

**Final Report**

# **Analysis of Impediments to Fair Housing Choice**



City of Frisco, Texas



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**Final Report**

August 15, 2010

**Analysis of Impediments  
to Fair Housing Choice**

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## **SECTION I.**

# **Demographics and Housing Affordability**

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# SECTION I.

## Demographics and Housing Affordability

This section contains an analysis of public and private sector barriers to fair housing choice in the context of demographics and housing affordability. It begins with a brief summary of the major demographic and housing market characteristics in the City. The demographic analysis contains an examination of racial and ethnic concentration in Frisco.

### Demographic Summary

The following provides a brief summary of demographic trends in Frisco pertinent to fair housing analysis. Information provided covers population trends, race and ethnicity, income and housing composition.

**Population.** The past decade has been one of growth in Frisco. The Texas State Data Center and the State Demographer estimated the City of Frisco’s 2009 population at 96,929 persons. The City has added 63,000 people since its 2000 estimate of 33,714 residents. This equates to a total growth rate of 187 percent, or a compound annual growth rate (CAGR) of 12.4 percent. Statewide, population grew by 18 percent between 2000 and 2009, which equates to a CAGR of 1.8 percent. In summary, Frisco has grown far faster than the State as a whole during the past decade.

Building off estimates from the North Central Texas Council of Governments, the City estimates that its population as of January 1, 2010 was 108,201.

NCTCOG forecasts that Frisco will grow to approximately 228,000 residents by 2030. Although growth in Frisco is not forecasted to stop, it is forecasted to occur more slowly than it has since 2000. The following exhibit displays forecasted population growth in the City through 2030.

**Exhibit I-1.**  
**Population Forecasts, City of Frisco, 2000 to 2030**

	2000	2005	2010	2015	2020	2025	2030
Population	34,028	80,969	112,725	144,788	178,558	202,949	227,911
Population Growth (from prior period)		46,941	31,756	32,063	33,770	24,391	24,962
CAGR (from prior period)		18.9%	6.8%	5.1%	4.3%	2.6%	2.3%

Source: North Central Texas Council of Governments.

**Race and ethnicity.** One of the key components of fair housing analysis is an examination of the concentration of racial and ethnic minorities within a jurisdiction to detect evidence of segregation. In some cases, minority concentrations are a reflection of preferences—e.g., minorities may choose to live where they have access to grocery stores or restaurants that cater to them. In other cases, minority populations are intentionally steered away or discouraged from living in certain areas. Housing prices can also heavily influence where minorities live.

Categories of race and ethnicity are established by the U.S. Census Bureau and the Federal Office of Management and Budget. Race and ethnicity of individuals are self-identified within these categories.

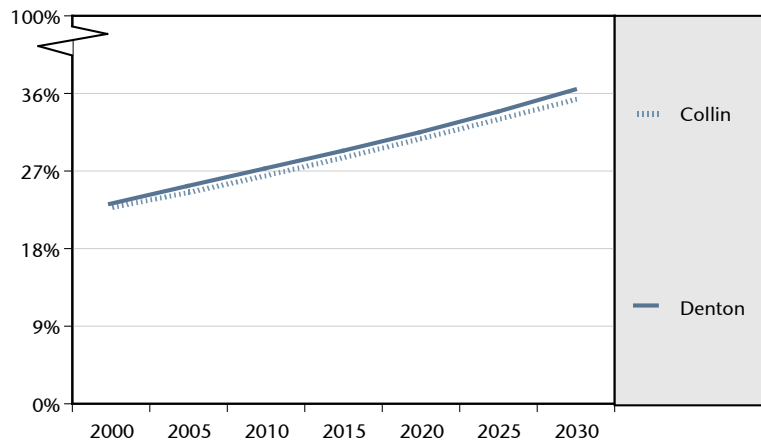
Per the 2008 ACS, 80 percent of the population in Frisco considered themselves white. The remaining 20 percent of residents identified themselves as African American (7 percent), Asian (7 percent), “some other race” (3 percent) (often people of Hispanic origin who do not think of themselves as “white”) and “two or more races” (3 percent). Eighty-eight percent of Frisco residents consider themselves ethnically to be non-Hispanic, while the remaining 12 percent consider themselves Hispanic.

The State Demographer provides population forecasts by race for counties in Texas. The percentage of non-white residents, which includes African American, Hispanic and “Other”, is expected to increase between now and 2030 in both Collin County and Denton County. Growth in the Hispanic population accounts for much of this growth. For example, Hispanic residents accounted for 11 percent of Collin County’s population and 14 percent of Denton County’s population in 2005. By 2030, Hispanic residents are expected to account for 19 percent and 22 percent of Collin County and Denton County’s population, respectively.

**Exhibit I-2.  
Percent of Non-white  
Residents, Collin County  
and Denton County, 2000-  
2030**

Note: Forecasts utilize the State’s 0.5 scenario.

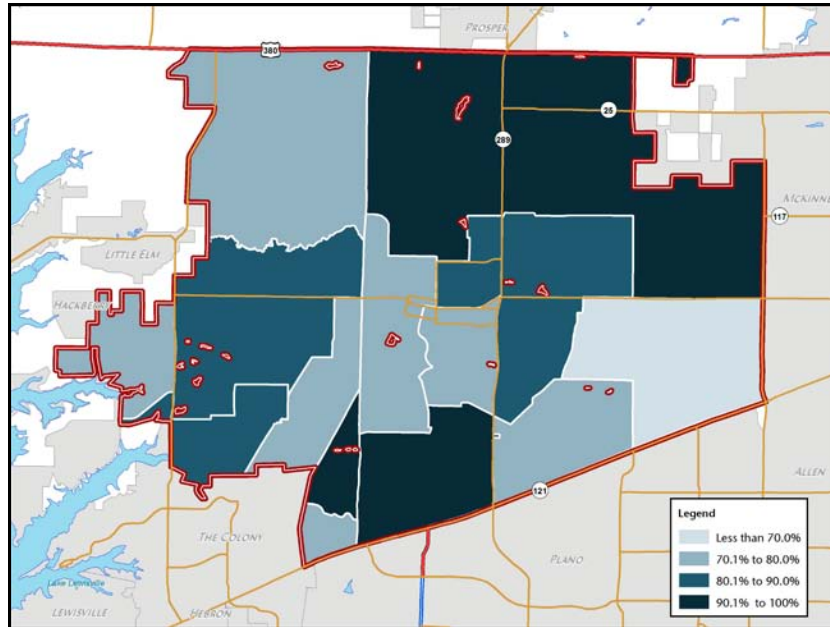
Source:  
Texas State Data Center and Office of the State  
Demographer.



Exhibits I-3 through I-7 show where the City’s major races and ethnicities—White, Asian, Black/African American, two or more races and Hispanic—reside in the City. Overall, the City’s population contains primarily racially white residents and ethnically non-Hispanic residents. Exhibit I-3 shows that certain Census block groups contain nearly no minority residents. Exhibits I-4 through I-7 show that minorities in the City primarily live downtown and in the City’s central core.

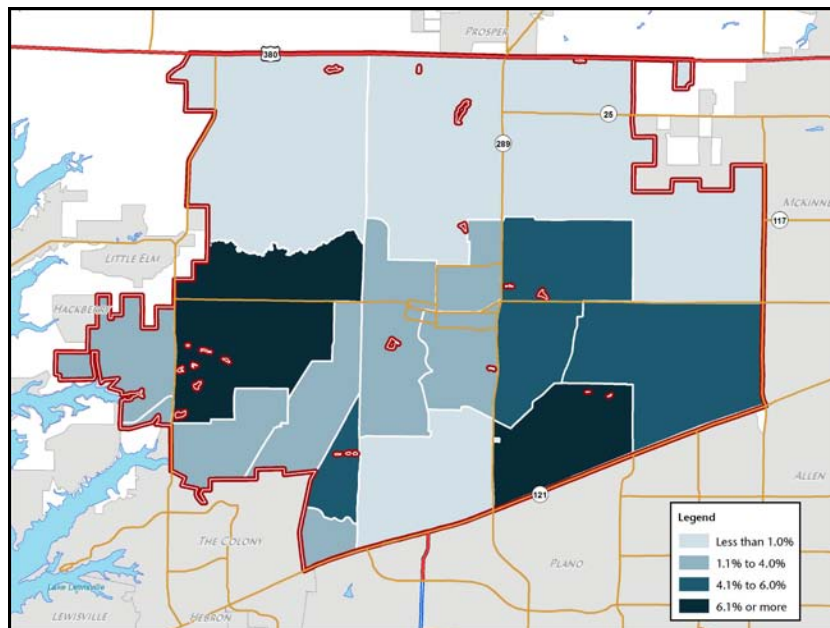
**Exhibits I-3.  
Percent of Block Group Population  
that is White by  
Block Group,  
Frisco, 2009**

Source:  
Claritas 2009 and BBC  
Research & Consulting.



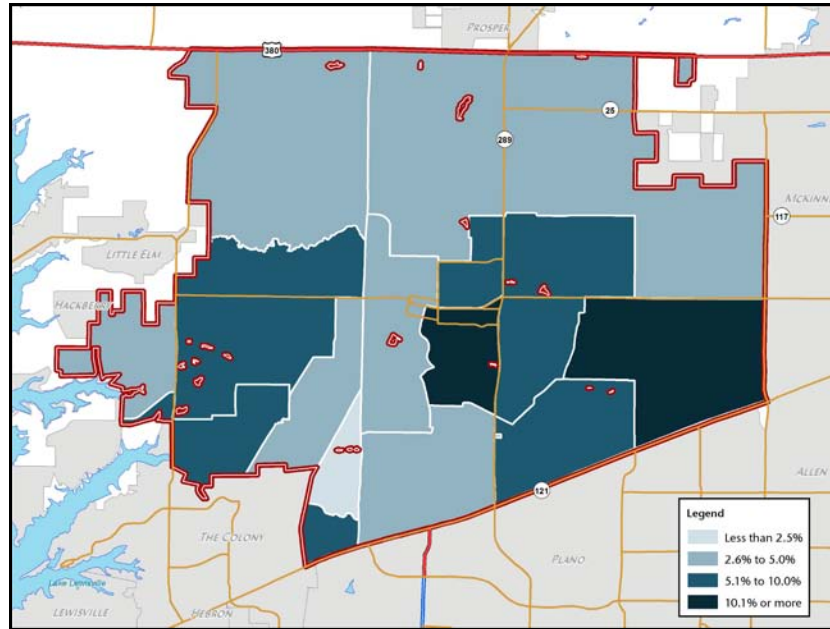
**Exhibits I-4.  
Percent of Block Group Population  
that is Asian by  
Block Group,  
Frisco, 2009**

Source:  
Claritas 2009 and BBC  
Research & Consulting.



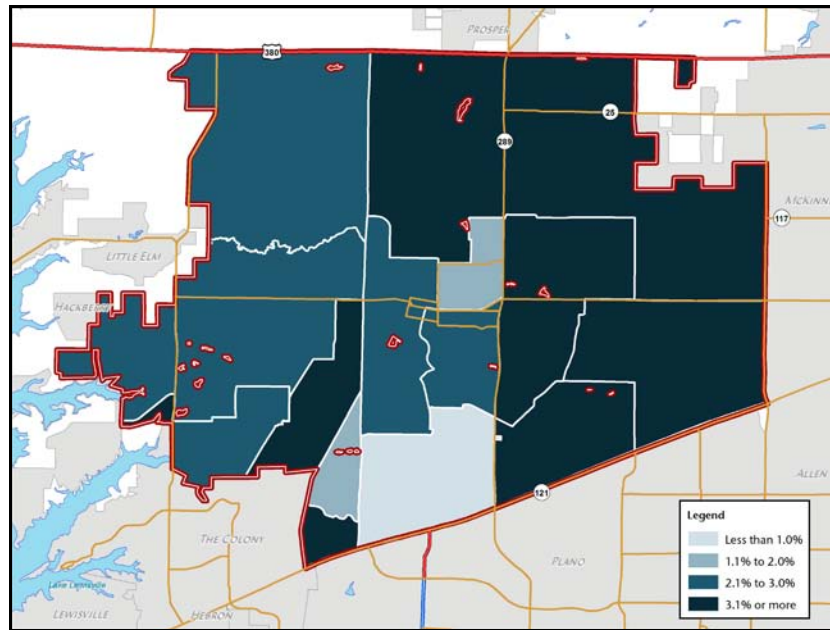
**Exhibits I-5.  
Percent of  
Population  
that is African  
American by  
Block Group,  
Frisco, 2009**

Source:  
Claritas 2009 and BBC  
Research & Consulting.



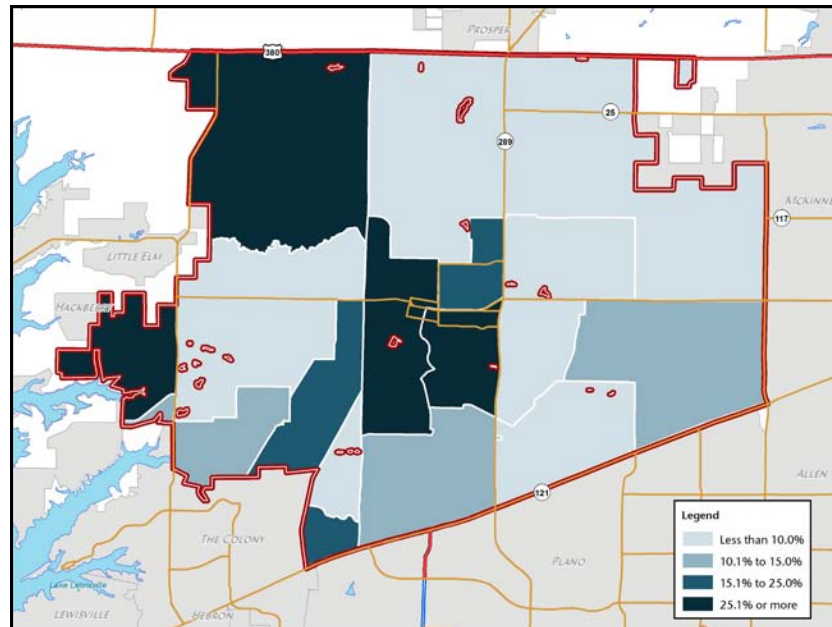
**Exhibits I-6.  
Percent of  
Population  
that is Two or  
More Races by  
Block Group,  
Frisco, 2009**

Source:  
Claritas 2009 and BBC  
Research & Consulting.



**Exhibits I-7.  
Percent of  
Population  
that is Hispanic,  
Frisco, 2009**

Source:  
Claritas 2009 and BBC  
Research & Consulting..



The City recognizes the racial and ethnic concentration in the downtown area of the City and has used this information to effectively plan the use of CDBG funds. The City’s CDBG funded Housing Rehabilitation program has completed 17 out of 27 housing rehabilitation projects in the downtown area since 2005. To date in program year 2009, 84 percent of housing rehabilitation funds have been expended on housing rehabilitation projects in the downtown area where six out of seven housing rehabilitation projects have been completed. In addition, Frisco Family Services Center, the local emergency service center, is located downtown on Third Street, and the City CDBG program funds the agency’s bi-lingual social worker.

**Income and low-income concentration.** Per ACS estimates, the 2008 median household income for Frisco is \$103,295. Frisco’s median household income is higher than median household incomes of Collin County (\$81,395), Denton County (\$73,544) and the state of Texas (\$50,043).

Exhibit I-8 displays the City’s household income distribution in 2008 from ACS estimates. The highest proportion of households in Frisco (27 percent) earn between \$100,000 and \$150,000. More than half of Frisco’s households (52 percent) earn more than \$100,000 per year or more.

**Exhibit I-8.  
Income Distribution,  
City of Frisco, 2008**

Source:  
American Community Survey, 2008.

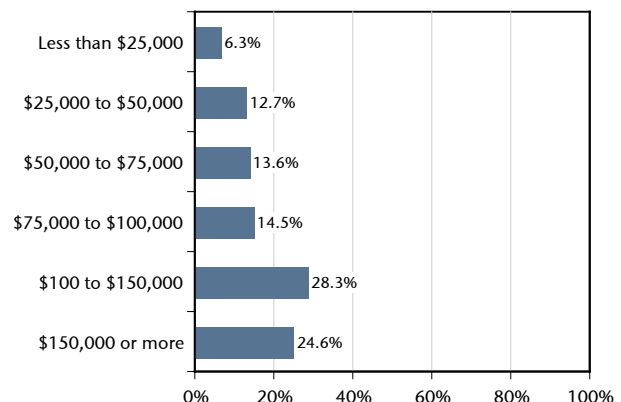
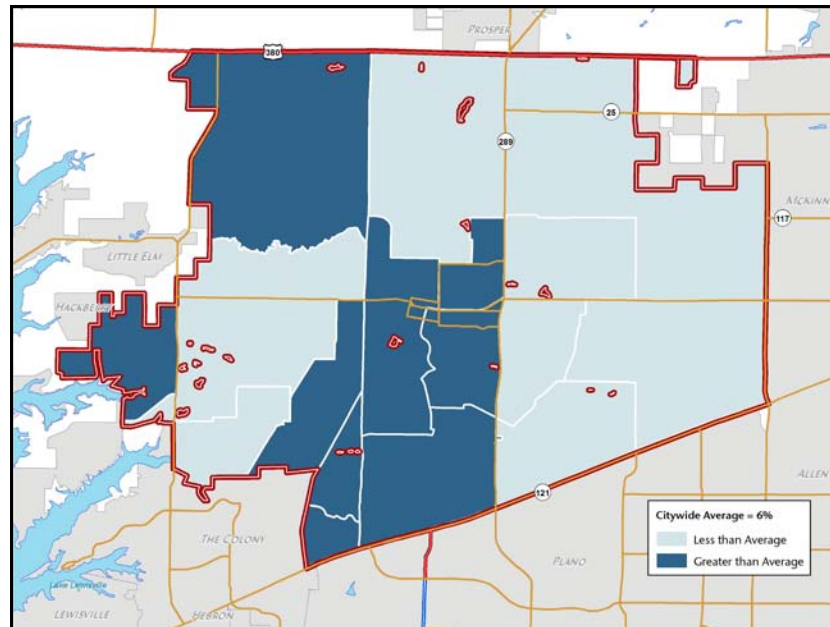


Exhibit I-9 shows the proportion of each Census block group in Frisco that contains low income households—those earning less than \$25,000, or approximately a quarter of the City’s median household income. Those with proportions greater than 6 percent have low income households exceeding the citywide average. Those Tracts primarily lie in the central portion of the City, as well as to the northeast.

**Exhibit I-9.  
Percentage of Block  
Group that is Low  
Income (earning  
less than \$25,000),  
Frisco, 2009**

Source:  
Claritas 2009 and BBC Research  
& Consulting.



In some communities, median household income can vary greatly by race and ethnicity. By race, few discrepancies exist in Frisco. The median household income for white households in 2008 was \$105,874; for African American households, it was \$90,385; for Asian households, it was \$88,552; and for households of two or more races, it was \$97,999.

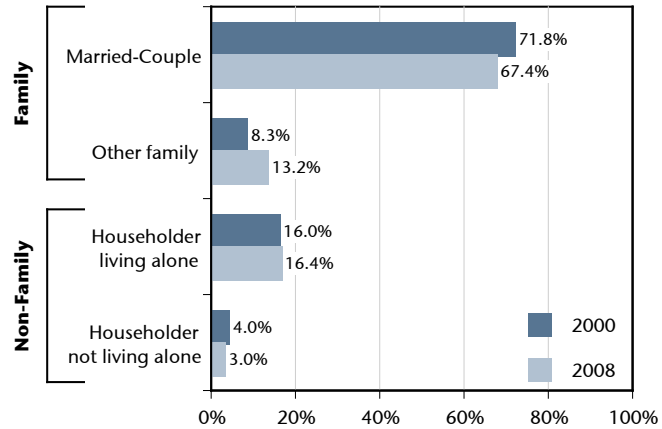
Hispanic households earn \$40,000 less per year than non-Hispanic households, as the median household income for Hispanic households in 2008 was \$64,526 and \$108,769 for non-Hispanic households. Hispanic households in Frisco earn approximately \$15,000 more than the median household income for all of Texas.

**Familial status.** Other types of people who may be more vulnerable than others in facing housing discrimination and/or have greater challenges in finding affordable, appropriate housing include single parents and persons with disabilities. Fair housing surveys conducted by BBC have shown that public support is lowest for fair housing laws that protect families with children; many people believe landlords should be able to deny families with children rental units.

According to the 2008 ACS, an estimated 4,600 households in Frisco were made up of single-parent families. This represents about 13 percent of all households in the City. Most of these households were female-headed. Overall, female-headed family households account for 10 percent of all households in Frisco. In 2000, female-headed family households only accounted for 5 percent of all households in Frisco, indicating a change in household composition during this decade.

**Exhibit I-10.  
Household Characteristics,  
City of Frisco, 2000 and 2008**

Source:  
U.S. Census, 2000 and American Community  
Survey, 2008.



**Disability.** Many persons with disabilities require housing that has accessibility features, is near public transit and supportive services, and is affordable. Persons with disabilities are also at greater risk of experiencing housing discrimination, oftentimes due to a lack of knowledge about laws governing accommodations for the disabled.

The 2008 American Community Survey reported 5 percent (5,448 persons) of the population in the City of Frisco had a disability, compared to 9 percent of the Metroplex’s population.

The Census’s definition of a disability status is based on individual answers to several Census survey questions.<sup>1</sup> According to the Census, individuals have a disability if any of the following three conditions are true: (1) they were any age and had a response of “yes” to a hearing or vision limitation; (2) they were 5 years old and over and had a response of “yes” to having a cognitive, ambulatory or self-care difficulty; or (3) they were 15 years old and over and had a response of “yes” to independent living difficulty.

As seen in Exhibit I-11, certain age groups are more susceptible to being disabled. As common in most communities, seniors have the highest rate of disability, as more than 2 out of every 5 seniors reported being disabled in 2008.

**Exhibit I-11.  
Disability by Age Cohort,  
City of Frisco, 2008**

Source:  
American Community Survey, 2008.

	Number	Percent of Total Disabled	Percent of Age Group
Under 5	0	0%	0%
5 to 17	847	16%	3%
18 to 34	248	5%	1%
35 to 64	2227	41%	5%
65 and older	2126	39%	43%

<sup>1</sup> The Census Bureau introduced a new set of disability questions in the 2008 ACS questionnaire. Accordingly, comparisons of disability data from 2008 or later with data from prior years are not recommended.

The 2008 ACS definition of disability encompasses a broad range of categories, including serious difficulty in four basic areas of functioning: vision, hearing, ambulation and cognition. The definition of people with disabilities includes individuals with both long-lasting conditions, such as blindness, and individuals that have a physical, mental or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business. All disability data from the Census are self-reported by respondents.

Exhibit 1-12 lists the number of disabilities by type in Frisco. Persons having ambulatory difficulties are the most common in the City, representing 28 percent of all disabilities.

**Exhibit I-12.**  
**Type of Disability,**  
**City of Frisco, 2008**

Note:  
 Because some people have multiple disabilities, the total of the column does not equal the total number of disabled persons.  
 Source:  
 U.S. Census Bureau  
 American Community Survey, 2008.

	Total Number of Disabilities	Percent of Population Qualifying for Type of Disability
Ambulatory Difficulty	3,261	3.4% of persons 5 years and over
Independent Living Difficulty	2,809	3.9% of persons 18 years and over
Hearing Difficulty	1,171	1.1% of total population
Cognitive Difficulty	2,500	2.6% of persons 5 years and over
Self-Care Difficulty	1,184	1.2% of persons 5 years and over
Vision Difficulty	600	<1% of total population

Because many people with disabilities have a limited ability to work for pay, they are limited in their ability to generate earnings and often live on fixed incomes. Persons with disabilities are more likely to have lower incomes and live in poverty than people without disabilities. Finding housing that is affordable, has needed accessibility improvements and is conveniently located near transit and other needed services is often very challenging for persons with disabilities.

Recent data showing where persons with disabilities live is not available. Because the City has grown so quickly since 2000, it is likely that 2000 data showing the geographic distribution of disabled residents is no longer accurate.

**Housing Market Summary**

**Tenure.** For 2008, the ACS estimated that 79 percent of the City’s housing units were occupied by owners and 21 percent were occupied by renters. High concentrations of renter-occupied housing units in the City are located in the center of the City, close to downtown Frisco.

**Type.** Eight-two percent of the City’s housing stock consists of single family detached units (houses). Housing unit growth between 2000 and 2008 primarily consisted of single family detached units; however, the City also began adding a more substantial amount of single family attached units (ex: row homes, townhomes), as well as medium-sized apartment units. The following two exhibits display the distribution of housing units by type in 2000 and 2008.

**Exhibit I-13.  
Housing Units by Type,  
City of Frisco, 2000 and 2008**

Source:  
U.S. Census, 2000 and American Community  
Survey, 2008.

	2000		2008	
	Number	Percent	Number	Percent
Single family, detached	10,381	76%	29,896	82%
Single family, attached	324	2%	1,448	4%
2 to 4 units	381	3%	520	1%
5 to 19 units	1,610	12%	3,313	9%
20 to 50 units	401	3%	367	1%
50 units or more	331	2%	919	3%
Mobile homes	264	2%	0	0%
<b>Total</b>	<b>13,692</b>	<b>100%</b>	<b>36,463</b>	<b>100%</b>

**Condition of housing.** The 2008 ACS reported that approximately 789 housing units in Frisco are considered severely substandard because they lacked complete kitchens.<sup>2</sup> No housing units lack complete plumbing. Overall, 2 percent of the City’s total housing units in existence in 2008 were considered sub-standard. Only 273 of these units were occupied, and all were occupied by renters.

**Overcrowding.** HUD requires communities to estimate the number of housing units that are overcrowded as part of their Consolidated Plans. Overcrowding in housing can threaten public health, strain public infrastructure, and points to an increasing need of affordable housing. The amount of living space required to meet health and safety standards is not consistently specified; measurable standards for overcrowding vary. According to HUD, the most widely used measure assumes that a home becomes unhealthy and unsafe where there are more than one, or sometimes one and a half, household members per room.<sup>3</sup> Another frequently used measure is the number of individuals per bedroom, with a standard of no more than two persons per bedroom. Assisted housing programs usually apply this standard.

Overcrowded units are not prevalent in Frisco. According to the 2008 ACS, less than 1 percent of the City’s occupied housing units were overcrowded (more than 1 occupant per room).

**Affordability.** This section discusses the affordability of both for sale and rental housing in the City of Frisco, beginning with for sale housing.

**Housing to buy.** The MLS reported nearly 2,300 residential real estate transactions in 2009. Nearly all of the homes sold were single family properties (96 percent). The median sales price was \$237,000.

<sup>2</sup> This does not include double counting, so this would be the maximum number of substandard units.

<sup>3</sup> The HUD American Housing Survey defines a room as an enclosed space used for living purposes, such as a bedroom, living or dining room, kitchen, recreation room, or another finished room suitable for year-round use. Excluded are bathrooms, laundry rooms, utility rooms, pantries, and unfinished areas.

**Exhibit I-14.**  
**MLS Sales, City of Frisco, 2009**

	Number	Listing Price	Sold Price	Days on the Market	Square Feet	Year Built
<b>Median</b>						
Condo	1	\$133,000	\$130,000	22	1,446	1996
Half-Duplex	26	\$159,900	\$155,950	49	1,953	2000
Single Family	2,214	\$249,900	\$241,639	52	3,020	2004
Townhome	56	\$164,700	\$157,250	41	1,750	2005
<b>All Sold Listings</b>	<b>2,297</b>	<b>\$243,900</b>	<b>\$237,000</b>	<b>52</b>	<b>2,968</b>	<b>2004</b>
<b>Average</b>						
Condo	1	\$133,000	\$130,000	22	1,446	1996
Half-Duplex	26	\$143,217	\$140,723	76	1,745	1999
Single Family	2,214	\$296,316	\$285,625	81	3,082	2002
Townhome	56	\$162,599	\$155,982	62	1,808	2002
<b>All Sold Listings</b>	<b>2,297</b>	<b>\$291,252</b>	<b>\$280,756</b>	<b>80</b>	<b>3,036</b>	<b>2002</b>

Source: MLS, 2009.

As of March 2010, there were 1,456 homes for sale in Frisco. Nearly all listings in Frisco were for single family homes, which had a median listing price of \$289,945. The median length of time for all listings was 50 days. The following exhibit displays the median and average summary statistics for Frisco's listings.

Although the attached and multifamily products in the City offer more affordability, there are not enough available to be a practical option for residents. A potential homeowner looking for affordability in a duplex or townhome may find those products difficult to find in Frisco.

**Exhibit I-15.**  
**Current Listings, City of Frisco, 2009**

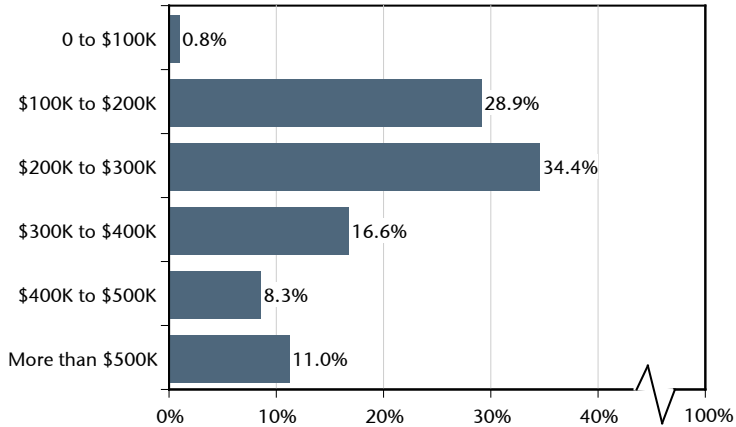
	Number	Listing Price	Days on the Market	Square Feet	Year Built
<b>Median</b>					
Condo	1	\$289,900	23	2,414	2002
Half-Duplex	24	\$159,900	61	1,939	2000
Single Family	1,401	\$289,945	50	3,271	2004
Townhome	30	\$183,450	50	1,881	2006
<b>All Sold Listings</b>	<b>1,456</b>	<b>\$285,000</b>	<b>50</b>	<b>3,233</b>	<b>2004</b>
<b>Average</b>					
Condo	1	\$289,900	23	2,414	2002
Half-Duplex	24	\$136,189	77	1,699	1994
Single Family	1,401	\$400,987	88	3,379	2008
Townhome	30	\$180,057	72	1,870	2003
<b>All Sold Listings</b>	<b>1,456</b>	<b>\$391,988</b>	<b>88</b>	<b>3,319</b>	<b>2008</b>

Source: MLS, 2009.

Often, the for-sale housing market is reflective of the market as a whole. Assuming this is the case in Frisco, it is likely that approximately one-third of the City's housing stock falls below \$200,000, one-third is priced between \$200,000 and \$300,000 and the remaining one-third is priced above \$300,000.

**Exhibit I-16.**  
**Price Distribution of**  
**MLS Listings and Sales, City**  
**of Frisco, 2009**

Source:  
 MLS, 2009.



**Housing to rent.** In 2000, the median contract rent in Frisco was \$728. In 2008, the median had increased to \$933, or by 28 percent. During the same time period, the median gross rent, which also includes the contract amount, as well as utilities and fuels paid for by the tenant, increased by 34 percent, from \$850 in 2000 to \$1,135 in 2008. The faster growth seen in gross rent indicates that utilities and fuel costs in Frisco add additional cost burden to renters and impact their affordability. Although new rental units coming onto the market are most likely energy efficient, older units that have transitioned from the owner-occupied market to the rental pool may be lacking necessary improvements for renters to save on energy costs.

The following exhibit shows the “Fair Market Rent” (FMR) for the Dallas Metropolitan Area, which includes Frisco. FMRs are not calculated for individual communities like Frisco. Fair Market Rents (FMRs) are used by HUD to determine subsidies for federal housing programs such as the Section 8 Housing Choice Voucher program. FMRs include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. Currently, “fair market” for the FMR definition is the 40th percentile rent—that is, the dollar amount below which 40 percent of the standard-quality rental housing units in the private market are rented. In the region, rents for efficiencies and 1-bedroom units have shown the most growth.

**Exhibit I-17.**  
**Fair Market Trends,**  
**Dallas HUD Metro**  
**Area, 2000 to 2010**

Source:  
 U.S. Department of Housing &  
 Urban Development.

	Number of Bedrooms				
	Efficiency	One	Two	Three	Four +
FY 2001	\$562	\$647	\$830	\$1,148	\$1,358
FY 2002	\$548	\$631	\$810	\$1,120	\$1,325
FY 2003	\$575	\$662	\$850	\$1,176	\$1,391
FY 2004	\$589	\$678	\$871	\$1,205	\$1,425
FY 2005	\$633	\$713	\$868	\$1,147	\$1,412
FY 2006	\$548	\$607	\$733	\$954	\$1,129
FY 2007	\$591	\$658	\$798	\$1,059	\$1,283
FY 2008	\$645	\$718	\$871	\$1,156	\$1,401
FY 2009	\$670	\$746	\$905	\$1,201	\$1,455
FY 2010	\$669	\$740	\$894	\$1,164	\$1,377
<b>Change from 2001 to 2010</b>	<b>\$107</b>	<b>\$93</b>	<b>\$64</b>	<b>\$16</b>	<b>\$19</b>
<b>Average Annual Increase</b>	<b>\$11.89</b>	<b>\$10.33</b>	<b>\$7.11</b>	<b>\$1.78</b>	<b>\$2.11</b>

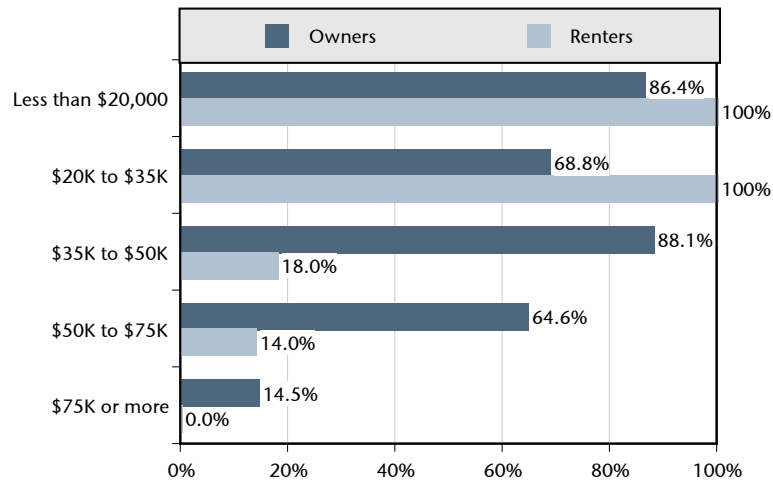
**Cost burden.** In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.” This study recognizes that it is not uncommon in some higher cost communities for residents to pay more than 30 percent of their monthly income on housing. However, for the sake of this study, this analysis will continue to use 30 percent as a standard.

In 2008, the ACS estimated that 29 percent of all households in Frisco pay more than 30 percent of their incomes in rent and utilities. Of these cost burdened households, 21 percent are renter households and the remaining 79 percent are homeowner households.

As seen in the following exhibit, which displays the percentage and number of households (owner and renter) currently cost-burdened in Frisco, renter households earning less than \$35,000 find it difficult to rent in Frisco without being cost-burdened, as do homeowner households earning less than \$75,000.

**Exhibit I-18.  
Cost Burden,  
City of Frisco, 2008**

Source:  
American Community Survey, 2008.



**Gaps in housing market.** To understand more specifically where the housing market in Frisco fails to meet residents’ needs, a “gaps analysis” was conducted. This section reports the results of the model that was completed as part of the City’s Consolidated Plan. Gaps for low-income renters may make them susceptible to fair housing activities, as they may be more inclined to accept unfavorable living situations due to lack of affordable rental opportunities.

**Renters.** According to the 2008 ACS, approximately one-third of Frisco’s rental units are priced under \$800 per month, which is affordable for a household earning \$35,000 or less to avoid being cost burdened. Just three percent of units rent for less than \$575 per month, which is affordable for a household earning \$25,000 or less.

Exhibit I-19 compares the number of Frisco households at various income ranges with the supply of rental units. The column on the far right shows the mismatch between supply and demand. For example, there are 475 renters in the City who earn less than \$15,000 per year who can only afford to pay \$325/month or less in rent. There are 92 market rate units and public housing units available to

serve these renters—leaving a difference, or shortage, of 383 units. Despite showing a rental gap for households earning \$75,000 or greater, this is not a concern for the City, as these households are simply paying less than 30 percent of their household salary for less expensive rental units.

Much of the rental market in Frisco is priced for households earning \$25,000 to \$75,000 per year. For example, 20 percent of the renter households in Frisco earn \$35,000 to \$49,999 per year; however, 35 percent of the rental units in the City are priced for this income group, creating a surplus of nearly 1,400 units. Not all of these units are vacant, indicating that they are being occupied by cost-burdened households earning less than \$35,000 per year or by households earning more than \$50,000 that chose to pay less than 30 percent of their monthly income on housing.

**Exhibit I-19.  
Mismatch in Rental Market, City of Frisco, 2008**

Income Range	Renters		Maximum Affordable Rent & Utilities	Total Rental Units and Vouchers		Rental Gap
	Number	Percentage		Number	Percentage	
\$0 - \$14,999	475	6%	\$ 325	92	1%	-383
\$15,000 - \$24,999	672	9%	\$ 575	165	2%	-507
\$25,000 - \$34,999	727	10%	\$ 800	2,347	29%	1,620
\$35,000 - \$49,999	1,467	20%	\$ 1,175	2,863	35%	1,396
\$50,000 - \$74,999	1,238	17%	\$ 1,775	1,948	24%	710
\$75,000 - \$99,999	1,231	17%	\$ 2,400	366	5%	-865
\$100,000 - \$149,999	990	13%	\$ 3,600	303	4%	-687
\$150,000 - \$500,000	563	8%	\$ 12,350	0	0%	-563
<b>Total</b>	<b>7,363</b>	<b>100%</b>		<b>8,083</b>	<b>100%</b>	

Source: BBC Research & Consulting.

**Homeowners.** It is good news that renters earning between \$35,000 and \$50,000 have ample rental opportunities because their options for purchasing in Frisco are extremely limited. For households earning between \$35,000 and \$50,000 per year, only seven percent of all owner-occupied housing units are affordable to them. Renters must earn \$75,000 and more before their for sale housing options in Frisco become more abundant. Once households begin earning \$100,000 or more, their housing options in the City become very abundant.

Exhibit I-20 demonstrates the affordability of the City’s for sale market to its renter population.

**Exhibit I-20.**  
**Market Options for Renters Wanting to Buy, City of Frisco, 2008**

Income Range	Renters		Maximum Affordable Home Price	Estimated Housing Units	Percent All Units	Cumulative Percentage Available	Units Available per Renter Household	Difference in Proportions	
	Number	Proportion							
\$0	\$14,999	475	6%	\$ 42,792	53	0%	0%	0.11	-6%
\$15,000	\$24,999	672	9%	\$ 75,711	8	0%	0%	0.01	-9%
\$25,000	\$34,999	727	10%	\$ 105,339	182	1%	1%	0.25	-9%
\$35,000	\$49,999	1,467	20%	\$ 154,718	1,643	6%	7%	1.12	-14%
\$50,000	\$74,999	1,238	17%	\$ 233,724	9,893	35%	41%	7.99	18%
\$75,000	\$99,999	1,231	17%	\$ 316,023	7,176	25%	67%	5.83	9%
\$100,000	\$149,999	990	13%	\$ 474,036	5,654	20%	87%	5.71	6%
\$150,000	\$500,000	563	8%	\$ 1,626,218	3,792	13%	100%	6.74	6%
<b>Total</b>		<b>7,363</b>	<b>100%</b>		<b>28,400</b>	<b>100%</b>			

Source: BBC Research & Consulting.

Long-term residents of cities that have experienced rapid growth and housing price appreciation may find it difficult to sell their home and purchase another. Given Frisco’s rapid growth during this past decade, it is likely that its oldest residents may be in this predicament. For example, the City’s lowest income homeowners, who mostly likely bought their homes before Frisco’s growth period, would find it difficult to purchase another affordable home in Frisco if they were to sell their current home, as indicated by the gap of 1,369 affordable homes for homeowners earning between \$0 and \$50,000 per year. Given the difficulty of finding affordable homes for the City’s lowest income residents, it is important that the City maintains its current stock of affordable homes and ensures residents are able to make necessary home improvements to their current homes.

**Exhibit I-21.**  
**Mismatch in Owner Market, City of Frisco, 2008**

Income Range	Owners		Maximum Affordable Home Price	Estimated Housing Units		Gap	
	Number	Percentage		Number	Percentage		
\$0	\$14,999	726	3%	\$ 42,792	53	0%	-673
\$15,000	\$24,999	299	1%	\$ 75,711	8	0%	-291
\$25,000	\$34,999	360	1%	\$ 105,339	182	1%	-178
\$35,000	\$49,999	1,870	7%	\$ 154,718	1,643	6%	-227
\$50,000	\$74,999	3,470	13%	\$ 233,724	9,893	35%	6,423
\$75,000	\$99,999	3,820	14%	\$ 316,023	7,176	25%	3,356
\$100,000	\$149,999	8,843	32%	\$ 474,036	5,654	20%	-3,189
\$150,000	\$500,000	7,992	29%	\$ 1,626,218	3,792	0%	-4,200
<b>Total</b>		<b>27,380</b>	<b>100%</b>		<b>28,400</b>	<b>100%</b>	

Source: BBC Research & Consulting.

## **Affordable Housing**

The following provides a brief history of affordable housing activities in Frisco, discusses units provided by the Frisco Housing Authority, discusses assisted housing units and concludes with a discussion of the Section 8 Housing Choice Voucher program.

**Affordable housing in Frisco.** The following provides a brief history of affordable housing discussions in the City, from 2002 until today.<sup>4</sup>

In 2002, the Frisco City Council created the Housing Trust Fund Board with the goal is to create programs which support affordable home rental and ownership options for people who work in Frisco. The Housing Trust Fund Board is currently responsible for approving loan requests from the fund, which provides for two down payment assistant programs.

In 2003, the Frisco City Council established its Strategic Focus Areas (SFA), which defines short and long term goals for the City of Frisco. Frisco's SFA plan also defines objectives and measures for achieving those goals, as determined by the Frisco City Council. Creating and maintaining a "Sustainable City" has been consistently listed among the Council's seven Strategic Focus Areas. To achieve 'sustainability', Frisco City Councils, past and present, list one of its goals as the following: Maintain high standards and encourage the development of quality residential communities that provide a diversity of housing, lot sizes, open spaces and amenities.

In June 2007, the Frisco City Council was approached by the Inclusive Communities Project, Inc. (ICP). According to its website, ICP is "a not-for-profit organization that works for the creation and maintenance of thriving racially and economically inclusive communities, expansion of fair and affordable housing opportunities for low income families, and redress for policies and practices that perpetuate the harmful effects of discrimination and segregation."

In October 2008, the Frisco City Council approved a resolution supporting a Local Political Subdivisions Grant Agreement between the City of Frisco and ICP. As a result, ICP agreed to provide a \$2 million grant to the City of Frisco to incentivize affordable housing developments in Frisco. In return, the City of Frisco will provide the funding to developers eligible for low income housing tax credits awarded from the Texas Department of Housing and Community Affairs. There are 56 projects in Region 3 competing for \$10 million dollars in available tax credits to support \$86 million dollars in project needs. "If Frisco had not negotiated the agreement with ICP, then the likely outcome would have been a federal lawsuit filed against Frisco by ICP as it did against both McKinney and Flower Mound," said George Purefoy, City Manager. "After 14 months of litigation, the McKinney Housing Authority is negotiating a settlement agreement with ICP which establishes the same general parameters as the Frisco agreement, except it includes a longer term agreement (5 years vs. 3 years) and it pays some of ICP's attorneys' fees." No City tax dollars are utilized to develop affordable housing under the ICP agreement. Any project funded under this program will meet all of Frisco's current ordinances and regulations. The City of Frisco is in its second year of its three year agreement with ICP. No applications from developers were received during the first year.

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<sup>4</sup> <http://www.ci.frisco.tx.us/communication/Pages/proposedlowincomesect8.aspx>

On February 10, 2010, the Frisco Housing Trust Fund Board agreed to support the applications from two developers, VDC Frisco Reserve I, LP and Stewart Creek, LLP. Stewart Creek LLP is proposing to build North Court Villas, a 150 unit, low income apartment complex on 10 acres on the south side of Stonebrook Parkway, between Woodstream Drive and Preston Road. VDC Frisco Reserve I, LP is proposing to build Residences at Frisco, a 200 unit, low income apartment complex near the intersection of Sunset Drive and McKinney Road. Under the ICP agreement, developers must set aside 50 units or 25% of the units, whichever is greater, for Section 8 vouchers. The two proposed developments would each have 50 units.

On February 16, 2010, the Frisco City Council approved requests from the developers Stewart Creek LLP and VDC Frisco Reserve I, LP for letters of support for their 2010 9% Housing Tax Credit Applications to be submitted to the Texas Department of Housing and Community Affairs.

On March 17, 2010, the Texas Department of Housing and Community Affairs notified the City that Stewart Creek, LLP filed a complete application for the Competitive HTC program for the North Court Villas project; however, VDC Frisco Reserve I, LP withdrew from the process and did not submit an application.

**Frisco Housing Authority.** The Frisco Housing Authority (FHA) was created as a housing authority under the Texas Local Government Code in the early 1960s with federal funds. The FHA is overseen by a board of five Commissioners (four at large citizen appointments and 1 housing authority resident commissioner). All commissioners are appointed by the Mayor, as detailed in Ordinance 01-10-72. The FHA Board is responsible for ownership, maintenance, operation and legal compliance of the existing inventory of federally funded low-rent public housing in the City of Frisco.

Per the FHA's 2010 Plan, the goal of the Frisco Housing Authority is to "address the need of affordable housing in this growing city." Currently, the Housing Authority is comprised of 20 units of low-rent public housing. The goal of the FHA is to "expand opportunities for Frisco residents working in entry level jobs to live in Frisco."

Of the City's 20 units, 10 are located at 3rd and Maple and 10 are located at 2nd and Pecan. The City recently awarded the Frisco Housing Authority with its CDBG-R grant dollars to make energy efficiency improvements to its 20 units.

Residents of the 20 public housing units consist of eight single mother households, four elderly households and eight family households. As of March 2009, the FHA waitlist was closed to new residents in need of a public housing unit. To date, over 200 residents currently reside on the FHA public housing waitlist.

**LIHTC.** There are 256 units subsidized by low income housing tax credits (LIHTC) currently in Frisco. These units are housed within two apartment complexes: Preston Trace Apartments and Stonebrook Village Apartments. The following exhibit describes the subsidized units available to residents.

**Exhibit I-22.  
Assisted Housing Units, Frisco, 2010**

Name	Address	Units	Cost by Number of Bedrooms			Voucher holders	Occupancy Rate
			1-bedroom	2-bedroom	3-bedroom		
Preston Trace Apartments	8660 Preston Trace Blvd.	40	\$347-\$607	\$412-\$725		0	100%
Stonebrook Village Apartments	7500 Rolling Brook Drive	216	\$595	\$750-\$725	\$820-\$835	12	93%

Source: City of Frisco.

**Section 8 – Housing Choice Voucher Program.** Officially known as the Housing Choice Voucher Program, the program provides partial rental payments to the landlord. The amount of rent per month varies from jurisdiction to jurisdiction. HUD will pay what it considers to be fair market value based on an assessment of the location of the apartment, its size, the kinds of amenities offered and the tenants’ income. Each housing authority tracks their vouchers. Frisco Housing Authority has no Section 8 Vouchers to issue; however, there are Voucher holders living in Frisco that have been issued Vouchers from other housing authorities. Unfortunately, there is no way of knowing how many Voucher holders reside in Frisco.

**SECTION II.**  
**Land Use**

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## SECTION II.

### Land Use

This section contains an analysis of public and private sector barriers to fair housing choice in the context of land use policies.

#### City Development Process and Policies

As part of the AI, a review of the City of Frisco's development process, zoning regulations, comprehensive plan and planning fees was completed to assess potential fair housing concerns or opportunities resulting from the development process. This section summarizes the findings from this review.

**Development process.** The City's development process is described in detail on its website. The process contains eight steps, which include:

- **Pre-application meeting.** The City recommends applicants meet with a City Planner prior to application submittal. The project will be discussed with all necessary staff.
- **Submittal.** Applicants should submit a Zoning Application form on a date that aligns with the Development Review Schedule. The project status can be tracked on the City's website.
- **Plan review.** Upon application submittal, staff reviews the application and provides suggested changes. The applicant then has until the following week to return the correct plans.
- **Review by Planning and Zoning Commission.** Resubmitted applications are reviewed by the Planning and Zoning Commission, which meets twice monthly. Plans are typically approved by the Commission within 30 days of submittal.
- **Review by City Council.** Zoning cases and Specific Use Permit requests are reviewed by City Council. If requests require an ordinance, staff must draft an ordinance, have it approved by the City Attorney and then resubmit it to Council for approval.
- **Submittal of building plans.** Building plans should be submitted after site approval is granted.
- **Pre-construction conference.** Prior to starting the construction process or civil work, the project's contractor and engineer is required to meet with the City's Construction Inspection Division.
- **Final inspection.** Upon project completion, the City must complete a final inspection to ensure compliance with City building standards.
- **Final acceptance.** The Construction Inspection Division provides a checklist for items that must be completed prior the acceptance of the project. These items include as-built drawings, inspection fees, escrow requirements, maintenance bonding and other items as required.
- **Certificate of Occupancy.** A Certificate of Occupancy (CO) is issued once all items are addressed and all Departments have signed off on the plans. Prior to receiving a CO, final inspections must be completed, as well as landscaping and public works.

The City also has an easily accessible development application handbook, which provides developers with the forms necessary for the development process, as well as all information necessary to complete development projects in the City. Information in the handbook includes general information, such as review schedules, fees and tax certificate information, as well as information necessary for annexations, zoning and development projects. The handbook makes the development process in Frisco transparent.

A timely and efficient approval process is necessary for affordable housing developers, as additional carrying costs can often make affordable projects economically infeasible. Affordable housing developers mentioned that the permitting process can take eight to ten weeks in Frisco versus two to three weeks in neighboring communities such as McKinney; however, the City estimates the permitting process typically takes four to six weeks depending on the completeness of the developer's submittal. Things that lengthen the permitting process include the submittal of color selections for exterior buildings prior to approval, a more specific engineering survey and more frequent and lengthy inspections than are required in other communities. Although these organizations cite good working relationships with staff, the lengthy permitting process adds expenses to the project.

**Zoning code.** To evaluate potential fair housing concerns within the City's zoning code, BBC utilized a "Review of Public Policies and Practices (Zoning and Planning Codes)" form recently circulated by the Los Angeles fair housing office of HUD. This section poses the questions from this checklist, along with responses about the City's code.

The City is currently in the process of updating its Zoning Code Ordinance to ensure that it is in compliance with all Federal and State law. The City has contracted with an outside consultant to complete the update.

*Does the code definition of "family" have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?* The City provides a definition of family in its zoning code, which is defined as "one or more persons related by blood, marriage, or adoption, or a group not to exceed four persons not all related by blood or marriage, adoption or guardianship, occupying a dwell unit and living as a single house-keeping unit. This definition does not discriminate against unrelated individuals with disabilities residing together. Moreover, the definition of family is not actively enforced within the City.

*Zoning Regulation Impediment: Does the Code definition of "family" have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?* No, see above.

*Zoning Regulation Impediment: Does the Code definition of "disability" the same as the Fair Housing Act?* The City's current Zoning Ordinance does not discuss the Fair Housing Act. However, the term "disabled" is used when discussing assisted care or living facilities, but it is not explicitly defined. Additionally, the Code does reference the Americans with Disabilities Act (ADA) and uses their standards in their Code.

*Practice Impediment: Does the zoning ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as a "boarding or rooming house" or "hotel"?* No.

*Practice Impediment: Does the zoning ordinance deny housing opportunities for disability individuals with on site housing supporting services? No.*

*Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled? Not directly, although Rehabilitation Care Facilities have occupancy restrictions of up to nine residents. Residential Care Facilities are defined as “a dwelling unit which provides residence and care to not more than nine persons regardless of legal relationship who have demonstrated a tendency towards alcoholism, drug abuse, mental illness or antisocial or criminal conduct living together with not more than two supervisory personnel as a single housekeeping unit”. However, this is not closely monitored within the City. In order for over occupancy to be investigated, there must be a health and safety violation.*

*Does the jurisdiction policy not allow disabled persons to make reasonable modifications or provide reasonable accommodation for disabled people who live in municipal-supplied or managed residential housing? No.*

*Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for disabled applicants and is the hearing only for disabled applicants rather than for all applicants? No, not specifically because it is for disabled persons.*

*Does the zoning ordinance address mixed uses? Yes, the code contains regulations on permitted mixed use properties. Mixed use developments are created through Planned Development (PD) Districts, which are defined as “a district which accommodates coordinated development that provides a more flexible means than the zoning districts outlined in this ordinance.” Furthermore, “A PD District may be used to permit new or innovative concepts in land utilization or diversification that could not be achieved under conventional zoning approaches.”*

*How are the residential land uses discussed? Please refer to how the PD is defined above.*

*What standards apply? The following standards apply to mixed use developments:*

- 1) Mixed-use may be accomplished by a vertical mixing of varying uses within the same building or group of buildings.
- 2) Mixed-use may be accomplished by a neo-traditional/new urbanism design or traditional neighborhood development.
- 3) Mixed-use development shall be compatible with adjacent properties.
- 4) Mixed-use developments shall integrate open space and recreational uses.
- 5) Mixed-use developments shall be located along Major Thoroughfares wherever possible. A Traffic Impact Analysis will be required unless it is waived by the Director of Planning and Development Services or his/her designee.
- 6) Mixed-use planned development ordinances shall contain architectural standards that tie the entirety of the development together.

*Does the zoning ordinance describe any areas in this jurisdiction as exclusive?* No.

*Are there exclusions or discussions of limiting housing to any of the following groups? No. If yes, check all of the following that apply:* N/A.

*Are there any restrictions for Senior Housing in the zoning ordinance? If yes, do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people)?* No. There are developments that are strictly for seniors age 62 or older; however, age requirements are enforced by the developer and not the City.

*Does the zoning ordinance contain any special provisions for making housing accessible to persons with disabilities?* No, as long as it complies with the building code.

*Does the zoning ordinance establish occupancy standards or maximum occupancy limits?* Yes, but only for Rehabilitation Care Facilities. Those facilities are limited to nine residents.

*Does the zoning ordinance include a discussion of fair housing?* No, but the City's Comprehensive Plan does include some discussion of fair housing.

*Describe the minimum standards and amenities required by the ordinance for a multiple family project with respect to handicap parking.* Parking requirements for multi-family housing is in compliance with the State of Texas Program for the Elimination of Architectural Barriers and should conform to the Americans Disability Act (ADA) of 1991. A minimum of one handicap parking spot is required for each 25 parking spaces in a lot. For example, one handicap spot is required for a parking lot with one to 25 spaces, two handicap spots are required for parking lots with 26 to 50 spaces, etc. For parking spaces with 501 to 1,000 spaces, 2 percent of the total spaces are required to be handicap spots. For parking lots with 1,001 or more spaces, 20 handicap spaces are required, as well as one spot for each 100 spaces over 1,001. So, for a lot with 1,100 spaces, 21 handicap spaces would be required.

*Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)?* No. The code has a "Assisted Living" category that requires a Special Use Permit if it is proposed in office or commercial space.

*Does the zoning code distinguish handicapped housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)?* No.

*How are "special group residential housing" defined in the jurisdiction zoning code?* Group homes are referred to as Rehabilitation Care Facilities, which refer to the residential units the residents live in, and Rehabilitation Care Institutions, which includes the entire facility (including residential).

Residential Care Facilities are defined as "a dwelling unit which provides residence and care to not more than nine persons regardless of legal relationship who have demonstrated a tendency towards alcoholism, drug abuse, mental illness or antisocial or criminal conduct living together with not more than two supervisory personnel as a single housekeeping unit."

Residential Care Institutions are defined as “a facility which provides residence and care to ten or more persons, regardless of legal relationship, who have demonstrated a tendency toward alcoholism, drug abuse, mental illness, or antisocial or criminal conduct together with supervisory personnel.”

Residential Care Facilities can go into most residentially zoned areas, but “shall maintain a minimum separation of fifteen hundred feet (1,500') measured linearly from property line to property line from any other household care facility.”

A Residential Care Institution requires a special permit and are only allowed to go into areas zoned office, commercial and industrial.

*Does the jurisdiction’s planning and building codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? No.*

*Is there any provision for monitoring compliance? Compliance is monitored when permits are issued.*

**Comprehensive Plan.** The Comprehensive Plan is a guide for the City’s future growth that includes the Future Land Use Plan, Thoroughfare Plan, Parks and Open Space Master Plan and recommended goals and objectives to carry out the Plans.<sup>1</sup> The Plan was completed in 2006 and included a lengthy public input process. The public input process, or “visioning” process included a Comprehensive Plan Advisory Committee (CPAC) comprised of 23 City Council appointed citizens, neighborhood workshops, land use charrettes where residents could provide feedback on land use design, as well as a variety of other meetings and survey efforts with residents and local organizations. Overall, the public input process focused on land use and what residents saw as visually appealing with the community. Although residents talked about how Frisco could be a place for residents to live, grow, work and play, discussion of housing and residential development was limited to diversifying housing types, as opposed to diversification of prices.

The Comprehensive Plan included a number of strategies, including a land use strategy, livability strategy, transportation strategy and growth strategy. However, only the Land Use Strategy and Livability Strategy will discussed because of their relevance to the AI.

**Land Use Strategy.** According to the City’s Land Use Strategy, “the right of a municipality to coordinate growth is rooted in its need to protect the health, safety and welfare of local citizens.” Moreover, “an important part of establishing the guidelines for such responsibility is the Land Use Strategy, which establishes an overall framework for the preferred pattern of development within Frisco.” The purpose of the Land Use Strategy is to designate various areas within the City for particular land uses.<sup>2</sup>

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<sup>1</sup> <http://www.ci.frisco.tx.us/departments/planningDevelopment/comprehensive/Pages/ComprehensivePlan.aspx>

<sup>2</sup> [http://www.ci.frisco.tx.us/departments/planningDevelopment/comprehensive/Documents/Comp\\_Plan\\_Chapter\\_4\\_Land\\_Use.pdf](http://www.ci.frisco.tx.us/departments/planningDevelopment/comprehensive/Documents/Comp_Plan_Chapter_4_Land_Use.pdf)

The Land Use Strategy identifies 12 land use policies, which the City intends to use in conjunction with its Future Land Use Plan. These policies include the following:

- Encourage sustainable, unique and accessible retail development.
- Provide limited multiple-family development in a mixed use concept.
- Respect significant local destinations.
- Encourage mixed use development.
- Provide for varied residential development.
- Support original town Frisco.
- Encourage infill development and development adjacent to developed areas.
- Establish specific policies for major transportation corridors.
- Support existing development.
- Integrate land uses with the transportation system.
- Provide positive land use relationships for public and semi-public uses.
- Provide for positive transitions from one land use type to another.

Although no reference to affordability was made when discussing diversification of residential development, the City recognizes that residential development impacts a community's demographic composition and recognizes that preferences vary by age and life stage. The City also recognizes the important role transit plays in the quality of life.

**Livability Strategy.** The City's Livability Strategy is "intended to provide guidance on the finer grain of development layout and design." The Strategy states that "livability means creating environments which are people-centric rather than auto-centric." The policies of the livability strategy are intended to create places within Frisco. The City's livability policies fall under one of the following categories: general, housing and neighborhoods and retail and office.

The following exhibit displays the policies and their respective category.

**Exhibit II-1.  
Comprehensive Plan Livability Strategy, City of Frisco, 2006**

General
<ul style="list-style-type: none"> <li>Utilize accepted principles for good community design to increase attractiveness and sustainability.</li> <li>Establish Frisco as a center for arts, education and entertainment.</li> <li>Reinforce and strengthen downtown as the heart of Frisco</li> <li>Increase connections between various districts and neighborhoods.</li> <li>Provide for clustering of development to preserve additional open space.</li> <li>Create attractive streets with views and walkability.</li> <li>Design streets so that the desired speed will be achieved.</li> <li>Consider energy costs and environmental quality.</li> </ul>
Housing and Neighborhoods
<ul style="list-style-type: none"> <li>Encourage development of distinctive neighborhoods</li> <li>Provide a variety of housing</li> <li>Use a tiered system of evaluation for new zoning proposals</li> <li>Effectively integrate neighborhood-oriented open space</li> <li>Improve existing neighborhoods</li> </ul>
Retail and Office
<ul style="list-style-type: none"> <li>Ensure that retail areas are pedestrian-friendly</li> <li>Integrate retail centers with adjoining neighborhoods</li> <li>Ensure that retail areas contain an integrated mix of uses</li> <li>Facilitate redevelopment of existing retail centers</li> </ul>

Source: City of Frisco Comprehensive Plan Livability Strategy.

The City’s focus in providing a variety of housing types is intended to offer housing for the full life cycle of citizens. More specifically, the City desires to “meet the needs of different segments of the population”, which includes “people of different ages, socio-economic levels and employment levels.” Life stages specifically discussed include young singles, professional couples, families with children, empty-nesters, retirees and seniors. Housing types identified to meet the needs of these segments of the population include “high income homes of various types (large lot, small lot, townhome, loft and condominium) and more affordable housing types (small lot/small home, townhome, loft, condominium, mother-in-law suites, carriage house and others).” The City’s goal is to include these housing types into all new developments, but to ensure that they maintain necessary quality standards.

**Planning fees.** As part of the land use review for the AI, we examined the level of fees for zoning changes, variance requests and the development of residential housing. Fees for zoning changes in Frisco were lower than the neighboring communities of Plano, equal to the fees charged in Allen and Prosper, but higher than McKinney, Richardson and Carrollton. All comparable communities had variance fees, except for Plano and Allen.

Frisco and McKinney are two of the more costly communities with regards to building permit and impact fees. Because neither community is built out, unlike Plano, Richardson and Carrollton, impact fees help fund the development of infrastructure. Impact fees are charged for water, wastewater and roadway fees, as well as fees for electric, mechanical and plumbing. Fees for multifamily projects in Frisco have been reduced by 40 percent, making the permit fee for a multifamily project \$764.25.

As mentioned in Section I, local affordable housing developers suggested that it was difficult to develop affordable housing in Frisco because of costs associated with developing, as well as land costs in the City. They also suggested that the timely and tedious inspection and approval process coupled with the City’s design standards made single family housing development very difficult.

**Exhibit II-2.  
Change of Zoning  
and Variance Fees  
for Frisco and  
Surrounding  
Cities**

Source:  
Cities of McKinney, Frisco,  
Plano, Allen, Prosper,  
Richardson and Carrollton.

	Zoning Change	Variance
<b>McKinney</b>	\$350 (\$15 per acre for the first 250 acres, \$8 per acre thereafter)	\$25 (pays for the cost of processing a variance permit)
<b>Frisco</b>	\$500 (plus postage costs for notification)	\$150 (plus postage costs for notification)
<b>Plano</b>	\$650 (\$600 for residential zoning changes plus \$50 for zoning verification letter)	No Variance Fee
<b>Richardson</b>	\$250	\$250
<b>Allen</b>	\$500 (plus \$10 per acre)	No Variance Fee
<b>Prosper</b>	\$500 (plus \$10 per acre)	\$100
<b>Carrollton</b>	\$325 (for 0 to 5.99 acres, fees increase with acreage)	\$650

**Exhibit II-3.  
Common Building and Impact Fees for Frisco and Surrounding Communities, 2010**

	Building Permit <sup>1</sup>	Water <sup>2</sup>	Wastewater <sup>2</sup>	Roadway <sup>4</sup>	Electric, Mechanical, and Plumbing fees	
<b>McKinney</b>	\$1,273.75 (\$993.75 for first \$100,000 value plus \$5.60 for each additional \$1,000 of value up to \$500,000)	\$ 2,767.06	\$ 350.38	\$0 to \$6,000	Electric - \$25.00 minimum for permit <sup>3</sup> \$15.00 minimum for permit <sup>3</sup> minimum for permit <sup>3</sup>	Mechanical - Plumbing - \$25.00
<b>Frisco</b>	\$1,273.75 (\$993.75 for first \$100,000 value plus \$5.60 for each additional \$1,000 of value up to \$500,000)	\$ 3,185	\$ 2,589	\$3,279 to \$6,004	Electric - \$20.00 minimum for permit <sup>3</sup> \$20.00 minimum for permit <sup>3</sup> minimum for permit <sup>3</sup>	Mechanical - Plumbing - \$20.00
<b>Plano</b> <sup>6</sup>	\$625 (\$.25 x the square footage under-roof)	\$ -	\$ -	\$ -	Electric - \$45.00 minimum for permit <sup>5</sup> \$45.00 minimum for permit <sup>5</sup> minimum for permit <sup>5</sup>	Mechanical - Plumbing - \$45.00
<b>Richardson</b> <sup>9</sup>	\$1,000 <sup>8</sup>	\$ -	\$ -	\$ -	Included in the Building Permit Fee	
<b>Allen</b>	\$600 (for the first 3,000 square feet, then \$.10 per additional square foot)	\$ 3,000	\$ 1,250	\$650 <sup>11</sup>	Electric - \$50.00 minimum for permit <sup>13</sup> \$50.00 minimum for permit <sup>13</sup> \$50.00 minimum for permit <sup>13</sup>	Mechanical - Plumbing -
<b>Prosper</b> <sup>12</sup>	\$1,100 (\$.20 per square foot plus \$600 inspection fee)	\$ 2,595	\$ 1,977	\$2,581 or \$4,058 (depending on location)	Electric - \$30.00 minimum for permit \$30.00 minimum for permit \$30.00 minimum for permit	Mechanical - Plumbing -
<b>Carrollton</b>	\$1,125 (\$1,100 per unit plus a minimum \$25 application fee)	\$ 1,310	\$ 440	\$ -	Electric - \$75.00 minimum for permit <sup>10</sup> \$75.00 minimum for permit <sup>10</sup> \$75.00 minimum for permit <sup>10</sup>	Mechanical - Plumbing -

- Notes:
- 1 Building Permit fees are based on a \$150,000 home or a 2,500 square foot home.
  - 2 Fees are all based on a 1 inch meter size.
  - 3 Each permit fee is a minimum, each will increase based on the type of equipment installed.
  - 4 Roadway impacts are reported as a range because they vary based on the location of development.
  - 5 Permit fees increase based on square footage of home.
  - 6 The City of Plano does not levy impact fees for water, wastewater or roadways. Minimal fees (less than \$500) are assessed to pay for the capital and installation costs of a water meter, Plano does levy a Park Impact fee of \$467.47 on all new residential units.
  - 7 The City of Mesquite does not levy impact fees for water or wastewater.
  - 8 Beyond 2,500 sq.ft. permit fees increase with a minimum additional lump fee and additional square footage fees.
  - 9 The City of Richardson does not levy impact fees.
  - 10 \$4 for every \$1,000 of value in the home, the minimum fee is \$75.
  - 11 This fee is for Low density residential development. High density residential development has a decreased roadway impact fee of \$400.
  - 12 Impact fees are for one, single-family detached unit, Prosper also levies a \$1,000 park impact fee per detached unit.
  - 13 Permit fees increase significantly as the market value of the home increases: for homes valued more than \$100,000 the permit fee is as follows: \$550 for the first \$100,000 + \$2.00 for each additional \$1,000 of the valuation or fraction thereof.

Source: Cities of McKinney, Frisco, Plano, Allen, Prosper, Richardson and Carrollton.

**SECTION III.**  
**Fair Lending and Complaint Analysis**

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## **SECTION III.**

### **Fair Lending and Complaint Analysis**

This section examines private barriers to fair housing choice, as well as violations of the Fair Housing Act. It analyzes the fair housing complaints received by HUD during the past 5 years, discusses legal cases concerning fair housing issues and ends with a quantitative evaluation of lending practices in the Frisco area.

#### **Fair Housing Complaints**

Citizens of Frisco who believe they have experienced discrimination in violation of the Federal Fair Housing Act or state fair housing laws may report their complaints to the following entities:

- HUD's Office of Fair Housing and Equal Opportunity (FHEO); and
- The State of Texas Workforce Commission, Civil Rights Division (TWCCRD); Victims have one year from the date of the alleged discrimination to file a complaint with HUD and TWCCRD.

Victims have one year from the date of the alleged discrimination to file a complaint with HUD and TWCCRD.

**HUD complaint procedures.** Housing discrimination complaints filed with HUD may be done online at (<http://www.hud.gov/complaints/housediscrim.cfm>), by calling 1-800-669-9777 or by contacting the HUD Regional Office of Fair Housing and Equal Opportunity in Fort Worth (also by 1-800-669-9777).

When HUD receives a complaint, the department will notify the person who filed the complaint, then notify the alleged violator and allow that person to submit a response. The complaint will be investigated to determine whether there has been a violation of the Fair Housing Act.

A complaint may be resolved in a number of ways. First, HUD will try to reach an agreement between the two parties involved. A "conciliation agreement" must protect the filer of the complaint and public interest. If an agreement is signed, HUD will take no further action unless the agreement has been breached. HUD will then recommend that the Attorney General file suit, if applicable.

If a person needs immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist as soon as a complaint is filed. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of the complaint, if irreparable harm is likely to occur without HUD's intervention and there is substantial evidence that a violation of the Fair Housing Act occurred.

**State complaint procedures.** The Texas Workforce Commission, Civil Rights Division (TWCCRD) enforces the state's fair housing laws. The division has a good website outlining the steps a resident should take if they think their rights have been violated:

*Send a letter to the TWCCRD at  
Texas Workforce Commission  
Civil Rights Division  
1117 Trinity Street, Rm. 144-T  
Austin, Texas 78701  
or call directly at 1(888) 452-4778 or 1(512) 463-2642.*

For persons with disabilities, TWCCRD provides:

- A TTY phone for the deaf/hearing impaired users at 1 (512) 371-7473; and
- Assistance in reading and completing forms.

After a complaint is filed, TWCCRD notifies the complainant that it has been received. TWCCRD then notifies the alleged violator of the complaint and permits that person to submit a response. The division then investigates the complaint and determines whether there is reasonable cause to believe the law has been violated.

The TWCCRD will try to reach an agreement with the complainant and the respondent. If an agreement is signed, the TWCCRD will take no further action on the complaint unless the TWCCRD has reasonable cause to believe that the conciliation agreement has been breached. The TWCCRD may then recommend that the Texas Attorney General file suit.

If, after investigating the complaint, the TWCCRD finds reasonable cause to believe that discrimination occurred, it will inform the complainant. Additionally the complaint will be referred to the TWCCRD's office of General Council for additional action(s).

If, after investigating the complaint, the TWCCRD finds no reasonable cause to believe the law has been violated, the complainant will be notified in writing. Additionally, the complainant will be informed of their right to file suit at their expense, in federal or state District Court within two years of the alleged violation.

**Complaints filed.** Between 2005 and 2010, only seven fair housing complaints were filed with HUD by Frisco residents. Those seven cases were brought forth on the basis of disability, race, retaliation and sex.

Complaints were issued primarily for the following reasons:

- Refusal to rent, which was a complaint both on the basis of race and disability;
- Refusal to sell, based on race, sex and disability;
- Failure to permit reasonable modifications on the basis of disability; and,
- Discriminatory terms, conditions, privileges or services and facilities based on disability.

No fair housing complaint in Frisco went to court. Instead, “no cause determination” was found in four of the seven complaints by HUD, meaning that the complaint was not a valid fair housing complaint. The remaining three cases were settled before going to court.

Since 2005, only three complaints submitted to the regional office in Fort Worth went to trial, indicating that the complaint was deemed valid by HUD and no agreement was reached prior to the case going to court. In 2005, a resident of Garland cited discrimination related to renting a property based on sex. In 2006, a resident of Irving sued because of discriminatory lending activity that took place based on race and sex. Lastly, in 2009, a complaint based on racial discrimination in zoning and land use code went to court.

## **Legal Cases**

As part of the AI, recent legal cases were reviewed to determine trends in discriminatory behavior. The cases that are included below occurred or had activity within the past ten years. Not all cases occurred in Frisco or the Dallas area, but are presented to serve as a sample of the types of fair housing cases typically filed.

**Failure to comply with accessibility standards.** The following represent cases pertaining to fair housing violations and disability status.

**United States v. Henry Billingsley (2008).** On April 24, 2008, the United States filed a complaint in *United States v. Henry Billingsley, et al.* (E.D. Tex.), a Fair Housing Act referral from HUD alleging discrimination on the basis of disability. The complaint alleges that the members of the zoning committee and property owners of Air Park Estates, in Collin County, Texas, violated the Fair Housing Act by refusing to grant a reasonable accommodation by allowing the complainant to keep a footbridge in front of her house. The complainant, who has a mobility disability, needs to use the bridge to reach the street without risk of injury. On June 30, 2009, the Court issued an order granting our motion for preliminary injunction prohibiting the Defendants from removing the bridge or causing it to be removed. The Court granted the motion using broadly favorable language, finding that the complainant would “almost certainly suffer personal injuries” if the bridge were removed and that the United States had presented a likelihood of success on the merits in the suit.

**United States v. JPI Apartment Construction (2009).** On March 4, 2009, the United States filed a pattern or practice complaint in *United States v. JPI Apartment Construction, L.P., et al.* (N.D. Tex.). The complaint alleges that JPI failed to comply with the design and construction requirements of the Fair Housing Act (FHA) and ADA in the design and construction of two multi-family housing complexes in Texas and some of JPI’s other 205 nationwide multi-family properties.

**United States v. Housing Authority of the City of San Antonio (2006).** On March 28, 2006, the court incorporated the terms of the parties’ settlement and release agreement in granting the joint motion for an order of dismissal in *United States v. Housing Authority of the City of San Antonio* (W.D. Tex.). The complaint, filed on June 3, 2005, alleged that the owners and managers of the Westminster Square Apartments, a Section 202 complex in San Antonio, Texas, violated the Fair Housing Act when they refused repeated requests by the complainants to transfer to a first floor unit. The complainant, a double leg amputee who uses a wheelchair, and his wife, who is also disabled, asked on several occasions to move from their third floor unit to a first floor unit so that they would not be dependent on the elevators and would not have to travel as far to get to their unit. The complaint alleged that the defendants denied the

requests despite the availability of two first floor units. The settlement requires defendants to transfer the complainants to a first floor unit, to pay \$125,000 in damages and attorneys' fees to the complainants and a fair housing organization that assisted them, to implement a comprehensive reasonable accommodation policy, to attend fair housing training and to submit to standard injunctive relief. The case was referred to the Division after the Department of Housing and Urban Development (HUD) received a complaint, conducted an investigation, and issued a charge of discrimination.

**United States v. Pacific Life Insurance Company (2004).** On December 22, 2004, the United States filed a complaint and the court entered a consent order resolving *United States v. Pacific Life Ins. Co., et al.* (W.D. Tex.). The complaint alleged that these defendants discriminated on the basis of disability. Specifically, the complaint alleged the defendants evicted residents with disabilities if they were unable to walk without assistance or if they required too many hours of assistive services and conducted health assessments of residents as a condition of tenancy. Under the consent order the former owner and manager, respectively, of The Summit at Newforest (now Newforest Estates Retirement Community), are required to pay a total of \$420,000 to settle allegations that they discriminated against tenants with disabilities. The monetary amount includes: \$260,000 for six former and current residents; \$50,000 in civil penalties, and \$110,000 for a settlement fund to compensate any additional victims. The defendants are also required to implement nondiscriminatory rental standards and tenant rules and to replace current leases containing discriminatory policies. In addition, these defendant are required to pay \$200,000 to settle a related private suit.

**United States v. SDC Legend Communities, Inc. (2006).** On October 2, 2006, the Court entered a consent order in *United States v. SDC Legend Communities, Inc., et al.* (W.D. Tex.). The complaint, was amended on September 28, 2006, and a consent order alleged a pattern or practice of disability discrimination by the architects, engineers, developers, builders, and owners of two, multi-family residential complexes constructed in Austin, Texas, through the use of Low Income Housing Tax Credits. The complaint alleged the Defendants' failure to design and construct 52 ground level units at St. Johns Village and 110 ground level units at Huntington Meadows and the public and common areas in compliance with the accessibility and adaptability features violated section 804(f)(3)(C) of the Fair Housing Act. The order provides for retrofits of routes, entrances, and public and common-use areas, as well as interior retrofits in certain units and installation of enhanced accessibility features in others. The order also requires the defendants to establish a \$50,000 fund which will be used to compensate individuals harmed by the inaccessible housing and to pay \$10,000 in civil penalties to the government. The order also provides for injunctive relief, training, reporting and record keeping. The consent order will remain in effect for three years.

**Affordable housing and race cases.** The Inclusive Communities Project (ICP) have brought a number of lawsuits against suburban Dallas communities citing that refusing to negotiate to participate in an ICP program to attract Low Income Housing Tax credits violated the Fair Housing Act for perpetuating racial segregation. ICP filed cases against Flower Mound and McKinney. ICP also filed a suit against the Greystar Real Estate Partners, claiming they practiced racial discrimination by not accepting Section 8 Vouchers as part of a settlement in which all participants were African American. Those cases and others are discussed below. Much of the information included in the descriptions comes directly from ICP's website.

**The Inclusive Communities Project, Inc. v. The Town of Flower Mound, Texas (2009).** In July 2009, the Inclusive Communities Project (ICP) made offers of financial assistance to the Town of Flower Mound, Texas in order to encourage the development of desegregated, affordable rental housing in

Flower Mound. ICP offered to assist the town with a program designed to attract Low Income Housing Tax Credit rental housing; however, ICP alleges that the town refused to negotiate for or participate in an ICP program, or any similar program, for the development of low-income housing. There is no multifamily zoned vacant land available for purchase and use in Flower Mound. ICP alleges that the town practices exclusionary housing policies and practices, such as the adoption of current zoning ordinances, which obstruct the creation of low-income rental properties and create a segregated school system. ICP filed its complaint on November 19, 2008, alleging that the town is in violation of the Fair Housing Act for perpetuating racial segregation by making dwellings unavailable because of race.

**The Inclusive Communities Project, Inc. v. The City of McKinney, Texas (2008).** The Inclusive Communities Project, Inc. (“ICP”) as part of its mission to provide desegregated housing opportunities made offers of financial assistance to the City of McKinney and to the Housing Authority of the City of McKinney (“MHA”) for the City or the Housing Authority to assist and encourage the development of desegregated, affordable rental housing in west McKinney, west of U.S. Highway 75. In return for the financial assistance, ICP would obtain the ability to place its clients or other Section 8 voucher recipients in approximately 30% of any tax credit units developed in west McKinney with the assistance. The use of the units would provide desegregated rental housing for ICP’s clients and Dallas Housing Authority Section 8 Voucher tenants. Both the City and MHA refused to negotiate with ICP for the provision of ICP financial assistance for the development of affordable rental housing for families in west McKinney. Both refused to participate in the ICP program. The City and MHA are willing to negotiate for and to provide financial support for the location of LIHTC housing in racially segregated low income and minority concentrated east McKinney area but refuse to do so in predominantly White west McKinney. The City’s and MHA’s actions refusing to participate in the ICP program perpetuate racial segregation by making dwellings unavailable because of race or color in violation of the Fair Housing Act.

**The Inclusive Communities Project, Inc. v. Buchanan Street Partners and Greystar Real Estate Partners (2008).** To further its mission, the ICP assists Dallas Housing Authority Section 8 families that have “Walker Settlement Vouchers” in finding housing opportunities in the suburban communities of Dallas. All families with Walker Settlement Vouchers are African American.

The Defendants, who own a multifamily rental complex in Irving, refused to negotiate with ICP for the rental of dwelling units with the Vouchers, despite the fact that the prior owner of the building did accept Vouchers. ICP claimed that the refusal to participate in the project by the Defendants led to the involuntary relocation of Voucher tenants.

**Dews v. Town of Sunnyvale (2010).** Plaintiff is the Inclusive Communities Project (“ICP”). Its predecessor in interest sued Defendant, The Town of Sunnyvale in 1988 complaining that Sunnyvale’s zoning laws were discriminatory and violated various federal statutes outlawing these acts. After a bench trial, Sunnyvale was found to have committed unlawful acts of discrimination. After making these findings, the Court prepared to address these violations in a remedial phase. Before beginning the remedial phase, Sunnyvale moved for a new trial on the merits. Prior to deciding either of these issues, the parties entered into a settlement agreement. The settlement required a number of actions from Sunnyvale pertaining to the provision of affordable housing; however, ICP claims that Sunnyvale failed to comply with the Order because it did not identify sites for the low income housing units within the specified time frame.

**Sex, Race and familial status cases.** The following represent cases based on sex, race and/or familial status.

**United States v. Falvley (2006).** On April 11, 2006, the United States filed a Settlement Agreement resolving *United States v. Falvey* (W.D. Tex.) The complaint, filed on April 7, 2006, alleged that the Defendants discriminated on the basis of familial status by placing an advertisement that expressed a preference for persons without children and by refusing to rent an apartment to a Border Fair Housing and Economic Justice Center ("BFHC") tester who posed as a single mother with a seven year old daughter. The settlement agreement prohibits the Defendant from discriminating based on familial status, requires training, notification to the public of its non-discriminatory policies and requires the Defendants and to pay \$10,750 to the Border Fair Housing and Economic Justice Center. The settlement agreement will remain in effect for 2 ½ years. The case was referred to the Division after the Department of Housing and Urban Development (HUD) received a complaint, conducted an investigation, and issued a charge of discrimination.

**United States v. Hartland Realty Inc. and Kristi Taylor (2008).** On December 23, 2008, the United States voluntarily dismissed the case because the respondents complied with the subpoena. HUD had initiated an investigation of housing discrimination of Hartland Realty Inc. and Kristi Taylor based on the administrative complaint from HUD. The complaint alleged the complainants were denied the opportunity to rent because of their race. The defendants have refused to cooperate with HUD's request for documents. On October 30, 2008, the Department of Justice filed a petition to enforce a subpoena issued by the Department of Housing and Urban Development.

### **Fair Lending Analysis**

This section contains an analysis of home loan and community reinvestment data. Community Reinvestment Act (CRA) ratings and Home Mortgage Disclosure Act (HMDA) data are commonly used in AIs to examine fair lending practices within a jurisdiction.

**Community Reinvestment Act (CRA).** The CRA requires that financial institutions progressively seek to enhance community development within the area they serve. On a regular basis, financial institutions submit information about mortgage loan applications as well as materials documenting their community development activity. The records are reviewed to determine if the institution satisfied CRA requirements. The assessment includes a review of records as related to the following:

- Commitment to evaluating and servicing community credit needs;
- Offering and marketing various credit programs;
- Record of opening and closing of offices;
- Discrimination and other illegal credit practices; and
- Community development initiatives.

The data are evaluated and a rating for each institution is determined. Ratings for institutions range from substantial noncompliance in meeting credit needs to an outstanding record of meeting community needs. Because there are no banks with their headquarters in Frisco, no data is provided for Frisco. There are, however, a number of banks in Dallas that have received "needs to improve" status. These banks include the Commercial National Bank, Texas Central Bank, Preston National Bank, Commercial National Bank of Dallas and the Park Forest National Bank. There are no banks in Texas who have "substantial noncompliance" with CRA.

**Mortgage lending data.** HMDA data are widely used to detect evidence of discrimination in mortgage lending. In fact, concern about discriminatory lending practices in the 1970s led to the requirement for financial institutions to collect and report HMDA data. The variables contained in the HMDA dataset have expanded over time, allowing for more comprehensive analyses and better results. However, despite expansions in the data reported, HMDA analyses remain limited because of the information that is *not* reported.

As such, studies of lending disparities that use HMDA data carry a similar caveat: HMDA data can be used to determine disparities in loan originations and interest rates among borrowers of different races, ethnicities, genders, and location of the property they hope to own. The data can also be used to explain many of the reasons for any lending disparities (e.g., poor credit history). Yet HMDA data do not contain all of the factors that are evaluated by lending institutions when they decide to make a loan to a borrower. Basically, the data provide *a lot* of information about the lending decision—but *not all* of the information.

Beginning in 2004, HMDA data contained the interest rates on higher-priced mortgage loans. This allows examinations of disparities in high-cost, including subprime, loans among different racial and ethnic groups. It is important to remember that subprime loans are not always predatory or suggest fair lending issues, and that the numerous factors that can make a loan “predatory” are not adequately represented in available data. Therefore, actual predatory practices cannot be identified through HMDA data analysis. However, the data analysis can be used to identify where additional scrutiny is warranted, and how public education and outreach efforts should be targeted.

HMDA data report several types of loans. These include loans used to purchase homes, loans to make home improvements and refinancing of existing mortgage loans, as defined below.

- **Home purchase loan.** A home purchase loan is any loan secured by and made for the purpose of purchasing a housing unit.
- **Home improvement loan.** A home improvement loan is used, at least in part, for repairing, rehabilitating, remodeling, or improving a housing unit or the real property on which the unit is located.
- **Refinancing.** Refinancing is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower. The purpose for which a loan is refinanced is not relevant for HMDA purposes.

The HMDA data are separated into two primary loan categories: conventional loans and government-guaranteed loans. Government-guaranteed loans are those insured by the Federal Housing Administration, Veterans Administration and USDA.

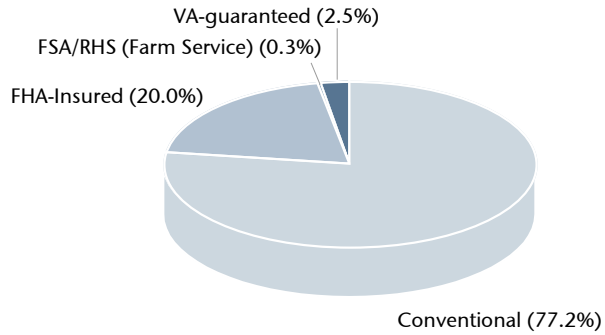
This section uses the analysis of HMDA data to uncover:

- The geographic areas in Frisco where high-cost lending and loan denials are concentrated, and the correlation of these areas with concentrations of minority and low income households;
- Disparities in loan denials across different racial and ethnic groups.

**Loan denials.** The most recent HMDA data available are for the 2008 calendar year. During 2008, there were about 23,200 loan applications made by Frisco residents for owner-occupied homes.<sup>1</sup> Seventy-seven percent of these loans were conventional loans; 20 percent were FHA-insured; approximately 2 percent were VA- or other guaranteed loans, and the remaining loans were for FSA/RHS (Farm Service) loans, as shown in the following exhibit.

**Exhibit III-1.  
Mortgage Loan  
Applications,  
Frisco, 2008**

Source:  
Home Mortgage Disclosure  
Act (HMDA), 2008.

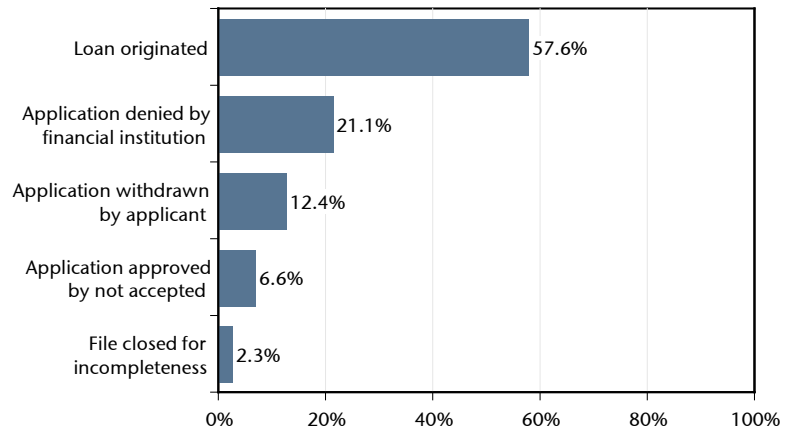


Most loan applications were for home purchases (57 percent), while the remaining applications were for loan refinancing (35 percent) and home improvement projects (8 percent).

Of all of the loan applications, 58 percent originated and 21 percent were denied. An additional 12 percent were withdrawn by the applicant, and the remaining 9 percent of applications were either approved but not accepted by the applicants or the institution closed the application because of incompleteness.

**Exhibit III-2.  
Action Taken on  
Mortgage Loan  
Applications,  
Frisco, 2008**

Source:  
Home Mortgage Disclosure  
Act (HMDA), 2008.

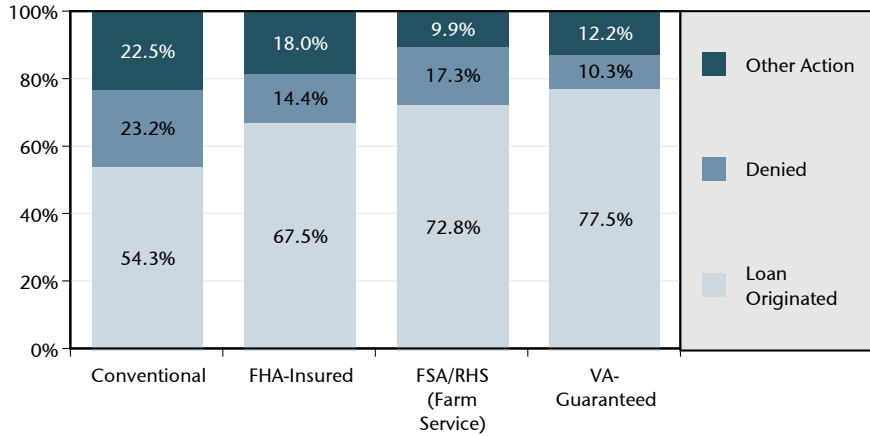


<sup>1</sup> Multiple applications may have been completed by one individual.

Exhibit III-3 shows the result of the loan application by type of loan. VA-guaranteed loans had the highest rate of origination (78 percent), as well as the lowest rate of denial (10 percent). Conventional loans had the highest rate of denial at 23 percent.

**Exhibit III-3.**  
**Action Taken on**  
**Mortgage Loan**  
**Applications, 2008,**  
**Frisco**

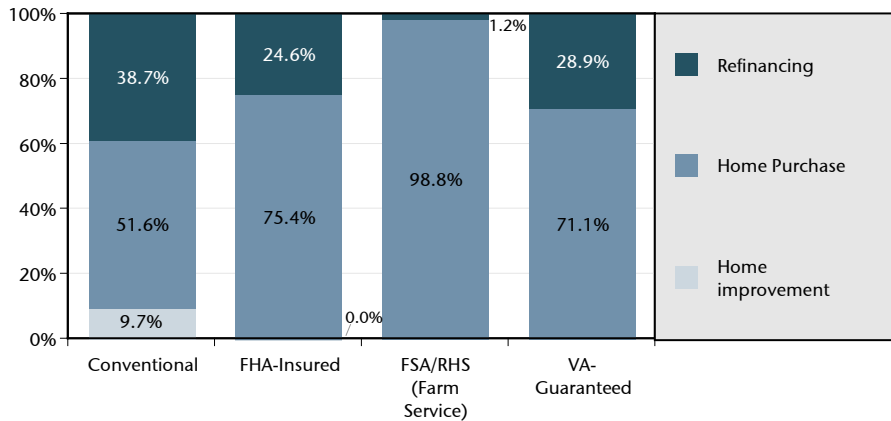
Source:  
 Home Mortgage Disclosure Act  
 (HMDA), 2008.



Part of the reason for this discrepancy is the type of loans made by the different originators. Government-guaranteed loan applications are primarily for home purchases—which have much higher approval rates—while conventional loan applications are used both for home purchases, refinances and, to a lesser degree, home improvements.

**Exhibit III-4.**  
**Type of Mortgage**  
**Loan Applications**  
**by Loan Type,**  
**2008, Frisco**

Source:  
 Home Mortgage Disclosure Act  
 (HMDA), 2008.



Applications for home purchases were much more likely to be approved than loans for refinances and/or home improvements, as shown in Exhibit III-5. For example, home purchase loans were originated 68 percent of the time, compared with 45 percent for refinances and 37 percent for home improvement loans.

**Exhibit III-5.  
Result of Mortgage  
Loan Applications by  
Loan Type, Frisco,  
2008**

	Loan Originated	Loan Denied	Application approved by not accepted	Application Withdrawn by Applicant
Home improvement	37%	46%	9%	6%
Home Purchase	68%	13%	6%	11%
Refinancing	45%	29%	7%	16%

Source:  
Home Mortgage Disclosure Act (HMDA), 2008.

**Denial rates by race and income.** This section presents an analysis of denial rates by race and income, categorized by income level and loan type. The analysis focuses on the largest racial and ethnic groups in Frisco: white, Asian, Black/African American and Hispanic.

As previously mentioned, certain types of loans are more likely to be approved or denied. Seventy-one percent of Asian residents applied for home purchase loans, compared to 59 percent of African Americans and 57 percent of whites. With regards to ethnicity, 59 percent of non-Hispanics applied for home purchase loans, compared with 53 percent of Hispanics.

**Exhibit III-6.  
Race/Ethnicity by  
Purpose of Loan,  
Frisco, 2008**

	Home Improvement	Home Purchase	Refinancing
Asian	4.3%	71.5%	25.4%
Black or African American	5.9%	59.0%	36.2%
White	8.0%	56.9%	35.2%
Hispanic	8.2%	53.4%	38.5%
Not Hispanic	7.3%	58.6%	34.1%

Source:  
Home Mortgage Disclosure Act (HMDA), 2008.

Exhibit III-7 presents the results of loan applications by race and ethnicity. As demonstrated by the exhibit, whites have higher origination rates and lower denial rates than Asians and Blacks/African Americans. Similarly, non-Hispanics have higher origination rates than Hispanics.

**Exhibit III-7.  
Result of Mortgage Loan Applications by Race/Ethnicity, 2008, Frisco**

	Loan Originated	Application Denied by Financial Institution	File Closed for Incompleteness Refinancing	Application Approved by Not Accepted	Application Withdrawn by Applicant
Asian	52.9%	22.5%	2.7%	8.2%	13.7%
Black or African American	45.4%	31.9%	4.0%	6.9%	11.7%
White	61.9%	19.0%	2.2%	6.2%	10.7%
Hispanic	46.2%	31.1%	3.1%	6.4%	13.2%
Not Hispanic	60.6%	19.7%	2.3%	6.5%	11.0%

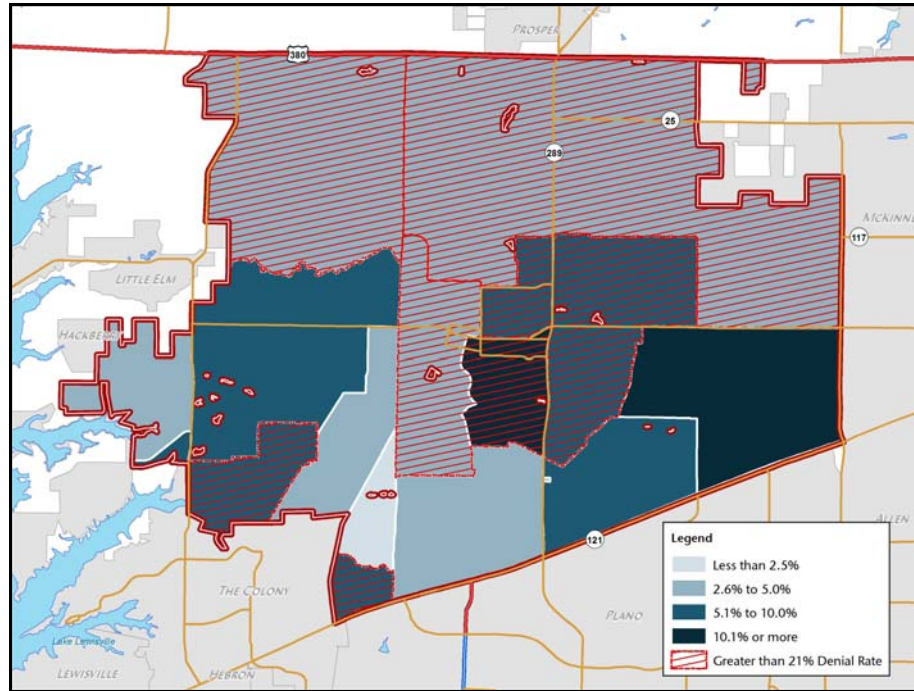
Source: Home Mortgage Disclosure Act (HMDA), 2008.

A further examination of loan approvals by race/ethnicity is provided in the exhibits that follow. Tracts are categorized to show concentrations of the City's minority populations. Additionally, Census Tracts colored in red had denial rates higher than the City overall (21 percent). Although Tracts with minority concentrations did have higher rates of loan denial than the City overall, concentrations of loan denials were not limited to Census Tracts with minority concentrations.

**Exhibit III-8.  
Higher than  
Average Denials  
by Percent  
Black/African  
American, 2008**

Note:  
The denial rate for all loans in  
the City overall was 21  
percent.

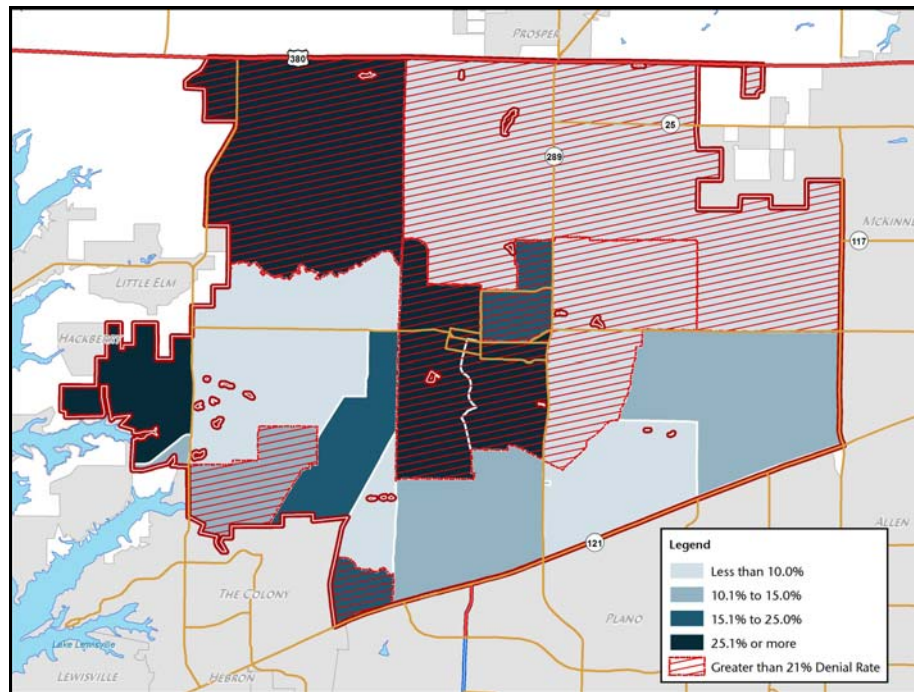
Source:  
Home Mortgage Disclosure  
Act (HMDA), 2008 and BBC  
Research & Consulting.



**Exhibit III-9.  
Higher than  
Average Denials  
by Percent  
Hispanic, 2008**

Note:  
The denial rate for all loans in  
the City overall was 21  
percent.

Source:  
Home Mortgage Disclosure  
Act (HMDA), 2008 and BBC  
Research & Consulting.



A higher denial rate for minorities does not necessarily indicate fair housing problems. It can be explained, in part, by minorities having lower incomes than non-minorities. In Frisco, this is true when comparing the average housing incomes of Hispanics and non-Hispanics. It is also possible that credit histories vary among applicants with different racial/ethnic characteristics. Without a detailed analysis of each applicant (such data are unavailable in the HMDA records due to confidentiality), it is unclear if the reason for the difference is due to variables other than income that are considered in making the lending decision (e.g., credit history, debt to income ratios) or if discrimination in lending could be occurring.

**Reasons for denial.** HMDA data also contain summary information on the reasons for denial by type of loan and applicant characteristics, which can help explain some of the variation in approval rates among applicants. As demonstrated in the exhibit that follows, credit history, a lack of collateral and borrower's debt-to-income ratios were the three most common reasons for loan denial.

**Exhibit III-10.  
Reasons for Denial by Loan Type, 2008**

Reasons for Denial	Conventional	FHA-Insured	FSA/RHS (Farm Service)	VA-Guaranteed	Overall
Collateral	21.7%	17.2%	0.0%	7.1%	22.1%
Credit application incomplete	10.3%	9.9%	22.2%	14.3%	10.9%
Credit history	24.4%	29.7%	11.1%	19.0%	26.5%
Debt-to-income ratio	17.7%	22.6%	33.3%	11.9%	19.4%
Employment history	1.5%	2.8%	22.2%	2.4%	1.9%
Insufficient cash	2.8%	2.4%	0.0%	0.0%	2.9%
Mortgage insurance denied	0.4%	0.2%	0.0%	2.4%	0.5%
Other	15.3%	11.6%	11.1%	38.1%	16.0%
Unverifiable information	5.8%	3.7%	0.0%	4.8%	0.0%

Source: Home Mortgage Disclosure Act (HMDA), 2008.

When examining reasons for loan denial by race and ethnicity, poor credit history accounted for a larger proportion of denials for African Americans and Hispanics, compared to whites, non-Hispanics and Asians. Whites and non-Hispanics are more likely were more likely to be denied a loan in 2008 due to lack of collateral than other racial and ethnic groups. However, all differences are relatively minimal.

**Exhibit III-11.  
Reasons for Denial by Race/Ethnicity, 2008**

Reasons for Denial	Asian	African American	White	Hispanic	Non-Hispanic
Collateral	14.0%	19.0%	22.1%	15.6%	21.2%
Credit application incomplete	15.3%	9.2%	10.0%	5.9%	11.2%
Credit history	12.3%	28.5%	24.6%	27.9%	23.1%
Debt-to-income ratio	21.1%	17.4%	18.1%	27.9%	17.3%
Employment history	3.6%	2.0%	1.6%	1.0%	2.0%
Insufficient cash	2.9%	1.3%	3.1%	2.3%	2.9%
Mortgage insurance denied	0.6%	0.7%	0.4%	0.5%	0.5%
Other	19.8%	15.1%	14.8%	12.1%	16.1%
Unverifiable information	10.4%	6.9%	5.2%	6.7%	5.8%

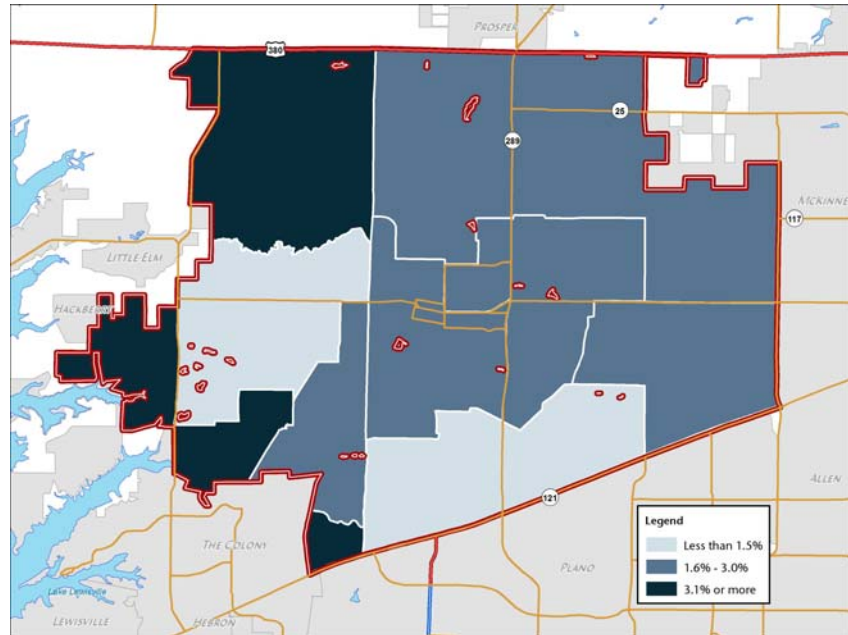
Source: Home Mortgage Disclosure Act (HMDA), 2008.

## Foreclosures

The increase of the rate of foreclosures in the nation is often attributed to rapid population growth, increasing homeownership rates and the growing use of alternative lending products, including subprime loans. Exhibit III-12 shows that Census Tracts in the far western portions of Frisco have the highest rates of foreclosure. This is different than some neighboring communities, such as McKinney, which have experienced the highest rates of foreclosures in the oldest portions of town located in the center of the community.

**Exhibit III-12.**  
**Foreclosure Rate by**  
**Census Tract, Frisco,**  
**2008**

Source:  
HUD



**SECTION IV.**  
**Public Outreach**

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## **SECTION IV. Public Outreach**

The Frisco AI update included a public outreach process that was combined with the public output process completed for City's 2010-2015 Consolidated Plan. The primary tool used to gather public input about fair housing within the City was an online resident survey hosted on the City's website. In total, 684 survey were received from residents..

Unlike some surveys that promise statistically significant results representative of an entire population, this survey represents the opinions of voluntary participants. In other words, if all residents of Frisco were administered the same survey, the results may not replicate those received from this survey effort. Instead, this information reflects the opinions of residents that voluntarily participated in the survey who have an interested in housing, community development and fair housing activities in Frisco.

It should be noted that the resident survey was administered during the time the City was evaluating the feasibility of two Low-Income Tax Credit (LITC) projects. In some cases, the survey provided a platform for residents to voice their opinions about these projects, rather than residents commenting specifically on community needs pertinent to the Consolidated Plan and the AI. Although all resident participation is valued and will be considered by the City, this section focuses on resident input that can help towards creation of the City's AI.

### **Survey Findings**

The following presents findings pertinent to AI analysis from the resident survey administered as part of the City's Consolidated Plan update. Although questions regarding housing discrimination were the only questions intended for the AI analysis, it is also important to discuss resident sentiment towards affordable housing, which was discussed in detail by survey participants.

**Discrimination.** The following section discusses survey participants' responses to questions related to their experiences with housing discrimination, as well as resident' knowledge of fair housing resources.

**Housing discrimination.** Twenty survey respondents cited facing housing discrimination, while an additional 20 were not for sure whether they'd faced discrimination. Nearly all respondents that had experienced discrimination have lived in Frisco for 2 to 10 years, indicating that the discrimination may have occurred while a resident of the City.

The basis for discrimination cited by survey respondents included (in order from most frequent to least frequent):

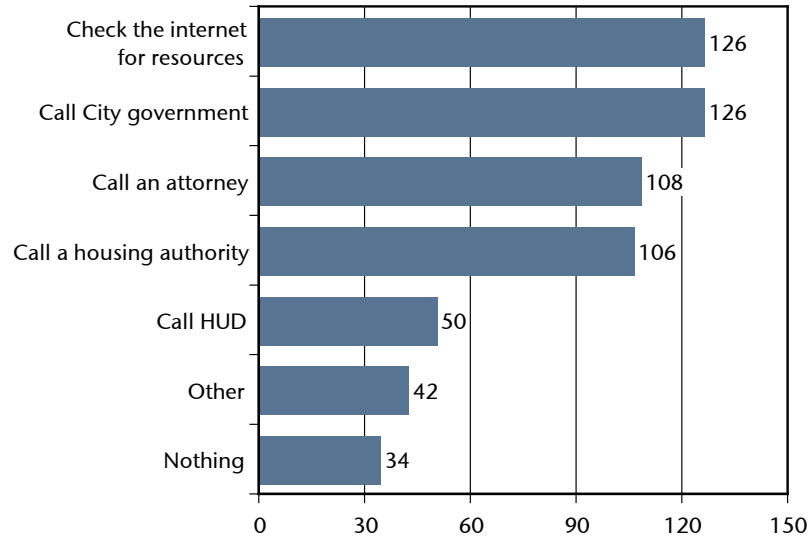
- Race;
- Sexual orientation;
- Disability;
- Income; and
- Familial status.

Nearly all residents citing discrimination did not report their discrimination. A few individuals sought out information, but to no avail. And, one resident called HUD.

**Knowledge about fair housing resources.** When residents would ask who they would contact if they or someone they knew experienced discrimination, most residents would either check the internet for resources or contact the City of Frisco.

**Exhibit IV-1.  
Resident Actions Towards  
Housing Discrimination,  
City of Frisco, 2010**

Source:  
Frisco Resident Survey, 2010.



For residents that cited “other”, many respondents said they would accept the discrimination and move on to another home, as other housing options exist.

**Public sentiment towards affordable housing.** Many residents identified Frisco’s small town feel as one of their favorite things about living in the City. They also valued safe neighborhoods, good schools and homeownership opportunities as assets of the City. For many survey participants, these qualities could be compromised if Frisco opened itself up to more affordable housing opportunities.

Overall, survey participants were not in favor of rental units or affordable housing located in Frisco. When residents were asked what types of housing the City has too much of, approximately one-third of respondents provided an answer that could be categorized as apartments or affordable housing.

As part of the resident survey, residents were asked to identify city-wide needs, as well as need within their neighborhood. Residents were more inclined to identify affordable housing as a need of the City as a whole, as opposed to a need of their neighborhood.

**SECTION V.**  
**Fair Housing Impediments and Action Plan**

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## **SECTION V.**

# **Fair Housing Impediments and Action Plan**

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI and recommends an Action Plan for the City.

### **Summary of AI**

This report is the Analysis of Impediments to Fair Housing Choice (AI) for the City. The following research was conducted in developing the AI:

- Affordability in the City was analyzed as a part of the 2010-2014 Consolidated Plan update. Section I contains the results of this analysis which examined rental affordability, the ability of residents to buy a home and the availability of subsidized/assisted housing especially for special needs populations.
- A special analysis was conducted to detect concentration of residents by race/ethnicity and income/poverty.
- Legal cases and complaint data were reviewed to better understand that types of violations that have occurred and determine any trends in discriminatory activities. A fair lending review was also conducted to ensure all residents have fair access to lending opportunities (pursuant to credit scores, debt-to-income ratios, etc.) and are not unfairly subjected to loan denials and/or subprime lending activity.
- A review of land use, zoning and development fees was conducted to detect any barriers to affordable housing development (beyond market barriers).
- A resident survey was conducted as part of the Consolidated Plan update; however, in anticipation of this AI update, questions related to housing discrimination were asked of residents.

The research revealed the following.

**Affordability.** Affordability and the availability of rental units are important for communities to avoid housing discrimination. If rental units are in high demand, landlords are allowed more discretion in choosing tenants and may discriminate against certain protected classes, either intentionally or inadvertently.

In 2000, the median contract rent in Frisco was \$728. In 2008, the median had increased to \$933, or by 28 percent. Given these rental prices, renters in the City are cost-burdened, meaning that they pay 30 percent or more of their household income in housing costs. According to the 2008 American Community Survey, 100 percent of the City's renters earning \$35,000 or less were cost-burdened. An additional 88 percent of households earning \$35,000 to \$50,000 were cost-burdened, as well as 64 percent of renter households earning \$50,000 to \$75,000.

Many of the City's low income renter households are cost-burdened because there is a lack of units in the City available to them. The largest concentration of units in the City is priced between approximately \$600 and \$1,200 per month. As such, a gap of nearly 900 units exists for households earning \$25,000 or less who can comfortably afford a monthly rent of \$600 or less.

**History of affordable housing.** The city has worked hard to be an inclusive community and encourage racial, ethnic and economic diversity. The following summarizes the history of affordable housing discussions and actions in the City. This information can also be found on Frisco's website.

In 2002, the Frisco City Council created the Housing Trust Fund Board with the goal is to create programs which support affordable home rental and ownership options for people who work in Frisco. The Housing Trust Fund Board is currently responsible for approving loan requests from the fund, which provides for two down payment assistant programs.

In 2003, the Frisco City Council established its Strategic Focus Areas (SFA), which defines short and long term goals for the City of Frisco. Frisco's SFA plan also defines objectives and measures for achieving those goals, as determined by the Frisco City Council. Creating and maintaining a "Sustainable City" has been consistently listed among the Council's seven Strategic Focus Areas. To achieve 'sustainability', Frisco City Councils, past and present, list one of its goals as the following: Maintain high standards and encourage the development of quality residential communities that provide a diversity of housing, lot sizes, open spaces and amenities.

In June 2007, the Frisco City Council was approached by the Inclusive Communities Project, Inc. (ICP). According to its website, ICP is "a not-for-profit organization that works for the creation and maintenance of thriving racially and economically inclusive communities, expansion of fair and affordable housing opportunities for low income families, and redress for policies and practices that perpetuate the harmful effects of discrimination and segregation."

In October 2008, the Frisco City Council approved a resolution supporting a Local Political Subdivisions Grant Agreement between the City of Frisco and ICP. As a result, ICP agreed to provide a \$2 million grant to the City of Frisco to incentivize affordable housing developments in Frisco. In return, the City of Frisco will provide the funding to developers eligible for low income housing tax credits awarded from the Texas Department of Housing and Community Affairs. There are 56 projects in Region 3 competing for \$10 million dollars in available tax credits to support \$86 million dollars in project needs. "If Frisco had not negotiated the agreement with ICP, then the likely outcome would have been a federal lawsuit filed against Frisco by ICP as it did against both McKinney and Flower Mound," said George Purefoy, City Manager. "After 14 months of litigation, the McKinney Housing Authority is negotiating a settlement agreement with ICP which establishes the same general parameters as the Frisco agreement, except it includes a longer term agreement (5 years vs. 3 years) and it pays some of ICP's attorneys' fees." No City tax dollars are utilized to develop affordable housing under the ICP agreement. Any project funded under this program will meet all of Frisco's current ordinances and regulations. The City of Frisco is in its second year of its three year agreement with ICP. No applications from developers were received during the first year.

On February 10, 2010, the Frisco Housing Trust Fund Board agreed to support the applications from two developers, VDC Frisco Reserve I, LP and Stewart Creek, LLP. Stewart Creek LLP is proposing to build North Court Villas, a 150 unit, low income apartment complex on 10 acres on the south side of Stonebrook Parkway, between Woodstream Drive and Preston Road. VDC Frisco Reserve I, LP is proposing to build Residences at Frisco, a 200 unit, low income apartment complex near the intersection of Sunset Drive and McKinney Road. Under the ICP agreement, developers must set aside 50 units or 25% of the units, whichever is greater, for Section 8 vouchers. The two proposed developments would each have 50 units.

On February 16, 2010, the Frisco City Council approved requests from the developers Stewart Creek LLP and VDC Frisco Reserve I, LP for letters of support for their 2010 9% Housing Tax Credit Applications to be submitted to the Texas Department of Housing and Community Affairs.

On March 17, 2010, the Texas Department of Housing and Community Affairs notified the City that Stewart Creek, LLP filed a complete application for the Competitive HTC program for the North Court Villas project; however, VDC Frisco Reserve I, LP withdrew from the process and did not submit an application.

**Concentrations.** City residents primarily identify themselves as racially white and as ethnically non-Hispanic. Residents identifying with one of the City's minority groups are primarily concentrated in the central portion of the City. The City recognizes the racial and ethnic concentration in the downtown area of the City and has used this information to effectively plan the use of CDBG funds. The City's CDBG funded Housing Rehabilitation program has completed 17 of its 27 housing rehabilitation projects in the downtown area since 2005. To date in program year 2009, 84 percent of housing rehabilitation funds have been expended on housing rehabilitation projects in the downtown area where six out of seven housing rehabilitation projects have been completed. In addition, Frisco Family Services Center, the local emergency service center, is located downtown on Third Street, and the City CDBG program funds the agency bi-lingual social worker.

**Zoning and land use.** The City is currently in the process of updating its zoning ordinance for the first time since 1993. Currently, no discussion of fair housing is included in the City's Zoning Code Ordinance. Moreover, the ordinance did not include a definition of "disabled". This could lead to disagreements between the Fair Housing Act's definitions of disability compared to what a jurisdiction's regulations imply.

Local affordable housing developers suggested that it was difficult to develop affordable housing in Frisco because of costs associated with developing, as well as land costs in the City. They also suggested that the timely and tedious inspection and approval process coupled with the City's design standards made single family housing development very difficult.

**Fair lending.** Overall, 58 percent of loan applications by City residents originated and 21 percent of loan applications in the City were denied. Denial rates differed both by the purpose of the loan, as well as by the type of the loan. For example, government-guaranteed loan products, such as VA-sponsored loans, had the highest approval rates in the City. Moreover, the tightening of the capital markets in 2008 made it very difficult for residents to refinance their home loan or obtain a home improvement loan. Home improvement loans had the highest denial rate of 46 percent, followed by refinances (29 percent) and home purchase loans (13 percent).

The most notable disparity existed when examining loan denial rates by race and ethnicity. Compared to the 21 percent denial rate for the City overall, white applicants had a denial rate of 19 percent, while African Americans had denial rates of 32 percent and Hispanic were denied 31 percent of the time. African Americans had higher a higher proportion of denials because of poor credit history than whites, while Hispanics had a higher proportion of denials due bad credit and a poor debt-to-income ratio than non-Hispanics. It is acknowledge that there are factors other than race and ethnicity included in the loan approval process.

**Legal cases and complaints.** The most notable legal cases that have recently occurred in the greater Dallas area include law suits against communities charged with perpetuating racial segregation linked to a lack of affordable housing. The Inclusive Communities Project (ICP) in Dallas has initiated law suits against the Dallas communities of Flower Mound, McKinney and Sunnyvale, which have all combined issues of racial segregation and the provision of affordable housing.

Also of interest are a large number of cases related to reasonable accommodations for persons with disabilities. Understanding requirements related to handicap accessibility standards in new construction is important, particularly in fast-growing communities like Frisco, which has experienced substantial physical growth and new infrastructure in the last 10 years. New development must meet both Fair Housing Act and ADA standards.

### **Summary of Impediments to Fair Housing Choice**

- **Impediment 1: Residents are unaware about how to report fair housing/ violations.**  
Citizens could benefit from education and training about fair housing issues, according to a resident survey. Although many residents facing discrimination opted to not report their housing discrimination, it is important for residents interested in reporting fair housing violations to know whom they should contact. In effort to increase resident awareness on fair housing issues, the City does place fair housing educational advertisements in the local newspaper annually.
- **Impediment 2. Insufficient affordable housing.** A lack of affordable housing is not specifically an impediment; however, it can indirectly lead to housing discrimination if competition is created over what may be a need for more affordable rental units. Competition over rental units may provide landlords with an opportunity to use their discretion in choosing tenants based on criteria protected under the Fair Housing Act. There are currently unmet affordable housing needs for the City's lowest income residents. The City recently supported a developer's application to the State to obtain tax credits for a project in Frisco. Although local residents have been vocal in not supporting the project, it will bring in more affordable housing opportunities for the City's lowest earners.
- **Impediment 3. NIMBYism.** Frisco residents value the small town feel of Frisco, safe neighborhoods and quality schools. Residents fear that low income and workforce housing may change the dynamics of the community and compromise the things they value most within the City. Frisco's slightly disadvantaged in that, as a new and fast growing community, it is likely that most residents have moved to Frisco from other places. They bring with them a perception of what worked and did not work in those communities. This will create challenges for the City and may create barriers to enforcing fair housing activities.

- **Impediment 4. Discrimination** The resident survey found minimal housing discrimination in Frisco. However, online participation in the survey was high, indicating that some input from the City's lowest income residents may have been excluded. These are the residents most likely to experience housing discrimination. As seen in the resident survey, as well as other communities, the majority of citizens take no action when faced with perceived housing discrimination. Therefore, housing discrimination may be occurring in Frisco and go unreported. However, given the demographic composition of Frisco, it is likely that discrimination is not widespread.

## Action Plan

Based on our research for this AI, BBC recommends the City of Frisco adopt the following Action Plan and activities for reducing fair housing impediments:

1. ***Increase citizens' understanding of fair housing laws.*** The City needs to play a stronger role in educating citizens about fair housing rights. Although the City has not had a large number of complaints issued to HUD, nor did most residents act on the discrimination they felt they received, residents should have knowledge of fair housing resources in case they chose to act. The City can take a few simple steps to improve residents' knowledge of fair housing requirements and resources:
  - ▶ Include information on the Fair Housing Act on the City's website. This should be located on the City's Community Development and Housing webpage. Ideally, fair housing should have its own subheading on the website's sidebar, which introduces such topics as the City's down payment assistance program. Information explaining fair housing, as well as a link to HUD's website and contact information should be presented.
  - ▶ Have staff give a presentation on fair housing at the Frisco Family Services Center (FFSC). If possible, design a handout on fair housing and make this available at FFSC.
2. ***Partner with the Frisco Family Services Center to offer a fair housing awareness class, as well as basic finance courses targeting the City's minority populations.*** African Americans and Hispanics experience higher loan denial rates than the City's white residents. A poor credit history and debt-to-income ratios were primarily responsible for denials of African Americans and Hispanics. Personal finance classes should target basic personal finance principals and an understanding of the implications of substantial debt. Additionally, these populations are almost the most vulnerable to experiencing discrimination in most communities; as such, fair housing rights should be part of the course when discussing personal finance and housing.
3. ***Train staff working with HOA Covenants, Conditions and Restrictions (CC&Rs) to understand how HOAs may be violating the Fair Housing Act.*** Frisco is growing rapidly and much of its growth is organized in Homeowners Associations (HOA). Because of the standards and requirements HOAs often place on homes within their jurisdiction, they can inadvertently violate fair housing law by disallowing improvements required by persons with disabilities. Staff reviewing CC&Rs should be familiar with the Fair Housing Act to ensure that they are able to recognize potential fair housing violations. At minimum, housing staff should conduct at least one training session for planning staff.
4. ***Explore ways to foster affordable housing development in the City.*** The City has been successful in forming partnerships with developers and organizations committed to furthering the

development of affordable housing in Frisco, particularly in portions of the city where affordable housing currently does not exist. However, to make the development of affordable single family housing even more realistic, it is recommended that the City investigate lowering the minimum square footage standards required for homes built in Frisco. With the exception of downtown Frisco, the smallest minimum dwelling unit area allowed in single family zoned districts in Frisco is 1,800 square feet.<sup>1</sup> The City should examine the feasibility of lowering this requirement in certain residential zoning districts.

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<sup>1</sup> A minimum dwelling area of 1,800 square foot is required in areas zoned Single Family Residential District 4.