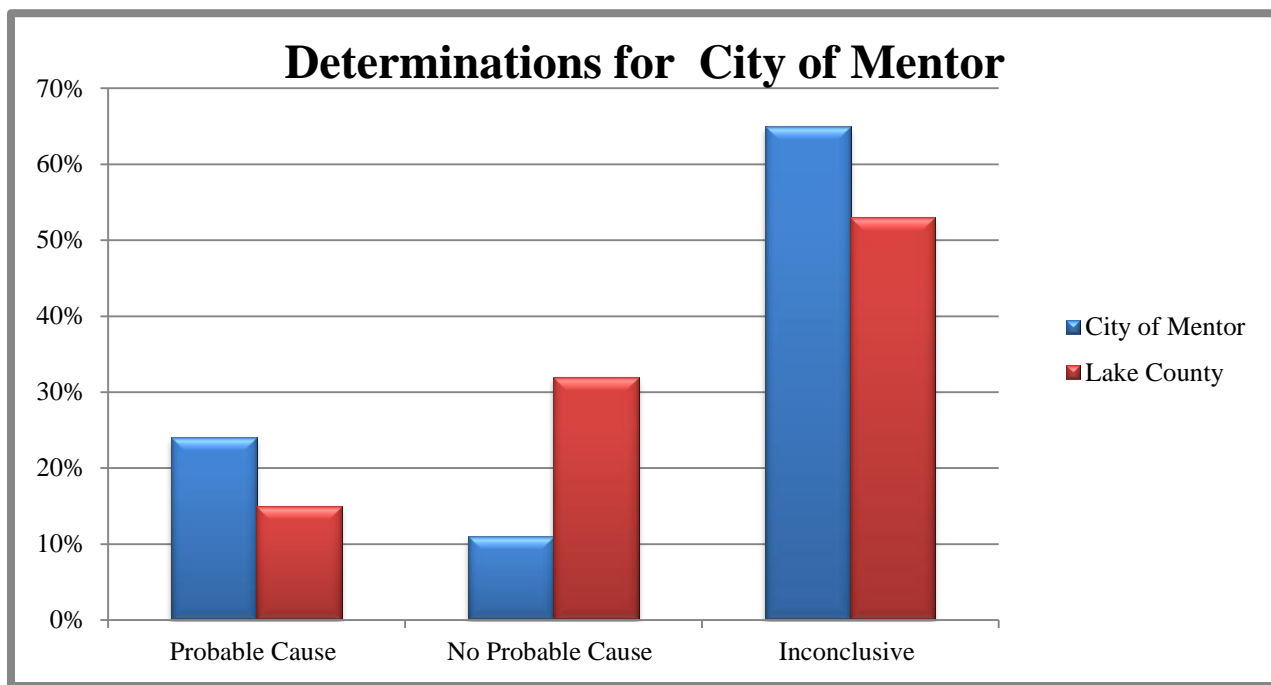
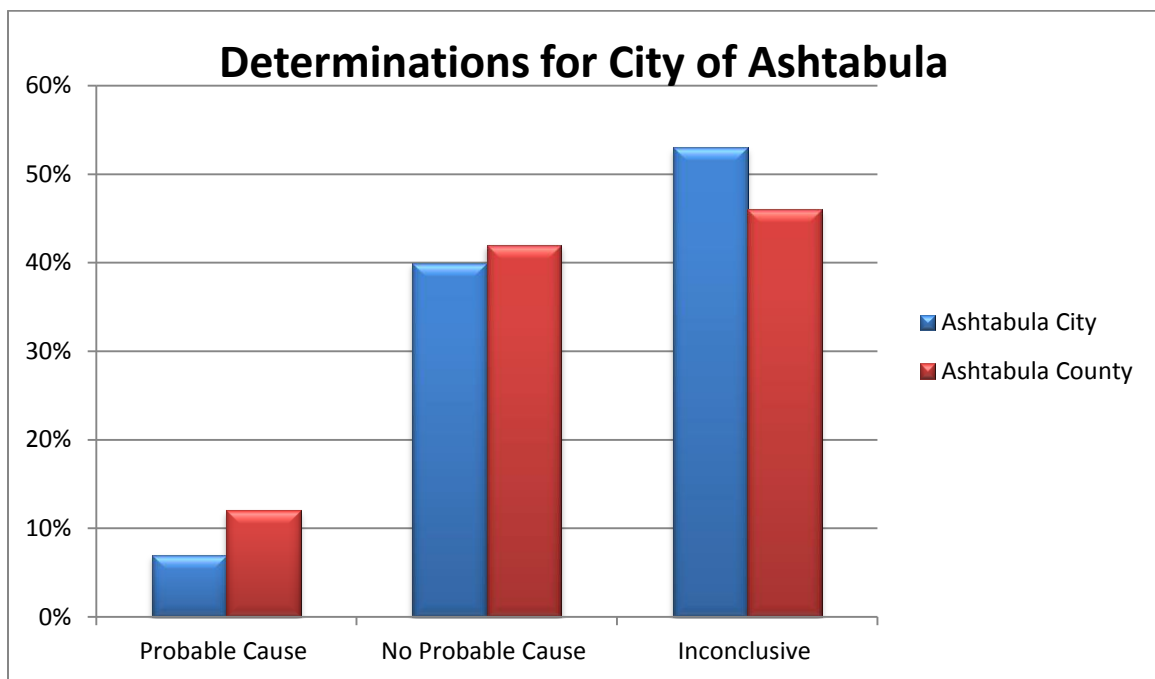


Chart 1-9

Lake County accounted for 63% of the total number of Probable Cause determinations found in this study. Chart 1-9 illustrates that when analyzing on an individual community scale, City of Mentor had a 22% Probable Cause rate based on the number of allocated tests (six (6)

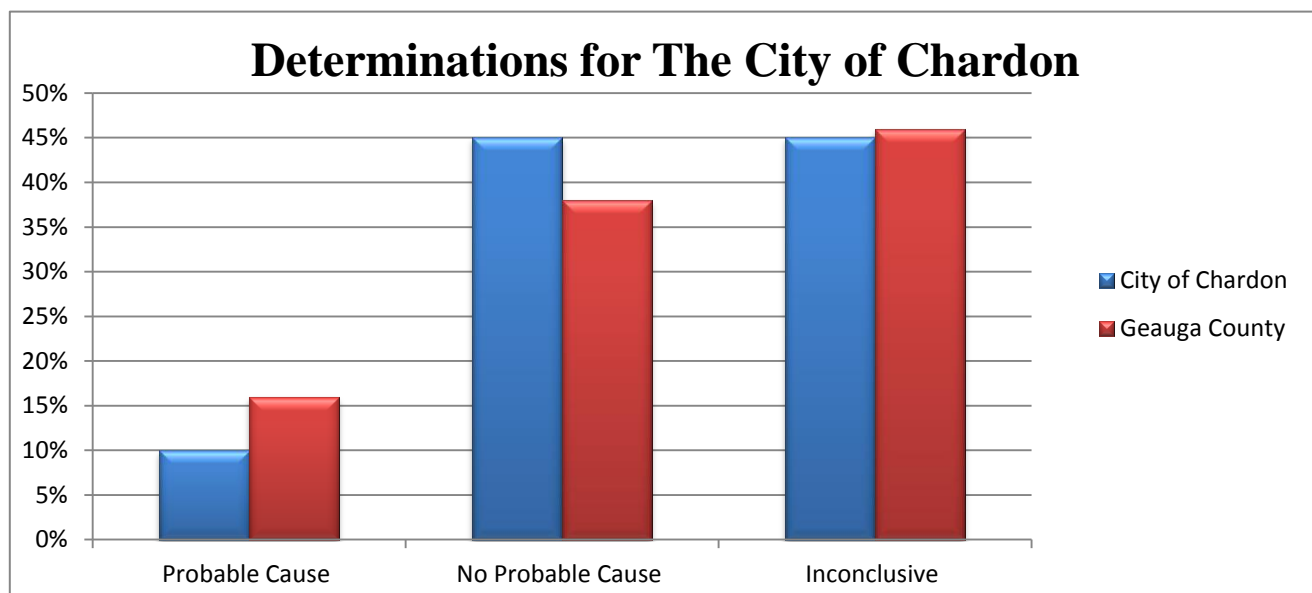
Probable Cause determinations out of the twenty-seven (27) tests allocated to the City of Mentor). Evidence reveals that of the six (6) Probable Cause determinations made, 66% of the tests were based on the treatment of an individual with a mental or physical disability and an additional (17%) was based on race (Black), and the remaining (17%) was based on familial status. Furthermore, the City of Mentor had an extremely high rate of Inconclusive determinations (56%) based on the number of allocated tests. It could be concluded that there is a higher incidence of discriminatory treatment while home seeking in Mentor than in any other locality in Lake County.



**Chart 1-10**

Ashtabula County accounted for 7% of the total number of Probable Cause determinations found in this study. Chart 1-10 illustrates that when analyzing on an individual community scale, Ashtabula City had a 6% Probable Cause rate based on the number of allocated tests (three (3) Probable Cause determinations out of the forty-two (42) tests allocated to that City). Evidence reveals that of the three (3) Probable Cause determinations made, 66% of

the tests were based on the treatment of individuals with disabilities and the remaining test audited familial status.



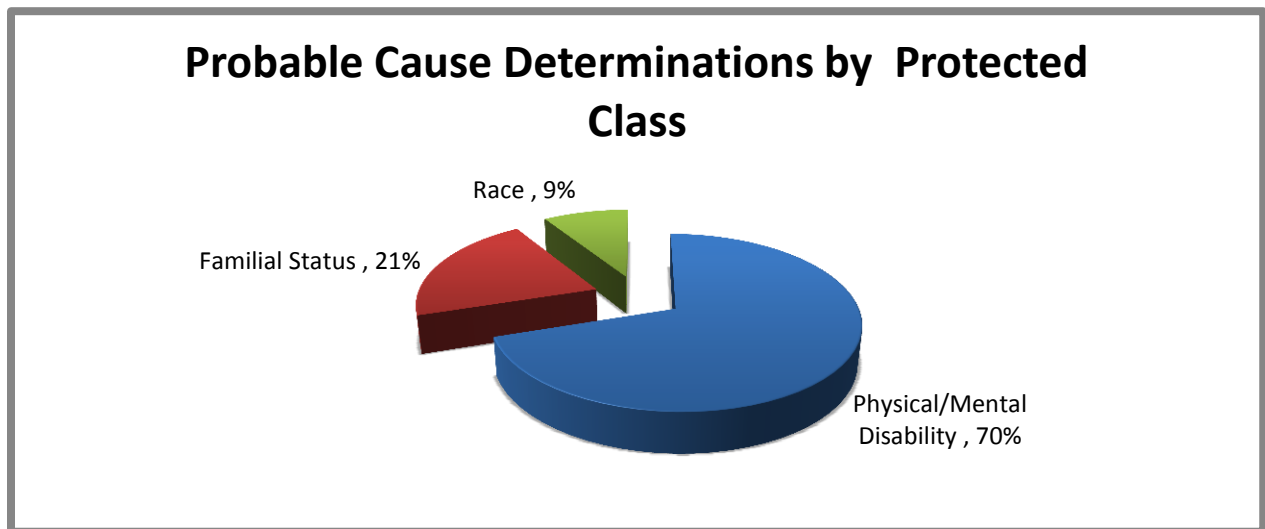
Lastly, Geauga County accounted for 23% of the total number of Probable Cause determinations found in this study. The City of Chardon also accounted for 2% of the total number of Probable Cause determinations found in this study. Chart 1-11 illustrates that when analyzing on an individual community scale, The City of Chardon had a 10% Probable Cause rate based on the number of allocated tests (one (1) Probable Cause determinations out of the eleven (11) tests allocated to that City). Evidence reveals that the Probable Cause determination made was on the basis of race.

### **a. Disability Findings**

Although this study was designed to conduct testing of various protected bases, the results of the study reveal that a large percentage of Probable Cause findings were based on the treatment of disabled individuals. For FHRC, this comes as no surprise since the agency's previous study of the Tri-County rental markets produced similar results with respect to



disability discrimination. Chart 1-13 below shows the breakdown of all the Probable Cause results by class.



**Chart 1-11**

Of the forty-three (43) Probable Cause determinations, disability discrimination accounted for 70% of the findings. FHRC conducted a total of one hundred and forty (140) tests based on the treatment of individuals with disabilities. Thirty (30) of these tests or nearly 21% were Probable Cause determinations.

## **5. DEAF TESTING**

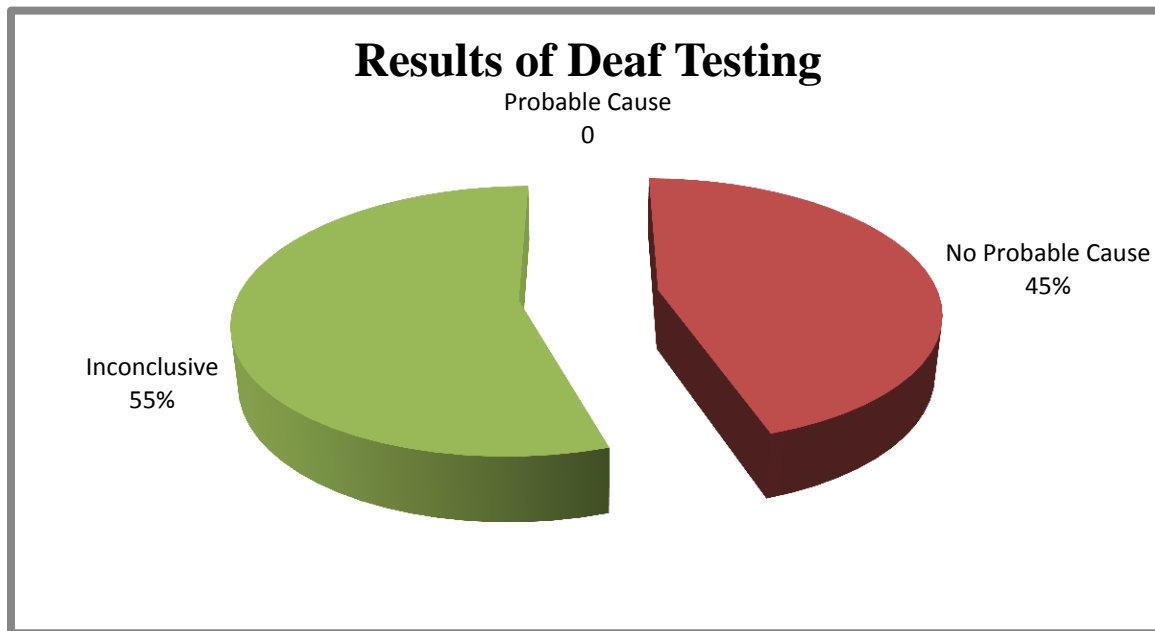
During this project, FHRC completed a sample study to determine the extent of discrimination against individuals with disabilities, specifically deaf individuals' experience using IP Relay telecommunication systems when home seeking in Lake, Geauga and Ashtabula Counties.

In this study, FHRC conducted twenty (20) audits. The final findings for this portion of our project are as follows:

Test Data		FHIP Tests Only		
Protected Class	Total Tests	PC	NPC	INC
<b>Disability (Physical/Deaf)</b>	<b>20</b>	<b>0</b>	<b>9</b>	<b>11</b>

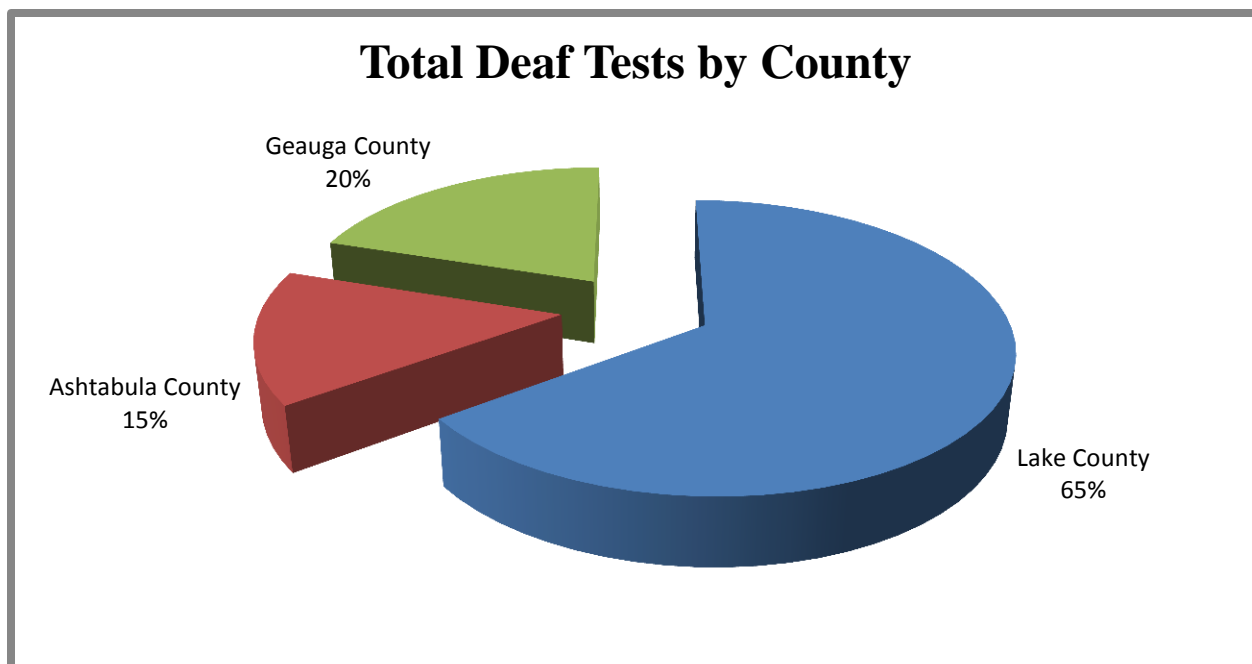
**Table 1-6**

The findings demonstrate there were no tests that indicated probable cause for discrimination. However, the results did yield a high number of Inconclusive determinations. Fifty-five 55% of the audits received an Inconclusive determination which means that some variations of treatment existed but did not rise to the level of a Probable Cause determination. FHRC believes that this is concerning and shows the need for additional testing, education and outreach is needed in this area.



**Chart 1-12**

These tests were conducted throughout the Tri-County area and interestingly, Lake County had the highest Inconclusive determinations overall.



**Chart 1-13**

## **6. Visually Impaired Testing**

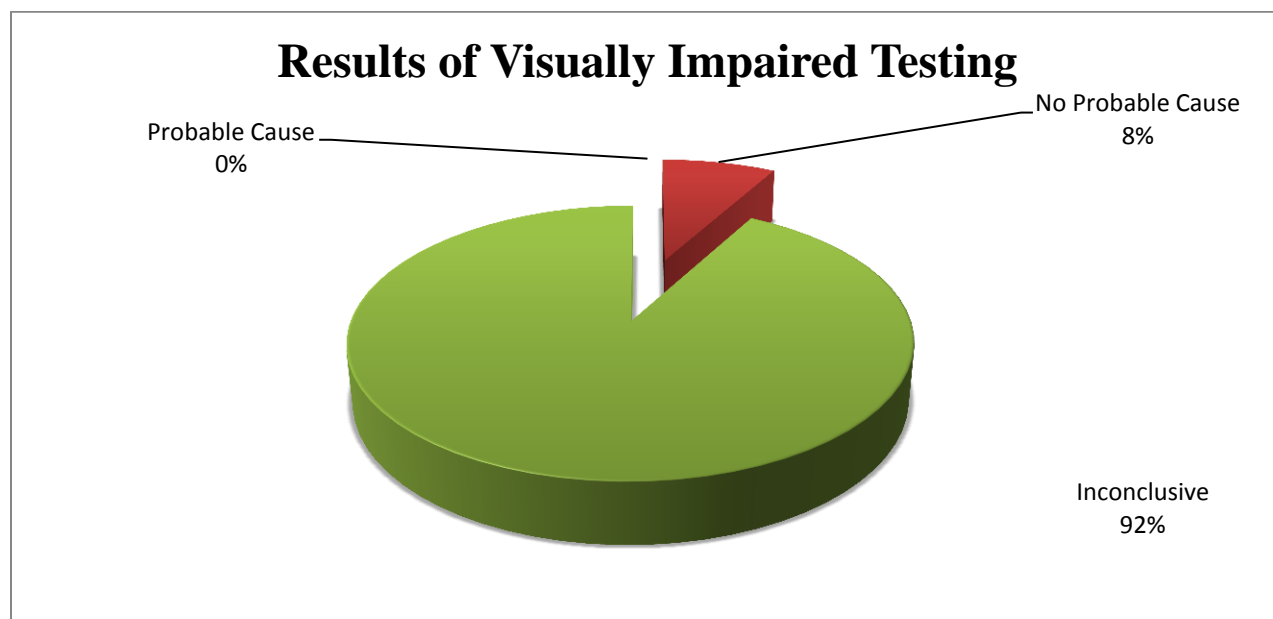
During this project, FHRC completed a sample study to determine the extent of discrimination against individuals with disabilities, specifically Visually Impaired individuals when home seeking in Lake, Geauga and Ashtabula Counties.

Here, FHRC conducted twenty-five (25) audits. The final findings for this portion of our project are available in table 1-6 and Chart 1-14.

Test Data		FHIP Tests Only		
Protected Class	Total Tests	PC	NPC	INC
<b>Disability (Physical/Visually Impaired)</b>	<b>25</b>	<b>0</b>	<b>2</b>	<b>23</b>

**Table 1-6**

The findings demonstrated there were no tests that resulted in a probable cause determination. However, similar to the deaf testing, the results did yield a high number of Inconclusive determinations at 92%.



**Chart 1-14**

Ninety-two 92% of the audits received an Inconclusive determination which means that some variations of treatment existed but did not rise to the level of a Probable Cause determination. This high rate of Inconclusive determinations leads FHRC to believe that our testing methodology in this area needs to be refined and additional studies are needed in the future.

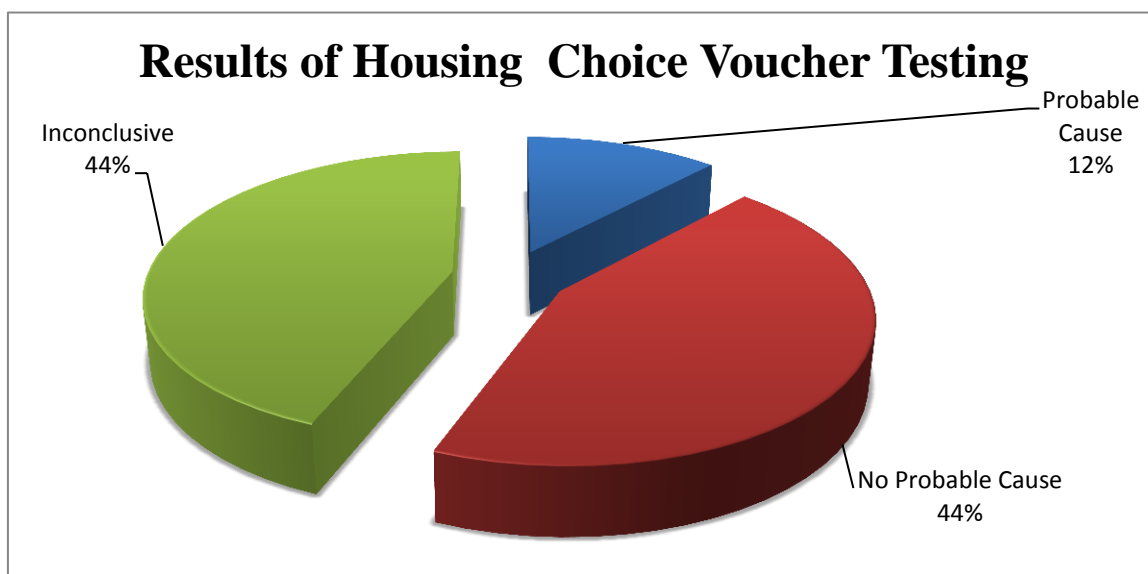
## **7. HOUSING CHOICE VOUCHER TESTING (HCV)**

During this project, FHRC completed a sample study in which the investigation focused on local rental housing providers, to determine if and how individuals with a HCV experience some form of discrimination while home seeking. FHRC conducted twenty-five (25) paired audits throughout the area. The final findings for this portion of our project are available in table 1-7 and chart 1-15.

Test Data		FHIP Tests Only				
Protected Class	Total Tests	PC	NPC	INC	FHRC Closed	Will File w/HUD
Familial Status (Housing Choice Voucher)	25	4	11	11	22	4

**Table 1-7**

The data demonstrates that potentially 16% of the time HCV holders experience some form of discrimination. The results also did yield a high number of Inconclusive determinations.



**Chart 1-15**

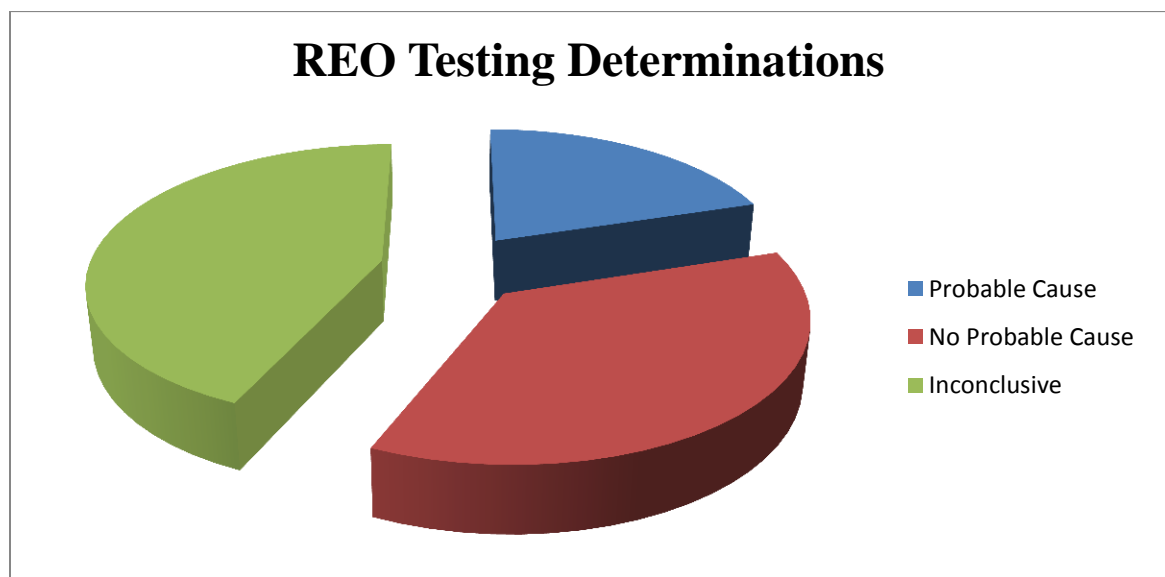
Forty-four 44% of the audits received an Inconclusive determination which means that some variations of treatment existed but did not rise to the level of a Probable Cause determination. FHRC believes that this is concerning and shows the need for additional testing, education and outreach that is needed in this area.

## IV. REO SALES TESTING

FHRC conducted inspections on one hundred and twenty (120) different properties owned by lenders across Lake and Ashtabula Counties. Out of the one hundred and twenty (120)

properties, sixty (60) of the properties were in predominantly white neighborhoods, whereas the remaining sixty (60) properties were in areas with a concentrated population of minority residents. After conducting all the inspections and compiling the data, FHRC identified that properties located in areas with high minority population were in significantly worse condition than areas in white neighborhoods.

The results from the REO sales audits are as follows: twenty-six (26) No Probable Cause determinations - evidence indicated that both testers received the same treatment (either favorable or unfavorable) and that it was not probable that discrimination has occurred (NPC); twenty-two (22) Inconclusive Determinations - testing evidence indicated differences in the testers visit and/or some variations of treatment existed, but did not rise to the level of a probable cause finding; and twelve (12) Probable Cause Determinations – evidence indicated that the control tester was treated more favorably than the subject tester.



**Chart 1-16**

At the conclusion of this study it was determined that in both minority communities and rural communities, the REO properties were in much poorer condition compared to the

properties in predominantly white neighborhoods. The data demonstrates as follows: 40% of the properties in minority communities had wood rot, whereas only 21% of properties located in white neighborhoods had the same issue; 39% of properties located in minority communities had damaged siding; 35% of the properties in minority neighborhoods had damaged steps or handrails; 23% had broken or boarded windows whereas only 10% of properties located in white neighborhoods had the same. The majority of properties located in white communities were in significantly better condition when compared to a property located in a minority community. However, properties in white communities also showed a higher disregard for lawn maintenance. It is interesting to note that properties located in white neighborhoods had 15% unauthorized occupants while only 10% of the properties in minority communities had this problem. This could suggest that the companies in charge of evictions for REO properties are much more likely to evict a resident in a minority community, while allowing these occupants in white communities to stay, however additional investigation is needed.

<b>Condition</b>	<b>Minority Communities</b>	<b>White</b>
Wood Rot	40%	21%
For Sale Sign Missing	41%	51%
Damaged Siding	39%	21%
Damaged Steps or handrails	35%	13%
Trespassing or warning signs	18%	18%
Peeling or chipped paint	33%	25%
Broken or boarded windows	23%	10%
Damaged fence	30%	18%
Obstructed gutters	25%	32%
Mail accumulated	15%	13%
Overgrown grass or leaves	25%	38%
Overgrown or dead shrubbery	25%	36%
Water damage	18%	13%
Unauthorized occupancy	10%	15%
Missing or damaged shutters	12%	8%
Trash	13%	23%
Damaged Roof	23%	15%
Holes	7%	8%

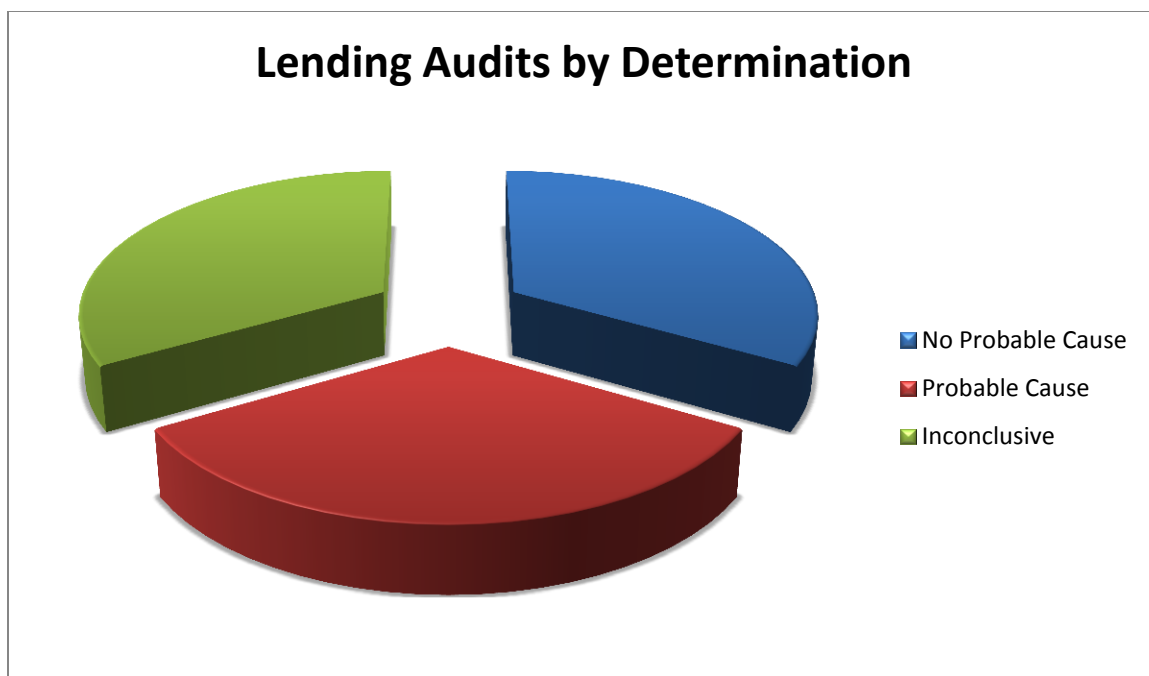
Missing or out of place	15%	12%
Broken Mailbox	13%	23%
Unsecured or broken door	7%	15%
Broken or hanging gutters	16%	10%
Exposed Utilities	8%	12%

**Table 1-7**

## **V. LENDING TESTING**

The Lending testing was conducted in a similar manner to the sales audit component outlined above. FHRC's subcontractor, The Housing Research and Advocacy Center (HRAC), conducted forty-five (45) FHIP lending audits in Lake, Geauga and Ashtabula County to determine whether minorities were experiencing discrimination in the local lending market. The results from the insurance audits are as follows: fifteen (15) No Probable Cause determinations - evidence indicated that both testers received the same treatment (either favorable or unfavorable) and that it was not probable that discrimination has occurred (NPC); fifteen (15) Inconclusive Determinations - testing evidence indicated differences in the testers visit and/or some variations of treatment existed, but did not rise to the level of a probable cause finding; and fifteen (15) Probable Cause Determinations – evidence indicated that the control tester was treated more favorably than the subject tester. Basically, while seeking home mortgage lending in the Tri-County area, 1 out of 3 members of a protected class will experience some form of discriminatory treatment.





**Chart 1-15**

FHRC was astounded by the results of the lending audits. There is a high incidence of lenders either refusing to work with an African American individual seeking lending, loan officers refusing to return phone calls, or referral to a different office compared to the white testing with matching characteristics. Therefore, the results of this lending testing component is similar to the results of the other testing components, i.e. a preference for non-minority individuals home seeking in the Tri-County area.

## **VI. HOMEOWNER ASSOCIATION TESTS**

During this project, FHRC contacted local government offices and obtained copies of local homeowner association (HOA) Bylaws and Declarations and conducted fifty-four (54) reviews of the documents to determine if there are any discriminatory rules, restrictions, and practices that may violate fair housing laws. The results from these reviews were quite telling.

While FHRC was pleased to find thirty (30) sets of documents that did not contain any discriminatory language, we were concerned when we did discover twenty-four (24) sets of documents that contained possible discriminatory language. The results indicated 44% of the HOA rules reviewed contained questionable language. The chart below demonstrates the findings as follows:

Restrictions against children toys or playing	35%
Restrictions against pets	30%
55 or older restriction	5%

The above table 1-8 indicates that 35% of the inconclusive findings were due to a restriction or rule against kids playing in common areas or leaving their toys out; 30% of the findings were due to restrictions due to pet breed or size. While homeowner associations are able to restrict pet breeds or sizes in their communities, enforcing these rules against service/assistance animals would result in a discriminatory practice. Lastly, 5% of the findings were due to a development that was listed as a “55 or older community” that contained questionable rules.

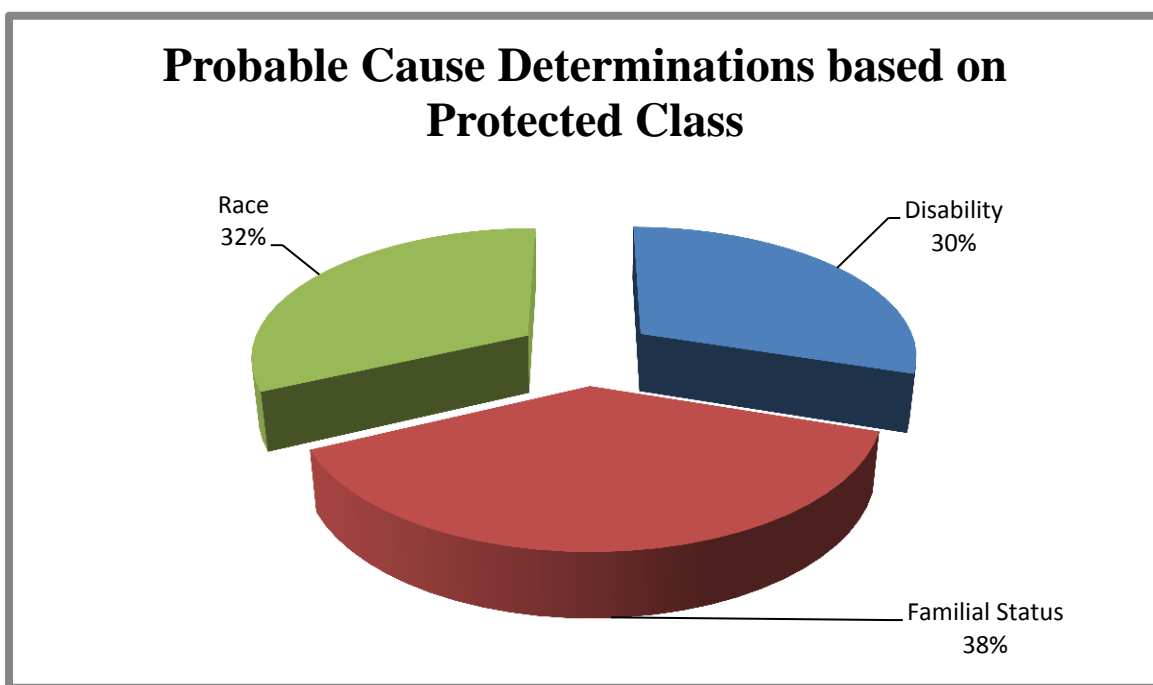
## **VII. PROJECT SUMMARY AND IMPLICATIONS**

FHRC’s race portion of the audit program elicited results that highlight a grave concern for African-American renters as compared to their non-disabled counterparts. FHRC embarked upon conducting this portion of the study due to several bona-fide complaints the agency received, as well as the general feedback from the social services arena. FHRC designed the disability study to measure the treatment of disabled individuals who utilize the services of an assistance animal in order to enjoy the use and benefits of the property, in the same manner as a

non-disabled individual. FHRC believed that using an assistance animal as a marker was the most logical and applicable method based on the bona-fide complaints. This section briefly summarizes the findings of the disability portion of the testing program and discusses their implications for ongoing research recommendations and policy.

## 1. Summary of Findings

FHRC conducted five hundred and forty nine (549) paired rental, deaf/hard of hearing, visually impaired, HCV, REO sales, and lending tests conducted throughout this tri-county area. The results conclude that we have ninety-seven (97) tests with a Probable Cause determination reflecting a 18% rate of discrimination. Thus it is clear that while home seeking or seeking a home mortgage in the tri-county area, individuals still encounter discriminatory treatment.



**Chart 1-17**

FHRC's analysis of each of these tests determined that in most cases, properties with "no pet" policies elicited an abrupt denial of housing for testers with assistance animals. In a few

cases, the assistance animal was permitted, but the landlord charged the tester a non-refundable pet deposit. As a “courtesy” some property owners even steered testers to other apartment complexes that permitted pets.

These results, coupled with FHRC’s intake of bona-fide complaints, illustrate that Lake, Geauga and Ashtabula County’s rental housing market lacks the education, understanding, or acceptance that individuals with disabilities, who utilize the services of an assistance animal, have a right to keep that animal in order to enjoy the use and benefits of the property.

## **2. Implications of Policy, Practice and Recommendations**

The results of the disability portion of this study should be recognized as an alarm to the community. In each community, evidence of disability discrimination was higher than the other protected classes audited. This study reveals the public’s need for heightened education and enforcement. Continued education coupled with appropriate enforcement through match-paired testing will steadily reverse the **direction** of this area. Education and enforcement are the needed solutions to turning this dual society to a society of one, together and equal. FHRC needs to continue our work so we may help change public perception and the discriminatory practices in this region. Researchers believe that racially diverse communities are stronger because growth is dependent upon the mobility of capital and people. Segregated communities limit that mobility. Persistent segregation based on minority status is detrimental to the health and economic strength of our communities. Our Tri-County area, however, is increasingly segregated and is undergoing rapid demographical change, particularly racial consolidation. Uncovering and addressing discrimination is one step toward ensuring that all people have equal access to housing, thus strengthening our neighborhoods and promoting economic prosperity.