

Regional Analysis of Impediments to Fair Housing Choice

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By



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Executive Summary

Introduction

Under the Sustainable Communities Regional Planning Grant Program, grantees must explore issues of sustainability through a regional lens, with particular emphasis on an inclusive planning process. Accordingly, HUD requires all Sustainable Communities grantees to complete a Fair Housing Equity Assessment (FHEA) as a tool to inform the priorities, strategies, and investments outlined in the regional plan. A second type of fair housing study, known as an Analysis of Impediments to Fair Housing Choice (AI), is required of HUD grantees receiving funds under the Community Development Block Grant (CDBG) program. In the Lehigh Valley region, these CDBG grantees include Lehigh County, Northampton County, and the cities of Allentown, Bethlehem, and Easton. The AI being the more comprehensive and detailed of the two, HUD has encouraged Sustainable Communities grantees to develop a Regional AI rather than a FHEA and offered that a “well-crafted” single Regional AI could be used to meet the FHEA requirement of the Sustainable Communities grant as well as the individual AI requirements of each of the region’s CDBG grantees.

This Regional AI, then, is an endeavor to streamline the Lehigh Valley region’s approach to fair housing and to identify and address impediments to fair housing choice that often do not strictly follow jurisdictional boundaries. By conducting this regional analysis, communities across the Lehigh Valley will be able to promote fair housing choices for all persons, provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities. To perform this Regional Analysis of Impediments, the Lehigh Valley Economic Development Corporation, on behalf of Lehigh County, Northampton County, the City of Allentown, City of Bethlehem and City of Easton, has contracted with WFN Consulting. By analyzing and taking actions to address any identified impediments, the grantees will satisfy HUD that they are meeting their obligations and certifications to affirmatively further fair housing.

Demographic Overview

According to the 2010 Census the Lehigh Valley Region was home to 647,232 persons (349,497 from Lehigh County and 297,735 from Northampton County). Growing from a population of 538,235 in 1990, the region experienced 20.3% growth over 20 years, a modest annualized growth rate of about one percent. The Lehigh Valley Region has been growing at an increasingly faster rate: from 7.6% between 1990 and 2000 to 11.8% in the period 2000-2010. Although population growth has been positive for all races and ethnicities, it has not been uniform across groups. Whites were the largest racial group by far accounting for 82.4% of the total population in 2010 but only 5.7% of the total growth. The trend in White population growth has been relatively flat (0.28% annualized growth over the twenty years) while the growth trend of minorities has increased robustly (4.6% annually). Over that period the White population increased by 28,722 while minorities increased by 111,046. While Whites

outnumbered minority groups 3.4 to 1 in 2010, if current trends persist, minority populations will overtake Whites before the end of the century.

Protected Class Analysis

An analysis of Lehigh Valley residential patterns was performed to determine where residents are concentrated based on factors protected from discrimination by the Fair Housing Act. Minorities in the Lehigh Valley region – especially Hispanics and Blacks – were overwhelmingly concentrated in the urbanized areas of Allentown, Bethlehem, and Easton while the geographical distribution of the Asian population was more focused in the suburban areas particularly in the western part of the region. A higher proportion of working age males were found in the region’s rural areas while working age females were more prevalent in the urban areas. The analysis found family households containing one or more children to be more concentrated in pockets throughout the region including the urban areas of Allentown, Bethlehem, and Easton, but also in such places as Upper and Lower Macungie, North Whitehall, Bath, Upper Nazareth, Forks, and Pen Argyl. Perhaps more noteworthy are the suburbs surrounding Allentown and Bethlehem (namely Fountain Hill and Upper Milford Township in Lehigh County and Hanover Township and Lower Saucon Township in Northampton County) with relatively low concentrations of families with children. Finally, people with disabilities were most concentrated in Allentown and Bethlehem. Comparing concentrations in more outlying areas of the Region, the northern tier of townships generally had a greater proportion of people with disabilities than those townships south of the urban areas.

Segregation Analysis

The objective of the Segregation Analysis contained in the study is to determine the degree to which residents of the Lehigh Valley were segregated by race and ethnicity. Using indices of dissimilarity, exposure, isolation, and diversity, the Segregation Analysis shows that, on the whole, segregation between Whites and the Black, Asian and Hispanic minorities in the Lehigh Valley Region was in the moderate range and persistent over the 2000-2010 decade. The presence of a rapidly growing minority population increased the chances of their social interaction with Whites. The larger urban areas of Allentown, Bethlehem and Easton were the least segregated because minorities lived proximate to each other.

Concentrated Areas of Poverty (RCAPs & ECAPs)

In addition to the other analyses, a further analysis was conducted of specialized datasets provided by HUD that indicate racially and ethnically concentrated areas of poverty (RCAPs and ECAPs). While the analysis of segregation patterns in Lehigh Valley demonstrated that Whites were quite segregated and isolated from other racial and ethnic groups, the RCAP/ECAP analysis suggests that those segregatory tendencies are further heightened when the variable of poverty is included. As unlikely as it is that the average White resident lives in proximity to a resident of a different race or ethnicity, it appears even more unlikely when that minority resident lives in a high-poverty tract.

Public Investment and Infrastructure

To a large degree, investments in public infrastructure play a central role in determining where development is encouraged or even where it may be possible at all. In the public survey conducted in conjunction with this analysis, respondents generally believed that public services were equitably distributed. For example, though large portions of the Lehigh Valley are not served by public drinking water and wastewater systems, nowhere in the public engagement or other research conducted for this analysis did concerns surface that would indicate these circumstances created impediments to fair housing choice in the Lehigh Valley. In other areas, however, disparities in the provision of infrastructure were noted.

The Lehigh Valley offers public transportation services for local residents through the Lehigh and Northampton Transportation Authority (LANta). Transit usage as a means of commuting to work is moderate, with 2.1% of Lehigh County commuters and 1.5% of Northampton County commuters using the service. Despite the varied options provided by LANta and its efforts to expand service, residents consulted in the course of this analysis voiced concerns that public transportation was not adequate to meet the needs of the area, primarily due to limited access to outlying areas or transit schedules not aligning well with work hours.

As of the 2010-2011 school year, high schools in the Lehigh Valley had graduation rates that ranged from a low of 57.7% at William Allen High School in the Allentown City School District to a high of 96.7% at Lehigh Valley Academy Regional Charter School. This significant range in graduation rates means that, depending simply upon where in the Lehigh Valley a student lives, he or she may have access to a school with a very low or a very high graduation rate.

The Lehigh Valley region contains seven census tracts that are classified by the U.S. Department of Agriculture (USDA) as food deserts, meaning the areas lack access to affordable fruits, vegetables, whole grains, low-fat milk, and other foods that make up the full range of a healthy diet. The Lehigh Valley's food desert-designated tracts are each located in proximity to one of the region's three major urban areas.

Access to Areas of Opportunity

Another analysis of HUD-provided datasets, the evaluation of disparities in access to areas of opportunity determined that, among the general population (and to a lesser extent the pattern is mirrored for those living in poverty), Blacks were far more likely to live in neighborhoods with high poverty, low school proficiency, low labor market participation, and better transit access than Whites. The same can be said of the disparities between Whites and Hispanics, the only difference being that the disparity gap in each of these dimensions was approximately 10 points wider. For the job access and health hazard exposure dimensions, values were relatively consistent across all races and ethnicities, suggesting a largely equal distribution of these features throughout the region. In general, children in the Lehigh Valley lived in neighborhoods with greater poverty, less proficient schools, lower labor market engagement, and reduced access to jobs compared with the general

population. Their exposure to health hazards was no different than that of the general population and their access to transit was slightly greater.

Land Use & Zoning

Each of the Lehigh Valley's 61 municipal zoning codes was obtained and individually reviewed against a set of 18 fair housing issues. For each issue, the ordinance was assigned a risk score, with a score of 1 meaning low risk and a score of 3 being high risk. The overall risk scores ranged from a low of 1.22 to a high of 2.28. With the lowest risk score of 1.22 was Upper Nazareth Township in Northampton County followed by Fountain Hill, Lower Milford Township, Upper Milford Township, and Freemansburg all tied with scores of 1.33. Of all the zoning ordinances in the Lehigh Valley, these were the most permissive and the least likely to result in housing discrimination or the limitation of fair housing choice. Whitehall Township in Lehigh County was assigned an average risk score of 2.28, indicating that its zoning ordinance had the greatest potential to result in housing discrimination. Comparing the scores within the two counties, Lehigh County's municipalities had a slightly lower combined average (1.64) than Northampton's (1.70). Though the municipality with the highest risk score was located in Lehigh County, only two Lehigh County municipalities received risk scores of 2.00 or greater, compared to five scores of 2.00 or more in Northampton County. Sorted by municipality type, the three cities had the lowest combined average (1.61) compared with 1.65 for the boroughs and 1.71 for the townships.

Of the 18 issues studied, Lehigh Valley zoning codes generally handled very well the matter of establishing reasonable, uncomplicated processes for obtaining use permits and setting forth transparent appeal procedures. Restrictions on the siting of mobile, manufactured, and modular homes (potentially important sources of affordable housing) were similarly determined to be low risk, and spacing and dispersion requirements for certain housing types, a common high risk zoning provision, was found not to be a major issue among most Lehigh Valley jurisdictions.

On the other hand, the ordinances adopted by Lehigh Valley municipalities were generally higher risk with regard to allowances for people with disabilities to make reasonable modifications to their properties and/or for provisions for reasonable accommodation. Other zoning code provisions dealing with housing for people with disabilities tended to receive high average risk scores as well.

Housing Profile

When analyzing fair housing in a jurisdiction, it is crucial to assess the range of housing choices available to the area's residents while determining the degree to which discrimination may limit the housing choices available to certain groups. For each of the five jurisdictions examined individually in this section, much of their housing was constructed prior to 1950. This is especially true of Easton, where nearly three in four housing units are over 60 years old.

Easton and Allentown contain much higher proportions of lower-cost housing than do the others. Whereas 26.6% of the housing units in Easton and 22.2% of the units in Allentown are valued below

\$100,000, this segment of the market in Lehigh County, Northampton County, and Bethlehem is roughly only half as large, ranging between 11.9% and 9.9% of their housing units. It should be noted here that relatively lower median home values in Easton and Allentown could be correlated to the unit types most prevalent in those communities. As has already been shown, attached single family homes are the most common housing types in these two communities while detached units are more common in the other areas.

The National Low Income Housing Coalition (NLIHC) estimates that the median income for a renter in the Lehigh Valley area is \$31,535. A renter with this income would need to keep rent costs at or below \$788 to avoid cost burden. To afford a two bedroom housing unit without spending more than 30% of one's income on rent, one would need to work 101 hours per week at minimum wage (equivalent to 2.5 fulltime jobs) or earn an hourly wage of \$18.35. Based on this analysis of the data, the NLIHC estimates that 58% of renters in the Lehigh Valley are unable to afford a 2 bedroom housing unit in the region.

Home Mortgage Disclosure Act (HMDA) Analysis

Under the Home Mortgage Disclosure Act (HMDA), lenders must annually report data on the type, purpose, and characteristics of each home mortgage that lenders originate or purchase during the calendar year. The analysis of recent HMDA data revealed significant differences in loan approvals and denials due to sex, race, and ethnicity. The loan approval rate for lower income males was 8.2% higher than for females. The denial rate for males was 5.7% lower than for females. Whites had the lowest denial rates at all income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. As with approval rates, denial rates for Asians were lower than for other minority groups but much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. In summary, denial rates were consistent with approval rates with Whites faring much better than Blacks, Asians, or Hispanics, and especially American Indians and Pacific Islanders.

Fair Housing Organizations & Activities

In addition to HUD at the federal level and the Pennsylvania Human Relations Commission at the state level, there are several key local organizations in the region that participate in educational and compliance efforts. These organizations consist of North Penn Legal Services, the Fair Housing Council of Suburban Philadelphia, the Allentown Human Relations Commission, the Bethlehem Human Relations Commission, and the Easton Human Relations Commission. Each organization has its own fair housing education goals and objectives and ideally, all of these organizations implement collaborative efforts to ensure that fair housing education and enforcement is promoted.

In 2011, the FHCSF was commissioned by the City of Allentown and the Community Action Committee of the Lehigh Valley (CACLV) to perform fair housing testing within the city. FHCSF released a final report in 2012 summarizing the results of 33 tests completed between March 2011 and December 2011. Based on 33 tests conducted, the FHCSF determined that 73% of the tests

included differential location suggestions based on race or ethnicity; 24% of the tests were inconclusive, while 3% were shown to have treated clients of different races or ethnicities the same.

Housing Discrimination Complaints

Among all the agencies accepting fair housing complaints for Lehigh County and Northampton County, the largest numbers of complaints filed were claims of discrimination based on disability status and race or color. Only HUD and North Penn Legal Services tracked the origin of complaints down to the municipal level. Their data showed, predictably, that greater numbers of complaints were filed in the more populous areas of Allentown, Bethlehem, and Easton. Complaints originating in smaller municipalities (townships and boroughs) in the region were not frequent enough to support a conclusion as to the prevalence of discrimination from one municipality to another.

Housing Discrimination Lawsuits

Within the past ten years, the following four significant lawsuits and HUD charges of discrimination have been filed to redress housing discrimination within the Lehigh Valley municipalities:

- *Newell v. Traditions of Hanover*
- *Hartman v. City of Allentown*
- *Community Services, Inc. v. Wind Gap Municipal Authority*
- *The Secretary, United States Department of Housing and Urban Development, on behalf of the Fair Housing Council of Suburban Philadelphia v. The Blue Valley Times, Blue Valley Publishing, Inc., and Michael Ortoski*

These cases are important because of their impact on the rights and responsibilities of private individuals and local businesses and of local governments and governmental agencies that provide municipal services. These cases also have bearing on an analysis of fair housing choice because of the potential number of residents within a protected class that should benefit from the standards set by these cases.

Hate Crime Data

For this analysis, hate crime statistics for the most recently available five-year period (2007-2011) were reviewed for trends that could indicate pervasive discriminatory attitudes in particular jurisdictions within the Lehigh Valley. However, only one incident of a hate crime was found to have been reported anywhere within the region over the five-year period studied. The sole hate crime reported concerned a race-motivated crime in the township of Upper Saucon in 2008. While a single hate crime can be a serious incident, the presence of one reported crime does not support a conclusion that race-biased (or otherwise biased) attitudes are prevalent in Upper Saucon or elsewhere in Lehigh Valley.

Impediments and Recommendations

Impediment #1: Steering by Real Estate Agents

Applicability: Allentown

In 2011, the Fair Housing Council of Suburban Philadelphia (FHCSF) was commissioned by the City of Allentown and the Community Action Committee of the Lehigh Valley (CACLV) to perform fair housing testing within the city. FHCSF released a final report in 2012 summarizing the results of 33 tests completed between March 2011 and December 2011. For the testing, the FHCSF evaluated real estate agents and agencies in and around Allentown to determine whether real estate agents were steering White homebuyers out of the city while at the same time steering minority homebuyers into the city. Steering refers to the practice of real estate agents limiting clients' home searches only to certain areas based on the clients' race or ethnicity and is specifically prohibited by the Fair Housing Act. Based on 33 tests conducted, the FHCSF determined that 73% of the tests included differential location suggestions based on race or ethnicity; 24% of the tests were inconclusive, while 3% were shown to have treated clients of different races or ethnicities the same. The scope of FHCSF's testing was limited to Allentown, where the results conclusively showed that steering was occurring. While there is not testing data to support the applicability of this impediment to other areas in the Lehigh Valley, the prevalence of the practice in Allentown suggests that it is highly likely to occur elsewhere in the region as well.

Recommendation: Based on the results of the testing study, Allentown's mayor and the CACLV have already initiated efforts with the local real estate community to encourage greater understanding of fair housing issues. The Lehigh Valley Association of Realtors has created a task force to develop monthly fair housing topics that brokers can use at their own meetings. This task force has also begun exploring ways to increase minority representation on the association's board and has worked with HUD to develop a publication directed at consumers to help them understand Fair Housing and how to report Fair Housing issues. It is recommended that intensive education and training efforts continue. Additionally, in 2014 a new fair housing testing study should be conducted, to include Allentown as well as Bethlehem and Easton, for the purpose of determining whether the education efforts are having their desired effect and resulting in a reduction in incidences of steering.

Impediment #2: Disparities in Mortgage Lending

Applicability: Region-wide

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for

moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #3: Need for Increased Fair Housing Education

Applicability: Region-wide

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover* lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG

entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #4: Need for Increased Coordination among Fair Housing Providers

Applicability: Region-wide

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #5: Zoning Provisions Impacting People with Disabilities

Applicability: Various municipalities in Lehigh and Northampton Counties

The zoning ordinances adopted by Lehigh Valley municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Great variation exists among the 61 zoning codes in place within the Lehigh Valley. Many of these

codes make it unreasonably difficult for persons with disabilities to make reasonable modifications to their property, restrict group homes from residential districts, require special permitting from them, impose spacing requirements between them, and restrict placement of group homes based on their requirements for onsite supportive services. The table on the following page displays each municipality's average total risk score; details of each individual ordinance and its position on these issues can be found in the appendix.

Rather than include accessibility and other similar provisions in their individual codes, many municipalities rely instead upon the Pennsylvania Uniform Construction Code which applies statewide standards for all new construction, rehabilitation, and building inspections. The Uniform Construction Code is a noteworthy state law that provides an important backstop to the rights of people with disabilities, however, the presence of a state law may not be as effective at ensuring fair housing choice as would be the same provisions if codified locally.

Recommendation: Local stakeholders should meet together to review the impacts of each municipality's zoning ordinance, prioritize the ordinances most in need of amendment, develop model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Zoning Code Analysis by Municipality			
LEHIGH COUNTY		NORTHAMPTON COUNTY	
Municipality	Risk Score	Municipality	Risk Score
Alburtis	1.89	Allen Twp.	2.00
Allentown	1.61	Bangor	2.06
Catasauqua	1.44	Bath	1.72
Coopersburg	1.72	Bethlehem	1.44
Coplay	1.39	Bethlehem Twp.	1.56
Emmaus	1.61	Bushkill Twp.	1.44
Fountain Hill	1.33	Chapman*	--
Hanover Twp.	1.83	East Allen Twp.	1.56
Heidelberg Twp.	1.56	East Bangor	1.94
Lower Macungie Twp.	1.44	Easton	1.78
Lower Milford Twp.	1.33	Forks Twp.	1.78
Lowhill Twp.	1.61	Freemansburg	1.33
Lynn Twp.	1.61	Glendon	1.78
Macungie	1.56	Hellertown	1.44
North Whitehall Twp.	1.56	Lehigh Twp.	1.78
Salisbury Twp.	1.67	Lower Mt. Bethel Twp.	2.06
Slatington	1.78	Lower Nazareth Twp.	1.78
South Whitehall Twp.	2.11	Lower Saucon Twp.	2.06
Upper Macungie Twp.	1.61	Moore Twp.	1.94
Upper Milford Twp.	1.33	Nazareth	1.78
Upper Saucon Twp.	1.72	Northampton	1.67
Washington Twp.	1.56	North Catasauqua	1.67
Weisenberg Twp.	1.72	Palmer Twp.	1.72
Whitehall Twp.	2.28	Pen Argyl	1.50
		Plainfield Twp.	1.67
		Portland	2.00
		Roseto	1.61
		Stockertown	1.89
		Upper Mt. Bethel Twp.	1.50
		Upper Nazareth Twp.	1.22
		Walnutport	1.39
		Washington Twp.	1.72
		West Easton	1.61
		Williams Twp.	1.56
		Wilson	1.44
		Wind Gap	1.72

Impediment #6: Zoning Provisions Restricting Residential Uses From Residential Districts

Applicability: Various municipalities in Lehigh and Northampton Counties

At least 27 Lehigh Valley municipalities, in both Lehigh County and Northampton County, restrict inherently residential land uses (such as shelters or residential treatment facilities) from some or all residential zones. The specific “inherently residential” uses are defined differently from one municipality to another, but in these cases, the zoning code clearly contemplates residential use (as opposed to only day use) of the facility type in question. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. the Fair Housing Act and the Americans with Disabilities Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems. The table on the previous page displays each municipality’s average total risk score; details of each individual ordinance and its position on this issue can be found in the appendix.

Recommendation:

Similar to, or perhaps combined with, the recommendation for Impediment #4, local stakeholders should study the details of this zoning issue, determine its effect on residents, and prioritize jurisdictions to reach out to with technical assistance efforts. The stakeholder group (which should include the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting) should draft a model provision to put forth as an alternative to the current zoning provisions and work with local officials on its adoption.

Impediment #7: Condition of Affordable Housing Stock

Applicability: Region-wide

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region’s housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as

affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #8: Public Perceptions Regarding Transportation Connectivity

Applicability: Region-wide

LANta, the Lehigh Valley's public transportation system, does an admirable job of networking the community given the region's three urban hubs and large rural areas. Concepts such as the Alburdis/Macungie Flex Zone are expanding LANta's services in a careful, cost-controlled manner. In the fair housing survey conducted as part of this analysis, a remarkable 73.1% of respondents said that public transportation was available in their neighborhood. However, only 45.5% said that public transportation provided access to major employers, and only 23.1% believed that LANta service schedules coincided with their work schedules. It is worth noting that 22.8% of respondents did not know whether public transportation was available to major employers and 47% did not know whether transit scheduled coincided with their work schedules.

Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Conclusion

The recommendations proposed in this document address impediments relative to steering by real estate agents, mortgage lending disparities, the need for greater public education regarding fair housing and coordination among providers of fair housing services, zoning-related issues, affordable housing conditions, and public transportation. Implementation of the recommendations can assist the Lehigh Valley in achieving the reality of being an open and inclusive community that truly embraces Fair Housing Choice for all its residents.

Introduction

Equal access to housing choice is a cornerstone principle of America's commitment to equality and opportunity for all. Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), and specifically HUD's Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

Under the Sustainable Communities Regional Planning Grant Program, a coordinated effort of HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency, grantees must explore issues of sustainability through a regional lens, with particular emphasis on an inclusive planning process. Engaging traditionally marginalized populations in the regional planning conducted across the nation under Sustainable Communities Regional Planning Grants has heightened awareness of disparities experienced by different groups within a region and underscored the importance of social equity and access to opportunity as components of any regional Sustainable Communities plan. Accordingly, HUD requires all Sustainable Communities grantees to complete a Fair Housing Equity Assessment (FHEA) as a tool to inform the priorities, strategies, and investments outlined in the regional plan.

A second type of fair housing study, known as an Analysis of Impediments to Fair Housing Choice (AI), is required of HUD grantees receiving funds under the Community Development Block Grant (CDBG) program. In the Lehigh Valley region, these CDBG grantees include Lehigh County, Northampton County, and the cities of Allentown, Bethlehem, and Easton. While the FHEA and AI are different studies with different scopes, they are similar in many ways. The AI being the more comprehensive and detailed of the two, HUD Secretary Shaun Donovan, in a 2012 letter to Sustainable Communities grantees, encouraged the adoption of a Regional AI rather than a FHEA and offered that a "well-crafted" single Regional AI could be used to meet the FHEA requirement of the Sustainable Communities grant as well as the individual AI requirements of each of the region's CDBG grantees.

This Regional AI, then, is an endeavor to comply with Secretary Donovan's request, but also to streamline the Lehigh Valley region's approach to fair housing and to identify and address impediments to fair housing choice that often do not strictly follow jurisdictional boundaries. The regional approach to fair housing planning embodied in this AI makes smart use of limited resources and results in a superior analysis to inform fair housing policy for governments and organizations across the region. By conducting this regional analysis, communities across the Lehigh Valley will be able to promote fair housing choices for all persons, provide opportunities for racially

and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities. To perform this Regional Analysis of Impediments, the Lehigh Valley Economic Development Corporation, on behalf of Lehigh County, Northampton County, the City of Allentown, City of Bethlehem and City of Easton, has contracted with WFN Consulting. By analyzing and taking actions to address any identified impediments, the grantees will satisfy HUD that they are meeting their obligations and certifications to affirmatively further fair housing.

Definitions & Data Sources

Definitions

Affirmatively Further Fair Housing - As defined in HUD's *Fair Housing Planning Guide*, the definition of "Affirmatively Further Fair Housing" (AFFH) requires a grantee to:¹

- Conduct an analysis to identify impediments to fair housing choice within the jurisdiction;
- Take appropriate actions to overcome the effects of any impediments identified through the analysis;
- Maintain records reflecting the analysis and actions taken in this regard.

Certification - As described in the *Fair Housing Planning Guide*, the Comprehensive Housing Affordability Strategy (CHAS) statute at Section 104(21) defines the term "certification" within the context of the Certification to Affirmatively Further Fair Housing (AFFH) to be:²

- A written assertion
- Based on supporting evidence
- Available for inspection by the Secretary, the Inspector General and the public
- Deemed accurate for purposes of this Act unless the Secretary determines otherwise after:
 - Inspecting the evidence
 - Providing due notice and opportunity for comment.

Fair Housing Choice - In carrying out its Regional Analysis of Impediments to Fair Housing Choice, Lehigh Valley utilized the following definition of "Fair Housing Choice":

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

Impediments to Fair Housing Choice - As described in the *Fair Housing Planning Guide*, impediments to fair housing choice include:³

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

¹ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 1: Fair Housing Planning Historical Overview, Page 1-2)*. March 1996.

² Ibid. Page 1-4.

³ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

Protected Classes - In carrying out its Regional Analysis of Impediments to Fair Housing Choice, Lehigh Valley utilized the following definition of Protected Classes:

- Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

Affordable - Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD's definition:

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.
- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners' association fees.
- Housing affordable to a low-income family of four (income up to 80% of the area median income) residing in Lehigh Valley would carry a total monthly cost of up to \$1,466 as reported by the National Low Income Housing Coalition's 2012 *Out of Reach* data.

Data Sources Used in This Analysis

Decennial Census Data – Data collected by the Decennial Census for 2010, 2000, and 1990 is used in this Analysis (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100 percent data”, meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census; therefore, SF 3 data from the 2000 Census was the only tract-level data source available for some variables.
- 1990 Census Summary Tape File 1 (STF 1) – Comparable to the 2010 and 2000 SF 1, this dataset contains “100 percent data” collected from every household that participated in the

1990 Census and is not based on a representative sample of the population. Only basic characteristics such as age, sex, and race are contained in this dataset.

- 1990 Census Summary Tape File 3 (STF 3) – Comparable to the 2000 and 2010 SF 3, this dataset contains sample data from the approximately one in every six US households who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value.

American Community Survey (ACS) – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census’s SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2011 ACS 1-Year Estimates – Based on data collected between January 2011 and December 2011, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.
- ACS Multi-Year Estimates – More current than Census 2000 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater.

Federal Financial Institutions Examining Council (FFIEC) – The FFIEC collects and publishes certain data used in connection with federal reporting responsibilities under the Home Mortgage Disclosure Act and the Community Reinvestment Act.

- FFIEC 2011 Census Reports – All FFIEC Census Reports from 2003 forward are based upon Census 2000 data while the FFIEC’s Census Reports prior to 2003 are based on Census 1990 data. While most data fields in the 2011 Reports contain Census 2000 figures, some fields contain more current estimates that are arrived at through data processing by other federal agencies (most notably, a 2011 Estimated Median Family Income both by MSA and by census tract is provided by HUD, using HUD’s own, independent data processes).

- Home Mortgage Disclosure Act (HMDA) Data – Financial institutions subject to the HMDA (including banks, credit unions, and other mortgage lenders) must annually submit certain mortgage loan data to the FFIEC. The FFIEC aggregates and publishes the data. The most current HMDA data used in this Analysis is based on loan records from the 2011 calendar year.

Previous Works of Research – This Regional AI builds upon previous works of significant local research conducted on the Lehigh Valley region. These include the following:

- Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania – This 2003 project of the Brookings Institution’s Center on Urban and Metropolitan Policy includes profiles of the state’s major metropolitan areas, including the Lehigh Valley. The Lehigh Valley profile describes important demographic and economic trends and their consequences.
- Lehigh Valley Profile & Trends: 2012 Edition – Prepared by the Lehigh Valley Planning Commission, this report compiles statistics and graphics illustrating current and forecasted conditions in the Lehigh Valley region through 2030.
- State of the Lehigh Valley 2012 – This annual report released by the Lehigh Valley Research Consortium examines regional trends in the areas of economic growth, inclusion and inequality, government affairs, and environmental quality.
- Envision Public Outreach Analysis – In assembling the larger regional plan under the Sustainable Communities Planning Grant, the Lehigh Valley Sustainability Consortium has sought public engagement and input on the plan’s core sustainability principles. This engagement effort involved analysis of over 1,100 public surveys received and input received through 47 different focus groups. This document reports the findings of these outreach activities.

Stakeholder Engagement

Lehigh Valley Fair Housing Survey – This survey was designed to collect input from a broad spectrum of the community and received responses from Lehigh Valley residents and non-residents. The survey consisted of 34 distinct questions, allowing a mixture of both multiple choice and open-ended responses. In all, there were 416 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey respondents are cited in this Analysis, it refers only to the percentage of respondents to the particular question being discussed and may not be a percentage of the full 416 survey respondents. Surveys were received over a 77-day period, from April 2, 2013 to June 17, 2013. Paper surveys received were manually entered by the Survey Administrator into SurveyMonkey for tabulation and analysis. To

prevent “ballot stuffing”, the SurveyMonkey software bars the submission of multiple surveys from a single IP address. The link to the online survey was distributed through various email distribution lists. A Spanish translation of the same survey was also made available in hard copy and online. The Spanish version of the survey received 29 responses, included in the total of 416 received.

Stakeholder Interviews – Key community stakeholders were identified, contacted, and interviewed either individually or in small groups as part of this Analysis. These stakeholders included mayors, representatives of nonprofit organizations, municipal and county staff, fair housing advocates, lenders, and real estate agents. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis. More than 25 stakeholder interviews were conducted.

Public Meetings – Six public meetings were held in order to provide forums for Lehigh Valley residents and other interested parties to contribute to this Analysis. Meeting dates, times, and locations are listed below. Meetings were held both during the day and in the evenings in various locations across the region, providing a variety of options for residents to attend. These meetings were advertised via flyers and emails distributed by the Lehigh Valley Economic Development Corporation using its various email distribution lists. The format of these meetings ranged from small-group roundtable discussions to moderated forums. Notes were taken of the public comments at all meetings.

Key Stakeholder Meeting

Victory Fire House
Bethlehem, PA
Tuesday, April 2, 2013
3:30 p.m.

Allentown Meeting

Sacred Heart Hospital
Allentown, PA
Wednesday, April 3, 2013
7:00 p.m.

Bethlehem Public Meeting

Victory Fire House
Bethlehem, PA
Tuesday, April 2, 2013
7:00 p.m.

Slate Belt Area Meeting

Bangor Event Center
Bangor, PA
Thursday, April 4, 2013
7:00 p.m.

Easton Area Meeting

Easton Area Community Center
Easton, PA
Wednesday, April 3, 2013
7:00 p.m.

East Penn Area Meeting

Wescosville Recreation Center
Wescosville, PA
Thursday, April 4, 2013
7:00 p.m.

Limitations of this Analysis

This Regional Analysis of Impediments to Fair Housing Choice was prepared by WFN Consulting for the Lehigh Valley Economic Development Corporation on behalf of Lehigh County, Northampton County, Allentown, Bethlehem, and Easton. This report seeks to analyze the current fair housing climate in the region, identify impediments to fair housing choice, and set forth recommended strategies for overcoming the identified impediments. Some of the impediments identified in this report will require additional research and on-going analysis by entities within the region. This report does not constitute a fair housing action plan or any other type of community plan, however, it should be a key resource to inform such plans as they are developed.

HUD's primary guidance for developing Analyses of Impediments is found in the *Fair Housing Planning Guide*, published in 1996. Since that time, HUD's approach to fair housing has greatly evolved and guidance has largely yet to catch up. At the other end of the spectrum, HUD and its partners continue to regularly release new guidance for the development of Fair Housing Equity Assessments (FHEAs), some of it released while this report was being researched and drafted. To maintain project deadlines, this Regional AI uses the *Fair Housing Planning Guide* as an underpinning resource complimented by more recently released FHEA guidelines, and particular knowledge of HUD's more recent expectations relative to AIs and FHEAs. Some FHEA guidance was unable to be incorporated when it would have required substantial rework or would have otherwise been impractical to do so.

Though licensed attorneys with land use and fair housing experience have participated in the research contained herein, no portion of this Analysis shall constitute or be relied upon as legal advice or as a legal opinion.

Throughout this analysis, the authors have made careful decisions regarding which datasets to use. The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. Additionally, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Finally, all source data used in the preparation of this analysis, whether from national sources (e.g. the U.S. Census Bureau), local sources (e.g. the Lehigh Valley Planning Commission), or from proprietary sources (e.g. RealtyTrac) is assumed to be accurate.

Historical Overview

The region now known as Pennsylvania's Lehigh Valley was first settled by the Lenni Lenape tribes, who hunted, fished, and quarried jasper in the area. Europeans, desiring to trade with the Native Americans, began exploring the area in the early 1700s and, by 1730, German settlers began to permanently settle there. Referred to now as the "Walking Purchase", William Penn's sons claimed most of the Lehigh Valley from the Lenni Lenape, incorporating the land into their own holdings. This action resulted in occasional retaliatory raids on subsequent European settlers by the Lenni Lenape through the 1750s and 1760s, but by the mid-1760s, the Lenni Lenape had largely moved from the area and Europeans began freely settling the land.

Northampton County was formed in 1752 from parts of Bucks County. Nazareth, Bethlehem, and Easton were among the region's first major settlements, with Nazareth being primarily an agricultural center, Bethlehem being focused on manufacturing, and Easton facilitating commerce. Allentown was founded in 1762 and when, in 1812, Lehigh County was formed from the western portion of Northampton County, Allentown became Lehigh County's seat. Through 1830, agriculture was the predominant economic driver in the Lehigh Valley.

With the construction of new transportation means in 1829, the Lehigh Valley became less isolated. The Lehigh Canal and new bridges crossing the Lehigh and Delaware rivers opened up coal, zinc, slate, and limestone resources, giving rise to major industrial growth and urbanization which would come to characterize the Lehigh Valley well into the Twentieth Century.

By the 1930s, Lehigh Valley-based Bethlehem Steel had emerged as the second-largest producer of steel in the United States and was easily one of Lehigh Valley's most important corporate citizens. Fueled in part by wartime demand for military ordnance, the 1940s saw Bethlehem Steel's employment exceed 280,000 workers while the firm booked revenues of \$1.3 billion. The 1960s and 1970s brought significant changes to the steel industry and to the industrial sector in general. Heightened competition from imported products and materials paired with a growing gap between management and labor set off a transition and gradual decline both for Bethlehem Steel and for other manufacturers in the region. Bethlehem Steel eventually ceased its Bethlehem steelmaking operations in 1995 and filed for bankruptcy in 2001.

Through significant civic reinvestment, the Lehigh Valley has avoided the fate of many other "Rust Belt" communities. Today, the Bethlehem Steel site has been redeveloped and houses arts and cultural destinations as well as a casino, hotel, and a 1,000 acre industrial park. Allentown and Easton have similarly made substantial investments in revitalization and recruitment of new industry. Lehigh Valley's proximity to both Philadelphia and New York City makes it attractive to new residents and new businesses. The region's population is growing and is forecast to continue doing so: the Lehigh Valley Planning Commission projects 145,696 new residents will be added to the region's population by 2030.

Demographic Overview

Population Characteristics

According to the 2010 Census Summary File 1 data file, the Lehigh Valley was home to 647,232 persons (349,497 from Lehigh County and 297,735 from Northampton County). Growing from a population of 538,235 in 1990, the table on the following page (Regional Population Trends 1990-2010) shows the region experienced 20.3% growth over 20 years, a modest annualized growth rate of about one percent. The Lehigh Valley region has been growing at an increasingly faster rate: from 7.6% between 1990 and 2000 to 11.8% in the period 2000-2010.

The graph on the next page provides an overview of regional population trends over the period 1990 to 2010. Although population growth has been positive for all races and ethnicities it has not been uniform across groups. Whites were the largest racial group by far accounting for 82.4% of the total population in 2010 but only 5.7% of the total growth. The graph shows that the trend in White population growth has been relatively flat (0.28% annualized growth over the twenty years) while the growth trend of minorities⁴ has increased robustly (4.6% annually). Over that period the White population increased by 28,722 while minorities increased by 111,046.

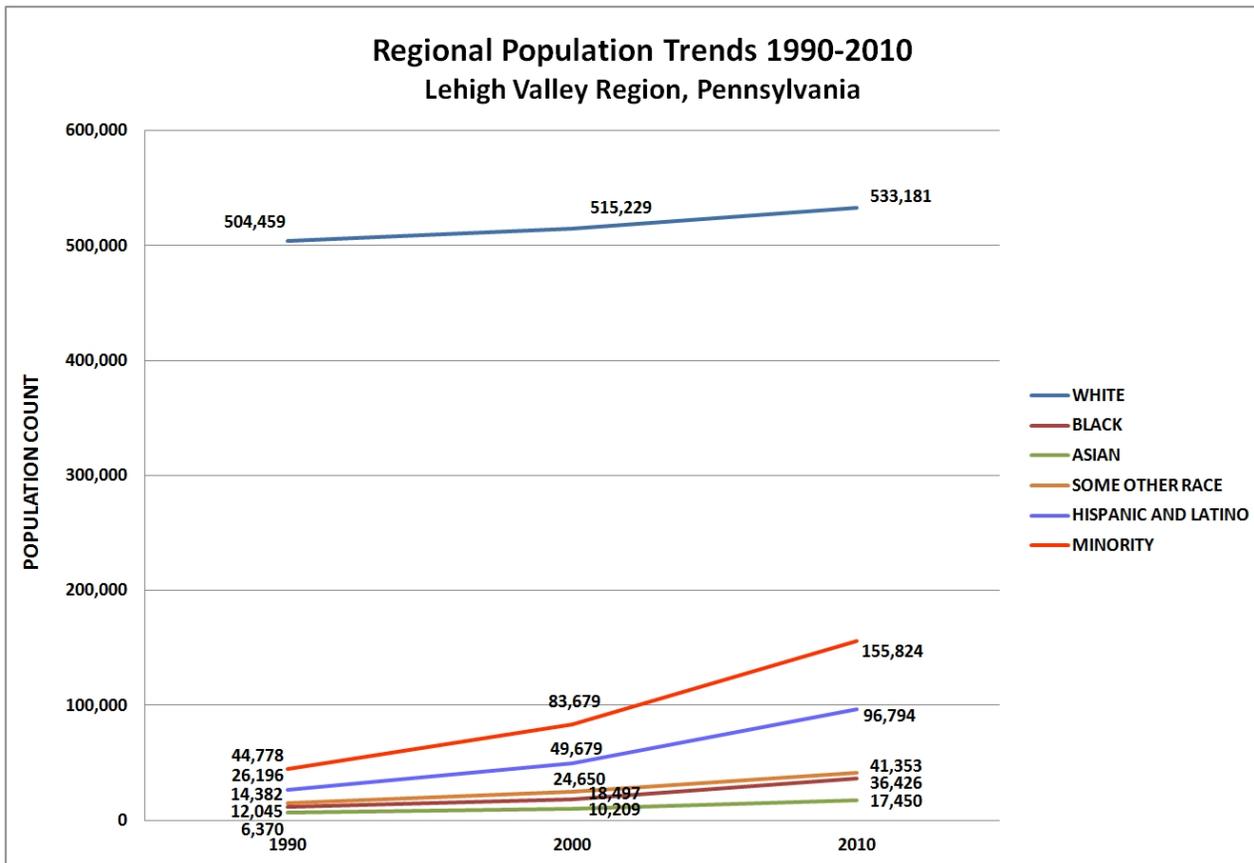
The most remarkable feature of the Regional Population Trends table is the large growth differential between the white population and other races, particularly minorities (248.0%) and Blacks (202.4%) specifically. Asians have a smaller presence than other racial groups but nearly doubled their numbers (173.9%) between 1990 and 2010. Other racial groups are present—American Indians, Pacific Islanders—but in relatively smaller numbers. The quick summary is that while Whites outnumbered minority groups 3.4 to 1 in 2010, if current trends persist, minority populations will overtake Whites before the end of the century. The growth rates of minorities and Hispanics (269.5%) in particular are especially strong. (Many factors including immigration policy and certain characteristics of the labor market could intervene to change past growth rates.)

As the Geographic Information System (GIS) maps will show in succeeding sections, the geographical distribution of racial and ethnic groups is more important than the raw numbers alone suggest because they tend to be concentrated in small areas. With so much of the population growth occurring among Hispanics and other minorities their geographic distribution is key to understanding potential pressures on the existing housing stock to accommodate this growth.

⁴ For this analysis minorities are defined as all persons not classified as non-Hispanic White, a common practice in the academic literature. A population group may be defined by race as well as ethnicity (White or Black Hispanics, for example).

Regional Population Trends 1990-2010 Lehigh Valley, Pennsylvania						
	1990	2000	2010	1990-2000	2000-2010	1990-2010
WHITE	504,459	515,229	533,181	2.1%	3.5%	5.7%
BLACK	12,045	18,497	36,426	53.6%	96.9%	202.4%
ASIAN	6,370	10,209	17,450	60.3%	70.9%	173.9%
AMERICAN INDIAN	529	961	1,888	81.7%	96.5%	256.9%
HAWAII PACIFIC ISL.	--	196	224	--	14.3%	--
SOME OTHER RACE	14,832	24,650	41,353	66.2%	67.8%	178.8%
TWO MORE RACES	--	9,414	16,710	--	77.5%	--
TOTAL ALL RACES	538,235	579,156	647,232	7.6%	11.8%	20.3%
HISPANIC AND LATINO	26,196	49,679	96,794	89.6%	94.8%	269.5%
MINORITY	44,778	83,679	155,824	86.9%	86.2%	248.0%

Source: Decennial Censuses 1990, 2000, and 2010 Summary File 1



Source: Decennial Censuses 1990, 2000, and 2010 Summary File 1

The following pair of tables (Lehigh Valley Region—Population by Race 2010; Counts and Rates) summarize the Lehigh Valley region’s population by race for all Census-defined Places⁵ including cities, boroughs, and Census-designated Places (CDPs)⁶. Census Places include cities with relatively high concentrations of minorities and low-income persons, which are especially important to a Protected Class AI analysis.

These tables rank the 56 Census-defined places in the Lehigh Valley by population with Allentown (118,032), Bethlehem (74,982), and Easton (26,800) accounting for 53.9% of the population living in Places. The map titled “Minority Population for Places Only” shows the intensive geographic concentration of minorities in these three cities. In the Lehigh Valley, this urbanized area was concentrated along a broad east-west arc that was roughly aligned with the Interstate 78 and U.S. Route 22 corridors to the Delaware River. This populous core contained the largest proportion of minorities including Hispanics and Blacks. Allentown included the highest single concentration of minorities (56.8% of the total population) and Hispanics (42.8%) in the region followed by Bethlehem (34.6% minority and 24.4% Hispanic) and Easton (41.4% minority and 19.9% Hispanic).

Immediately outside the urbanized area formed by these three cities, other Places with high concentrations of minorities were Fullerton (30.5%), Breinigsville (24.6%), Freemansburg (40.3%), Fountain Hill (30.4%), and Wilson (22.1%). External to the Allentown-Bethlehem-Easton urban core, Hispanics were clustered in Fullerton (14.6%), Fountain Hill (22.5%), and Freemansburg (24.0%). Blacks were concentrated in Allentown (12.5%), Easton (16.8%), and Freemansburg (13.6%). To the Southwest outside the urban core, Asians were relatively concentrated in Breinigsville (11.1%), Wescosville (7.2%), Trexlertown (8.1%), and Ancient Oaks (8.1%). Away from the urban core and the immediately surrounding communities, the number and proportion of minorities declined steeply from an average of 25.6% for the ten largest places to 7.5% for the ten smallest places. By many measures minorities in the Lehigh Valley—including Hispanics, Blacks, and Asians—were overwhelmingly concentrated in the larger urbanized areas.

⁵ Places, for the reporting of decennial census data, include census designated places (CDPs), consolidated cities, and incorporated places (Census 2000 Geographic Definitions).

⁶ CDP is the abbreviation for Census designated place, the statistical counterpart of incorporated places and are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. CDPs are delineated cooperatively by state and local officials and the Census Bureau, following Census Bureau guidelines (Census 2000 Geographic Definitions).

Lehigh Valley Places -- Population by Race 2010												
Place	Total Population	Race								Two or More Races	Hispanic or Latino	Minority
		One Race										
		Population One Race	White	Black	American Indian	Asian	Pacific Islander	Other Race				
Allentown city	118,032	112,119	69,061	14,812	893	2,542	55	24,756	5,913	50,461	67,068	
Bethlehem city	74,982	72,422	57,305	5,199	259	2,143	31	7,485	2,560	18,268	25,950	
Easton city	26,800	25,492	17,997	4,506	106	639	28	2,216	1,308	5,331	11,086	
Fullerton CDP	14,925	14,453	11,313	1,279	66	860	4	931	472	2,178	4,559	
Emmaus borough	11,211	11,023	10,472	175	20	164	2	190	188	529	991	
Northampton borough	9,926	9,792	9,447	166	16	73	2	88	134	345	678	
Wilson borough	7,896	7,571	6,639	516	15	164	3	234	325	839	1,746	
Middletown CDP	7,441	7,297	6,648	292	9	121	0	227	144	711	1,190	
Ancient Oaks CDP	6,661	6,550	5,730	175	10	541	0	94	111	319	1,126	
Catasauqua borough	6,436	6,226	5,726	192	6	40	7	255	210	673	1,043	
Hellertown borough	5,898	5,804	5,622	75	3	47	0	57	94	266	438	
Wescosville CDP	5,872	5,747	5,067	177	10	422	0	71	125	298	966	
Nazareth borough	5,746	5,689	5,552	49	11	42	1	34	57	158	290	
Bangor borough	5,273	5,167	5,004	64	5	9	2	83	106	262	418	
Fountain Hill borough	4,597	4,441	3,740	302	6	38	0	355	156	1,033	1,398	
Dorneyville CDP	4,406	4,352	4,044	116	0	141	0	51	54	158	448	
Slatington borough	4,232	4,148	3,981	68	17	21	1	60	84	221	375	
Breinigsville CDP	4,138	4,074	3,307	217	20	458	0	72	64	293	1,019	
Palmer Heights CDP	3,762	3,709	3,404	155	9	50	0	91	53	248	504	
Pen Argyl borough	3,595	3,546	3,453	41	7	15	0	30	49	143	243	
Hokendauqua CDP	3,378	3,315	3,126	97	4	43	0	45	63	210	362	
Eastlawn Gardens CDP	3,307	3,261	3,141	36	3	51	0	30	46	103	228	
Coplay borough	3,192	3,143	2,953	84	9	32	1	64	49	202	335	
Macungie borough	3,074	3,013	2,830	55	5	56	0	67	61	160	316	
Schnecksville CDP	2,935	2,896	2,813	25	4	40	0	14	39	85	184	
North Catasauqua borough	2,849	2,821	2,711	33	2	26	1	48	28	148	225	
Wind Gap borough	2,720	2,683	2,604	27	4	16	1	31	37	87	169	
Bath borough	2,693	2,650	2,494	78	8	26	0	44	43	177	299	
Freemansburg borough	2,636	2,522	1,860	359	12	22	1	268	114	632	1,061	
Old Orchard CDP	2,434	2,390	2,283	40	3	29	0	35	44	87	200	
Egypt CDP	2,391	2,358	2,252	27	1	37	1	40	33	92	190	
Coopersburg borough	2,386	2,351	2,284	14	3	27	1	22	35	84	151	
Alburtis borough	2,361	2,320	2,196	47	3	30	0	44	41	131	234	
Cetronia CDP	2,115	2,084	1,968	51	0	31	0	34	31	118	220	
Walnutport borough	2,070	2,041	1,962	19	8	17	1	34	29	68	132	
Trexlertown CDP	1,988	1,939	1,658	83	1	161	0	36	49	95	381	
Cherryville CDP	1,580	1,571	1,525	15	0	24	0	7	9	49	94	
Roseto borough	1,567	1,548	1,518	16	2	8	0	4	19	43	73	
Cementon CDP	1,538	1,504	1,384	37	1	31	0	51	34	106	199	
Belfast CDP	1,257	1,245	1,224	10	1	10	0	0	12	34	65	
West Easton borough	1,257	1,230	1,139	58	5	9	0	19	27	106	188	
Laurys Station CDP	1,243	1,230	1,184	17	2	16	0	11	13	53	96	
Tatamy borough	1,203	1,189	1,101	44	0	27	0	17	14	52	131	
East Bangor borough	1,172	1,159	1,134	1	0	3	0	21	13	65	78	
Stiles CDP	1,113	1,100	984	35	5	27	0	49	13	103	173	
Raubsville CDP	1,088	1,068	979	45	0	38	0	6	20	28	127	
DeSales University CDP	953	936	894	28	0	6	0	8	17	35	81	
Stockertown borough	927	921	906	3	2	5	0	5	6	28	40	
New Tripoli CDP	898	879	854	15	2	1	2	5	19	47	70	
Martins Creek CDP	631	623	617	3	0	2	0	1	8	7	20	
Ackermanville CDP	610	609	599	3	6	1	0	0	1	15	20	
Portland borough	519	515	479	18	4	4	0	10	4	17	47	
Slatedale CDP	455	453	448	0	0	5	0	0	2	5	11	
Glendon borough	440	427	351	46	1	19	0	10	13	27	97	
Chapman borough	199	197	195	1	1	0	0	0	2	3	6	
LEHIGH VALLEY TOTALS	393,008	379,813	300,162	30,046	1,590	9,410	145	38,460	13,195	86,036	127,839	

Lehigh Valley Places Population by Race (Counts)

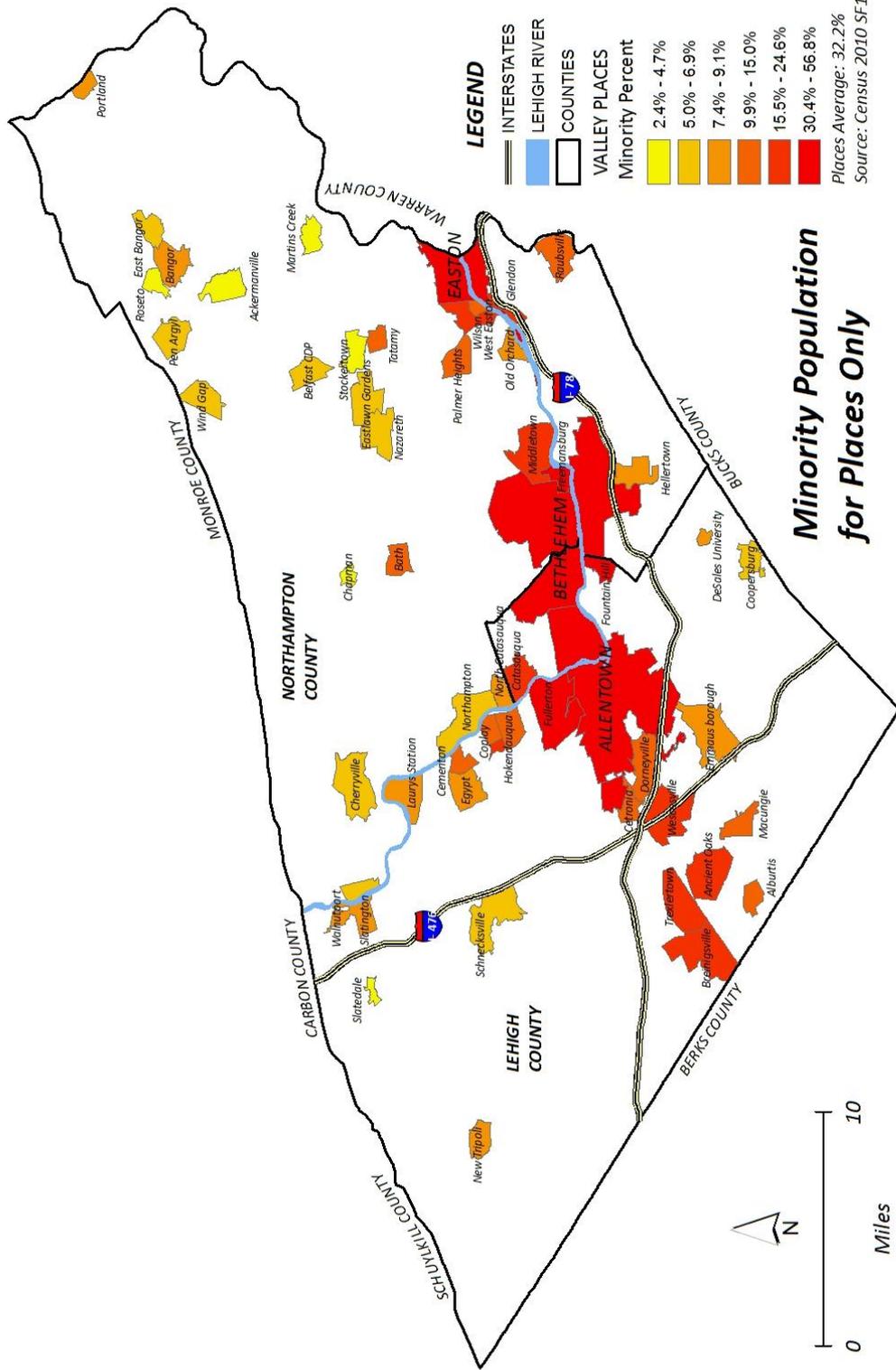
Source: Census 2010 SF1

Lehigh Valley Places -- Population by Race 2010											
		Race									
		One Race									
Place	Total Population	Population One Race	White	Black	American Indian	Asian	Pacific Islander	Other Race	Two or More Races	Hispanic or Latino	Minority Percent
Allentown city	100.0%	95.0%	58.5%	12.5%	0.8%	2.2%	0.0%	21.0%	5.0%	42.8%	56.8%
Bethlehem city	100.0%	96.6%	76.4%	6.9%	0.3%	2.9%	0.0%	10.0%	3.4%	24.4%	34.6%
Easton city	100.0%	95.1%	67.2%	16.8%	0.4%	2.4%	0.1%	8.3%	4.9%	19.9%	41.4%
Fullerton CDP	100.0%	96.8%	75.8%	8.6%	0.4%	5.8%	0.0%	6.2%	3.2%	14.6%	30.5%
Emmaus borough	100.0%	98.3%	93.4%	1.6%	0.2%	1.5%	0.0%	1.7%	1.7%	4.7%	8.8%
Northampton borough	100.0%	98.7%	95.2%	1.7%	0.2%	0.7%	0.0%	0.9%	1.3%	3.5%	6.8%
Wilson borough	100.0%	95.9%	84.1%	6.5%	0.2%	2.1%	0.0%	3.0%	4.1%	10.6%	22.1%
Middletown CDP	100.0%	98.1%	89.3%	3.9%	0.1%	1.6%	0.0%	3.1%	1.9%	9.6%	16.0%
Ancient Oaks CDP	100.0%	98.3%	86.0%	2.6%	0.2%	8.1%	0.0%	1.4%	1.7%	4.8%	16.9%
Catasauqua borough	100.0%	96.7%	89.0%	3.0%	0.1%	0.6%	0.1%	4.0%	3.3%	10.5%	16.2%
Hellertown borough	100.0%	98.4%	95.3%	1.3%	0.1%	0.8%	0.0%	1.0%	1.6%	4.5%	7.4%
Wescosville CDP	100.0%	97.9%	86.3%	3.0%	0.2%	7.2%	0.0%	1.2%	2.1%	5.1%	16.5%
Nazareth borough	100.0%	99.0%	96.6%	0.9%	0.2%	0.7%	0.0%	0.6%	1.0%	2.7%	5.0%
Bangor borough	100.0%	98.0%	94.9%	1.2%	0.1%	0.2%	0.0%	1.6%	2.0%	5.0%	7.9%
Fountain Hill borough	100.0%	96.6%	81.4%	6.6%	0.1%	0.8%	0.0%	7.7%	3.4%	22.5%	30.4%
Dorneyville CDP	100.0%	98.8%	91.8%	2.6%	0.0%	3.2%	0.0%	1.2%	1.2%	3.6%	10.2%
Slatington borough	100.0%	98.0%	94.1%	1.6%	0.4%	0.5%	0.0%	1.4%	2.0%	5.2%	8.9%
Breinigsville CDP	100.0%	98.5%	79.9%	5.2%	0.5%	11.1%	0.0%	1.7%	1.5%	7.1%	24.6%
Palmer Heights CDP	100.0%	98.6%	90.5%	4.1%	0.2%	1.3%	0.0%	2.4%	1.4%	6.6%	13.4%
Pen Argyl borough	100.0%	98.6%	96.1%	1.1%	0.2%	0.4%	0.0%	0.8%	1.4%	4.0%	6.8%
Hokendauqua CDP	100.0%	98.1%	92.5%	2.9%	0.1%	1.3%	0.0%	1.3%	1.9%	6.2%	10.7%
Eastlawn Gardens CDP	100.0%	98.6%	95.0%	1.1%	0.1%	1.5%	0.0%	0.9%	1.4%	3.1%	6.9%
Coplay borough	100.0%	98.5%	92.5%	2.6%	0.3%	1.0%	0.0%	2.0%	1.5%	6.3%	10.5%
Macungie borough	100.0%	98.0%	92.1%	1.8%	0.2%	1.8%	0.0%	2.2%	2.0%	5.2%	10.3%
Schnecksville CDP	100.0%	98.7%	95.8%	0.9%	0.1%	1.4%	0.0%	0.5%	1.3%	2.9%	6.3%
North Catasauqua borough	100.0%	99.0%	95.2%	1.2%	0.1%	0.9%	0.0%	1.7%	1.0%	5.2%	7.9%
Wind Gap borough	100.0%	98.6%	95.7%	1.0%	0.1%	0.6%	0.0%	1.1%	1.4%	3.2%	6.2%
Bath borough	100.0%	98.4%	92.6%	2.9%	0.3%	1.0%	0.0%	1.6%	1.6%	6.6%	11.1%
Freemansburg borough	100.0%	95.7%	70.6%	13.6%	0.5%	0.8%	0.0%	10.2%	4.3%	24.0%	40.3%
Old Orchard CDP	100.0%	98.2%	93.8%	1.6%	0.1%	1.2%	0.0%	1.4%	1.8%	3.6%	8.2%
Egypt CDP	100.0%	98.6%	94.2%	1.1%	0.0%	1.5%	0.0%	1.7%	1.4%	3.8%	7.9%
Coopersburg borough	100.0%	98.5%	95.7%	0.6%	0.1%	1.1%	0.0%	0.9%	1.5%	3.5%	6.3%
Alburtis borough	100.0%	98.3%	93.0%	2.0%	0.1%	1.3%	0.0%	1.9%	1.7%	5.5%	9.9%
Cetronia CDP	100.0%	98.5%	93.0%	2.4%	0.0%	1.5%	0.0%	1.6%	1.5%	5.6%	10.4%
Walnutport borough	100.0%	98.6%	94.8%	0.9%	0.4%	0.8%	0.0%	1.6%	1.4%	3.3%	6.4%
Trexlerstown CDP	100.0%	97.5%	83.4%	4.2%	0.1%	8.1%	0.0%	1.8%	2.5%	4.8%	19.2%
Cherryville CDP	100.0%	99.4%	96.5%	0.9%	0.0%	1.5%	0.0%	0.4%	0.6%	3.1%	5.9%
Roseto borough	100.0%	98.8%	96.9%	1.0%	0.1%	0.5%	0.0%	0.3%	1.2%	2.7%	4.7%
Cementon CDP	100.0%	97.8%	90.0%	2.4%	0.1%	2.0%	0.0%	3.3%	2.2%	6.9%	12.9%
Belfast CDP	100.0%	99.0%	97.4%	0.8%	0.1%	0.8%	0.0%	0.0%	1.0%	2.7%	5.2%
West Easton borough	100.0%	97.9%	90.6%	4.6%	0.4%	0.7%	0.0%	1.5%	2.1%	8.4%	15.0%
Laurys Station CDP	100.0%	99.0%	95.3%	1.4%	0.2%	1.3%	0.0%	0.9%	1.0%	4.3%	7.7%
Tatamy borough	100.0%	98.8%	91.5%	3.7%	0.0%	2.2%	0.0%	1.4%	1.2%	4.3%	10.9%
East Bangor borough	100.0%	98.9%	96.8%	0.1%	0.0%	0.3%	0.0%	1.8%	1.1%	5.5%	6.7%
Stiles CDP	100.0%	98.8%	88.4%	3.1%	0.4%	2.4%	0.0%	4.4%	1.2%	9.3%	15.5%
Raubsville CDP	100.0%	98.2%	90.0%	4.1%	0.0%	3.5%	0.0%	0.6%	1.8%	2.6%	11.7%
DeSales University CDP	100.0%	98.2%	93.8%	2.9%	0.0%	0.6%	0.0%	0.8%	1.8%	3.7%	8.5%
Stockertown borough	100.0%	99.4%	97.7%	0.3%	0.2%	0.5%	0.0%	0.5%	0.6%	3.0%	4.3%
New Tripoli CDP	100.0%	97.9%	95.1%	1.7%	0.2%	0.1%	0.2%	0.6%	2.1%	5.2%	7.8%
Martins Creek CDP	100.0%	98.7%	97.8%	0.5%	0.0%	0.3%	0.0%	0.2%	1.3%	1.1%	3.2%
Ackermanville CDP	100.0%	99.8%	98.2%	0.5%	1.0%	0.2%	0.0%	0.0%	0.2%	2.5%	3.3%
Portland borough	100.0%	99.2%	92.3%	3.5%	0.8%	0.8%	0.0%	1.9%	0.8%	3.3%	9.1%
Slatedale CDP	100.0%	99.6%	98.5%	0.0%	0.0%	1.1%	0.0%	0.0%	0.4%	1.1%	2.4%
Glendon borough	100.0%	97.0%	79.8%	10.5%	0.2%	4.3%	0.0%	2.3%	3.0%	6.1%	22.0%
Chapman borough	100.0%	99.0%	98.0%	0.5%	0.5%	0.0%	0.0%	0.0%	1.0%	1.5%	3.0%
LEHIGH VALLEY TOTALS	100.0%	96.6%	76.4%	7.6%	0.4%	2.4%	0.0%	9.8%	3.4%	21.9%	32.5%

Lehigh Valley Places Population by Race (Rates)

Source: Census 2010 SF1

LEHIGH VALLEY, PENNSYLVANIA

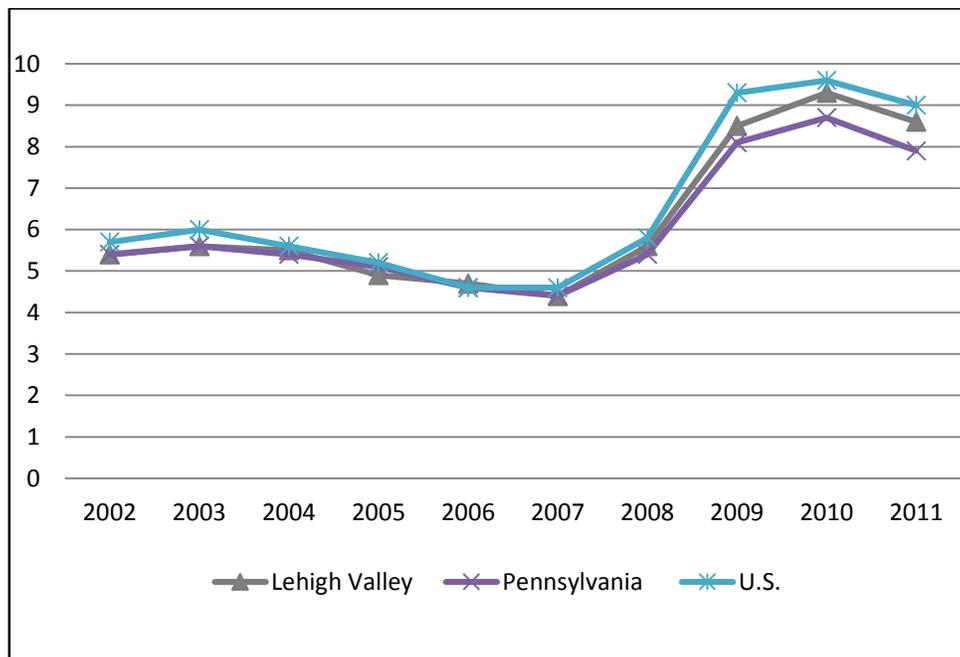


Employment & Economic Profile

Household income, typically derived from employment, is the means by which most individuals and families finance consumption and make provision for the future through saving and investment. A household's level of cash income can be used as an indicator of the standard of living for most of the population. While the economic factors that affect a household's housing choice do not, themselves, constitute fair housing issues, these factors (such as income and employment status) can correlate closely with protected class statuses (such as race, ethnicity, disability, and gender) and therefore raise fair housing concerns.

As indicated in the chart below, the unemployment rate in the Allentown-Bethlehem-Easton Metropolitan Statistical Area (MSA) nearly doubled from 2007 to 2009 as job growth slowed and the economy began its downturn. At its highest point during 2010, the region's unemployment rate stood at 9.3%, which was slightly higher than the State of Pennsylvania with an unemployment rate of 8.7% and slightly lower than the national average of 9.6%.

Lehigh Valley Unemployment Trends: 2002-2011
Lehigh Valley, Pennsylvania, United States



Lehigh Valley Profile & Trends 2012 Edition, Lehigh Valley Planning Commission April 2012

The largest sector of the workforce in the Lehigh Valley is healthcare and social assistance which makes up 14.78% of the total workforce followed by retail trade at 10.87% and government and government enterprises at 10.20%. Manufacturing, another key employment sector in Lehigh Valley, accounts for 8.12% of the region's workforce. A detailed account of these and other employment sectors is found in the following table.

Employment by Industry Group - 2010

Industry	Lehigh County	Northampton County	Pennsylvania	USA
Government & government enterprises	8.9%	12.5%	11.6%	14.2%
Other services, except public administration	4.9%	6.0%	5.4%	5.7%
Accommodation & food services	6.1%	6.7%	6.2%	6.9%
Arts, entertainment, & recreation	2.3%	2.6%	2.1%	2.2%
Health care & social assistance	17.5%	10.2%	13.9%	11.0%
Educational services	2.3%	5.2%	3.8%	2.3%
Administrative & waste services	7.6%	6.0%	5.0%	6.0%
Management of companies & enterprises	3.8%	1.0%	1.7%	1.2%
Retail trade	10.7%	11.2%	10.7%	10.2%
Transportation & warehousing	3.9%	4.4%	3.6%	3.2%
Information	1.6%	1.4%	1.5%	1.8%
Finance & insurance	5.2%	5.3%	5.6%	5.6%
Real estate & rental & leasing	3.6%	3.8%	3.5%	4.3%
Professional & technical services	5.0%	5.0%	6.4%	6.7%
Farm employment	0.3%	0.4%	1.0%	6.7%
Forestry, fishing, related activities, & other	(D)	0.1%	0.2%	0.5%
Mining (D)	(D)	0.1%	0.6%	0.7%
Utilities	0.2%	0.3%	0.3%	0.3%
Construction	4.3%	5.2%	5.0%	5.1%
Manufacturing	7.2%	9.7%	8.3%	7.0%
Wholesale trade	4.3%	2.8%	3.4%	3.5%

(D) = Not shown to avoid disclosure of confidential information.

Source: Lehigh Valley Profile and Trends 2012 Edition, Lehigh Valley Planning Commission

Largest Employers in Lehigh Valley

Company	Industry	Local Employment
Lehigh Valley Hospital and Health Network	Healthcare	10,207
St. Luke's Hospital and Health Network	Healthcare	7,319
Air Products and Chemicals	Manufacturing	3,403
PPL	Utilities	2,569
Sodexo	Service	2,251
Giant Food Stores	Retail	2,224
B. Braun	Medical	1,910
Lehigh University	Education	1,821
Wegmans	Retail	1,803
Sands Casino Resort Bethlehem	Entertainment	1,724

*Source: Lehigh Valley Profile & Trends 2012 Edition
Lehigh Valley Planning Commission*

The median family income for both Lehigh County and Northampton County, as determined by 2006-2010 ACS estimates, was considerably higher than the median family incomes of their respective cities. The average Lehigh County family had an income of \$66,004, but in Allentown, the average family had an income of \$41,023, only 62% of the income received by their fellow Lehigh County residents. A similar phenomenon existed in Northampton County, where the median family income was \$70,457, yet families in Easton had an average income of \$42,653 (61% of Northampton County's median) and families in Bethlehem had an average income of \$53,152 (75% of the county's median).

According to the Lehigh Valley Planning Commission's *Profile & Trends 2012 Edition*, (which relied upon 2006-2010 ACS data), 9.0% of families and 11.9% of all Lehigh County residents were living below the poverty line. More than a quarter (28.4%) of female householder families lived in poverty. These values were all slightly lower in Northampton County, where 6.3% of families and 8.8% of all Northampton residents live below the poverty line; 23.4% of female householder families lived below the poverty line.

	Median Household Income \$	Median Family Income \$	Per Capita Income \$	Percent Below Poverty Level		
				All Persons	All Families	Female Householder Families
Lehigh County	53,541	66,004	27,301	11.9	9.0	28.4
Allentown	36,202	41,023	18,139	24.6	21.1	40.9
Bethlehem (part)	46,981	56,850	25,367	8.7	6.6	16.3
Northampton	58,762	70,457	28,362	8.8	6.3	23.4
Easton	38,613	42,653	18,899	20.3	18.9	35.1
Bethlehem (part)	42,743	53,152	22,232	19.8	15.3	37.6

Lehigh Valley Profile & Trends 2012 Edition, Lehigh Valley Planning Commission April 2012

Protected Class Analysis

The Fair Housing Act and similar state or local fair housing laws list seven prohibited bases for housing discrimination:⁷ race, color, national origin, gender, familial status, disability, and religion. This Protected Class (PC) Analysis systematically addresses each of these areas. Three complementary levels of geography are used in this report: the Lehigh Valley (combined analysis for Lehigh and Northampton counties), places (includes cities), and small area census tracts. Each level of geography will be used as appropriate to perform the PC analyses.

For this region-level analysis county and census tract data were summarized from Lehigh and Northampton Counties. The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. As always, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Race and Ethnicity

The Demographic Overview in the previous section demonstrated that minorities were predominantly concentrated in and near the 3-city urbanized area formed by Allentown, Bethlehem, and Easton. The PC analysis in this section is generally consistent with that finding. Use of tract-level Census data facilitates a more detailed look at the spatial distribution of race & ethnicity in smaller, sub-county geographies and rural areas.

Nationally, minorities comprised 35.8% of the general population in 2010 but only 24.1% of the Lehigh Valley population. The following Minority Population map shows a heavy minority presence in the urbanized areas of Allentown and Bethlehem, and to a lesser degree, Easton. Of the ten census tracts with the highest proportion of minority populations, nine were in central Allentown (only one tract was in Bethlehem). Census tract 9.00, in central Allentown, had the highest minority share with 85.3%.⁸

The share of minorities by census tract was lowest along the rural northern tier of census tracts in the region. Situated along the rural border with Carbon County, tract 160.01 had the lowest proportion of minorities, 2.9%. The demand for private transportation is usually highest in rural areas where the need to travel longer distances to obtain food and other personal services is the greatest and lowest in cities where people have greater access to public and walking modes of transportation. Lower income persons, many of them minorities, find it more cost-effective to live in urban areas leading to a low minority share in rural areas.

The average percentage Black population of the region by census tract was 5.6%. The national average was 12.5%, over twice the regional average. The map titled “Black Population” illustrates that Blacks were most concentrated in the cities of Allentown and Easton with a smaller presence in Bethlehem. In fact, the top ten tracts with respect to proportion of Black population were all located in the central areas of Allentown

⁷ Source: [Live Free: Annual Report on Fair Housing FY 2010](#), U.S. Department of Housing and Urban Development.

⁸ The method of calculating “minority” here is all persons not classified as non-Hispanic White, which produces higher percentages than using racial or Hispanic or Latino classifications alone.

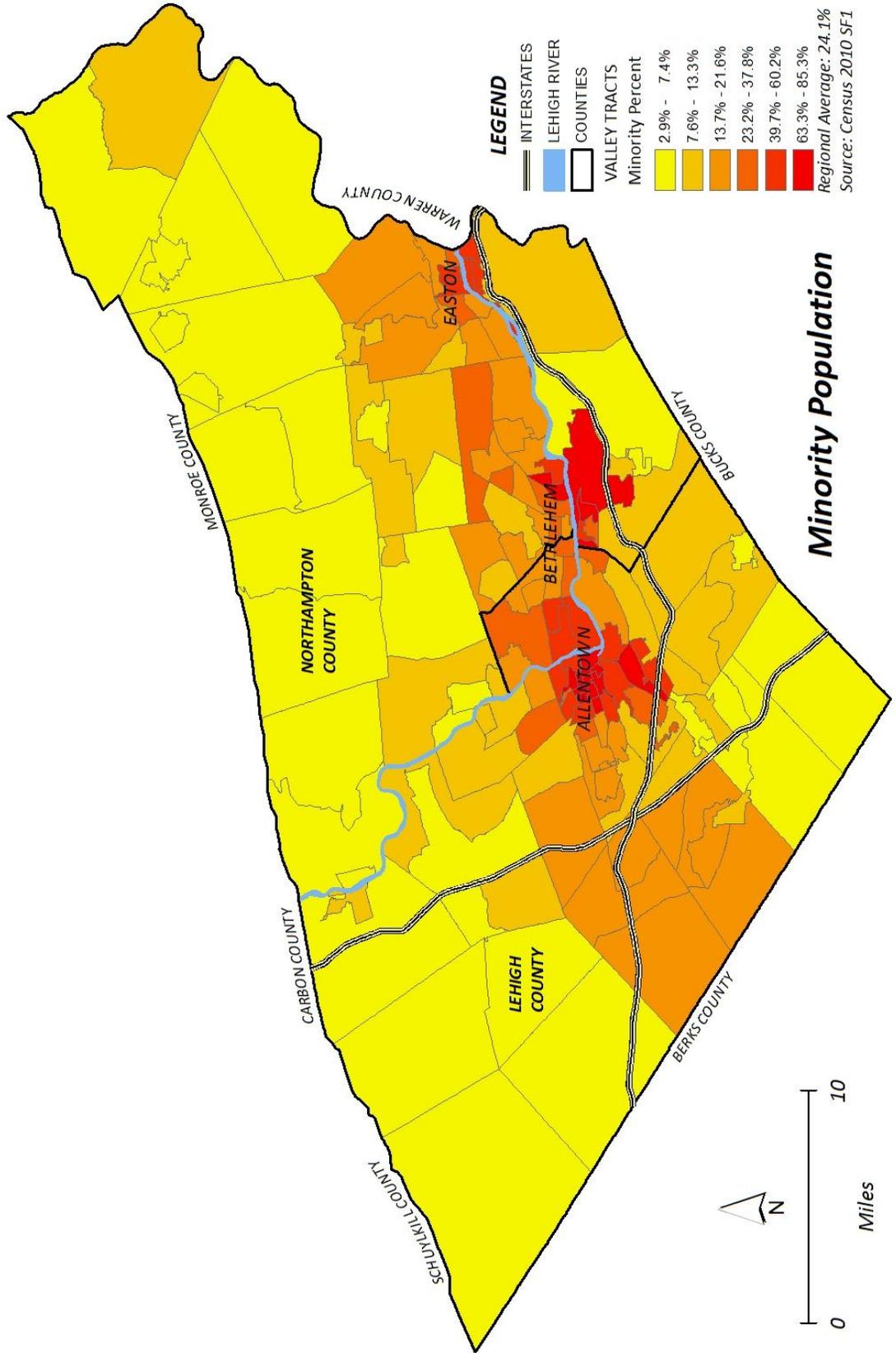
and Easton. The highest percentage of Blacks, 24.5%, occurred in tract 146.0 in Easton. The 10 census tracts with the lowest proportion of Blacks were found along the more rural northern and southern borders, primarily in Lehigh County. The smallest share of Blacks (0.33%) occurred in tract 64.02 in southern Lehigh County.

The average Asian share of the population of the Lehigh Valley was 2.7%, half the national average of 5.5%. The Asian Population map appearing in the following pages shows that the geographical distribution of the Asian population was distinctively different than the other minority groups. Following a broad east-west arc across the region immediately to the north of Allentown and Bethlehem, Asians were a more suburban population compared to the central city location of most minorities. Seven of the ten most Asian-dense census tracts were in suburban areas, and most notably in tracts 62.02, 62.03, and 62.04 in west Lehigh County. However, the densest (10.3%) tract was in central Allentown (tract 57.04) followed by tract 110 (9.5%) in south Bethlehem. As with the other minorities, the majority (nine of the ten) least dense census tracts for Asians were found outside the urban and suburban areas in the rural countryside mostly on the northern borders of both Lehigh County and Northampton County. One exception was tract 97 in central Allentown which had one of the lowest proportions of Asians. The least dense tract (152.01, 2.49%) for the Asian population was in northeast Northampton County.

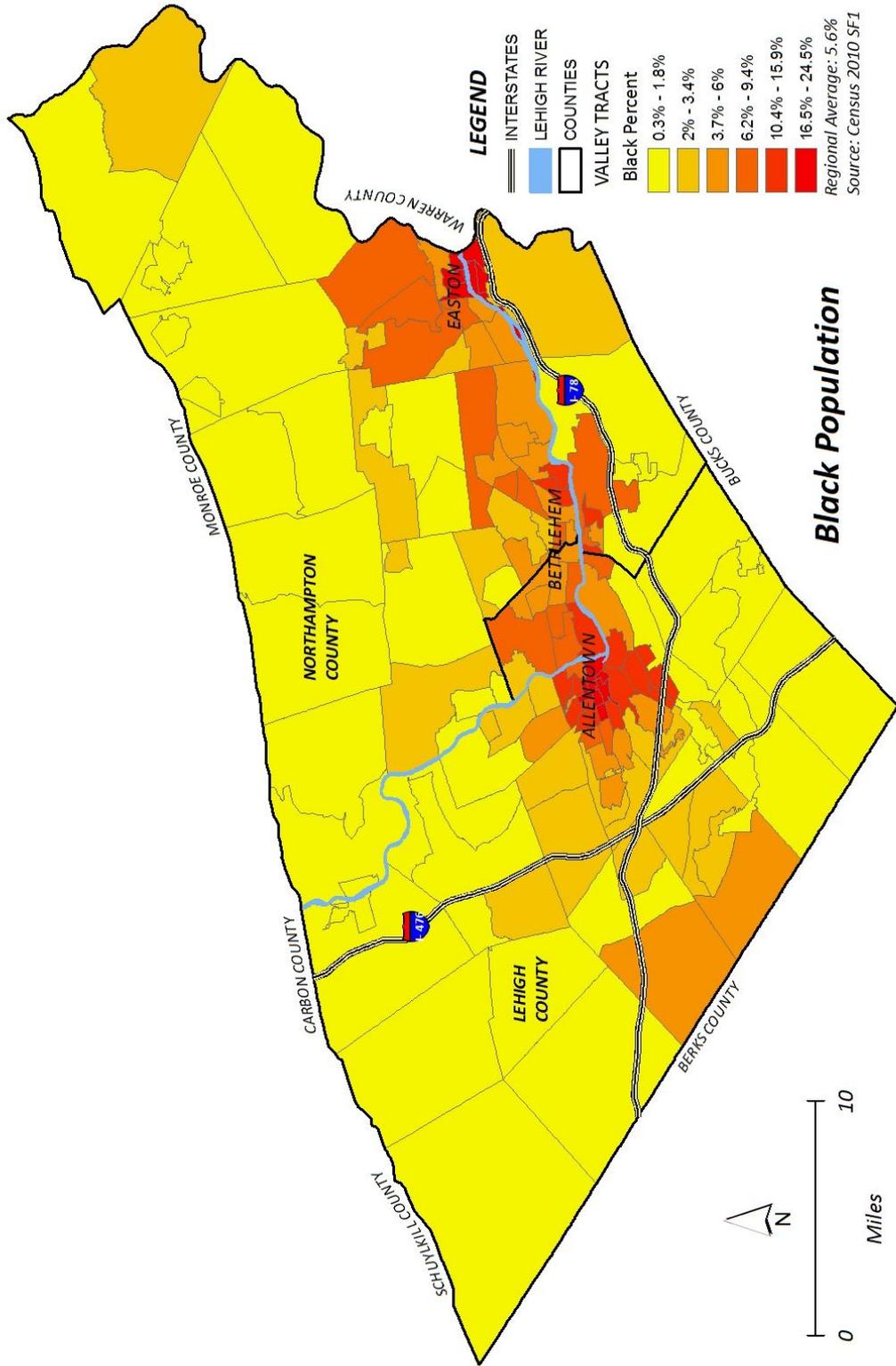
Hispanics comprise 16.1% of the nation's population and 15.0% of the Lehigh Valley's population. The Hispanic Population map indicates that the region's Hispanic population was heavily concentrated in the cities of Allentown and Bethlehem. In fact, the ten most densely populated Hispanic census tracts were all located in southern parts of these cities. Tract 10.0, in south Allentown, was the tract most densely settled with Hispanics with Hispanics making up 66.8% of the tract's total population. The ten census tracts with the least dense Hispanic populations were in rural north Northampton and southern Lehigh counties. The lowest Hispanic population share was found in tract 54.01 in northwest Lehigh County with Hispanics comprising just 1.3% of the tract's total population.

(Note regarding maps on the following pages: Each map is scaled differently to best bring out the concentrations of the population segment being mapped. Because of the different scaling, the maps are not intended to be compared relative to one another, but should instead be considered independently as depictions of each race or ethnicity's concentrations throughout the region.)

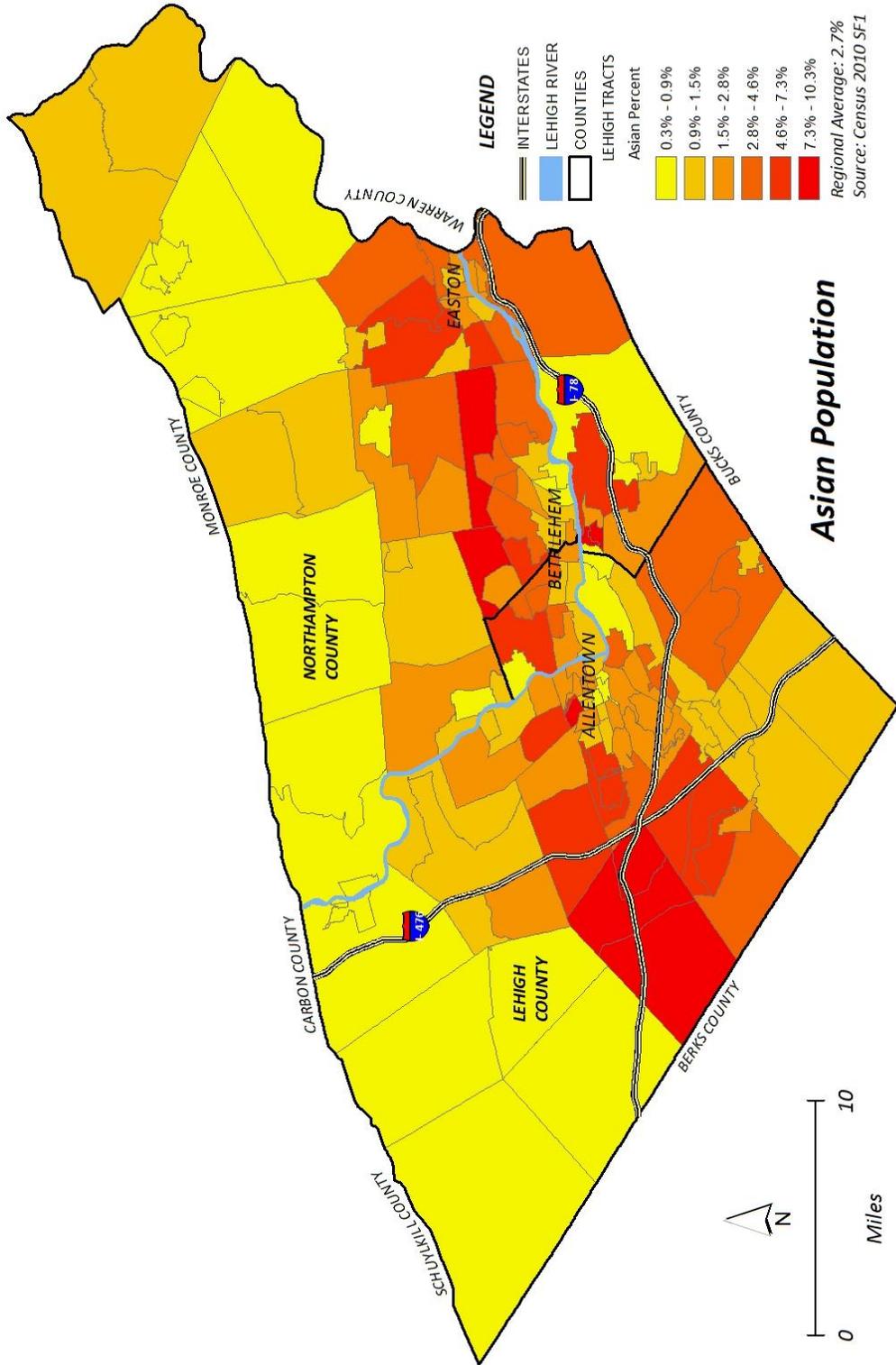
LEHIGH VALLEY, PENNSYLVANIA



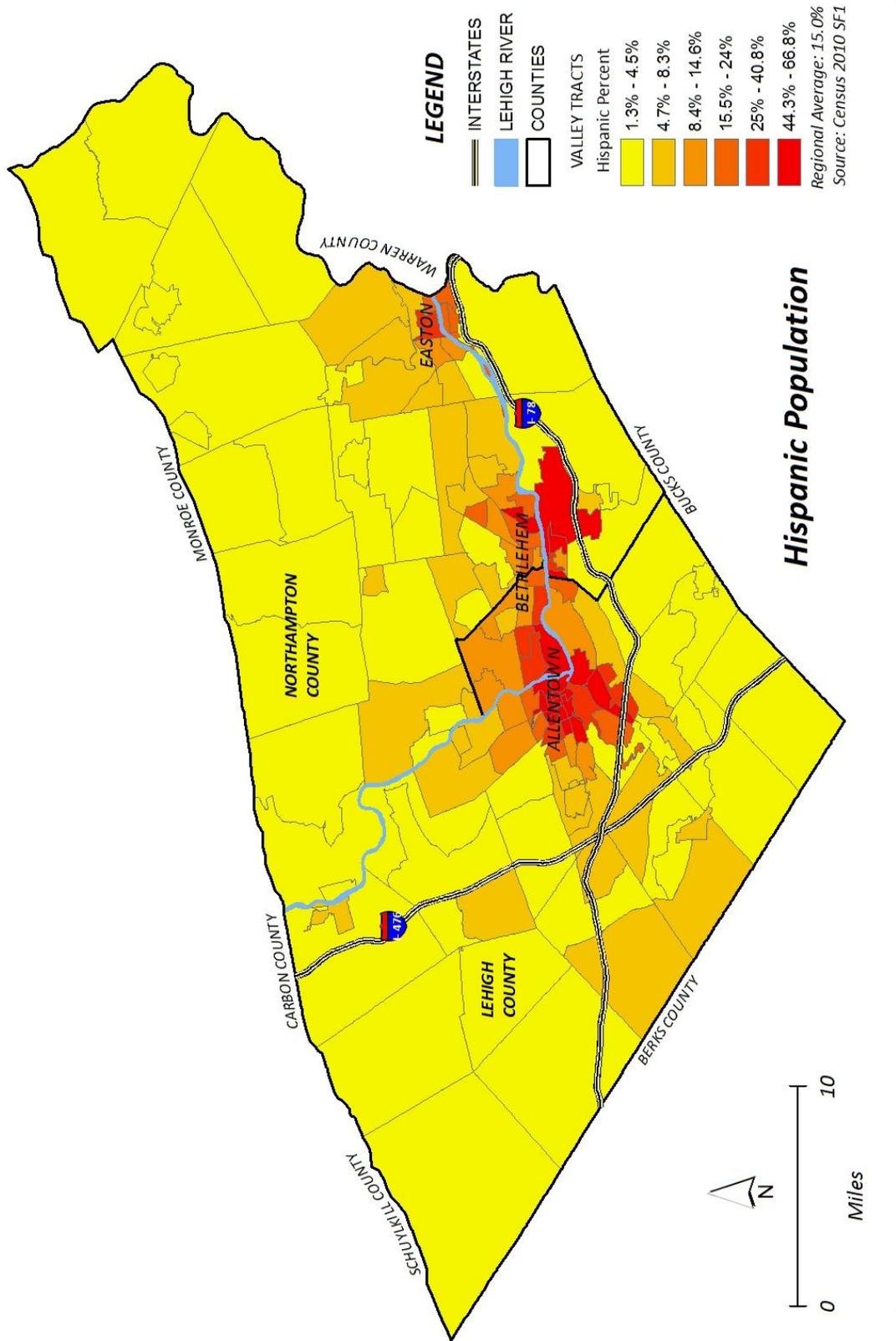
LEHIGH VALLEY, PENNSYLVANIA



LEHIGH VALLEY, PENNSYLVANIA



LEHIGH VALLEY, PENNSYLVANIA



National Origin

The table below (Foreign Born Status 2007-2011) shows that 52,163 (8.1%) of all residents were not native⁹ to the region. Nationwide, 12.8% of the general population were foreign born. The map on the following page titled “Foreign Born Population” shows that the census tracts with the largest proportions of foreign born persons were in central Allentown with smaller populations in Easton and Bethlehem. The highest occurrence of foreign born persons, 42.9%, was in tract 4.00 in Allentown with similarly high proportions of minorities (60.0%), Hispanics (47.6%), families with children (54.4%), and working age males (49.0%). It is likely there is a large overlap between these groups although that cannot be definitely quantified with summary-level census data. The lowest incidence of foreign born persons was in the rural areas of the region.

Foreign Born Status (2007-2011)		
Lehigh Valley, Pennsylvania		
TOTAL POPULATION	FOREIGN BORN	FOREIGN BORN
643,520	52,163	8.1%

Source: U.S. Census American Community Survey 5-Year Data 2007-2011

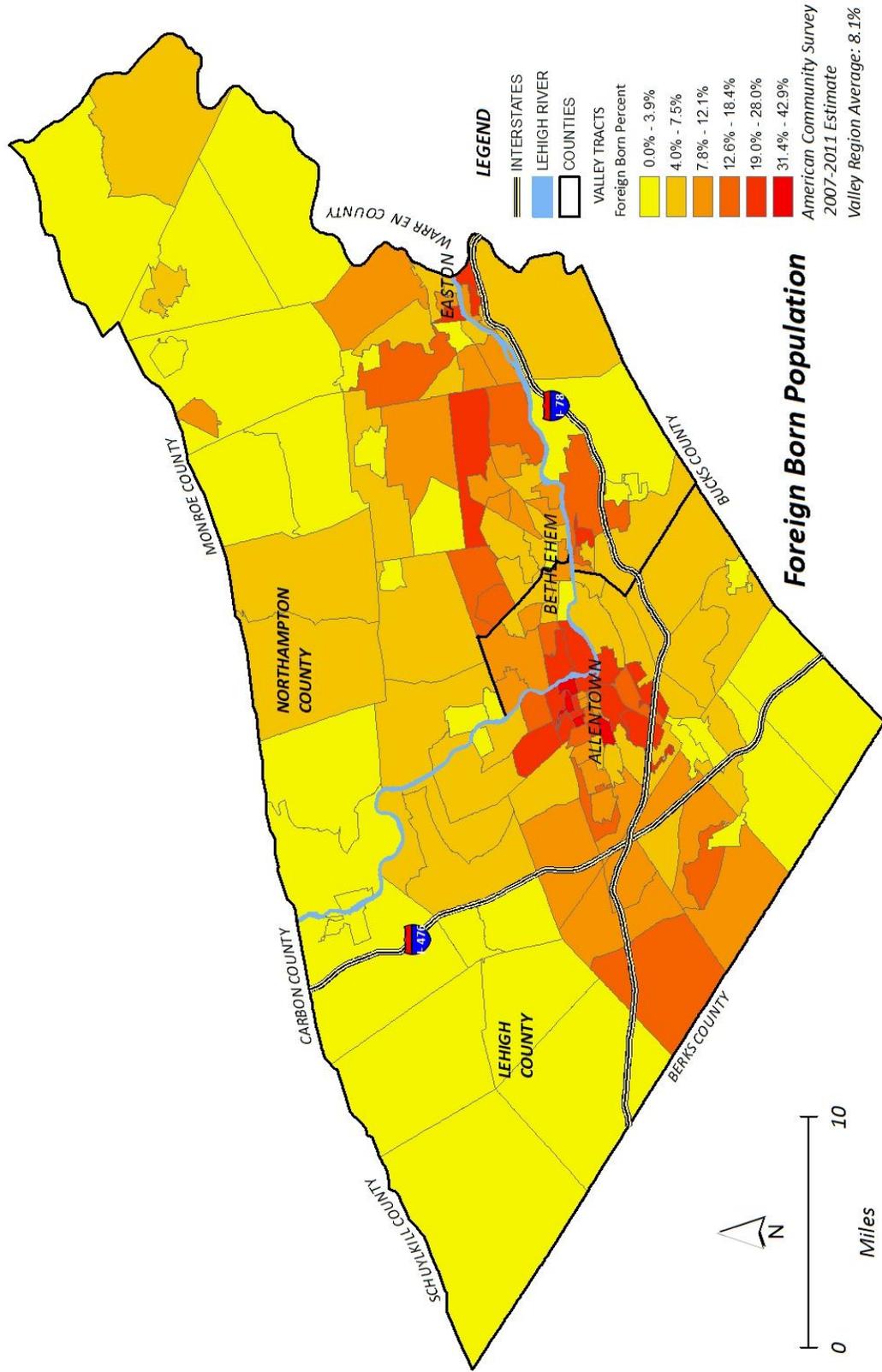
The table below (National Origin Status 2007-2011) shows that 21,328 (40.9%) of Lehigh Valley’s foreign born residents were native to Latin America. This is a reflection of the large number of Hispanics who have migrated to the region. Almost a third (30.3%) of the region’s non-U.S. natives were Asian and 21.9% were from Europe. The highest proportions of foreign born residents, over 40% in some census tracts, were found to be living in Allentown.

National Origin Status (2007-2011)		
Lehigh Valley, Pennsylvania		
FOREIGN BORN POPULATION	WORLD REGION OF BIRTH (COUNTS)	WORLD REGION OF BIRTH (RATES)
EUROPE	11,443	21.9%
ASIA	15,781	30.3%
AFRICA	2,454	4.7%
OCEANIA	100	0.2%
LATIN AMERICA	21,328	40.9%
NORTH AMERICA	1,057	2.0%
FOREIGN BORN POPULATION	52,163	100.0%

Source: U.S. Census American Community Survey 2007-2011

⁹ Native born people are citizens at birth. All people with the following citizenship status are native born: (1) Born in the United States; (2) Born in Puerto Rico or a U.S., outlying area; or (3) Born abroad of American parents. All other people are foreign born. Source: U.S. Census Current Population Survey Definitions 2010. <http://www.census.gov/cps/about/cpsdef.html>.

LEHIGH VALLEY, PENNSYLVANIA



Gender

The table below (Regional Population by Sex 2007-2011) shows that in the Lehigh Valley females outnumbered males by 2.6%, compared to 1.3% nationally. Males aged 16 to 64 years, considered here to be of working age, are 49.7% of the total U.S. population and an almost identical 49.4% of the regional population. In the region, the predominant share of householders, 71.4%, were male.

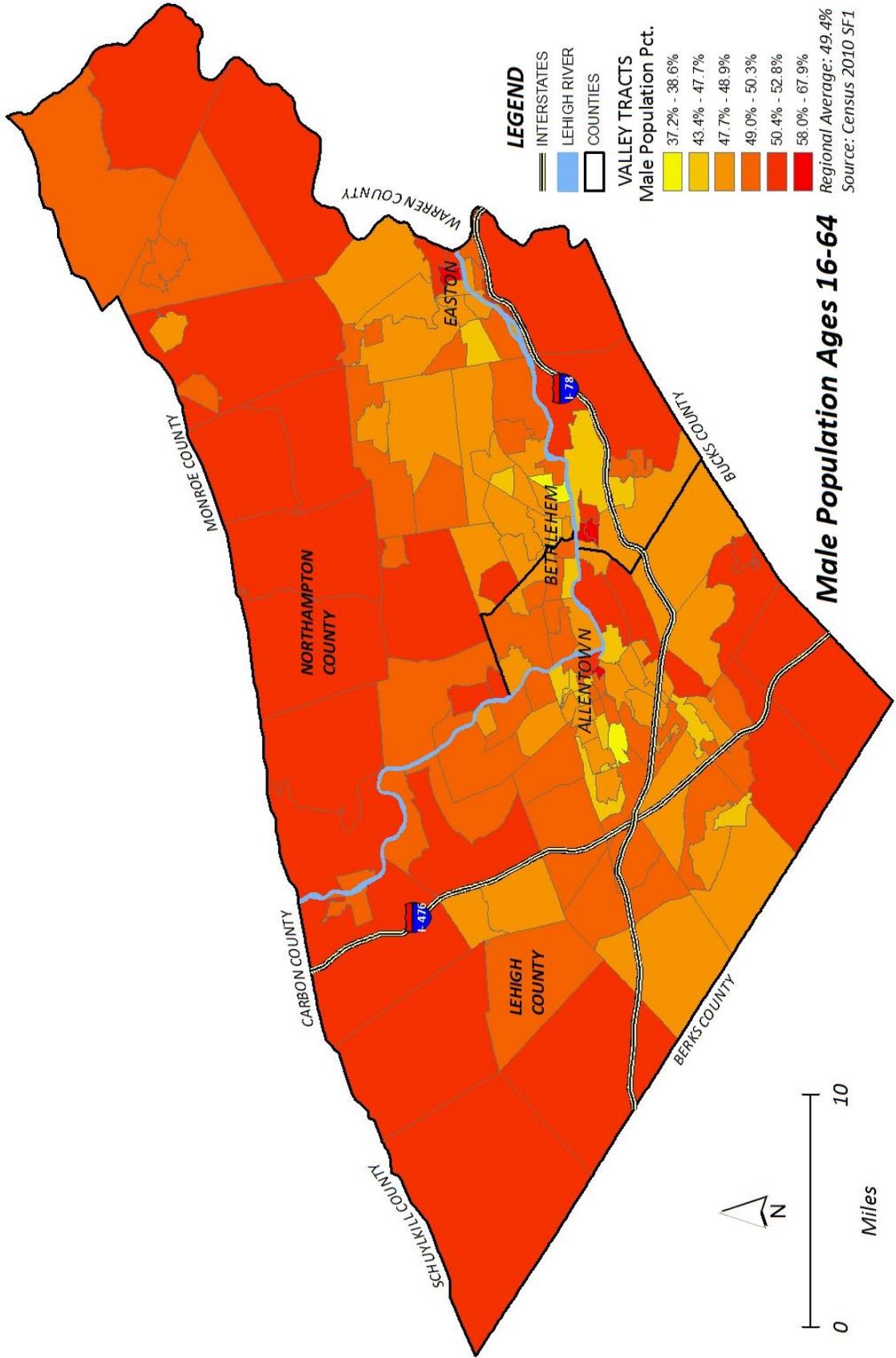
The accompanying map on the following page (Male Population Ages 16-64) shows the geographic distribution of working age males in the Lehigh Valley. Broadly, a higher proportion of working age males was found in the region's rural areas while the lowest share was in the central urban area of the region running along an east-to-west axis roughly parallel to the Allentown-Bethlehem-Easton urbanized area. Thus, working age females were relatively more prevalent in the urban areas.

Both the highest and lowest proportions of working age males were in census tracts located in Allentown, Bethlehem, and Easton. The lowest proportion of working age males, 37.2%, was found in the western outskirts of Allentown with the highest proportion, 67.9%, located less than two miles away in eastern Allentown. The census tracts with the highest number of working age males were also some of the same tracts with the highest proportions of minorities.

Regional Population by Sex (2007-2011)		
Lehigh Valley, Pennsylvania		
TOTAL POPULATION	MALE	FEMALE
643,429	313,230	330,290
100.0%	48.7%	51.3%

Source: U.S. Census American Community Survey 5-Year Data 2007-2011

LEHIGH VALLEY, PENNSYLVANIA



Familial Status

The 2010 Census found that the Lehigh Valley was home for 247,548 households (see the table below, “Households and Families Status 2010”). Of these, 168,379 (68.0%) were family households in accordance with the Census definition.¹⁰ Most of these family households, 71.4%, were male-headed and three-fourths were married. Of the family households, 19,265 were female-headed with children.

Households & Families Status 2010						
Lehigh Valley, Pennsylvania						
TOTAL HOUSEHOLDS	FAMILY HOUSEHOLDS					
	TOTAL FAMILY HOUSEHOLDS	MALE HOUSEHOLDER	FEMALE HOUSEHOLDER	HUSBAND & WIFE	RELATED CHILDREN	FEMALE-HEADED HH W/CHILDREN
247,548	168,379	120,161	48,218	127,042	78,837	19,625
100.0%	68.0%	71.4%	28.6%	75.5%	46.8%	11.7%
HOUSEHOLD SIZE						
1-PERSON	2-PERSON	3-PERSON	4-PERSON	5-PERSON	6-PERSON	>= 7-PERSON
63,723	83,978	41,567	34,678	14,897	5,424	3,281
25.7%	33.9%	16.8%	14.0%	6.0%	2.2%	1.3%

Source: 2010 U.S. Census Summary File 1

The above table shows that of the 168,379 family households almost half of these families, 46.8%, had children related to the householder, slightly above the national average of 45.5%. The following map titled “Family Households with at Least One Child” shows the regional geographic distribution of these child-bearing families. Following a similar pattern, the areas with both the smallest and largest proportions of families with children were proximate to each other in Allentown, Bethlehem, and Easton. In census tract 10.00 in central Allentown, 64.6% of households, the highest for the region, were home to at least one child. Families with children were less prevalent in the areas immediately surrounding the main urban core. Census tract 23.02 in western Allentown had proportionately fewer families with children than any other tract, 26.1%. In contrast to the more urban areas, the outlying rural areas have a greater mix of tracts with families with and without children.

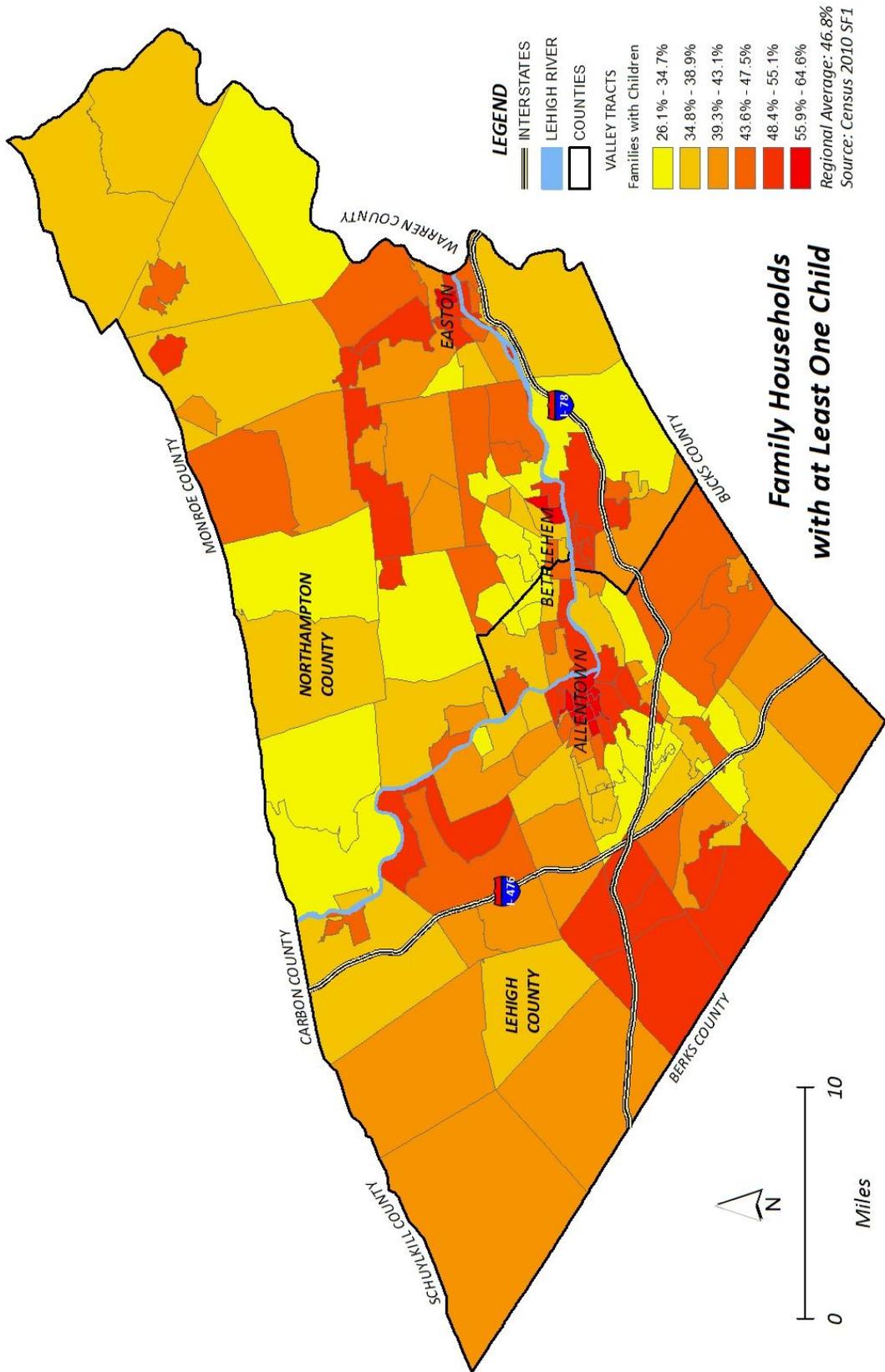
Household size is an important reflection of the housing choices available to both renters and owners. The table above breaks down regional household size showing that about a quarter were householders who lived alone and about a third were 2-person households. Almost 10%, 23,602, were households with 5 or more persons here defined as larger households. For the U.S. as a whole, by this metric, there were 11.0% larger households while the Lehigh Valley region averages fewer, 9.5%.

An evaluation of larger households shows that the areas where larger households were most concentrated were in the central parts of Allentown, Bethlehem, and Easton. Census tract 8.0 in central Allentown was composed 28.2% of larger households, the largest proportion in the region. Whether this is out of economic necessity or a personal preference to live in larger groups is unclear from the Census summary data. Given

¹⁰ A family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit. A household consists of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together. Source: U.S. Census Bureau Current Population Survey Definitions, 2010.

the large number of minority and lower income households in these areas it is likely the former is often the case. The central location can also minimize transportation costs associated with the trip to work and thus can be a factor in the decision to live in more crowded housing. Census tract 108.0 in western Bethlehem had the fewest number of larger households at 2.02%.

LEHIGH VALLEY, PENNSYLVANIA



Disability

According to the most recent American Community Survey data (2009-2011), the Lehigh Valley region had 80,899 disabled residents, a 12.6% disability rate for the general population (see the below table, “Disability Status 2009-2011”). The national rate of disability was slightly lower at 12.0%.

The map on the next page (Disabled Population) shows the geographic distribution of the region’s disabled population is relatively heaviest in Allentown and Bethlehem but with substantial disabled populations in the rural areas also¹¹. Census tract 2.00 in central Allentown had the highest disability rate, 46.6%, and tract 111.00 in Lower Macungie had the lowest disability rate, 3.6%. Compared with the prior map of the minority population, these two maps show a broad overlap between tracts with high proportions of disabled persons and areas with matching high proportions of minorities in Allentown, Easton, and especially south Bethlehem.

The average disability rate of 16.8% found in the Census 2000 SF3 data was significantly higher than the average rate found in the 2009-2011 ACS data. The difference in rates of 4.2 percentage points is relatively large but it is uncertain if the decline is actually due to a lower disability rate in the general population over the decade. The 2009-2011 ACS data was sampled from the total civilian non-institutionalized population¹² and the 2000 SF3 data from the total general population which included only those five and older. This lack of comparability makes any conclusions regarding a decline in the proportion of disabled persons uncertain.

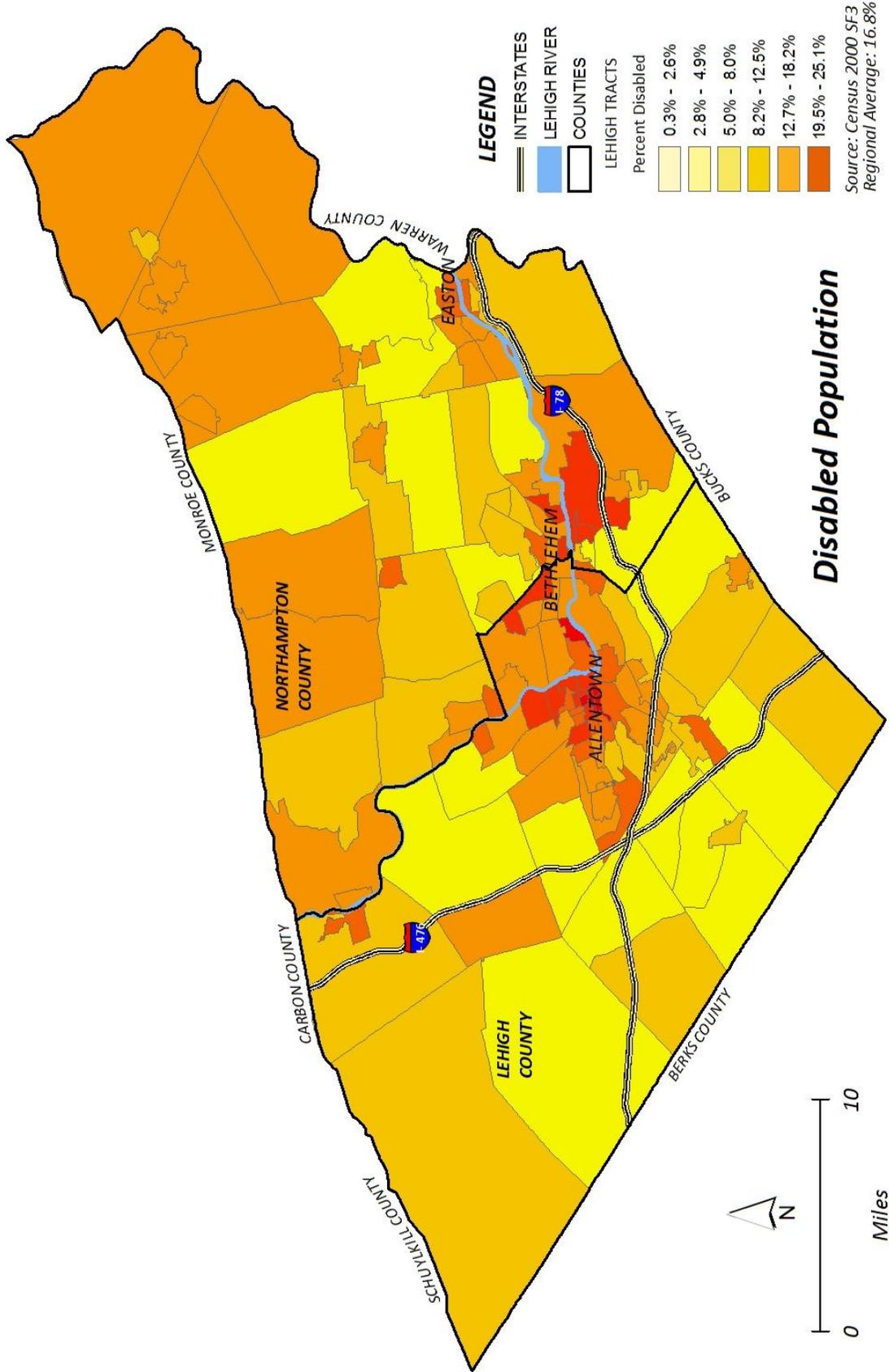
Disability Status (2009-2011)		
Lehigh Valley, Pennsylvania		
TOTAL CIVILIAN NON-INSITUTIONAL POPULATION	WITH DISABILITY	DISABILITY RATE
639,562	80,899	12.6%

Source: U.S. Census American Community Survey 2009-2011

¹¹ The “Disabled Population” map is based on 2000 Census SF1 sampled data. SF1 was discontinued for the 2010 Census so comparable 2010 tract-level data was not available for Disability Status. The 2000 Census data is used here as the most comparable data that can be mapped by census tract.

¹² All U.S. civilians not residing in institutional group quarters facilities such as correctional institutions, juvenile facilities, skilled nursing facilities, and other long-term care living arrangements. Source: Population Estimates Terms and Definitions, <http://www.census.gov/popest/about/terms.html>.

LEHIGH VALLEY, PENNSYLVANIA



Religious Affiliation

Religion is not one of the questions surveyed by the U.S. Census Bureau making dependable, comprehensive data on religious affiliation difficult to find. The data used in this report appear in the *2010 U.S. Religion Census: Religious Congregations & Membership Study*, a county-by-county enumeration of religious bodies in the U.S. published by the Association of Statisticians of American Religious Bodies (ASARB). The smallest geography data from this Study are county-level summarized to the regional-level and therefore cannot be mapped by census tract.

The below table (Religious Congregations and Their Adherents 2010) shows that over the last three decades the number of persons with a religious affiliation¹³ in the Lehigh Valley has remained steady at about 336,000, approximately 52% of the general population. This is slightly greater than the 48.8% share of the U.S. population expressing a religious affiliation in 2010. Between 2000 and 2010 the number of congregations jumped by 21.4% even as the number of adherents dropped by 7.4%, a possible reflection of increasing fragmentation regarding religious belief within the region's population.

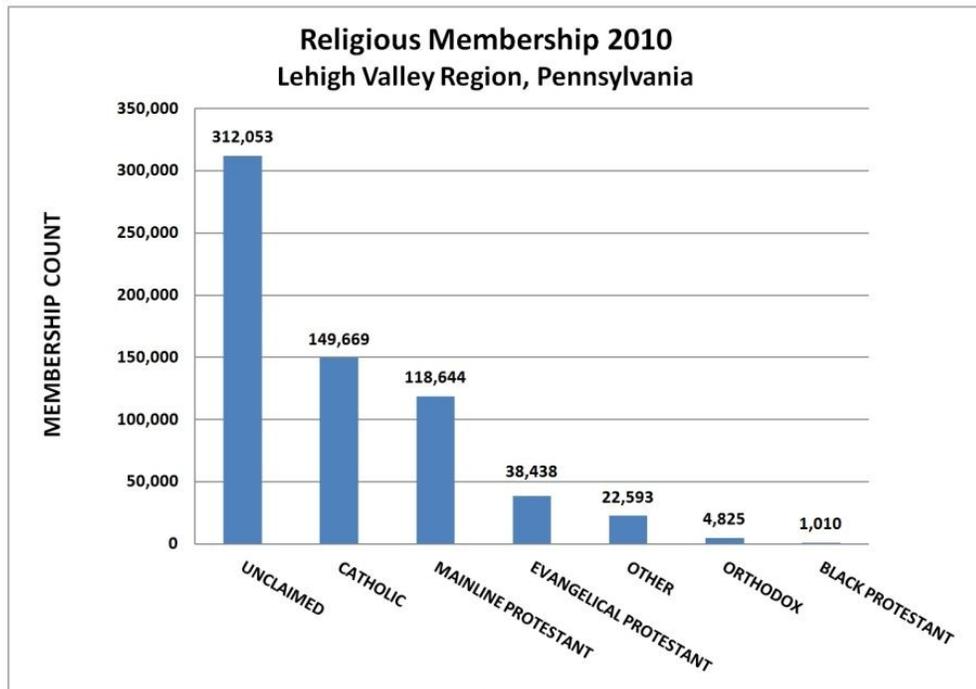
Religious Congregations and Their Adherents 2010				
Lehigh Valley Region, Pennsylvania				
YEAR	ADHERENTS	CHANGE OVER DECADE	CONGREGATIONS	CHANGE OVER DECADE
1980	337,892		426	
1990	331,076	-2.0%	461	8.2%
2000	361,863	9.3%	454	-1.5%
2010	335,179	-7.4%	551	21.4%

Source: 2010 U.S. Religion Census: Religious Congregations & Membership Study (ASARB)

The graph on the following page¹⁴, Religious Membership 2010, shows that, of those claiming a religious affiliation, Catholics are in the majority in the Lehigh Valley followed by the Mainline Protestants and Evangelical Protestants. The graph presents only six aggregations from over fifty individual groups demonstrating a high level of religious diversity. Nationally, Catholics, Mainline Protestants, and Evangelical Protestants were 18.9%, 7.3%, and 16.2%, respectively, of the religious population. Regionally, Catholics and Mainline Protestants were more prevalent, Evangelicals less so: 23.1%, 18.3%, and 5.9%, respectively.

¹³ Congregational adherents include all full members, their children, and others who regularly attend services.

¹⁴ "Unclaimed," are not adherents of any of the 236 groups included in the Religious Congregations & Membership Study, 2010.



Source: 2010 U.S. Religion Census: Religious Congregations & Membership Study (ASARB)

Summary of Findings

Many useful observations can be drawn from this Protected Class Analysis but here are some highlights:

- Minorities in the Lehigh Valley – especially Hispanics and Blacks – were overwhelmingly concentrated in the urbanized areas of Allentown, Bethlehem, and Easton.
- Nationally, minorities comprised 35.8% of the general population in 2010 but were only 24.1% of the regional population.
- In the region, Whites outnumbered minority groups 3.4 to 1 in 2010 but, if current trends persist, minority populations will overtake them before the end of the century.
- The growth rates of minorities in general (248.0%) and Hispanics in particular (269.5%) were especially strong over the period 1990-2010 compared to 5.7% for the White population.
- The geographical distribution of the Asian population was distinctly different than the other minority groups and was more focused in the suburban areas particularly in the western part of the region.
- In 2010 the average percentage Black population for the region was 5.6% while the national average was double that, 12.5%.
- The average percentage Asian share for the region was 2.7%, half the national average of 5.5%.
- About one in twelve Lehigh Valley residents were of non-native origin. Of these, the largest share was from Latin America, mostly Hispanics.
- A higher proportion of working age males were found in the region's rural areas while working age females were more prevalent in the urban areas.
- Family households containing one or more children are concentrated in pockets throughout the region including the urban areas of Allentown, Bethlehem, and Easton, but also in such places as Upper and Lower Macungie, North Whitehall, Bath, Upper Nazareth, Forks, and Pen Argyl.

- Perhaps more noteworthy are the suburbs surrounding Allentown and Bethlehem (namely Fountain Hill and Upper Milford Township in Lehigh County and Hanover Township and Lower Saucon Township in Northampton County) with relatively low concentrations of families with children.
- People with disabilities were most concentrated in Allentown and Bethlehem.
- Comparing concentrations in more outlying areas of the region, the northern tier of townships generally had a greater proportion of people with disabilities than those townships south of the urban areas.
- Over the last three decades the number of persons with a religious affiliation in the region has remained steady at about 336,000, approximately 52% of the general population.
- On the whole, the region is religiously diverse with over 50 different religious bodies represented. Compared to the nation, Catholics and Mainline Protestants were relatively more numerous.

Segregation Analysis

The task in this Segregation Analysis is to determine the degree to which residents of the Lehigh Valley were segregated by race and ethnicity. As with the Protected Class analysis, the primary data sources are the U.S. Census 2000 and 2010 Summary Files 1 and the period of analysis generally from 2000 to 2010.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan¹⁵ (1955) defined a “dissimilarity index” which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton¹⁶ (1988) drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

This report will use these methodologies set forth by Duncan and Duncan for the measurement of evenness of the population distribution by race (dissimilarity index) as well as measures of exposure of one race to another (exposure and isolation indices), influenced by the work of Massey and Denton. Workers in the field generally agree that these measures adequately capture the degree of segregation. These measures have the advantage of frequent use in segregation analyses and are based on commonsense notions of the geographic separation of population groups. An additional analysis for the Entropy Index will provide a measure of multi-group diversity not accounted for by the other indices which necessarily are limited to two racial or ethnic groups at the time.

Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). Overall, the DI calculations showed a slight decline in segregation between most racial and ethnic groups in the Lehigh Valley during the period 2000-2010 but the majority still remained in the range ($0.30 < DI < .060$) commonly described as modestly segregated. The table and graph of DI calculations shows that the DI between Whites and Blacks was 0.53 in 2000 declining to 0.47 in 2010, a drop of 11.3%. This can be interpreted as meaning that in 2010 47% of Black residents would have had to move to White areas for a totally even racial distribution which would have completely eliminated Black and White segregation in the region (the same proportion at both the regional and tract levels).

In 2010, the groups least evenly distributed (most segregated, least integrated) were Whites and Hispanics (0.58, a decrease of 6.5% from the 2000 level), Hispanics and Asians (0.57, an increase of 7.5%), and Whites

¹⁵ Duncan, Otis D., and Beverly Duncan. 1955. “A Methodological Analysis of Segregation Indices.” *American Sociological Review*, Vol. 20.

¹⁶ Massey, Douglas, S. and Denton, N. A., 1988. “The Dimensions of Residential Segregation.” *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

and Blacks. In 2000, for Whites and Hispanics the dissimilarity value was slightly above the threshold considered to be the segregated range ($DI \geq 0.60$). By 2010 it had dipped to 0.58 but was still the highest in the region. White and Asian segregation and Black and Asian segregation were moderate and relatively unchanged over the decade.

According to the DI computations, segregation in the Lehigh Valley was in the moderate range over the 2000 and 2010 period except for Blacks and Hispanics which dropped into the relatively unsegregated range. These two least segregated groups (the most evenly distributed by census tract) had the lowest DI (0.25 in 2010) because they co-populated the central areas of Allentown, Bethlehem, and Easton. The Protected Class Analysis has already shown that Blacks and Hispanics shared many of the same population-dense census tracts in these cities, an integration probably influenced by factors of economics and housing choice which made urban living more prevalent for these minority groups.

While a distinction can be made between voluntary integration (lifestyle choice driven by social factors) and involuntary integration (housing choice driven by economic or other factors), it is impossible with the existing datasets to make a definitive finding between the two. However, it is likely that Blacks and Hispanics, with lower average incomes than other groups, found themselves in economic situations that left them little choice but to occupy, and compete for, the lowest cost housing options available to them.

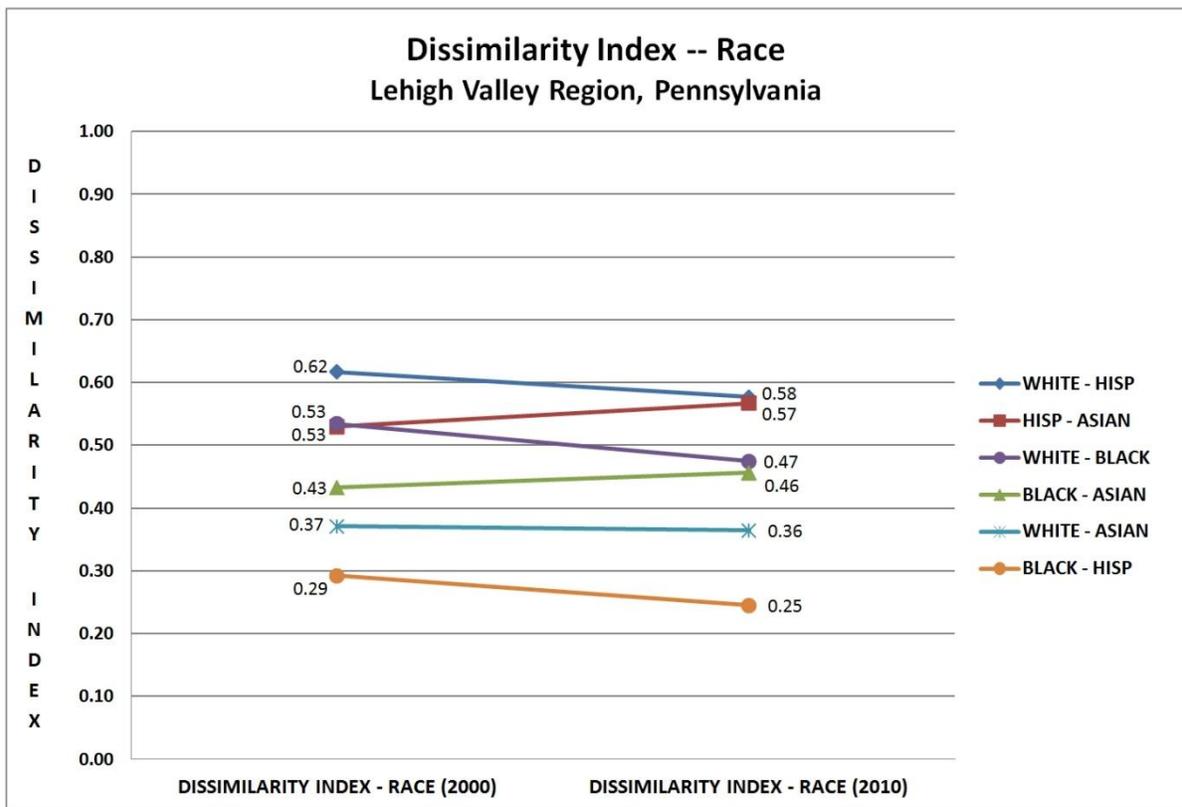
The table below presents the results of these calculations¹⁷ between non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics¹⁸ in the Lehigh Valley. The following graph presents the same data in a visual format so that trends can be more readily identified.

DISSIMILARITY INDEX LEHIGH VALLEY, PENNSYLVANIA		
GROUP EXPOSURE	DISSIMILARITY INDEX - RACE (2000)	DISSIMILARITY INDEX - RACE (2010)
WHITE - HISP	0.62	0.58
HISP - ASIAN	0.53	0.57
WHITE - BLACK	0.53	0.47
BLACK - ASIAN	0.43	0.46
WHITE - ASIAN	0.37	0.36
BLACK - HISP	0.29	0.25

Source: 2010 and 2000 U.S. Census Summary File 1

¹⁷ The DI methodology requires that each group be distinct from each other. Each racial or ethnicity (Hispanic) group cannot overlap. Fortunately, the U.S. Census Summary File 1 data provides this data (for 2010, the DPSF11 Hispanic or Latino and Race data series). This study focuses primarily on four groups: Hispanics, Non-Hispanic Whites, Non-Hispanic Blacks, and Non-Hispanic Asians (to be called “Whites,” “Blacks,” and “Asians” for simplicity).

¹⁸ William H. Frey and Myers Dowell. 2005. “Racial Segregation in US Metropolitan Areas and Cities, 1990–2000 Patterns, Trends, and Explanations.” Report 05-573, Population Studies Center, University of Michigan.



Source: 2010 and 2000 U.S. Census Summary File 1

The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, the Lehigh Valley region). Evenness is not measured in an absolute sense, but is scaled relative to some other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). A commonly accepted rule of thumb is that a DI value between 0.30 and 0.60 is taken to indicate a moderate level of segregation and above 0.60 indicates a high level of segregation.

The regional proportion of the minority population can be small and still not be segregated if evenly spread among tracts. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to achieve an even racial or ethnic distribution.

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region.¹⁹

¹⁹ Calculation after Desegregation Court Cases and School Demographics Data, Brown University, Providence, Rhode Island. Source: <http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm>. Accessed February 27, 2013.

$$D = \left(\frac{1}{2}\right) \sum_{i=1}^n \left| \frac{Min_i}{Min_T} - \frac{Maj_i}{Maj_T} \right|$$

where:

D = Dissimilarity Index

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Maj_i = Majority group population of census tract i

Maj_T = Majority group regional population

n = Total number of census tracts in the region.

Exposure Index

Two basic, and related, measures of racial and ethnic interaction are exposure (this section) and isolation (next section). These two indices, respectively, reflect the possibility that a minority person shares a census tract with a majority person (Exposure Index, EI, this section) or with another minority person (Isolation Index, II, next section).

The table “Exposure Index—Race” on the following page shows that in 2010 the probability of a typical Black person interacting with a White person was 58% while the probability of a White person interacting with a Black person was only 4%. This can also be interpreted to mean that 58 of every 100 people a Black person met were White and that only 4 of every 100 people a White person met were Black. Similarly, on average Hispanics and Asians had substantial likelihoods of meeting White people (50% and 76%, respectively) but a much smaller chance of Whites meeting them (10% and 3%). In 2000 only two of every hundred people a White person met were Black but by 2010 that rate had doubled indicating a trend toward less social isolation between Blacks and Whites, however, interaction between Blacks and Whites remained very limited.

The probability of a typical Black person interacting with a Hispanic person in their tract of residence rose from 20% to 28% over the period 2000-2010 reflecting increased integration between these two groups as they occupied proximate areas in Allentown, Bethlehem, and Easton, a finding consistent with the Dissimilarity Analysis.

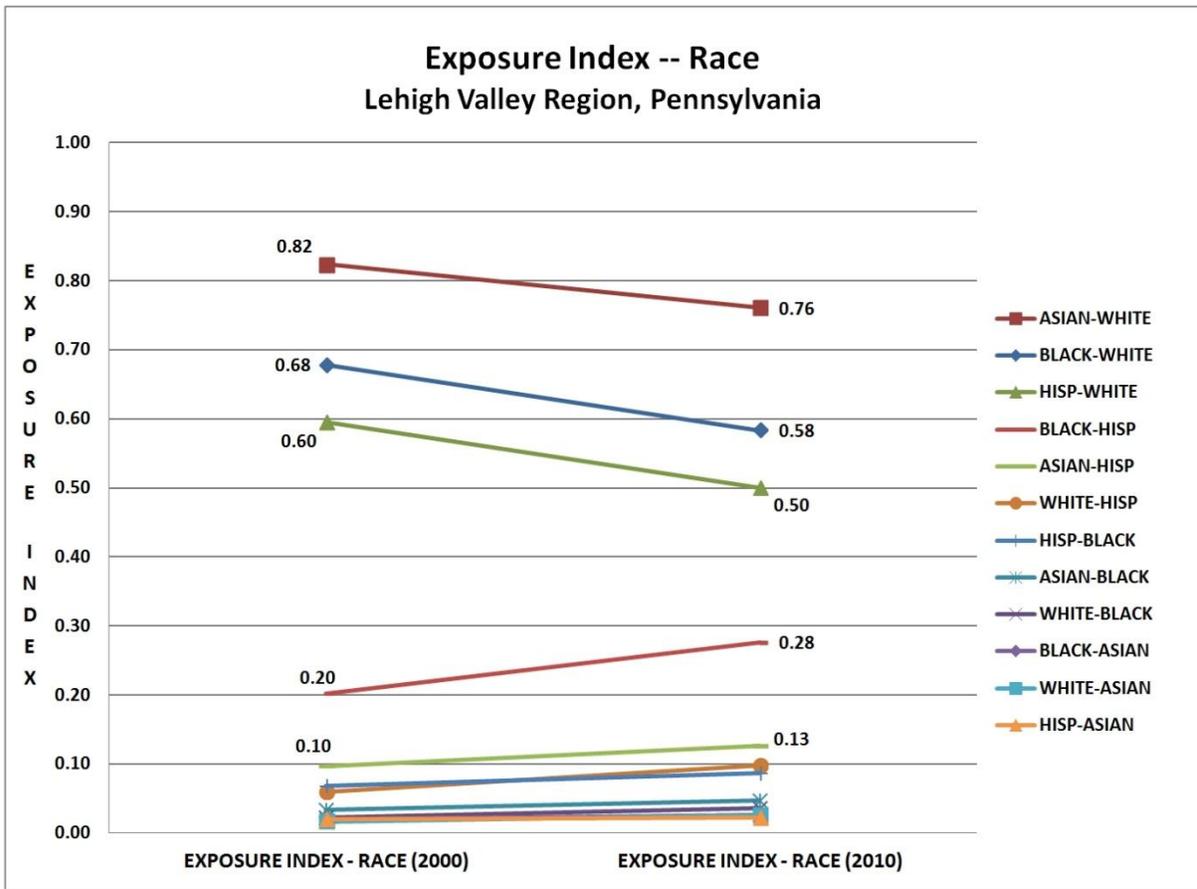
EXPOSURE INDEX LEHIGH VALLEY, PENNSYLVANIA		
INTERACTING GROUPS	EXPOSURE INDEX - RACE (2000)	EXPOSURE INDEX - RACE (2010)
ASIAN-WHITE	0.82	0.76
BLACK-WHITE	0.68	0.58
HISP-WHITE	0.60	0.50
BLACK-HISP	0.20	0.28
ASIAN-HISP	0.10	0.13
WHITE-HISP	0.06	0.10
HISP-BLACK	0.07	0.09
ASIAN-BLACK	0.03	0.05
WHITE-BLACK	0.02	0.04
BLACK-ASIAN	0.02	0.03
WHITE-ASIAN	0.02	0.03
HISP-ASIAN	0.02	0.02

Source: 2010 and 2000 U.S. Census Summary File 1

The most distinctive feature of the following graph “Exposure Index—Race” is that it shows two separate groups of sloping lines: one at the top (a downwardly sloping group of three lines) and another at the bottom (a slightly upwardly sloping group of nine lines). The top group shows that Asians, Blacks, and Hispanics frequently interacted with the much larger White population (in 2010 probabilities of exposure were 0.76, 0.58, and 0.50, respectively). However, the EIs for these groups in 2010 had declined almost 10% from 2000 levels reflecting a trend toward less social interaction. The positively sloping group of interaction trends at the bottom of the graph shows the increasing exposure of most minorities to each other over the decade.

Both sets of trend lines are consistent with the influx of minorities into the Lehigh Valley in the 1990s. The implications for the EI are that the declining top trend lines show Asians, Blacks, and Hispanics being exposed to Whites less, in part because Whites made up a smaller proportion of the region’s population. Another consequence of the increased minority population is that Minorities were exposed more to each other (the bottom, upward sloping trend lines.)

The asymmetric interactions—White’s exposure to Asians, Blacks, and Hispanics—reflect fewer opportunities for social relationships largely because of the relatively low number of Minorities compared to Whites.



Source: 2010 and 2000 U.S. Census Summary File 1

“Exposure measures the degree of potential contact between minority and majority group members” (Massey and Denton 1988). Exposure is a measure of the extent two groups share common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as a probability that a minority member will come in contact with a majority member and ranges in value from 0.0 to 1.0 where higher values represent lower segregation.

As with the Dissimilarity Index, each calculation of EI involves two mutually exclusive racial or ethnic groups. The EI measures the exposure of minority group members to members of the majority group as the minority-weighted average (the first term in the equation below) of the majority proportion (the second term) of the population in each census tract which can be written as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Maj_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members interact with majority group members

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Maj_i = Majority group population of census tract i

Tot_i = Total population of census tract i

n = Total number of census tracts in the region.

The EI is not “symmetrical” so the probability of a typical Black person meeting a White person in a tract is not the same as the probability of a typical White person meeting a Black person in that tract. An illustrative example of the asymmetry property of the Exposure Index is to imagine a census tract with many Whites and a single Black. The Black would see all Whites and the Whites would see only one Black. The Whites and Black would each see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low segregation). If a minority is a small proportion of a region’s population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.²⁰

Isolation Index

The Isolation Index (II) measures “the extent to which minority members are exposed only to one another” (Massey and Denton, p. 288). Not a measure of segregation in a strict sense, the II is a measure of the probability that a member of one group will meet or interact with a member of the same group. The II can be viewed more as a measure of sociological isolation.

The highest Isolation Index values for the Lehigh Valley (see the table and graph on the following pages) show Whites were significantly isolated, in effect segregated, from other racial and ethnic groups. In 2000, the average White resident lived in a tract that was 89.0% White. By 2010, White isolation from other groups had decreased to 0.82, a drop of 7.9%, but still remained high. For Blacks and Asians the isolation indices were much lower, less than 0.10. In 2010 an average Black resident had only a 9.0% chance of interacting with other Blacks²¹.

²⁰ John Iceland, Weinberg D.H., and Steinmetz, E. 2002. “Racial and Ethnic Residential Segregation in the United States: 1980-2000.” U.S. Census Bureau. Paper presented at the annual meetings of the Population Association of America, Atlanta, Georgia.

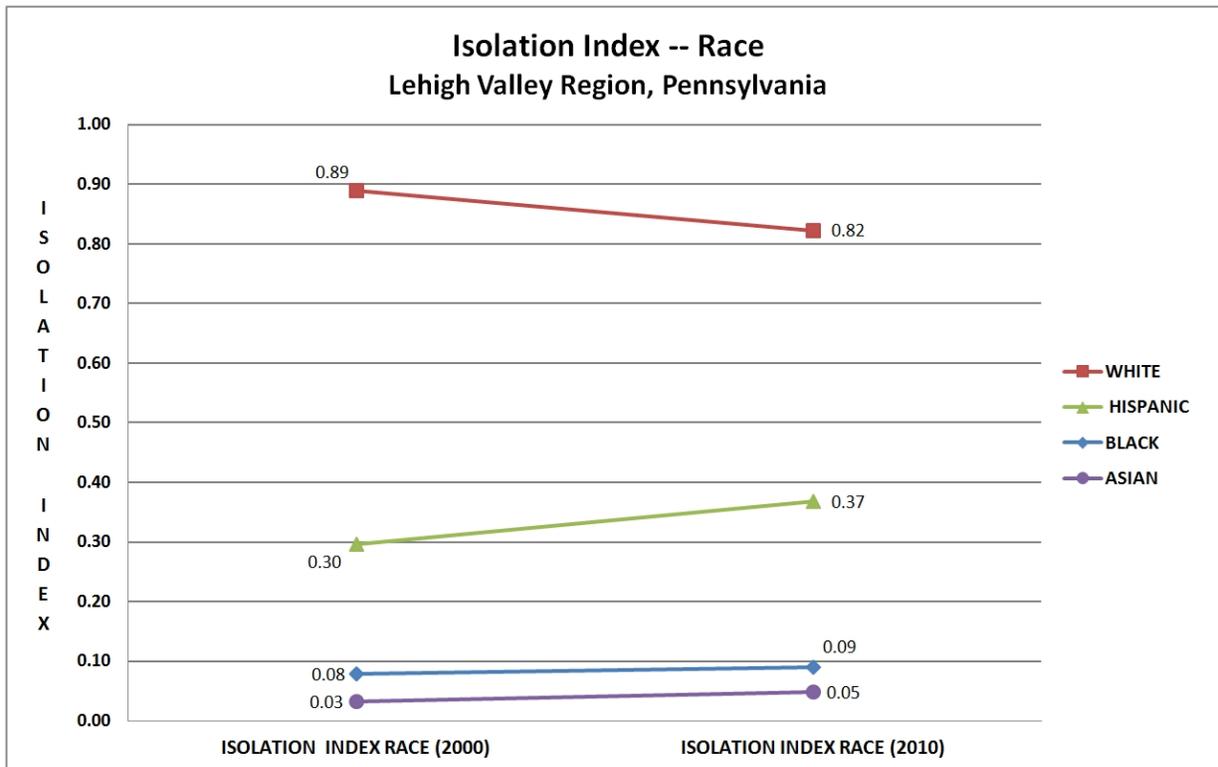
²¹ The Isolation Index methodology implicitly assumes that the tract populations are evenly distributed within a census tract so that the frequency of social interactions is based on the relative population counts by tract for each race or ethnicity. Within actual neighborhoods racial and ethnic groups are not homogenous (e.g., families or small area enclaves) so that the chances of one group meeting another of the same group may be different than an even distribution might imply.

The high values of the II for Whites and low values for Blacks and Asians were largely due to the high proportion of Whites in the region and the relatively small proportion of minority populations. In 2010, the largest share of Blacks in a single tract did not exceed 24.5% so their chances of meeting another Black were not as great as meeting someone of another race or ethnicity. In the tract with the largest Black population they accounted for only 19.7% of the total population. In contrast, Whites make up 86.3% of the total population of the tract with the highest number of Whites.

The isolation trend over the 2000-2010 decade was low and steady for Blacks and Asians but for Hispanics the tendency was toward increasing isolation, from 0.30 to 0.37, an increase of 23.3%. The large influx of Hispanics into the region during this period likely resulted in settlement patterns that tended to create isolated enclaves even while increasing their interaction with other groups.

ISOLATION INDEX LEHIGH VALLEY, PENNSYLVANIA		
GROUP	ISOLATION INDEX RACE (2000)	ISOLATION INDEX RACE (2010)
WHITE	0.89	0.82
BLACK	0.08	0.09
ASIAN	0.03	0.05
HISPANIC	0.30	0.37

Source: 2010 and 2000 U.S. Census Summary File 1



Source: 2010 and 2000 U.S. Census Summary File 1

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

Similar to the EI, this index describes the average neighborhood for racial and ethnic groups. It differs in measuring social interaction with others of the same group instead of other groups. The II is the minority weighted average (the first term of the equation) of each tract's minority population (the second term) and can be defined as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Min_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members share an area with each other

Min_i = Minority group population of census tract i

Min_T = Minority group regional population

Tot_i = Total population of census tract i

n = Total number of census tracts in the region.

The H is a region-level measure for each race/ethnicity summed up from tracts within the region. The H can be interpreted as a probability that has a lower bound of 0.0 (low segregation corresponding to a small dispersed group) to 1.0 (high segregation implying that group members are entirely isolated from other groups).

Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a geographical area²². Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

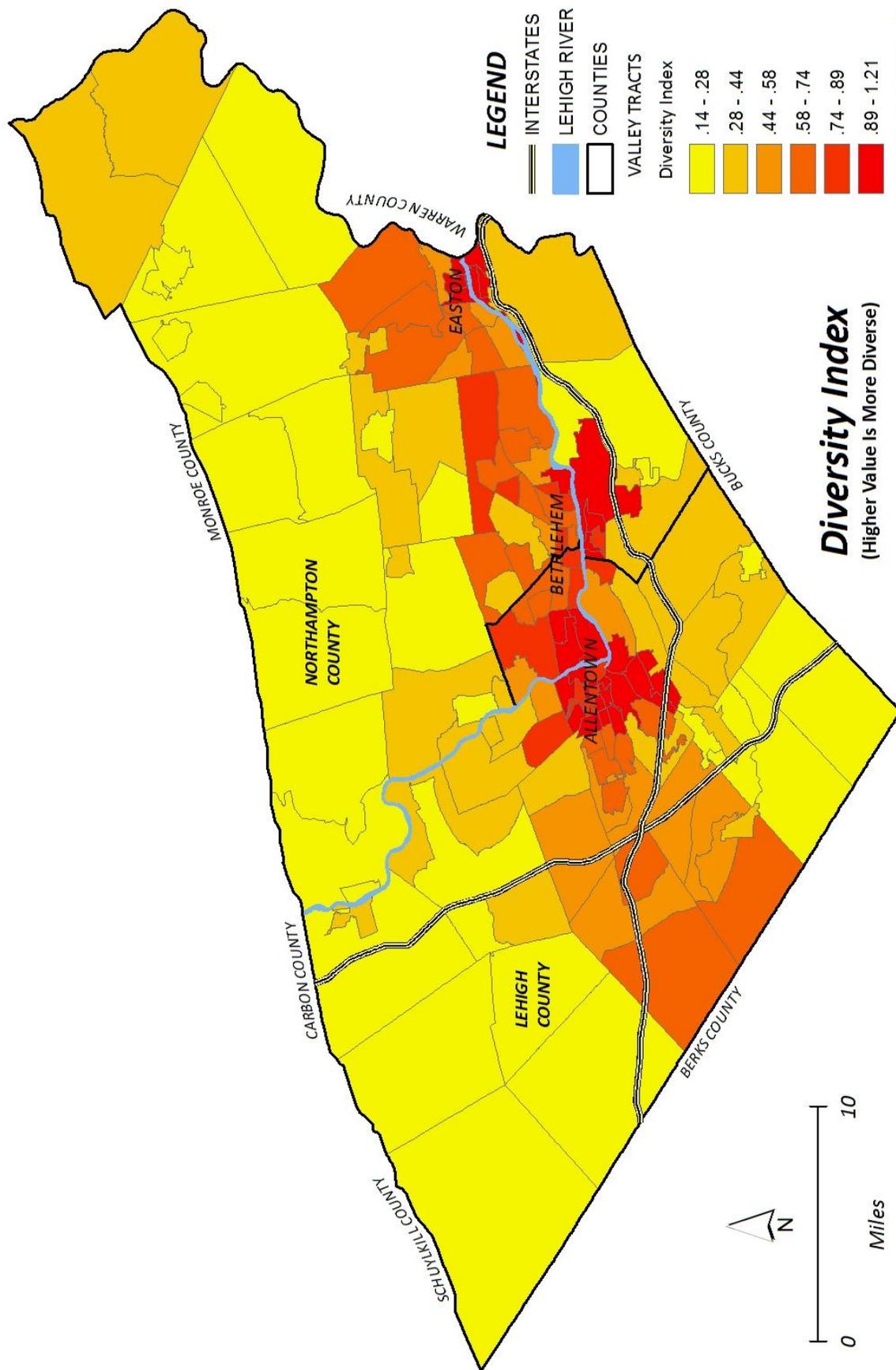
The Diversity Index map on the following page shows the results of the region-wide tract-level calculations of the Entropy Index as a measure of diversity. Visually, it can be seen that the most diverse areas (the highest values of h) are in the urbanized core of Allentown, Bethlehem, and Easton where a relatively large number of minorities live compared with the more homogenous rural areas predominately populated by Whites. The high entropy, high diversity places are in relatively low-income neighborhoods where people either have a preference for living in proximity to other racial and ethnic groups, or are not discriminatory, or simply cannot afford discrimination by moving to the more segregated areas of the region.

The tracts with the highest Entropy Scores were in south Bethlehem ($h = 1.121$ in tract 110.00) and in Easton (tract 145.00, $h = 1.120$, and tract 146.00, $h = 1.097$) and Allentown (tract 12.00, $h = 1.095$). In fact, the ten most racially and ethnically diverse census tracts were spread evenly across the central areas of Allentown, Bethlehem, and Easton.

The least diverse areas were in the periphery of the region, particularly along the northern border with Carbon County. Census tract 52.00 in northern Lehigh County had the lowest Entropy Score of 0.135 with adjacent tracts 160.01 and 160.02 having scores of 0.136 and 0.147, respectively. Simply put, the rural areas were the least diverse, and consequently the most segregated.

²² Iceland, John. 2004. "The Multigroup Entropy Index (Also Known as Theil's H or the Information Theory Index)." University of Maryland.

LEHIGH VALLEY, PENNSYLVANIA



The below Entropy Index table gives the result of an entropy calculation for Lehigh Valley as a whole. Over the 2000-2010 decade the EI declined from 0.223 to 0.209, a dip of 6.3%. This method of entropy analysis gives a concise summary statement that across the major racial groups (Whites, Blacks, and Asians) and Hispanics, regional diversity increased slightly which is an indication of a modest trend toward less segregation.

ENTROPY INDEX LEHIGH VALLEY, PENNSYLVANIA	
2000	2010
0.223	0.209

Source: 2010 and 2000 U.S. Census Summary File 1

The Entropy Score (h) for a census tract is given by:

$$h_i = - \sum_{j=1}^k p_{ij} \ln(p_{ij})$$

where:

k = Number of groups

p_{ij} = Proportion of population of j^{th} group in census tract i (= n_{ij}/n_i)

n_{ij} = Number of population of j^{th} group in tract i

n_i = Total population in tract i.

The higher the calculated value for h, the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm (ln) of the number of groups used in the calculations (Iceland 2004). The maximum score occurs when all groups have equal representation in the geographic area. In this case $k = 4$ (non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics) so the maximum value for h is $\ln(4) = 1.39$. A tract with $h = 1.39$ would have equal proportions of all groups (high diversity) and a tract with $h = 0.0$ would contain only a single group (low diversity).

The Entropy Score (ES) is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However,

the ES, a measure of tract-level diversity, can be used to calculate the Entropy Index²³ (EI) which measures the distribution of multi-group diversity across tracts and an entire region.

The EI measures unevenness in the distribution of multiple racial and ethnic groups in a region by calculating the difference in entropy between census tracts and the larger region as a whole. The Entropy Index (H) for a region is the weighted average variation of each tract's entropy score differenced with the region-wide entropy as a fraction of the region's total entropy (Iceland 2004):

where:

$$H = \frac{\hat{H} - \bar{H}}{\hat{H}}$$

\hat{H} = Entropy for the region's tracts as a whole

\bar{H} = Average of the individual census tracts' values of h weighted by the population

H = Entropy Index for the region.

The EI ranges between H = 0.0 when all tracts have the same composition as the entire region (minimum segregation) to a maximum of H = 1.0 when all tracts contain one group only (maximum segregation).²⁴ Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

Reconciliation of the Four Segregation Indices

One important question concerning this Analysis of Impediments is whether overall racial and ethnic segregation in the Lehigh Valley has worsened, improved, or remained about the same between 2000 and 2010. The four methodologies (Dissimilarity, Exposure, Isolation, and Entropy indices) for analyzing segregation used in this analysis allow for a possible consensus answer. Separately, each analysis found that:

- The Dissimilarity Index calculations showed a slight decline in segregation between most racial and ethnic groups over the period 2000-2010 but still remained in the range described as modestly segregated.
- The Exposure Index calculations showed that Asians, Blacks, and Hispanics regularly interacted with the much larger White population although Whites were exposed to Minorities much less often.

²³ Iceland, John. "Beyond Black and White: Metropolitan Residential Segregation in Multi-Ethnic America," U.S. Census Bureau, Housing and Household Economic Statistics Division, paper presented at the American Sociological Association meetings, Chicago, Illinois, August 2002.

²⁴ White, Michael J. 1986. "Predicted Ethnic Diversity Measures for 318 U.S. Metropolitan Areas by Census Region, 1980." *Population Index*, Vol. 52.

- The likelihood of a Black person interacting with a Hispanic person rose from 20% to 28% over the period 2000-2010 reflecting increased integration between these two groups in urban areas.
- The Isolation Index analysis showed that during the 2000s White isolation dropped by almost 8 percent but still remained high, in effect segregating them from minorities due to their relatively large numbers.
- The Entropy Index analysis showed a decline of 6.3% over the decade reflecting a growing tendency for each tract to have a racial and ethnic composition approximating that of the region as a whole, a modest overall decrease in segregation.
- The Entropy Index also showed that diversity, as indicated by a mixture of racial and ethnic groups within census tracts, was highest in the urban areas of Allentown, Bethlehem, and Easton and lowest in rural areas where Whites were in the majority.

This Segregation Analysis has shown that, on the whole, segregation between Whites and the Black, Asian and Hispanic minorities in the Lehigh Valley was in the moderate range and persistent over the 2000-2010 decade. The presence of a rapidly growing minority population increased the chances of their social interaction with Whites. The larger urban areas of Allentown, Bethlehem and Easton were the least segregated because minorities lived proximate to each other.

Concentrated Areas of Poverty (RCAPs & ECAPs)

The preceding Segregation Analysis illustrated racial and ethnic segregation through several different measures, however, one variable not taken into account in that analysis is poverty. HUD has developed a dataset specifically for Sustainable Communities grantees that identifies census tracts in the Lehigh Valley region containing racially concentrated areas of poverty (RCAPs) and/or ethnically concentrated areas of poverty (ECAPs). Technically, the definition of such an area is a census tract with a family poverty rate of 40% or greater (or a family poverty rate at least 3 times that of the tract average for the metropolitan area, whichever is greater) and a non-White population of 50% or more.

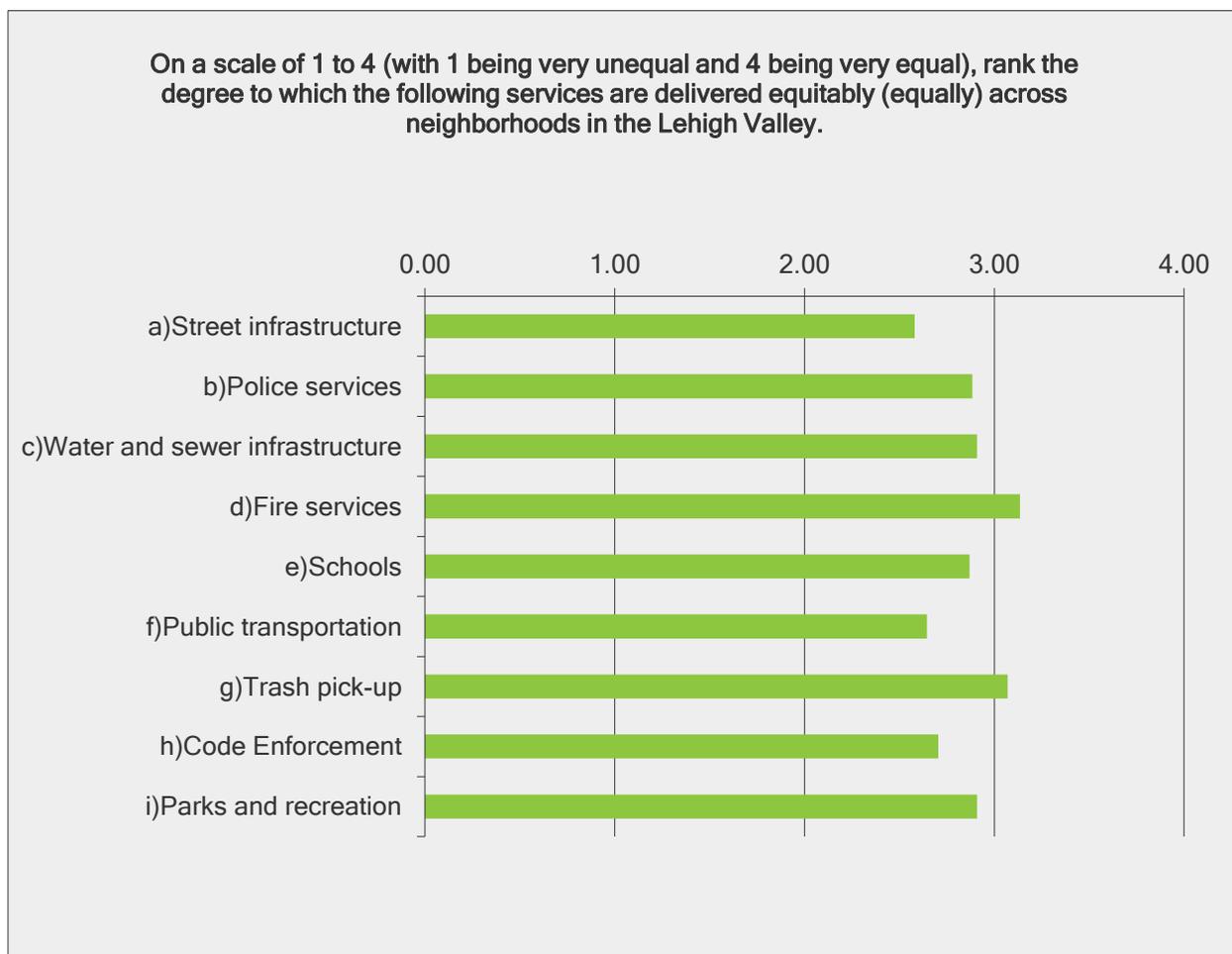
The data provided by HUD shows a total of 17 tracts with such concentrated areas of poverty. These 17 tracts are home to 56,840 Lehigh Valley residents, or 8.8% of the region's total population. More than one in four non-White residents of the Lehigh Valley live in an RCAP or ECAP. More than any other minority group, Hispanics tend to reside in these areas; nearly 35% of the region's Hispanic residents (more than one in three) reside in an area of racially or ethnically concentrated poverty. One in five Black residents and almost one in seven of the Native Americans in the region live in an RCAP/ECAP. Asians and Pacific Islanders were not nearly as likely as members of other minority groups to live in an RCAP/ECAP.

RCAP/ECAP Summary		
	Count	Share
RCAP/ECAP Tracts	17	11.8%
In RCAP/ECAP Tracts:		
Total Population:	56,840	8.8%
Non-White :	42,901	27.5%
Black/African-American	6,880	22.6%
Hispanic/Latino	33,779	34.9%
Asian	766	4.4%
Native American	111	14.4%
Pacific Islander	2	1.4%

Because, by definition, RCAPs and ECAPs are majority minority tracts, White residents cannot be more impacted by living in such areas as minority populations. Even so, the representation of the White population in the region's RCAPs/ECAPs is low. A total of 14,939 White persons resided in the 17 RCAP/ECAP tracts, representing only 2.8% of the White population. The previous analysis of segregation patterns in Lehigh Valley demonstrated that Whites were quite segregated and isolated from other racial and ethnic groups. This RCAP/ECAP analysis suggests that those segregatory tendencies are further heightened when the variable of poverty is included. As unlikely as it is that the average White resident lives in proximity to a resident of a different race or ethnicity, it appears even more unlikely when that minority resident lives in a high-poverty tract.

Public Investment & Infrastructure

To a large degree, investments in public infrastructure play a central role in determining where development is encouraged or even where it may be possible at all. Housing developers aren't likely to choose sites without road access. The presence of public transportation routes, water, sewer, and schools may all play a role in development decisions. Therefore, the extent to which municipal services are delivered equitably across the region can be a factor tied strongly to fair housing choice. In the public survey conducted in conjunction with this analysis, respondents generally believed that public services were equitably distributed. Street infrastructure, public transportation, and code enforcement received the lowest rankings for equitable distribution; their average fell slightly below the "somewhat equal" standard. Fire services and trash pick-up were ranked the most equal with regard to distribution.



Transportation

Public transportation can play a significant role in increasing the housing choices available to groups in need and others protected under fair housing laws. The issue at hand regarding transportation and fair housing choice revolves around the ease with which a citizen can travel from home to work (or other

necessary destinations) if he or she lives in a lower income area or an area of minority concentration. If public transportation from a lower cost neighborhood is inefficient in providing access to employment centers, that neighborhood becomes inaccessible to those without dependable means of transportation, particularly very low-income residents, the elderly, and persons with disabilities.

The Lehigh Valley offers public transportation services for local residents through the Lehigh and Northampton Transportation Authority (LANta). Transit usage as a means of commuting to work is moderate, with 2.1% of Lehigh County commuters and 1.5% of Northampton County commuters using the service. Usage rates are greater in the more populous (and better served) urban areas: 5.1% in Allentown, 2.4% in Bethlehem, and 4.4% in Easton.

Public Transit Use for Workers

Public Transit Use for Workers 16 and older Commuting to Work		
	Number of Commuters	% of Total Commuters
Lehigh County	3,355	2.1%
Northampton County	2,033	1.5%
City of Allentown	2,368	5.1%
City of Bethlehem	789	2.4%
City of Easton	476	4.4%

Source: U.S. Census Bureau, American Community Survey 2007-2011 Estimates, www.census.gov

The LANta system includes 23 fixed bus routes and 10 additional special routes. The routes are divided into six classifications, with the primary “trunk routes” operating seven days a week (day and evening hours Monday through Saturday; daytime only on Sundays). With each successive route classification, service availability diminishes. One route classification includes eleven routes operated during the school year to expand capacity specifically for students traveling to Allentown School District middle and high schools. LANta also designates a Flex Zone encompassing the boroughs of Alburtis and Macungie. Though fixed-route service within this zone is limited, LANta offers curb-to-curb, reservation-based service between any two points within the Flex Zone. The Flex Zone seems a good attempt on the part of LANta to expand access to areas where public transportation is needed, but where ridership may not be sufficient or consistent enough to warrant regular fixed routes.

LANta also operates LANtaVan, a door-to-door shared-ride service for passengers with specialized needs or for those who do not live near established LANta bus routes. With the LANtaVan service, people aged 65 and older have access to curb-to-curb transportation anywhere in the Lehigh Valley region for any reason. Also, seniors are always exempt from the fare for LANta’s fixed route services.

Connections to areas outside the Lehigh Valley region are available from the transfer center at Easton Center Square. From this station, NJ Transit operates connecting bus service to Phillipsburg and Pohatcong, New Jersey. Additionally, regional express bus service to New York City, New York’s JFK Airport, and

Newark Airport is available from both Allentown and Bethlehem with one-way fares ranging between \$22 and \$24 (fares are considerably higher for the JFK Airport destination).

LANta Fares and Passes (as of October 2012)

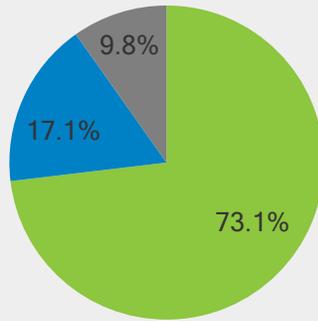
LANta General Fares	
Adult	Rate
Local Service	\$2.00
Senior (65 and older)	Free
People with Disabilities	\$1.00
All Day Pass	\$4.00
10-Ride Local	\$16.00
31-Day Pass	\$60.00
Annual Pass	\$660.00
Youth	Rate
Youth (5 and under)	Free with adult fare
Student	\$1.00
Discounted Passes for Seniors 65 and older and people with disabilities	
	Rate
All-Day Pass	\$1.00

Source: "Fares LANta," <http://www.lantabus.com/fares.html>

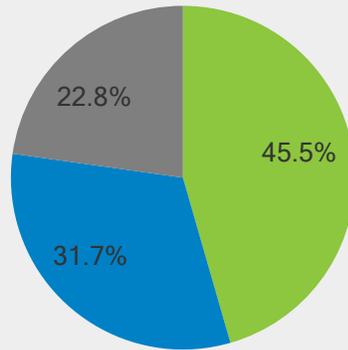
Residents consulted in the course of this analysis voiced concerns that public transportation was not adequate to meet the needs of the area. These residents mentioned that they felt LANta route lines did not extend far enough to encompass an area that would truly benefit people and also did not run at times needed by residents. Stakeholders cited cases of people having trouble finding a place to live that was both near transportation routes and also an area that they desired to reside in. Lack of transit accessibility in outlying areas has the effect of restricting transit-dependent residents to the urban areas. Even for those who own cars, the suburbs may not be an option if their vehicles are not reliable. There were also cases mentioned of residents having trouble finding ways to their second or third shift jobs as transportation lines did not run at these hours. Although LANta offers several transportation options for seniors, some concern was voiced by members of the public stating that seniors have difficulty reaching destinations due to a lack of elderly transportation services.

In the fair housing survey conducted as part of this analysis, many Lehigh Valley residents (73.1%) reported having public transportation options available in their neighborhoods. Far fewer respondents reported that public transportation options linked people to the region’s major employers, and still fewer believed that the public transportation service hours coincided with work schedules at their places of employment.

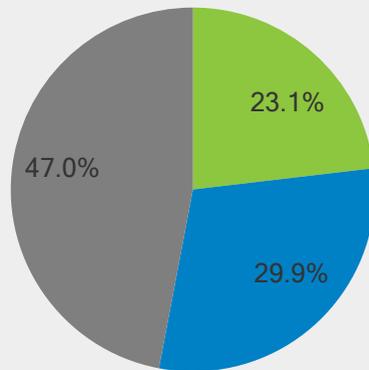
Is access to Public Transportation available in your neighborhood?



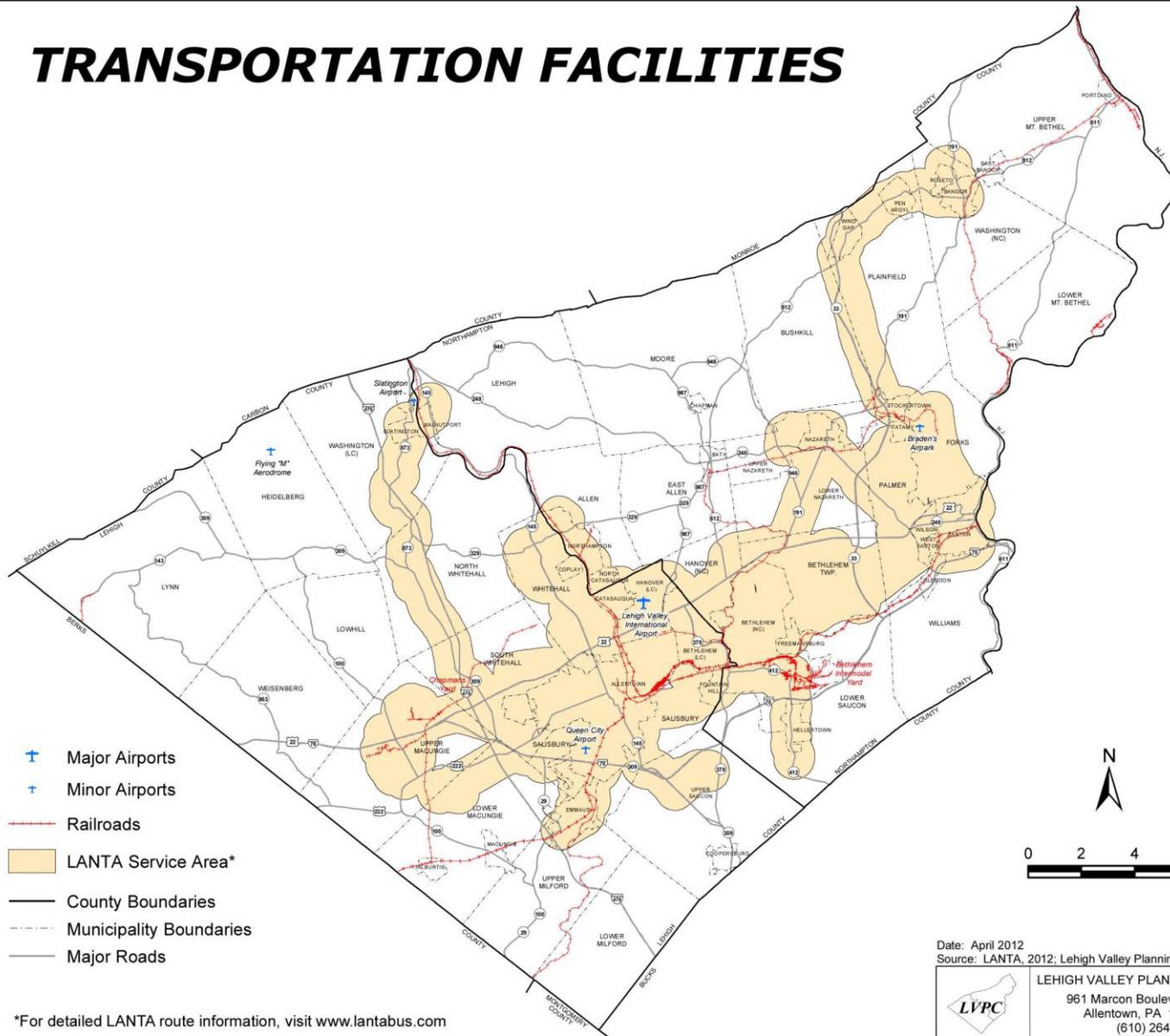
Is Public Transportation to major employers available in your area?



Does Public Transportation service coincide with work schedules at your place of employment?



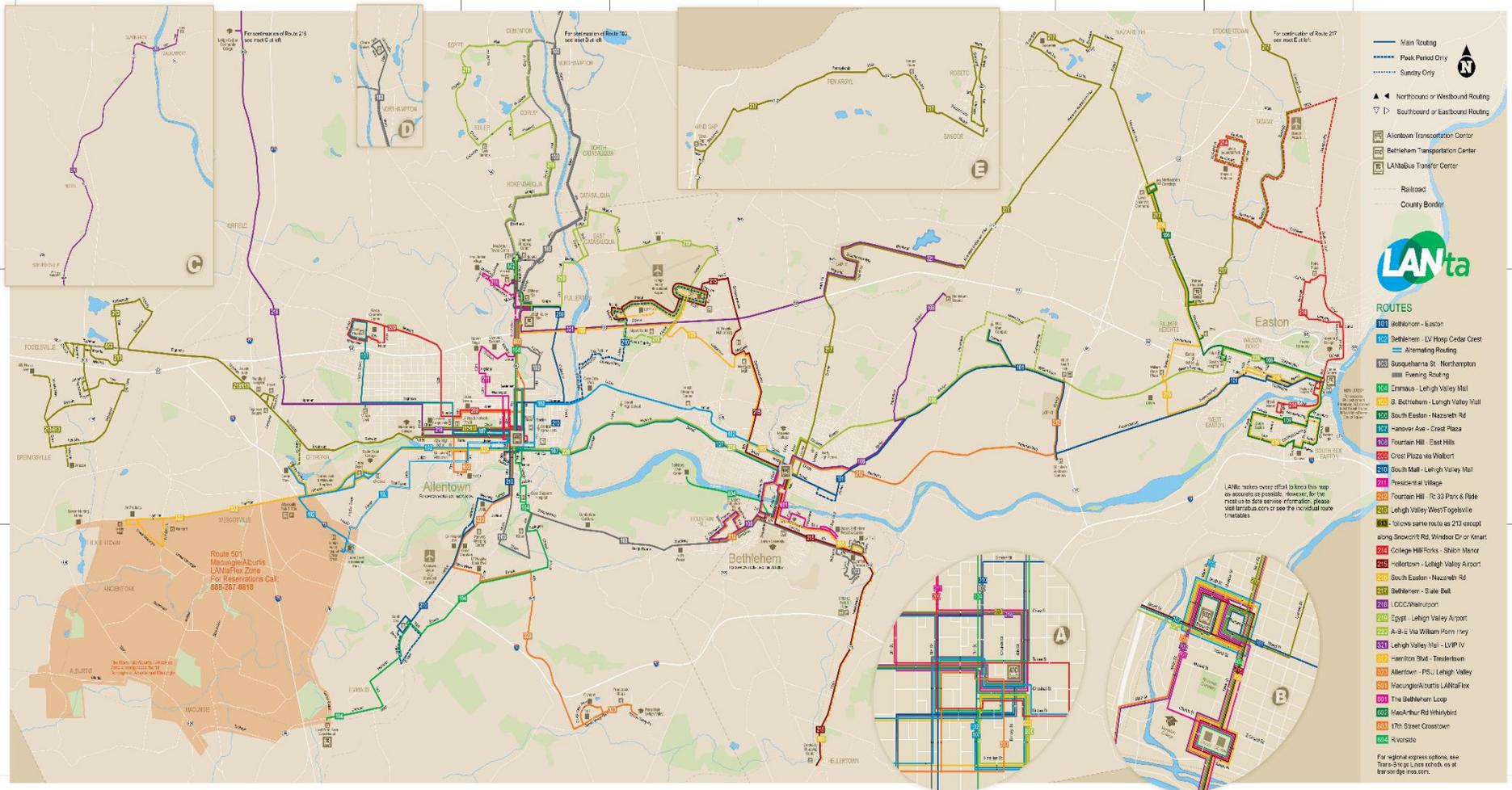
TRANSPORTATION FACILITIES



*For detailed LANTA route information, visit www.lantabus.com

Source: Lehigh Valley Planning Commission, www.lvpc.org

LANta System and Route Map



Although a number of possible transportation modes exist for commuters, the most common choice for commuting to work in the region was driving alone. At 82.5%, Northampton County has the highest percentage of commuters using this method to get to work. The City of Easton had the highest percentage of residents carpooling to work at 15%. The lowest carpooling percentage of 8.8% is within Northampton County in general.

Commuting Method for Workers 16 and older Commuting to Work										
Commute Method	Lehigh County		Northampton County		Allentown		Bethlehem		Easton	
	Number	%	Number	%	Number	%	Number	%	Number	%
Car, Truck, or van and <i>driving alone</i>	131,011	81.4%	114,207	82.5%	32,705	70.5%	25,478	78.2%	7,701	70.7%
Car, Truck, or van and <i>carpooling</i>	14,705	9.1%	12,134	8.8%	6,732	14.5%	3,237	9.9%	1,634	15.0%
Public Transportation (excluding taxis)	3,355	2.1%	2,033	1.5%	2,368	5.1%	789	2.4%	476	4.4%
Walked	4,360	2.7%	3,380	2.4%	2,348	5.1%	1,687	5.2%	446	4.1%
Other Means	1,235	0.8%	896	0.6%	505	1.1%	358	1.1%	98	0.9%
Working from Home	6,265	3.9%	5,736	4.1%	1,729	3.7%	1,022	3.1%	533	4.9%
Total Commuters	160,931		138,386		46,387		32,571		10,888	

Source: 2011 American Community Survey Estimates, www.census.gov

According to the Lehigh Valley Transportation Plan, (2010-2030), there were 13,390,000 daily vehicle miles of travel on the regional highway network in the Lehigh Valley. Almost 75% of the lane miles in the Lehigh Valley are classified as local roads. While highways and expressways run through parts of the Lehigh Valley, these routes make up only 2.2% of the total roadway network of the area. The most noteworthy of the region's highways are:

- I-78 (East/West)
- PA Turnpike NE Extension (North/South)
- I-80 (East/West)
- U.S. Route 22 (East/West)
- PA Route 309 (North/South)
- PA Route 33 (North/South)

Total Lane Miles by Highway Classification

Lane Miles by Highway Classification	
Roadway Classification	# of Miles
Interstate Highways	57
Freeway/Expressways	33
Principal Arterials	191
Minor Arterials	223
Major Collectors	420
Minor Collectors	106
Local Roads	2,986
Total Miles	4,018

Source: Lehigh Valley Transportation Plan, <http://www.lvpc.org>

TRANSPORTATION PLAN

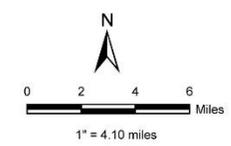
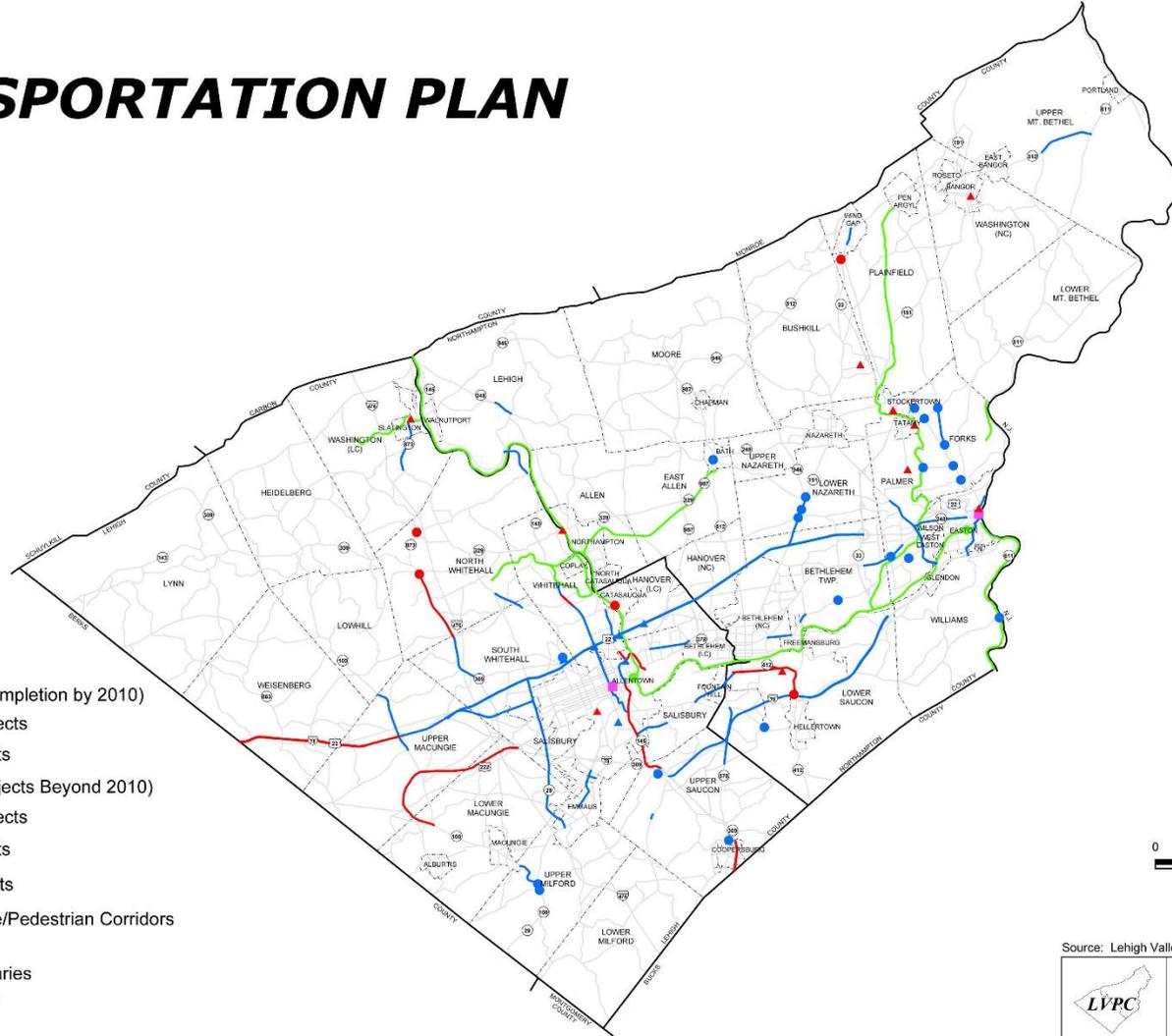
Short Range (Probable Completion by 2010)

- Highway Projects
- ▲ Bridge Projects

Long Range (Potential Projects Beyond 2010)

- Highway Projects
- ▲ Bridge Projects
- Transit Projects
- Future Bicycle/Pedestrian Corridors

- Major Roads
- - - Municipal Boundaries
- County Boundary



Source: Lehigh Valley Planning Commission, 2003

LEHIGH VALLEY PLANNING COMMISSION
 961 Marcon Boulevard, Suite 310
 Allentown, PA 18109-9397
 (610) 264-4544

Source: Lehigh Valley Planning Commission, www.lvpc.org

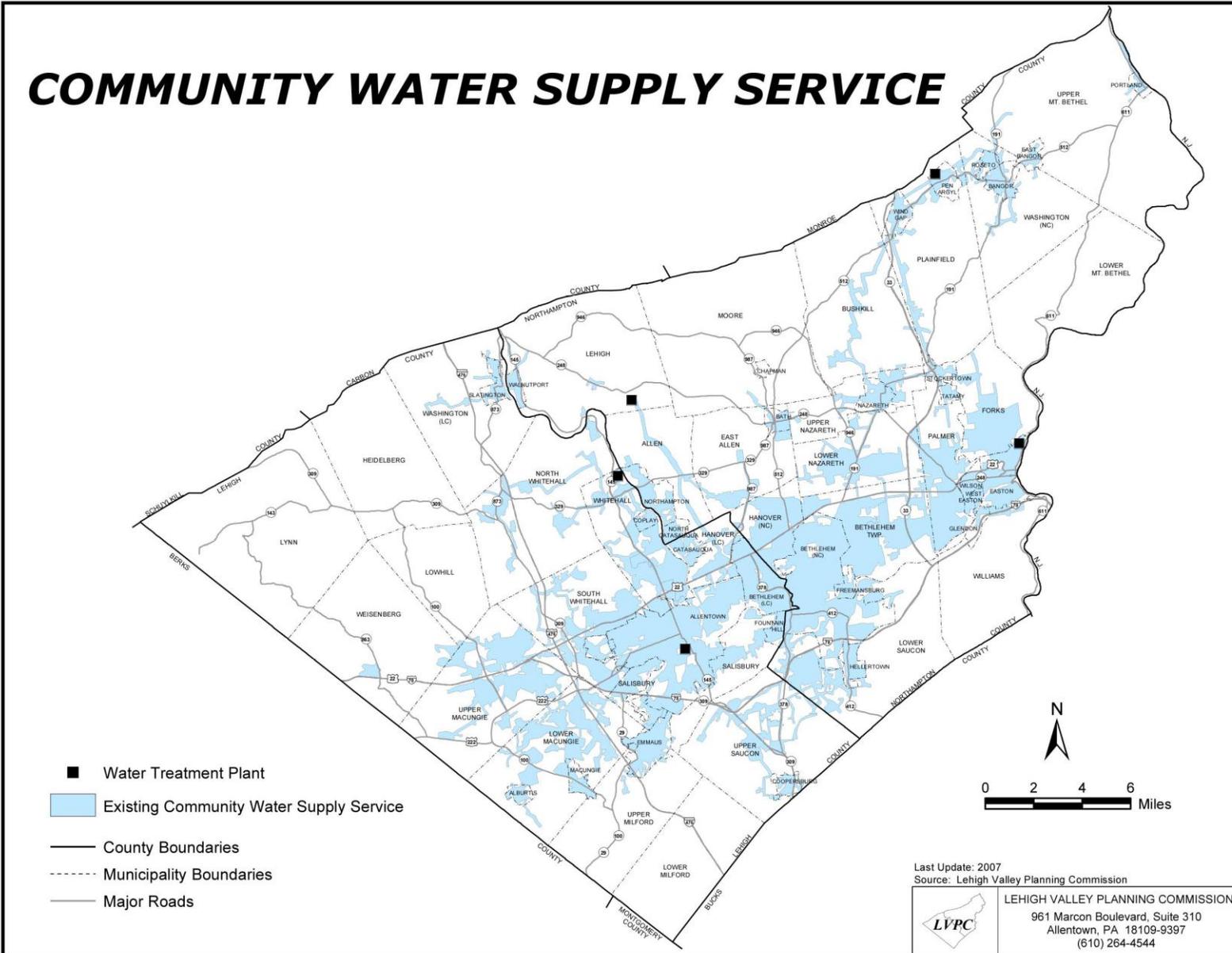
Water & Sewer

Drinking water and wastewater services are provided in Lehigh Valley through a patchwork of public authorities and municipal departments, with private wells and on-site septic systems also playing large roles. The city of Allentown's water and sewer systems are leased to the Lehigh County Authority, which serves Allentown's 34,000 customers as well as customers in Salisbury, Hanover, and South Whitehall townships. The 1997 renovation of Allentown's water filtration plant has resulted in prestigious awards for engineering excellence. An additional 20,000 residential and commercial customers elsewhere in Lehigh and Northampton counties are served by the Lehigh County Authority. Relying primarily upon deep wells to serve these additional areas, the Authority operates 13 water systems and reaches portions of 13 municipalities in the region. Bethlehem's Department of Water and Sewer Resources serves about 34,000 customers and includes a network of over 500 miles of lines carrying water to the City of Bethlehem and the townships of Allen, Bethlehem, East Allen, Hanover, Lower Saucon, and Upper Saucon. In the Easton area, the Easton Suburban Water Authority provides service to 31,500 customers in the City of Easton and the townships of Palmer, Forks, Bethlehem, Williams, and Lower Nazareth.

As is evident in the following two maps, the present network of public water and sewer providers leaves many areas of the region without public drinking water or wastewater service. In these areas, residents and businesses must rely upon private wells and on-site water treatment systems. While these options may be ample to supply the needs of single family households, it is possible they could preclude denser forms of residential development or intensive commercial or industrial uses.

To the degree that a lack of public water and sewer infrastructure may limit development, and by extension, limit fair housing choice, water and sewer systems are a key component for study in an AI. Sometimes, where public water and sewer is unavailable, private wells may be prohibited due to environmental factors or septic systems may necessitate inordinately large (and therefore expensive) lot sizes. Again, factors such as these can place limitations on the locations and types of housing available, thereby shaping housing choice. Though large portions of the Lehigh Valley are not served by public drinking water and wastewater systems, nowhere in the public engagement or other research conducted for this analysis did concerns surface that would indicate these circumstances created impediments to fair housing choice in the Lehigh Valley.

COMMUNITY WATER SUPPLY SERVICE

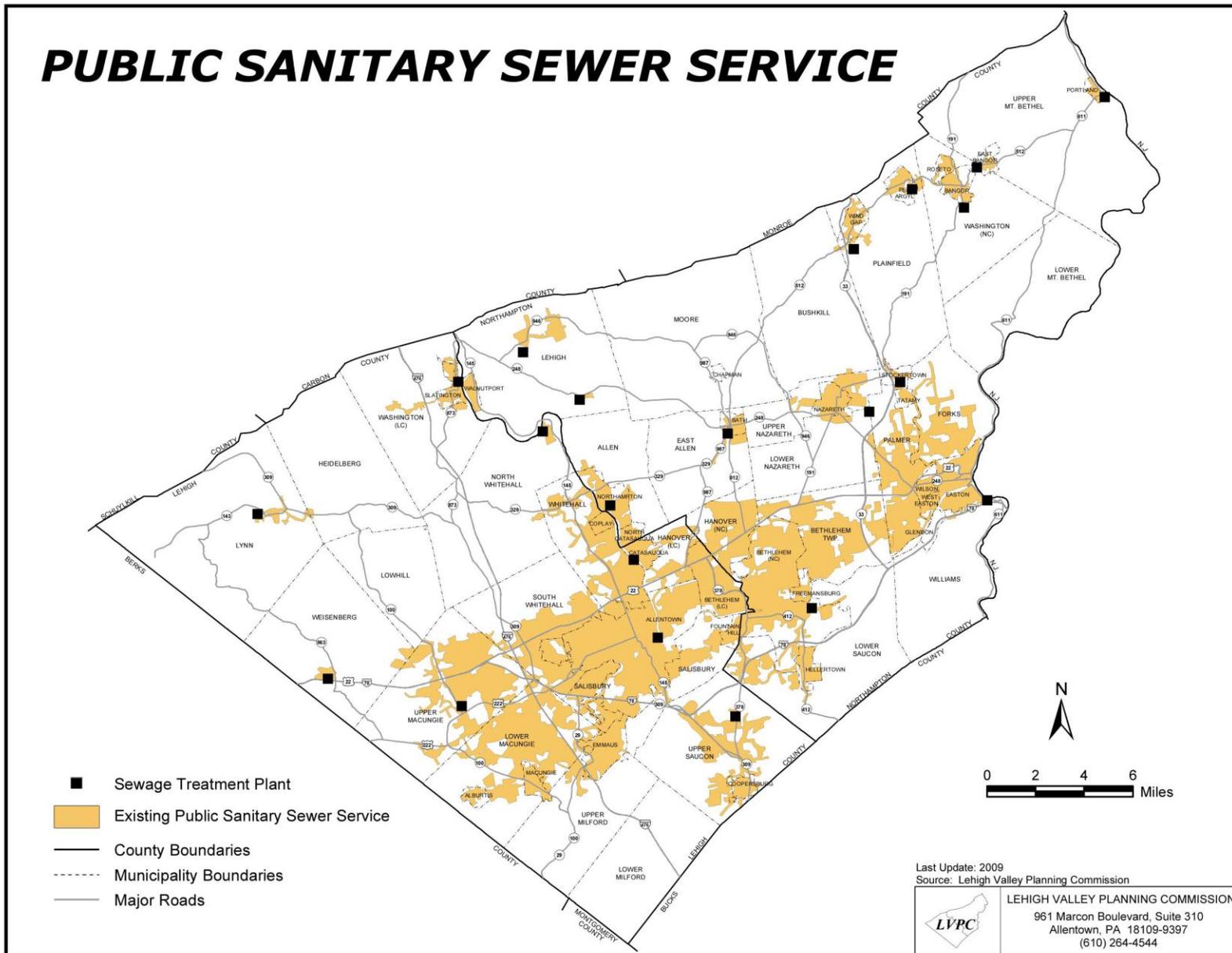


Last Update: 2007
 Source: Lehigh Valley Planning Commission

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 961 Marcon Boulevard, Suite 310
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 (610) 264-4544

Source: Lehigh Valley Planning Commission, www.lvpc.org

PUBLIC SANITARY SEWER SERVICE



Source: Lehigh Valley Planning Commission, www.lvpc.org

Education

The quality of public schools within a community can be a key indicator of community vitality and a primary driver of housing choice. Because families with children often choose to live in districts where the schools are perceived to be strongest, high-growth areas tend to have dynamic public school options that bridge the socioeconomic needs of all students. Conversely, poor-performing schools can drive away residents and lead to blight. Therefore, the link between school quality and housing choice must be considered.

The Lehigh Valley contains 17 public school districts, six private schools, and three charter schools as well as four state-of-the-art vocational and technical schools and 11 higher education institutions. According to the Pennsylvania Department of Education, a total of 96,004 students were enrolled in the region's public schools for the 2011-2012 school year, a drop of 1.4% from the 2010-2011 school year enrollment. A total of 11,588 students were enrolled in private and other non-public schools for the 2011-2012 school year.

Public School Student Enrollment Lehigh County & Northampton County

	2010-2011	2011-2012
Pre-K	565	300
Kindergarten	6,455	6,503
1st Grade - 12th Grade	90,385	89,201
Total Enrollment	97,405	96,004

Pennsylvania Department of Education. 2011-2012 Student Enrollment.

http://www.portal.state.pa.us/portal/server.pt/community/enrollment/7407/public_school_enrollment_reports/620541

The region's public schools had a diverse composition of students in the 2011-2012 school year. As displayed in the following table, the largest percentage of the student population was White at 61.41%; Hispanics made up 24.66%, followed by African Americans at 8.66%.

Public School Student Enrollment by Race Lehigh County & Northampton County 2011-2012 School Year

Race	Total	Percent
American Indian / Alaskan Native	129	0.13%
Asian	3,344	3.48%
Black or African American	8,313	8.66%
Hispanic	23,678	24.66%
Multi-Racial	1,547	1.61%
Native Hawaiian or other Pacific Islander	41	0.04%
White	58,952	61.41%
TOTALS	96,004	100.0%

Pennsylvania Department of Education

<http://www.portal.state.pa.us/portal/server.pt/community/graduates/7426>

For the 2010-2011 school year, Lehigh Valley’s public schools had an overall graduation rate of 78.1% which was higher than the state average of 73.9%.

STATISTICAL HIGHLIGHTS
2010-2011 School Year

	NUMBER OF PUBLIC GRADUATES	COLLEGE BOUND	
		Number	Percent
STATE TOTALS	130,285	96,231	73.9%
LEHIGH VALLEY	7,219	5,638	78.1%

Pennsylvania Department of Education

<http://www.portal.state.pa.us/portal/server.pt/community/graduates/7426>

As of the 2010-2011 school year, the Lehigh Valley had several public schools that exceeded an 85% graduation rate as noted in the following table. In 2010-2011, Lehigh Valley graduation rates ranged from a low of 57.7% at William Allen High School in the Allentown City School District to a high of 96.7% at Lehigh Valley Academy Regional Charter School.

This significant range in graduation rates means that, depending simply upon where in the Lehigh Valley a student lives, he or she may have access to a school with a very low or a very high graduation rate. According to stakeholders involved in development of this analysis, one of the primary reasons residents leave Allentown is because of the schools. The school quality problem perpetuates itself: those who can afford to live near good schools do; those who cannot remain enrolled in underperforming schools. As property values around good schools increase, more taxes are generated to fund those schools; the reverse is true in communities around schools that do not perform as well. This link between schools and property taxes results in some noteworthy dynamics. For example, in some communities a bias is said to exist against families with children moving in because the additional school-aged children will indirectly result in higher property taxes. Some residents described school districts themselves as being vocally opposed to new housing developments in their districts because their schools are already overburdened and cannot handle additional students.

**Public High School Graduates and Postsecondary Education Rates
2010-2011 School Year**

County	School District/LEA	School	Total Graduates	Total College-Bound	Total College-Bound %
Lehigh	Catasauqua Area SD	Catasauqua SHS	120	91	75.8%
Lehigh	East Penn SD	Emmaus HS	667	502	75.3%
Lehigh	Allentown City SD	Louis E Dieruff HS	421	284	67.5%
Lehigh	Northern Lehigh SD	Northern Lehigh SHS	159	128	80.5%
Lehigh	Northwestern Lehigh SD	Northwestern Lehigh HS	174	143	82.2%
Lehigh	Parkland SD	Parkland SHS	777	664	85.5%
Lehigh	Roberto Clemente CS	Roberto Clemente CS	29	27	93.1%
Lehigh	Salisbury Township SD	Salisbury SHS	129	100	77.5%
Lehigh	Southern Lehigh SD	Southern Lehigh SHS	244	211	86.5%
Lehigh	Whitehall-Coplay SD	Whitehall HS	361	246	68.1%
Lehigh	Allentown City SD	William Allen HS	638	368	57.7%
Northampton	Bangor Area SD	Bangor Area HS	264	206	78.0%
Northampton	Easton Area SD	Easton Area HS	715	570	79.7%
Northampton	Bethlehem Area SD	Freedom HS	423	363	85.8%
Northampton	Lehigh Valley Academy Regional CS	Lehigh Valley Academy Regional CS	30	29	96.7%
Northampton	Lehigh Valley CHS for Performing Arts	Lehigh Valley CHS for Performing Arts	110	104	94.5%
Northampton	Bethlehem Area SD	Liberty HS	605	486	80.3%
Northampton	Nazareth Area SD	Nazareth Area HS	378	319	84.4%
Northampton	Northampton Area SD	Northampton Area HS	472	394	83.5%
Northampton	Pen Argyl Area SD	Pen Argyl Area HS	136	108	79.4%
Northampton	Saucon Valley SD	Saucon Valley SHS	194	160	82.5%
Northampton	Wilson Area SD	Wilson Area HS	173	135	78.0%
		STATE TOTALS	7,219	5,638	78.1%

*Pennsylvania Department of Education
<http://www.portal.state.pa.us/portal/server.pt/community/graduates/7426>*

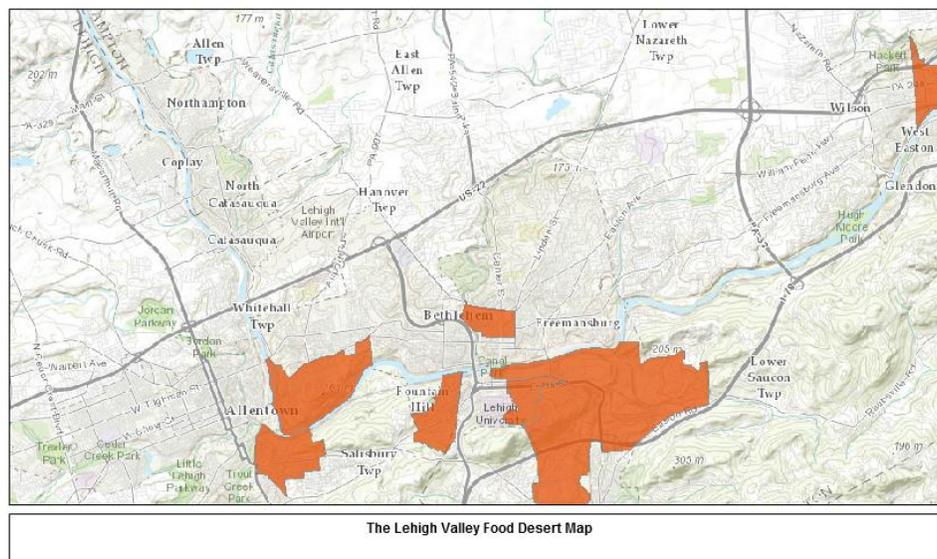
Fresh Food Access

The Lehigh Valley region contains seven census tracts that are classified by the U.S. Department of Agriculture (USDA) as food deserts. The USDA's methodology and definitions²⁵ are quite complex, but in general these seven tracts contain a "significant number" of people (at least 500 individuals and/or at least 33 percent of the census tract's population) who reside "far from a supermarket" (more than one mile from a supermarket in urban areas; for rural census tracts, the distance is more than 10 miles). Details on these census tracts are shown in the table below.

Census Tract	County	# of Households	Households w/o Access to a vehicle > ½ mile to a Supermarket
6.00	Lehigh	2,165	7%
96.00	Lehigh	2,655	17%
68.00	Lehigh	1,894	9%
113.00	Northampton	1,557	21%
112.00	Northampton	1,930	27%
107.00	Northampton	1,657	8%
142.00	Northampton	2,149	14%

Source: USDA, <http://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx#.UX5kQcomWSo>

The Lehigh Valley's food desert-designated tracts are each located in proximity to one of the region's three major urban areas: Allentown, Bethlehem, and Easton. Four of the tracts are located in Northampton County and the remaining three are in Lehigh County. The tracts are depicted on the map below, generated by the USDA's website.



²⁵ USDA Food Access Research Atlas, Technical Documentation. <http://www.ers.usda.gov/data-products/food-access-research-atlas/documentation.aspx>

Access to Areas of Opportunity

As with the earlier RCAP/ECAP analysis, this section analyzes datasets assembled by HUD's Office of Policy Development and Research and provided to Sustainable Communities grantees. HUD's data compared, by race and ethnicity, six "opportunity dimensions" for several different subpopulations within the Lehigh Valley region. The six opportunity dimensions are as follows: a poverty index, school proficiency index, labor market engagement index, job access index, transit access index, and a health hazards exposure index. For each racial or ethnic group reported, a value is assigned for these six indices. Higher index values reflect more favorable neighborhood characteristics. The index for each minority group is also compared with the index for Whites to arrive at a "disparity ratio". Positive ratios indicate that Whites, on average, reside in more favorable neighborhood conditions (higher values for the opportunity dimensions) than the minority group being compared. Negative values indicate that the minority group tends to live in neighborhoods with more favorable conditions than their White counterparts.

The first comparison is between the general population of the Lehigh Valley and that portion of the population in poverty. For poverty, school proficiency, labor market engagement, and health hazards, index values were uniformly lower for those in poverty than for the general population, meaning people in poverty tended to reside in communities with less opportunity, when measured by these dimensions. Job access index values did not substantially vary between the general population and the subpopulation of people in poverty. But, transit access was markedly improved for those in poverty, indicating that the poorer subpopulation was more likely to live in communities with good access to transit.

Within this comparison, disparities between index values for Whites and each major minority group are also measured. For nearly all opportunity dimensions, disparities that existed within the general population either remained unchanged or decreased with a few noteworthy exceptions. For most opportunity dimensions, Asians in the general population had higher index values than Whites. But rather than decreasing when looking at the subpopulation of people in poverty, the disparity between Asians and Whites widened for the school proficiency, labor market engagement, and transit access dimensions. In the context of an example, this demonstrates that Asians in the general population resided in communities with access to more proficient schools than did their White counterparts. But when looking at Asians living in poverty, access to proficient schools decreased, but the decrease in access for Whites living in poverty was steeper.

While the disparities between Whites and Asians demonstrate some interesting patterns, by far the greatest and most significant disparities are between Whites and Blacks and, to an even greater degree, Whites and Hispanics. Among the general population (and to a lesser extent the pattern is mirrored for those living in poverty) Blacks were far more likely to live in neighborhoods with high poverty, low school proficiency, low labor market participation, and better transit access than Whites. The same can be said of the disparities between Whites and Hispanics, the only difference being that the disparity gap in each of these dimensions was approximately 10 points wider. For the job access and health hazard exposure dimensions, values were relatively consistent across all races and ethnicities, suggesting a largely equal distribution of these features throughout the region.

Disparity in Access to Neighborhood Opportunity - All Persons

Panel A - All Persons								Disparity Ratio				
Opportunity Dimension	All Persons	White Persons	Black /African American Persons	Hispanic or Latino Persons	Asian Persons	Native American Persons	Pacific Isldr. Persons	White -Black	White-Hispanic	White-Asian	White - Native Amer.	White - Pacific Isldr.
Poverty Index	53	61	34	25	64	31	0	27	36	-3	30	0
School Proficiency Index	49	55	37	30	55	34	0	17	24	-1	20	0
Labor Market Engagement Index	54	62	37	28	68	32	0	25	34	-6	30	0
Job Access Index	51	50	48	47	58	47	0	1	3	-8	3	0
Transit Access Index	29	21	44	54	18	48	0	-23	-33	2	-27	0
Health Hazards Exposure Index	47	48	47	45	47	47	0	2	3	1	1	0
Counts	647,232	392,450	28,784	76,779	14,446	1,570	173					
Panel B - Persons in Poverty								Disparity Ratio				
Opportunity Dimensions	All Poor Persons	Poor White Persons	Poor Black Persons	Poor Hispanic or Latino Persons	Poor Asian Persons	Poor Native American Persons	Poor Pacific Isldr. Persons	Poor White -Black	Poor White - Hispanic	Poor White - Asian	Poor White- Native Amer.	Poor White - Pacific Isldr.
Poverty Index	26	38	16	13	41	0	0	23	26	-3	0	0
School Proficiency Index	35	44	27	24	48	0	0	17	20	-4	0	0
Labor Market Engagement Index	29	41	20	15	55	0	0	21	26	-14	0	0
Job Access Index	51	52	47	47	51	0	0	4	5	0	0	0
Transit Access Index	49	38	51	64	27	0	0	-13	-26	11	0	0
Health Hazards Exposure Index	39	41	37	37	40	0	0	4	4	1	0	0
Counts	64,500	30,798	6,759	25,834	1,233	392	38					

The data from HUD included a second comparison, this one between the general population of children in the region and those children living in poverty. In general, children in the Lehigh Valley lived in neighborhoods with greater poverty, less proficient schools, lower labor market engagement, and reduced access to jobs compared with the general population. Their exposure to health hazards was no different than that of the general population and their access to transit was slightly greater. White children lived in neighborhoods with the same index values as Whites as a whole, except that their transit access slightly decreased. Asian children tended to live in better neighborhoods than Asians in general except for a decrease in transit access. For Black, Hispanic, and Native American children, however, most of the index values dropped when compared to members of their race or ethnicity as a whole.

A few factors may lead to these trends. First, families with children tend to be younger with fewer financial resources and less earning power compared with families without children. This may mean that families with children are not able to afford to live in neighborhoods with better conditions. Also, Whites tend to have higher average incomes than most minority groups which may enable Whites, more so than some other groups, to seek better neighborhoods. Because transportation access is correlated with poverty, the neighborhoods Whites (and Asians too) chose had a tendency to have less transit access.

Disparities in index values between Whites and Blacks, Hispanics, and Native Americans followed a distinct pattern for the dimensions of poverty, school proficiency, and labor market engagement. For each of these dimensions, the degree of disparity was greatest between Whites and Hispanics, followed by Whites and Native Americans, and then Whites and Blacks. It is important to note that, though the White-Black disparities were not as great as those between Whites and some other minorities, they were still quite large.

There were not enough Asian children in poverty in Lehigh Valley to allow meaningful analysis, so the evaluation of opportunity dimensions and disparities for poor children involves only Whites, Blacks, and Hispanics. When compared to opportunity dimensions for all children, the index values for poor children (with the exception of transit access) dropped. This remained true for the poverty, school proficiency, and labor market engagement dimensions when the comparison was made with race and ethnicity categories for White, Black, and Hispanic children. The job access index values increased for poor white children, decreased for poor black children, and was unchanged for poor Hispanic children. The health hazards exposure index remained unchanged for poor White and Black children, but decreased for poor Hispanic children. In general, disparities were greatest between Whites and Hispanics.

Disparity in Access to Neighborhood Opportunity - All Children

Panel A - All Children								Disparity Ratio				
Opportunity Dimension	All Children	White Children	Black /African American Children	Hispanic or Latino Children	Asian Children	Native American Children	Pacific Isldr. Children	White -Black	White-Hispanic	White-Asian	White - Native Amer.	White - Pacific Isldr.
Poverty Index	51	61	32	24	66	29	0	29	37	-5	32	0
School Proficiency Index	48	55	36	30	56	33	0	19	25	-1	21	0
Labor Market Engagement Index	52	62	34	26	69	29	0	28	36	-7	33	0
Job Access Index	49	50	48	46	58	46	0	2	3	-8	4	0
Transit Access Index	30	20	46	55	17	50	0	-26	-34	3	-29	0
Health Hazards Exposure Index	47	48	46	46	47	47	0	2	2	1	1	0
Counts	147,857	96,729	11,664	31,838	4,479	612	74					
Panel B - Children in Poverty								Disparity Ratio				
Opportunity Dimensions	All Poor Children	Poor White Children	Poor Black Children	Poor Hispanic or Latino Children	Poor Asian Children	Poor Native American Children	Poor Pacific Isldr. Children	Poor White -Black	Poor White - Hispanic	Poor White - Asian	Poor White- Native Amer.	Poor White - Pacific Isldr.
Poverty Index	21	38	14	12	0	0	0	24	26	0	0	0
School Proficiency Index	32	46	28	24	0	0	0	17	22	0	0	0
Labor Market Engagement Index	24	41	19	15	0	0	0	22	27	0	0	0
Job Access Index	48	51	46	46	0	0	0	5	5	0	0	0
Transit Access Index	52	34	52	63	0	0	0	-18	-30	0	0	0
Health Hazards Exposure Index	46	48	46	44	0	0	0	2	4	0	0	0
Counts	23,000	6,953	2,933	12,373	368	116	38					

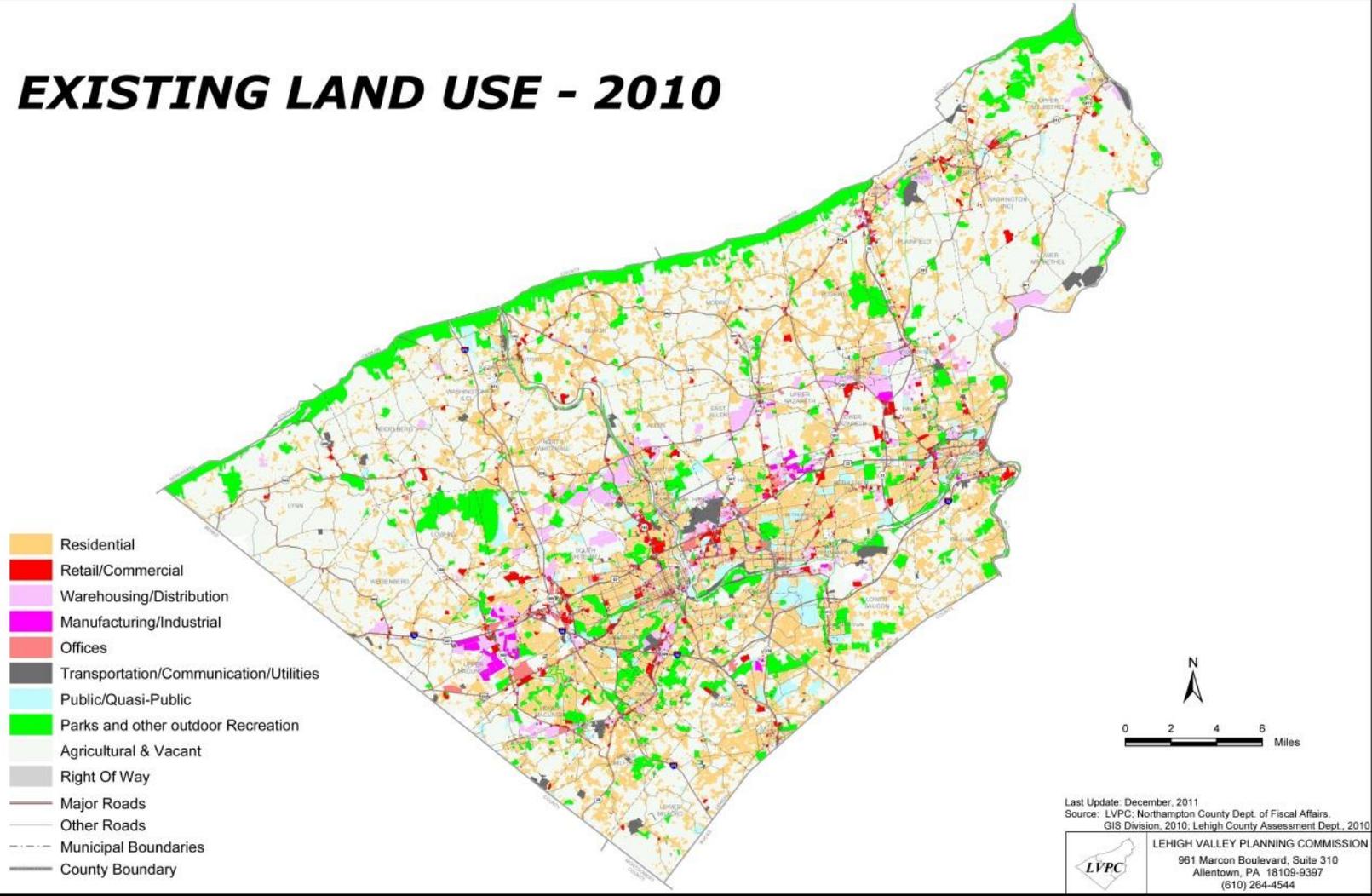
Land Use & Zoning

Comprehensive land use planning is a critical means by which governments address the interconnection and complexity of their respective jurisdictions. The interconnectedness of land uses means that a decision as to the use of a particular piece of property has consequences not only for surrounding property, but for a myriad of other issues as well. For example, a decision to use a parcel of land for development of a shopping mall (a land use decision) will not only influence the value and use of surrounding property, but is necessarily a traffic and environmental decision as well (such an intensive commercial use will increase traffic flow and large impervious parking lots will increase stormwater runoff). For this reason, “[t]he land-use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”²⁶ By extension, decisions regarding land use and zoning have direct and profound impacts on affordable housing and fair housing choice, as will be discussed within this section.

Much of the data and information available on planning and land use in the Lehigh Valley is derived from the Lehigh Valley Planning Commission. Formed jointly in 1961 by Lehigh and Northampton counties, the Lehigh Valley Planning Commission (LVPC) implements the regional comprehensive plan (*Comprehensive Plan: The Lehigh Valley...2030*), coordinates regional and local planning processes for the municipalities making up the Lehigh Valley, and collects and disseminates data on regional trends. While the LVPC has no explicit jurisdiction over planning decisions in the region, it serves as a facilitator of the regional planning efforts and its professional planning staff supports the planning functions of the Valley’s municipalities. The following maps, sourced from the LVPC, illustrate current and future land use plans for the Lehigh Valley.

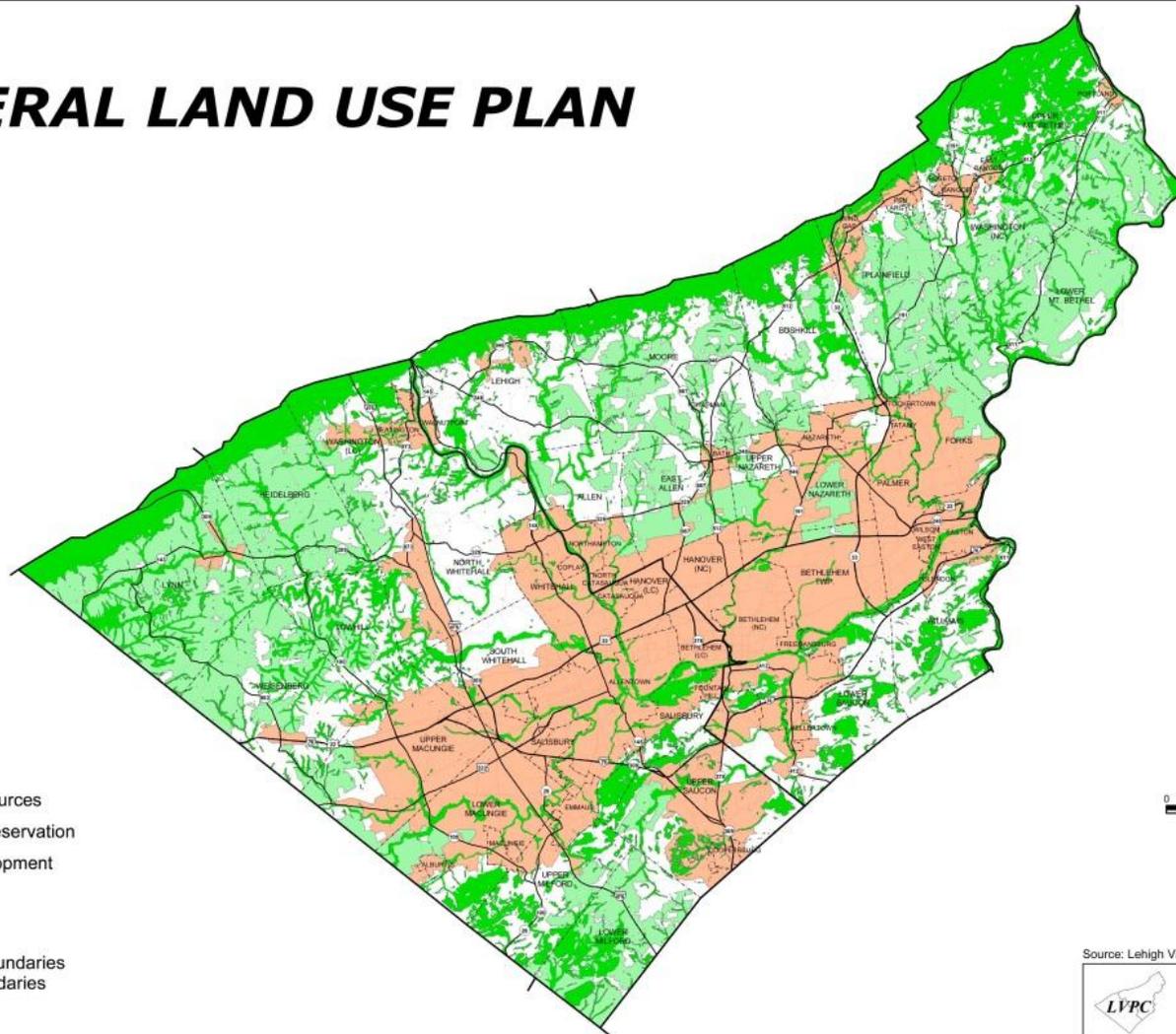
²⁶ John M. Levy. *Contemporary Urban Planning, Eighth Edition*. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

EXISTING LAND USE - 2010

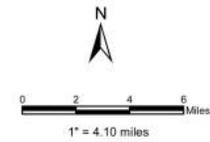


Source: Lehigh Valley Planning Commission, www.lvpc.org

GENERAL LAND USE PLAN



- Natural Resources
- Farmland Preservation
- Urban Development
- Rural
- Major Roads
- Other Roads
- Municipal Boundaries
- County Boundaries



Source: Lehigh Valley Planning Commission

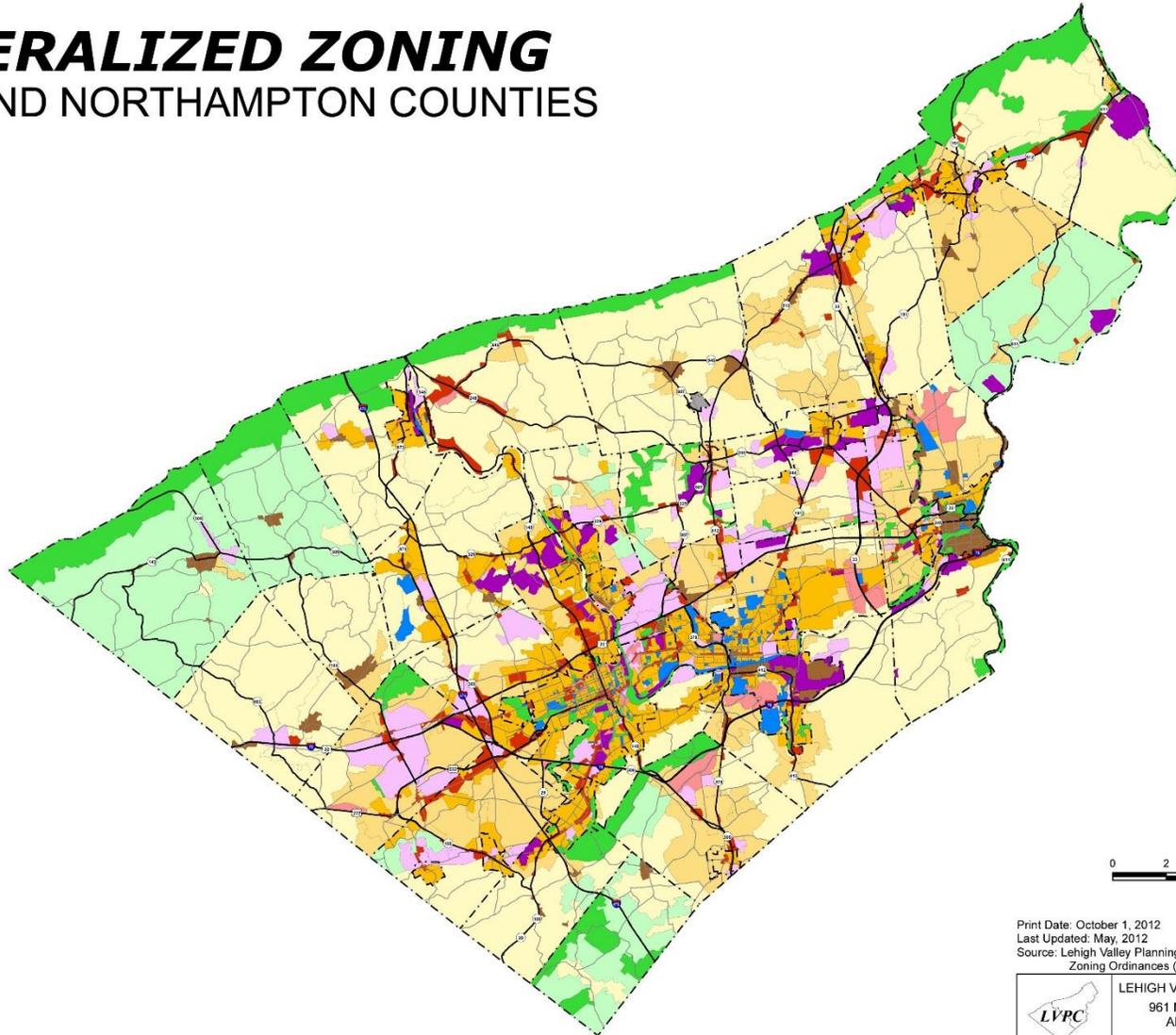
LEHIGH VALLEY PLANNING COMMISSION
 961 Marcon Boulevard, Suite 310
 Allentown, PA 18109-9397
 (610) 264-4544

Source: Lehigh Valley Planning Commission, www.lvpc.org

GENERALIZED ZONING

LEHIGH AND NORTHAMPTON COUNTIES

- Agricultural Preservation
- Environmental Protection
- Rural
- Suburban Residential
- Urban Residential
- Institutional
- Office/Business
- Retail Commercial
- Mixed Use
- Light Industrial
- Heavy Industry
- No Zoning
- Municipal Boundaries
- Major Roads
- Minor Roads



Print Date: October 1, 2012
 Last Updated: May, 2012
 Source: Lehigh Valley Planning Commission; Official Municipal Zoning Ordinances (dates vary)

 LEHIGH VALLEY PLANNING COMMISSION
 961 Marcon Boulevard, Suite 310
 Allentown, PA 18109-9397
 (610) 264-4544

Source: Lehigh Valley Planning Commission, www.lvpc.org

In addition to the LVPC's region-wide comprehensive plan, other comprehensive plans are developed at a local scale by the Lehigh Valley's various municipalities. Some develop these plans independently while others, encouraged by relatively recent amendments to the Pennsylvania Municipalities Planning Code, develop what are known as "multimunicipal" comprehensive plans. Under such multimunicipal comprehensive plans, adjoining municipalities may plan together in ways that encourage preparedness for growth while maintaining the unique character of the participating communities, and preserving agricultural lands. Six multimunicipal comprehensive plans (covering a total of 31 municipalities) exist in the Lehigh Valley. As an example, the *Nazareth Area...2030 Multimunicipal Comprehensive Plan* provides for denser multifamily-style development in its more urbanized areas of Nazareth and Bath while surrounding municipalities of a more rural character need not offer high-density residential areas. Because the greater Nazareth area has together planned to accommodate growth primarily in its urbanized areas, outlying agricultural lands are preserved.

From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes. These codes often define the scope and density of housing resources available to residents, developers and other organizations within certain areas. Examples of zoning provisions that most commonly result in impediments to fair housing choice include the following:

- Restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, or require larger lot sizes that deter affordable housing development.
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit.
- Placing administrative and siting constraints on group homes.

Through its Home Rule Charter and Optional Plans laws, the State of Pennsylvania extends to counties and municipalities the ability to create a local charter under which they may govern themselves subject only to federal and state law. Importantly in the context of an analysis of zoning, home rule municipalities and counties are separate and distinct from one another and municipalities are specifically not subject to the ordinances of the counties in which they may be located. Counties therefore take on a primary role as providers of infrastructure, court services, and human services programs but are not involved in (indeed, have no control over) zoning and land use decisions. As such, the municipalities within Lehigh County and Northampton County control zoning within their respective jurisdictions, but neither of the counties has a zoning ordinance. All but one of the Lehigh Valley's 62 municipalities (cities, townships, and boroughs) has adopted a zoning code. The borough of Chapman (population 199) has no zoning code and relies on the code adopted by neighboring Moore Township for any zoning matters that arise within its jurisdiction. The table on the following page displays the date of initial adoption and latest revision for each municipality's zoning code.

The data in the table reveals a great degree of variation among the currency of the municipalities' zoning ordinances. Some, like Coplay in 2012, have very recently updated their ordinance or, like Macungie and Portland, are currently in the process of it. Others, like Hanover Township in Northampton County, have not revised their ordinance since the 1970s. Still others, including Lowhill Township and Lower Mt. Bethel

Township have never updated or revised their zoning ordinances, relying today upon the text as originally adopted more than 40 years ago. A well drafted ordinance may not require frequent updating, but the older an ordinance becomes, the more likely it is to fall out of compliance with new state or federal laws, with modern standards and technologies, or even new land usages that were not previously contemplated.

**DEVELOPMENT ORDINANCES AND REGULATIONS ADOPTED BY MUNICIPALITIES
(as of April 2013)**

Municipality	Comprehensive Plan		Zoning Ordinance		Subdivision Regulations	
	First Adopted	Latest Revision	First Adopted	Latest Revision	First Adopted	Latest Revision
LEHIGH COUNTY						
Alburtis	1974	2005	1961	1991	1960	1976
Allentown	1945	2009	1948	2010	1924	1987
Bethlehem*						
Catasauqua	1963	1999	1962	2004	1962	1973
Coopersburg	—	—	1961	2005	1957	2007
Coplay	2010	—	1969	2012	1982	—
Emmaus	1957	2005	1957	2005	1956	1976
Fountain Hill	1977	2007	1948	2008	1974	1995
Hanover Twp.	1964	1995	1963	1996	1961	1978
Heidelberg Twp.	1971	2005	1972	2010	1971	2010
Lower Macungie Twp.	1972	2005	1961	1998	1965	1998
Lower Milford Twp.	1968	2005	1967	2009	1964	2012
Lowhill Twp.	1971	2005	1972	—	1971	—
Lynn Twp.	1968	2005	1968	1982	1968	1980
Macungie	1966	2005	1966	2001	1964	2008
North Whitehall Twp.	1969	2009	1969	2002	1964	1999
Salisbury Twp.	1969	2012	1960	1993	1960	1997
Slatington	1981	2005	1982	1988	—	—
South Whitehall Twp.	1969	2009	1962	2010	1968	2010
Upper Macungie Twp.	1972	2007	1961	1994	1964	2011
Upper Milford Twp.	1963	2005	1963	2010	1962	2010
Upper Saucon Twp.	1971	1985	1959	2009	1963	2011
Washington Twp.	1964	2005	1968	2009	1963	2010
Weisenberg Twp.	1971	2005	1972	1993	1971	2000
Whitehall Twp.	1972	2005	1962	2006	1968	1999
NORTHAMPTON COUNTY						
Allen Twp.	1969	1999	1969	2000	1968	2001
Bangor	1968	2005	1967	1992	1968	—
Bath	1978	2006	1978	2011	1976	2011
Bethlehem	1960	2009	1926	2012	1975	1975
Bethlehem Twp.	1964	2004	1962	1997	1960	1989
Bushkill Twp.	1967	2006	1966	2012	1973	1994
Chapman	2006	—	—	—	—	—
East Allen Twp.	1970	2009	1970	1983	1971	1984
East Bangor	2006	—	2005	—	2009	—
Easton	1913	1997	1928	2007	1946	2007
Forks Twp.	1968	2010	1956	2006	1962	2007
Freemansburg	1969	—	1950	2009	2009	—
Glendon	—	—	1950	1987	—	—
Hanover Twp.	1972	2004	1963	1978	1963	1973
Hellertown	1969	2009	1968	2002	1969	1986
Lehigh Twp.	1968	1999	1968	2002	1968	1980
Lower Mt. Bethel Twp.	1971	2007	1972	—	1971	1990
Lower Nazareth Twp.	1962	2006	1966	2001	1963	2005
Lower Saucon Twp.	1964	2009	1963	2002	1958	2003
Moore Twp.	1973	2006	1973	2011	1965	2005
Nazareth	1969	2006	1969	1988	1986	1989
Northampton	1972	2005	1960	1999	1974	1993
North Catasauqua	—	—	1955	1995	1996	—
Palmer Twp.	1963	2003	1950	2002	1955	2002
Pen Argyl	1968	2004	1969	1997	1969	2007
Plainfield Twp.	1971	2004	1971	1993	1959	1991
Portland	1966	—	1966	—	1973	—
Roseto	1982	2005	1984	—	1979	1995
Stockertown	1972	2010	1973	2005	1970	2002
Tatamy	1965	2006	1964	1991	1964	1992
Upper Mt. Bethel Twp.	1967	2001	1977	2004	1973	2001
Upper Nazareth Twp.	1968	2006	1969	2007	1967	2005
Walnutport	1975	2008	1977	2008	2004	—
Washington Twp.	1969	2006	1979	1997	1973	1995
West Easton	—	—	1952	1992	—	—
Williams Twp.	1969	2000	1957	1990	1969	1997
Wilson	1962	—	1959	1994	1975	1995
Wind Gap	1968	2004	1968	1993	1968	2004

*Bethlehem City information is listed under Northampton County.

Note: Includes recodifications

Source: Lehigh Valley Planning Commission.

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, each of the Lehigh Valley's 61 municipal zoning codes was obtained and individually reviewed against a set of fair housing issues (see page 100 for the list of issues). For each issue, the ordinance was assigned a risk score, with the possible scores defined as follows:

- 1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice;
- 2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread;
- 3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice.

The 18 individual risk scores were averaged for each municipality, yielding a composite score indicative of the probability of the municipality's zoning ordinance, in general, limiting fair housing choice. For those municipalities participating in a multimunicipal comprehensive plan, the risk scores related to issues of land use (specifically, Issues 11, 13, and 14 from the list on page 100) defaulted to the lowest risk score assigned to any member of the planning area. The complete reports for the individual municipalities are included as an appendix to this document, however, the composite scores lend themselves to comparative analysis here.

The overall risk scores ranged from a low of 1.22 to a high of 2.28. With the lowest risk score of 1.22 was Upper Nazareth Township in Northampton County followed by Fountain Hill, Lower Milford Township, Upper Milford Township, and Freemansburg all tied with scores of 1.33. Of all the zoning ordinances in the Lehigh Valley, these were the most permissive and the least likely to result in housing discrimination or the limitation of fair housing choice. Whitehall Township in Lehigh County was assigned an average risk score of 2.28, indicating that its zoning ordinance had the greatest potential to result in housing discrimination. Comparing the scores within the two counties, Lehigh County's municipalities had a slightly lower combined average (1.64) than Northampton's (1.70). Though the municipality with the highest risk score was located in Lehigh County, only two Lehigh County municipalities received risk scores of 2.00 or greater, compared to five scores of 2.00 or more in Northampton County. Sorted by municipality type, the three cities had the lowest combined average (1.61) compared with 1.65 for the boroughs and 1.71 for the townships.

Zoning Code Analysis by Municipality			
LEHIGH COUNTY		NORTHAMPTON COUNTY	
Municipality	Risk Score	Municipality	Risk Score
Alburtis	1.89	Allen Twp.	2.00
Allentown	1.61	Bangor	2.06
Catasauqua	1.44	Bath	1.72
Coopersburg	1.72	Bethlehem	1.44
Coplay	1.39	Bethlehem Twp.	1.56
Emmaus	1.61	Bushkill Twp.	1.44
Fountain Hill	1.33	Chapman*	--
Hanover Twp.	1.83	East Allen Twp.	1.56
Heidelberg Twp.	1.56	East Bangor	1.94
Lower Macungie Twp.	1.44	Easton	1.78
Lower Milford Twp.	1.33	Forks Twp.	1.78
Lowhill Twp.	1.61	Freemansburg	1.33
Lynn Twp.	1.61	Glendon	1.78
Macungie	1.56	Hellertown	1.44
North Whitehall Twp.	1.56	Lehigh Twp.	1.78
Salisbury Twp.	1.67	Lower Mt. Bethel Twp.	2.06
Slatington	1.78	Lower Nazareth Twp.	1.78
South Whitehall Twp.	2.11	Lower Saucon Twp.	2.06
Upper Macungie Twp.	1.61	Moore Twp.	1.94
Upper Milford Twp.	1.33	Nazareth	1.78
Upper Saucon Twp.	1.72	Northampton	1.67
Washington Twp.	1.56	North Catasauqua	1.67
Weisenberg Twp.	1.72	Palmer Twp.	1.72
Whitehall Twp.	2.28	Pen Argyl	1.50
		Plainfield Twp.	1.67
		Portland	2.00
		Roseto	1.61
		Stockertown	1.89
		Upper Mt. Bethel Twp.	1.50
		Upper Nazareth Twp.	1.22
		Walnutport	1.39
		Washington Twp.	1.72
		West Easton	1.61
		Williams Twp.	1.56
		Wilson	1.44
		Wind Gap	1.72

**The borough of Chapman does not have a zoning ordinance; Moore Township's zoning provisions apply.*

Another dimension for analysis involves averaging the risk scores for all municipalities for each of the 18 fair housing issues evaluated in the zoning analysis. Using this approach highlights specific fair housing issues and the degree to which their application may be problematic or restrictive throughout the region in general.

Of the 18 issues studied, Lehigh Valley zoning codes generally handled very well the matter of establishing reasonable, uncomplicated processes for obtaining use permits and setting forth transparent appeal procedures (Issue 15). This issue received the lowest average risk score, with nearly all municipalities' ordinances assigned a 1, or low-risk designation, for this issue. This is important because zoning codes can sometimes unnecessarily complicate these processes with many layers of review and long spans of time between them, effectively discouraging all but the most determined permit seekers from even applying for a permit. An applicant seeking to develop property for a use requiring special permitting would likely select a site elsewhere rather than navigate these types of processes. The finding that Lehigh Valley's zoning ordinances generally do not impose such burdens is a feature that advances fair housing choice.

Restrictions on the siting of mobile, manufactured, and modular homes (Issue 14), potentially important sources of affordable housing, were determined to be low risk, with a score of 1.15 and a 2nd place ranking among the fair housing issues evaluated in this analysis. Spacing and dispersion requirements for certain housing types, a common high risk zoning provision, similarly found not to be a major issue among most Lehigh Valley jurisdictions. With an average risk score of 1.23 and a 3rd place ranking, most zoning codes did not contain such provisions.

On the other hand, the zoning ordinances adopted by Lehigh Valley municipalities tended to be high risk with regard to allowances for people with disabilities to make reasonable modifications to their properties and/or for provisions for reasonable accommodation (Issue 5). In many of the ordinances, there was no clear process by which persons with disabilities would be able to request special accommodation. Instead, such requests are often treated as variance requests and subject to unreasonable administrative burdens. A full 41 of the 61 ordinances reviewed (67%) were assigned a high risk score of 3 for this issue and, by average risk score, it ranked 18th of the 18 issues evaluated.

Other zoning code provisions affecting housing for people with disabilities tended to receive high risk scores as well. Issue 3 concerns heightened requirements on the siting of housing for people with disabilities, whether by requiring a special use permit or by allowing such housing as of right in only a few different residential zones; 17 out of the 61 ordinances (28%) were scored a 3 on this issue. With an average risk score of 1.95, local zoning codes were generally found to be medium risk with regard to their requirements that public hearings be held on petitions for exceptions to zoning regulations for people with disabilities (Issue 6). Whereas simple administrative procedures may be adequate for the granting of exceptions, public hearings, especially when required for applicants with disabilities and not others, open the prospect that subjective or prejudiced opposition from members of the public can be cited as grounds for denial. When ranked by average risk score, Issue 3 and Issue 6 tied for 16th place. Also common were provisions unreasonably restricting housing opportunities for people with disabilities due to requirements for onsite supportive services. Some of these ordinances define a special class of housing, not considered a group home, consisting of housing combined with supportive services, and then heavily restrict it where it

may be located. This matter, addressed as Issue 4, received an average risk score of 1.89 and ranked 15th of the 18 issues evaluated.

Regarding zoning code deficiencies related to accessibility and housing for people with disabilities, it is important to point out that other means exist for addressing the needs of this population. Many municipalities rely upon state construction code rather than local zoning ordinances to ensure the fair housing rights of people with disabilities. In fact, the Pennsylvania Uniform Construction Code (UCC), which was put into effect in 2004, applies statewide standards for all new construction, rehabilitation, and building inspections. The code primarily relies upon standards developed by the International Code Council (ICC) and specifically adopts the ICC's most current accessibility requirements (all accessibility requirements found in the *International Building Code 2012* including the Supplementary Accessibility Requirements found in Appendix E as well as the *ICC/ANSI A117.1-2009 Accessible and Usable Buildings and Facilities* standard). Pennsylvania's UCC also sets up an Accessibility Advisory Board, with sole jurisdiction to grant accessibility variances and hear appeals regarding accessibility decisions made by local officials. The UCC is a noteworthy law that provides an important backstop to the rights of people with disabilities, however, the presence of a state law may not be as effective at ensuring fair housing choice as would be the same provisions if codified locally.

Zoning Code Issue Analysis	
ISSUE	RISK SCORE
1. Does the jurisdiction's definition of "family" have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?	1.77
2. Does the definition of family discriminate against unrelated individuals with disabilities (or members of any other protected class) who reside together in a congregate or group living arrangement?	1.34
3a. Does the zoning ordinance require a use permit to locate housing for individuals with disabilities in certain residential districts? 3b. Is housing for individuals with disabilities allowed as of right only in a few residential zones? 3c. Is such housing mischaracterized as a "boarding or rooming house" or "hotel"?	1.95
4. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services?	1.89
5. Does the jurisdiction's policies, regulations, and/or zoning ordinance allow persons with disabilities to make reasonable modifications or provide reasonable accommodation to specific zoning or regulatory requirements?	2.44
6a. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? 6b. Is the hearing only for applicants with disabilities rather than for all applicants?	1.95
7. Does the ordinance impose spacing or dispersion requirements on certain housing types, creating a disparate impact on certain populations?	1.23
8a. Are there any restrictions for Senior Housing in the zoning ordinance? 8b. 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)?	1.82
9. Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a special or conditional use permit?	1.54
10. Does the jurisdiction restrict any inherently residential uses (such as shelters or residential treatment facilities) only to non-residential zones?	2.30
11. Does the ordinance include residential zones with high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights, effectively preventing affordable or multi-family housing?	1.36
12. Are unreasonable restrictions placed on the construction, rental, or occupancy of accessory structures (i.e. carriage house, guest house, basement unit) within residential districts?	1.80
13a. Does the ordinance fail to provide zones where multi-family housing is permitted as of right? 13b. Do multi-family districts restrict development only to low-density housing types?	1.41
14. Does the ordinance unreasonably restrict the siting of mobile, manufactured, and modular homes	1.15
15a. Is the process by which a use permit (CUP, SUP, SLUP) is obtained unreasonably lengthy, complex and costly, effectively discouraging applicants? 15b. Is there a clear procedure by which denials may be appealed?	1.08
16. Does the zoning ordinance include an inclusionary zoning provision?	1.77
17. Does the zoning ordinance include a discussion of fair housing?	1.79
18a. Do the jurisdiction's codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? 18b. Are the jurisdiction's accessibility standards (as contained in the zoning ordinance or building code) congruent with the requirements of the Fair Housing Act? 18c. Is there any provision for monitoring compliance?	1.51

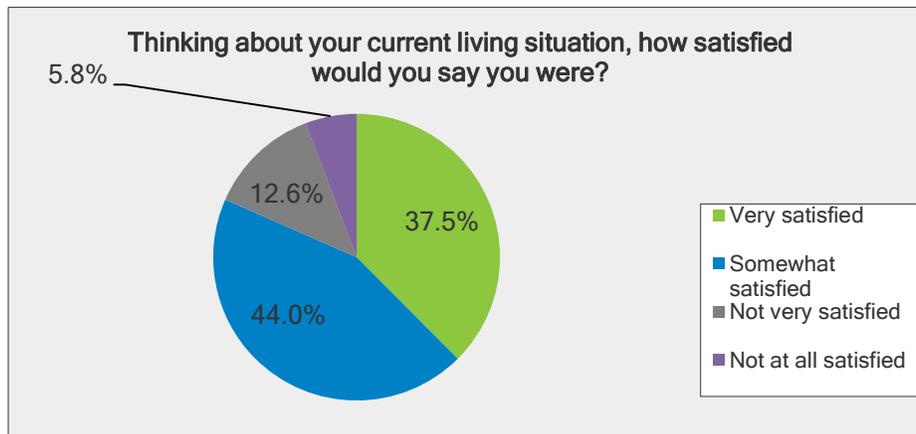
Group homes and other forms of supportive housing were frequently cited by stakeholders as being too scarce to meet the demand for them. Residents believed that more options for people with disabilities or those recovering from drug or alcohol addictions would ease the burden of potential homelessness in the area. These problems could be significantly exacerbated by zoning codes that unnecessarily restrict housing for these populations.

While most of the highest-scored zoning issues concerned housing for people with disabilities, one issue (Issue 10) stands out from that group. With an average risk score of 2.30 and ranked in 17th place, the issue concerns the restriction of certain residential uses from residential districts. For example, homeless shelters and residential treatment centers are inherently residential uses, however, many ordinances restrict them from residential districts altogether (requiring instead that they be located in commercial or even industrial areas) or permit them only in urban mixed use districts but not in districts with a more traditional residential character. Some ordinances will permit these uses in residential districts but only as a special use, requiring application and review before a local zoning board. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. the Fair Housing Act and the Americans with Disabilities Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems.

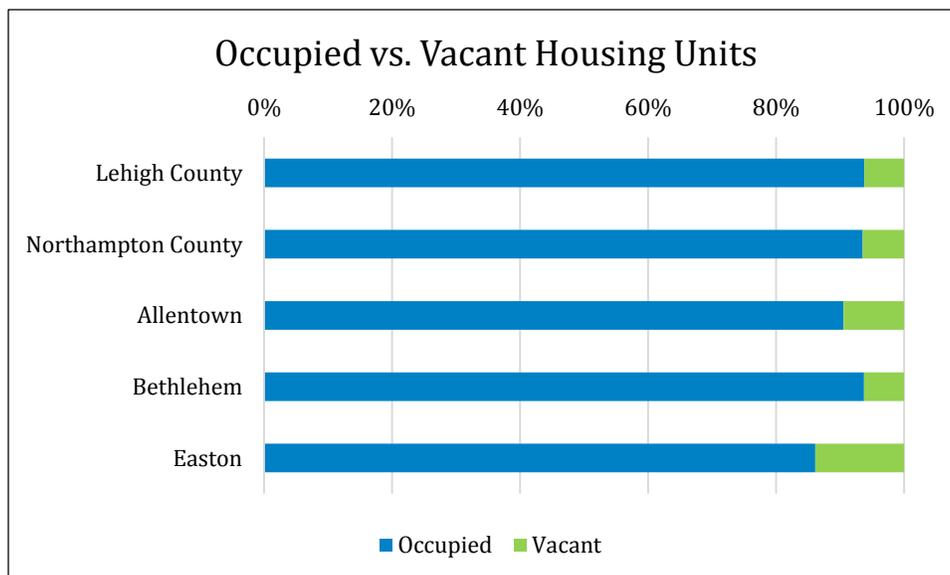
It must be noted that the foregoing analysis of Lehigh Valley zoning ordinances is highly generalized. For every one of the 18 issues evaluated, at least a few municipalities were assigned individual scores of 1, indicating low risk, even for those issues with high average risk scores. Therefore, it is important to view the analysis presented here as an overall sense of the zoning ordinances for the region as a whole but not to assume the averaged scores correctly characterize each individual jurisdiction. Similarly, where average scores are derived for individual municipalities, it should be noted that even those jurisdictions with the highest average risk scores scored lower than some of their peers on individual issues. As stated above, a detailed report on the zoning provisions and risk scores for each of the region's municipalities is included in the appendix.

Housing Profile

The housing profile presents a snapshot of current housing conditions in the Lehigh Valley, including such components as housing affordability, availability, age, condition, and cost. When analyzing fair housing in a jurisdiction, it is crucial to assess the range of housing choices available to the area's residents while determining the degree to which discrimination may limit the housing choices available to certain groups. At the outset of this Housing Profile, it is helpful to keep in mind an interesting result from the fair housing survey conducted as part of this analysis. When asked how satisfied current Lehigh Valley residents were with their living situation, a remarkable majority of them (more than four out of five) responded that they were "very satisfied" or "somewhat satisfied". Only 5.8% were "not at all satisfied" with their living situation.



According to 2011 ACS estimates, the Lehigh Valley had a total of 261,833 housing units, of which 141,942 (54.2%) were in Lehigh County and 119,851 (45.8%) were in Northampton County. Vacancy rates were comparable, and remarkably low, between the two counties, with Lehigh County having a 6.2% vacancy rate and 6.5% of Northampton County's housing units being vacant. Among the three cities in the region,



Source: 2011 American Community Survey Estimate, www.census.gov

Easton had the highest vacancy rate at 13.9%; the rates for Allentown and Bethlehem were 10.5% and 6.7%, respectively. In Allentown and Easton, the greatest share of housing units were single-family attached units while, in Bethlehem, detached single family homes were the most common housing type. Mobile homes made up a small percentage of the region’s housing stock and were slightly more prevalent in Northampton (2.7% of all housing units) than in Lehigh County (2.2%).

Lehigh Valley Housing Unit Analysis by County				
Unit Type	Lehigh	Percent	Northampton	Percent
<i>Total housing units</i>	141,942	100%	119,851	100%
1-unit, detached	69,989	49.3%	70,379	58.7%
1-unit, attached	34,679	24.4%	25,247	21.1%
2 units	5,990	4.2%	5,309	4.4%
3 or 4 units	8,106	5.7%	4,697	3.9%
5 to 9 units	5,773	4.1%	4,111	3.4%
10 to 19 units	7,139	5.1%	2,345	2.0%
20 or more units	7,076	5.0%	4,528	3.8%
Mobile home	3,161	2.2%	3,224	2.7%
Boat, RV, van, etc.	29	0.0%	11	0.0%

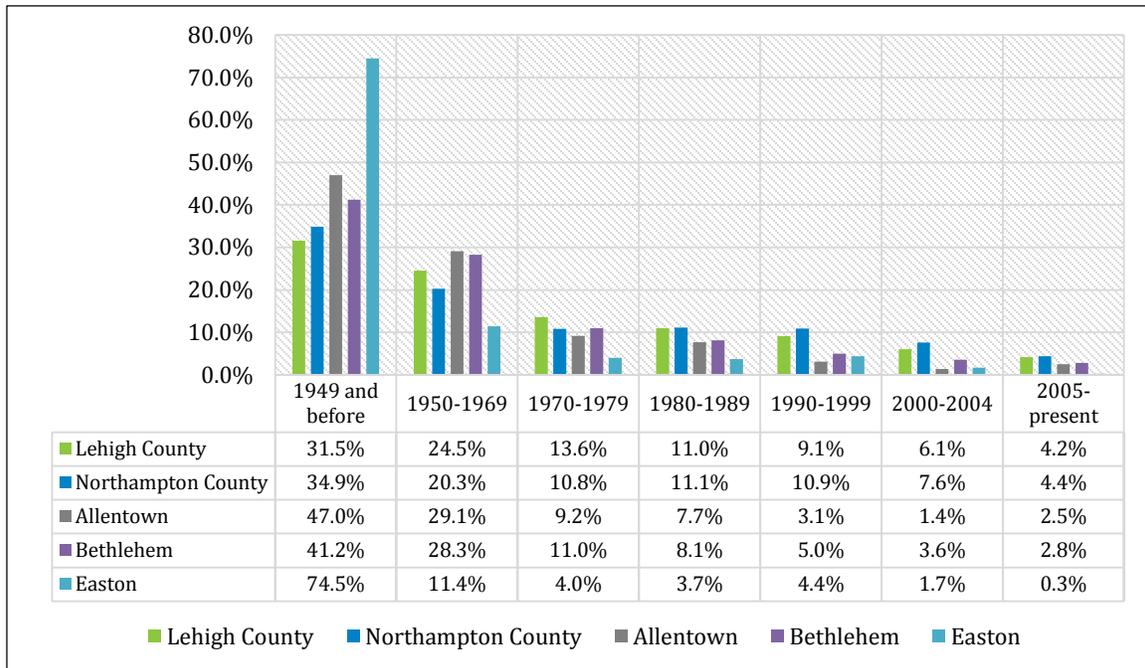
Source: U.S. Census Bureau, 2011 American Community Survey, www.factfinder2.census.gov

Lehigh Valley Housing Unit Analysis by City						
Unit Type	City of Allentown	Percent	City of Bethlehem	Percent	City of Easton	Percent
<i>Total housing units</i>	47,593	100%	31,290	100%	10,918	100%
1-unit, detached	11,459	24.1%	11,476	36.7%	2,931	26.8%
1-unit, attached	17,504	36.8%	9,349	29.9%	3,840	35.2%
2 units	3,627	7.6%	1,854	5.9%	1,179	10.8%
3 or 4 units	5,148	10.8%	2,230	7.1%	1,090	10.0%
5 to 9 units	2,722	5.7%	2,401	7.7%	786	7.2%
10 to 19 units	3,346	7.0%	1,430	4.6%	542	5.0%
20 or more units	3,675	7.7%	2,524	8.1%	550	5.0%
Mobile home	90	0.2%	15	0%	0	0.0%
Boat, RV, van, etc.	22	0.0%	11	0%	0	0.0%

Source: U.S. Census Bureau, 2011 American Community Survey, www.factfinder2.census.gov

The considerable age of the Lehigh Valley region’s housing stock is a defining feature of the local housing market. For each of the five jurisdictions examined individually in this section, much of their housing was constructed prior to 1950. This is especially true of Easton, where nearly three in four housing units are over 60 years old. In none of the five jurisdictions has 50% or more of the housing stock been constructed since 1970. Housing constructed since 2004 represents the smallest share of the housing stock for all jurisdictions except Allentown which, notably, shows a small increase in home construction over the prior period.

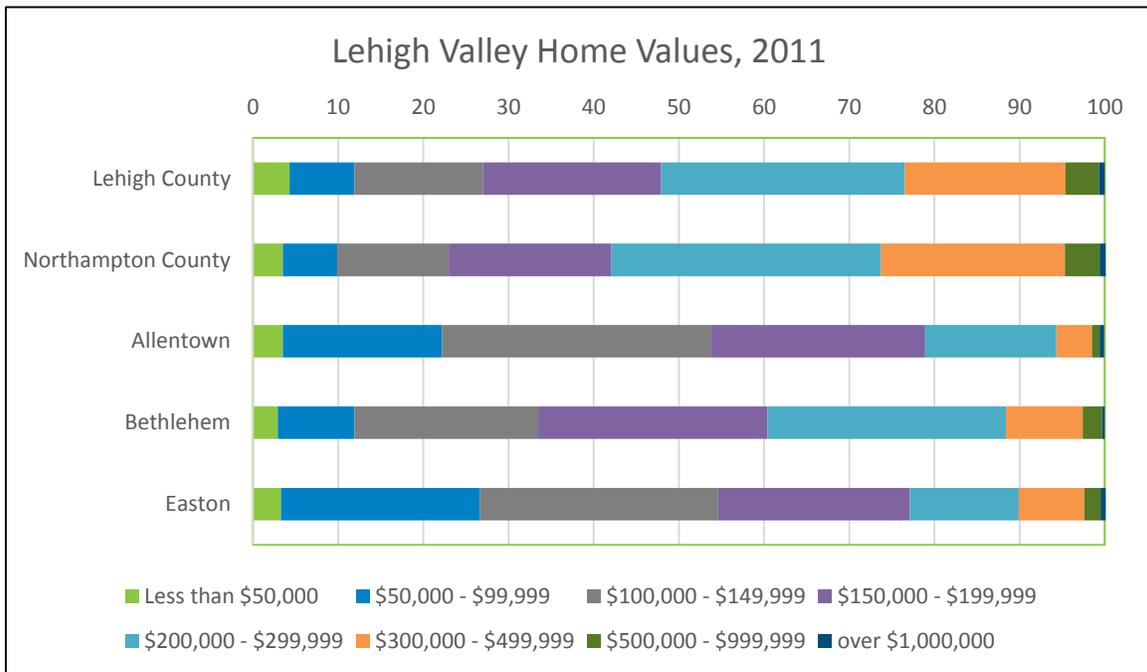
Age of Housing Stock by Jurisdiction



Source: U.S. Census Bureau, 2011 American Community Survey, www.census.gov

Median home values, as recorded in the 2011 ACS estimates, reflect noteworthy differences among the five jurisdictions. The highest median home values are found in Northampton County (\$221,800) followed by Lehigh County, Bethlehem, Allentown, and Easton (\$206,100, \$178,500, \$143,800, and \$141,400, respectively). Though the median home value in Easton was only 64% of the median for Northampton County as a whole, the region’s home values are relatively modest; in none of the five jurisdictions did home values of \$1 million or more exceed 1% of the housing stock.

Easton and Allentown contain much higher proportions of lower-cost housing than do the others. Whereas 26.6% of the housing units in Easton and 22.2% of the units in Allentown are valued below \$100,000, this segment of the market in Lehigh County, Northampton County, and Bethlehem is roughly only half as large, ranging between 11.9% and 9.9% of their housing units. It should be noted here that relatively lower median home values in Easton and Allentown could be correlated to the unit types most prevalent in those communities. As has already been shown, attached single family homes are the most common housing types in these two communities while detached units are more common in the other areas.



Source: 2011 American Community Survey Estimate, www.census.gov

Data obtained from the Lehigh Valley Planning Commission tracks home sales and median sales prices in the Lehigh Valley region. Comparing the most recent four years of data available (2009-2012), it is clear that Lehigh County’s real estate market was the most active, reflecting at least a third more home sales than Northampton County in most years. The table below also reflects the slowdown in the housing market as a result of the recession. Steep declines in the sheer numbers of homes sold were evident in every jurisdiction between 2009 and 2012. This decline was most pronounced in Easton where home sales dropped by 70%. The decline for Northampton County as a whole was less severe but, at over 15%, was also significant.

Just as the number of home sales declined during the period 2009-2012, so did median sales prices in each of the five jurisdictions studied here. Allentown was hardest hit, with a steady drop in median sales prices culminating in a total decrease of 21.6% between 2008 and 2012. By 2012, Allentown had a median sales price below \$100,000, with Easton’s median barely holding above the \$100,000 threshold.

NUMBER OF SALES BY YEAR IN THE LEHIGH VALLEY 2006-2011

Jurisdiction	2009	2010	2011	2012	% Change (2009-2012)
Lehigh County	3,412	3,088	2,461	2,498	-26.8%
Northampton County	2,408	1,799	1,232	2,045	-15.1%
Allentown	1,101	1,047	680	663	-40.0%
Bethlehem	316	160	106	351	-11.1%
Easton	255	198	52	77	-70.0%

Source: Lehigh Valley Planning Commission

MEDIAN SALES PRICE BY YEAR IN THE LEHIGH VALLEY 2008-2012

Jurisdiction	2008	2009	2010	2011	2012	% Change (2008-2012)*
Lehigh County	--	\$169,000	\$165,000	\$165,000	\$161,250	-4.6%
Northampton County	--	\$195,000	\$200,000	\$200,000	\$187,500	-3.8%
Allentown	\$125,000	\$119,000	\$95,000	\$101,450	\$98,000	-21.6%
Bethlehem	\$165,000	\$164,900	\$164,000	\$154,250	\$147,950	-10.3%
Easton	\$120,000	\$112,000	\$104,750	\$111,100	\$100,000	-16.7%

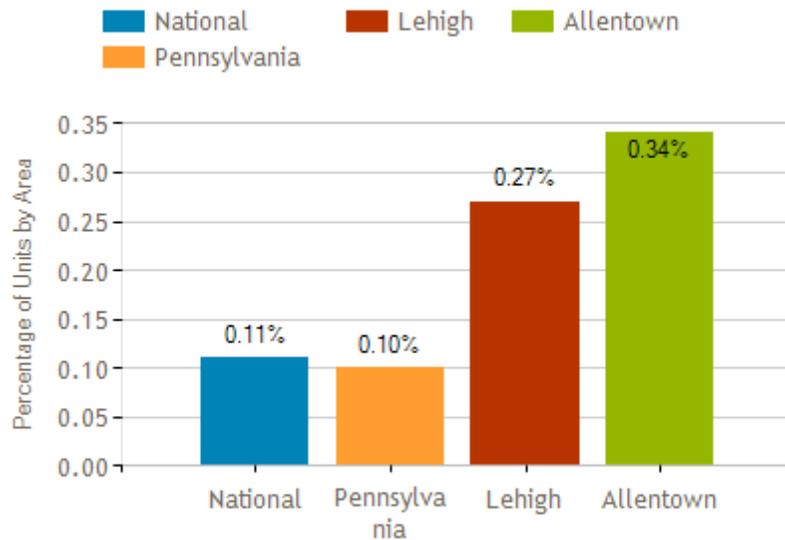
*2008 data was not available for Lehigh County and Northampton County; the percent change calculations for these counties are 2009-2012 calculations.

Source: Lehigh Valley Planning Commission

Foreclosure continues to be an important phenomenon for its substantial impact on the housing market. Foreclosure data from RealtyTrac, as of May 2013, shows that Allentown and Easton both had a higher percentage of foreclosures than their respective counties of Lehigh and Northampton; Bethlehem’s rate was slightly under that of Northampton County. However, Lehigh County’s foreclosure rate was more than double that of Northampton County and it greatly exceeded both the state and national averages. The foreclosure rates in Easton exceeded the Northampton County rate, but still fell below Lehigh County’s

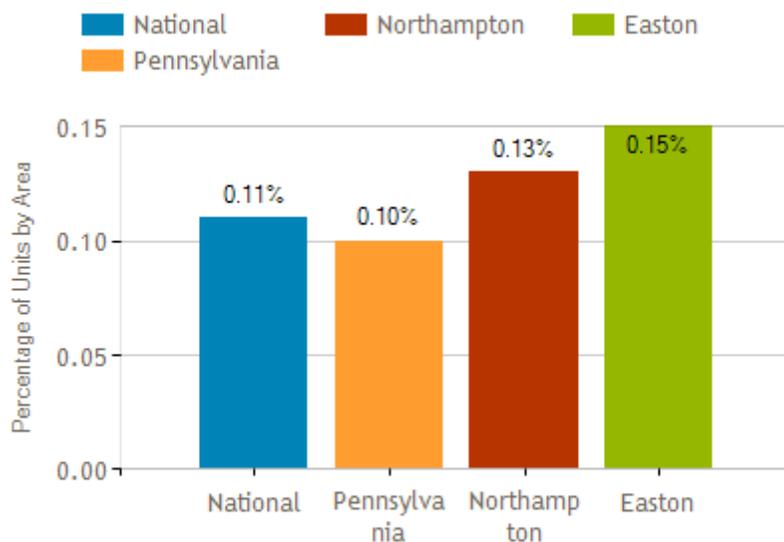
rate and far below Allentown's rate. In Allentown, approximately one in every 370 housing units was in foreclosure.

Foreclosure Trends in Allentown and Lehigh County



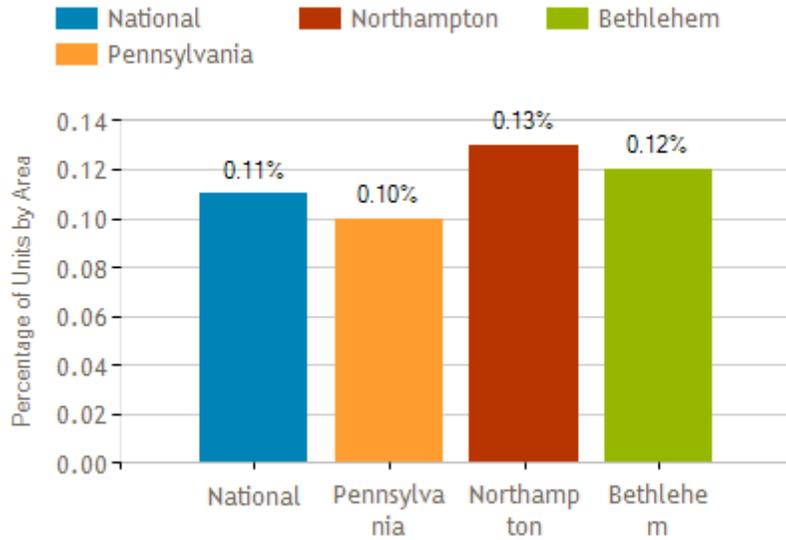
Source: Geographical Comparisons RealtyTrac, May 2013 Real Estate Trends, www.realtytrac.com

Foreclosure Trends in Easton and Northampton County



Source: Geographical Comparisons RealtyTrac, May 2013 Real Estate Trends, www.realtytrac.com

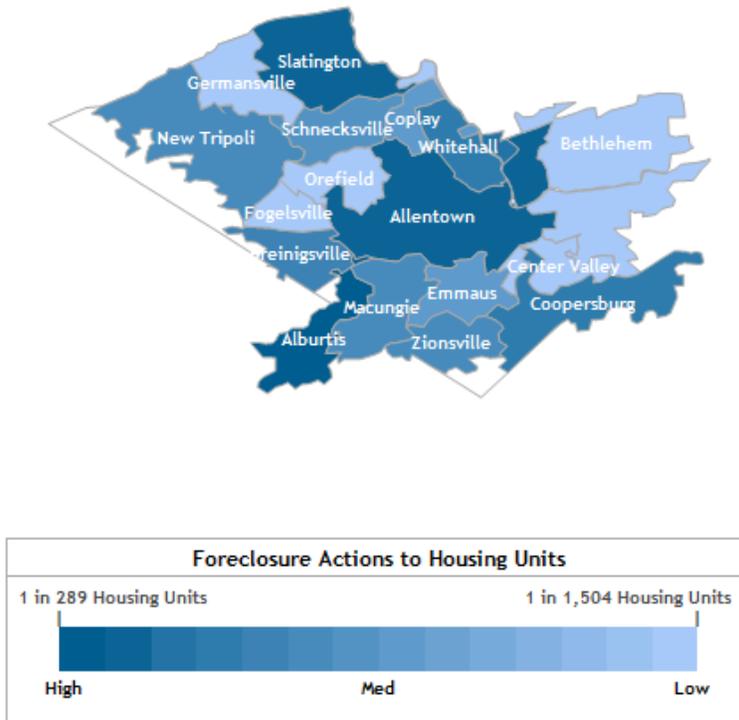
Foreclosure Trends in Bethlehem and Northampton County



Source: *Geographical Comparisons RealtyTrac, May 2013 Real Estate Trends, www.realtytrac.com*

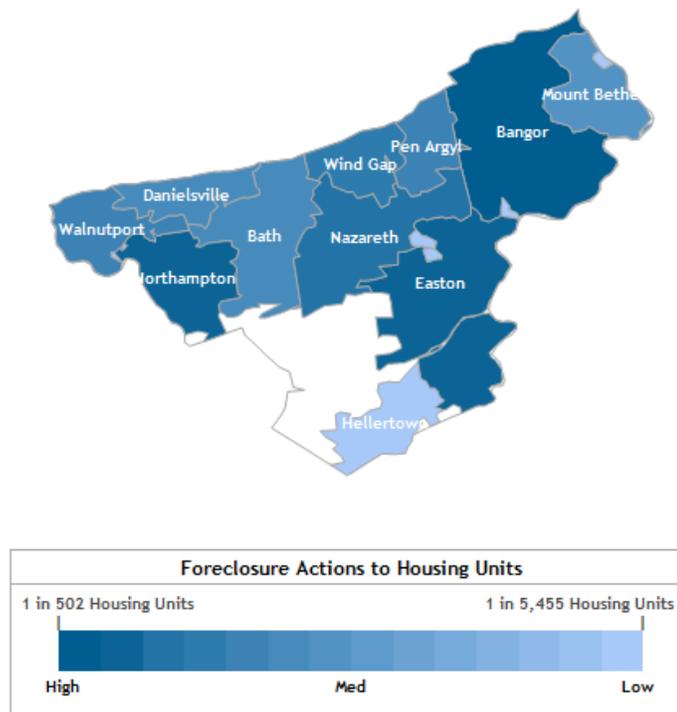
By October 2013, foreclosure patterns had shifted somewhat with Bethlehem's foreclosure rate falling significantly below that of Allentown and Easton. The below maps show foreclosure rates of selected cities and regions within Lehigh Valley. Note that, unlike other datasets in this analysis, Bethlehem is included in the Lehigh County Map rather than the map for Northampton County.

Lehigh County Foreclosure Actions – October 2013



Source: PolicyMap

Northampton County Foreclosure Actions – October 2013



Source: PolicyMap

On an annual basis, HUD calculates median family income for the nation’s metropolitan and other areas. The data is categorized based on its relationship to the median family income (MFI). The categories include: extremely low income (earning less than 30% of the MFI), very low-income (earning between 30% and 50% of the MFI), low-income (earning between 50% and 80% of the MFI). According to HUD, the 2013 Median Family Income (MFI) for households in the Lehigh Valley was \$71,400.

FY 2013 Income Limits Summary Lehigh and Northampton County, PA										
FY 2013 Income Limit Area	Median Income	FY 2013 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Allentown-Bethlehem-Easton, PA	\$71,400	Very Low (50% of Median)	\$25,000	\$28,600	\$32,150	\$35,700	\$38,600	\$41,450	\$44,300	\$47,150
		Extremely Low (30% of Median)	\$15,000	\$17,150	\$19,300	\$21,400	\$23,150	\$24,850	\$26,550	\$28,250
		Low (80% of Median)	\$40,000	\$45,700	\$51,400	\$57,100	\$61,700	\$66,250	\$70,850	\$75,400

Source: Department of Housing & Urban Development, HUD User Dataset, Income Limits, www.huduser.org

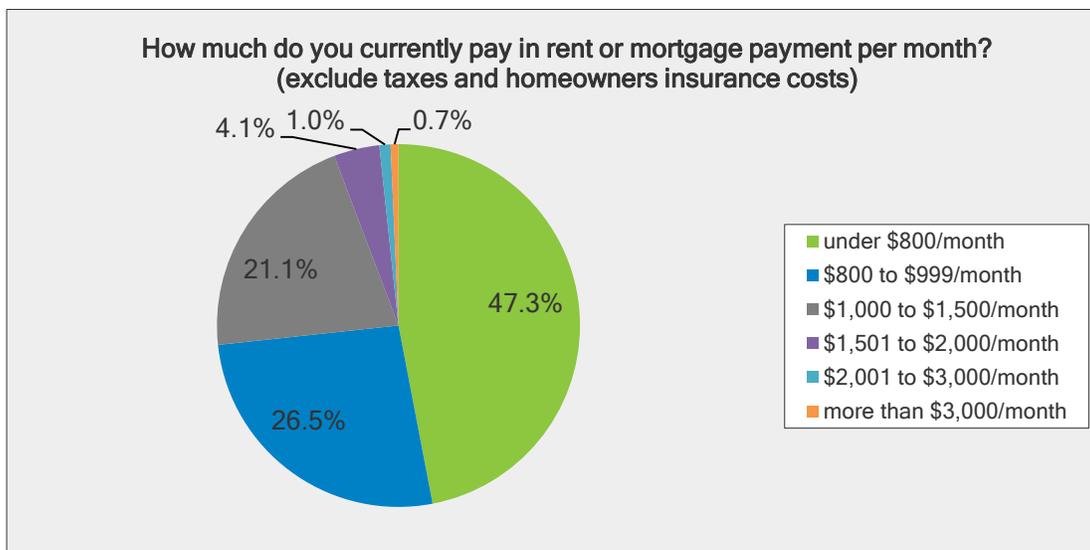
Affordability is an important aspect to fair housing choice and to individuals being able to obtain secure, safe, and decent housing. It is also a significant factor for residents attempting to select housing that meets their family needs. HUD considers housing affordable if it costs less than 30 percent of a family's income.²⁷ Households that spend over that threshold are considered by HUD to be “cost burdened” and may have difficulty affording the other basic household necessities such as food, clothing, and transportation.

Yet, according to HUD, 12 million renters and homeowners in the United States spend more than 50 percent of their income on housing. Furthermore, in no rental market in the U.S. can a family with one full-time worker earning the minimum wage afford the local fair-market rent for a two-bedroom apartment without being cost burdened.²⁸

²⁷ U.S. Department of Housing and Urban Development, <http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>

²⁸ U.S. Department of Housing and Urban Development, <http://www.hud.gov/offices/cpd/affordablehousing/>

Generally, Lehigh Valley residents expressed that housing in the area was relatively affordable, except for those on fixed incomes for whom even rents meeting traditional affordability criteria would be out of reach. Others pointed out that an ample supply of affordable housing exists in the urban cores of Allentown, Bethlehem, and Easton, but in the suburbs affordable housing options (particularly rental options) were more limited. In the Lehigh Valley fair housing survey, information was collected from respondents regarding their monthly housing expenses. Though not as accurate as the Census and ACS data that follows on the next page, the results highlight the fact that many residents are able to live affordably in the Lehigh Valley. Nearly three quarters of respondents spent less than \$1,000 per month on rent or mortgage payments (note that this figure excludes taxes and insurance).



As discovered in meetings and interviews with stakeholders, several factors are putting pressure on the supply of affordable units in the Lehigh Valley. First, due to the recession, homebuyers are more cautious and are buying homes less expensive than they can actually afford, thus occupying housing that could otherwise have housed a household with a lower income. Secondly, local residents shared that in recent years they had noticed a rise in the number of people who live in the Lehigh Valley area and commute to their jobs located in New York City and New Jersey. In general, this commuter population earns more income than the average Lehigh Valley resident but is attracted to the region's lower property taxes and relatively lower rents and housing prices, as compared with more expensive markets. This demand for housing leads to upward pressure on rents and home prices and some Lehigh Valley residents worry that this population is occupying affordable housing units that would otherwise be available to local workers who earn lower incomes.

Additionally, some stakeholders also expressed concern that lower-income people moving to Lehigh Valley from New York and New Jersey due to the more affordable housing are taken advantage of by landlords who charge rents much lower than rents in the bigger cities, but higher than the local market justifies. The new residents don't know better and pay relatively high rent, spurring housing costs upward for other residents of the region. Finally, other residents noted that the Lehigh Valley is home to many colleges and universities. As students from these institutions occupy nearby housing units, the supply of affordable housing available to non-student households is further depleted.

Of the total number of owner-occupied housing units in the Lehigh Valley, the 2011 ACS reported that 29% were cost burdened. While nearly 80% of these cost burdened homeowners had mortgages, the remaining 20% were cost burdened despite having no mortgage payment. The housing costs figured into HUD's cost burden calculations take into account rent or mortgage payments, insurance, and utilities but do not include the costs of home maintenance. Given the age of Lehigh Valley's housing stock, the home maintenance and repair costs associated with older construction can add significant additional housing cost burden.

Affordability Snapshot					
Value	Lehigh County	Northampton County	Allentown	Bethlehem	Easton
Median (dollars)	\$206,100	\$221,800	\$143,800	\$163,200	\$141,400
MORTGAGE STATUS					
Owner-occupied units	90,725	83,858	20,773	15,898	4,831
Housing units with a mortgage	61,866	56,856	14,301	10,405	3,593
Housing units without a mortgage	28,859	27,002	6,472	5,493	1,238
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME					
Housing units with a mortgage	61,713	56,784	14,247	10,383	3,593
Less than 20.0 percent	20,467	17,639	3,678	3,283	988
20.0 to 24.9 percent	10,901	10,321	2,680	1,900	519
25.0 to 29.9 percent	8,482	8,410	2,015	1,610	480
30.0 to 34.9 percent	5,985	5,326	1,401	984	318
35.0 percent or more	15,878	15,088	4,473	2,606	1,288
Housing unit without a mortgage	28,611	26,814	6,430	5,438	1,207
Less than 10.0 percent	8,745	7,577	1,702	1,695	247
10.0 to 14.9 percent	6,102	5,767	1,343	1,108	187
15.0 to 19.9 percent	3,979	3,952	873	739	147
20.0 to 24.9 percent	2,826	2,605	580	428	121
25.0 to 29.9 percent	1,853	1,653	557	286	121
30.0 to 34.9 percent	1,256	1,387	321	322	139
35.0 percent or more	3,850	3,873	1,054	860	245
GROSS RENT					
Occupied units paying rent	41,152	26,714	21,955	13,099	4,438
Less than \$200	1,154	672	823	474	139
\$200 to \$299	1,494	1,366	866	841	268
\$300 to \$499	2,786	1,584	1,737	908	241
\$500 to \$749	8,558	6,095	4,908	2,791	968
\$750 to \$999	13,742	7,932	7,526	3,745	1,722
\$1,000 to \$1,499	11,136	7,075	5,360	3,407	949
\$1,500 or more	2,282	1,990	735	933	151
Median (dollars)	\$859	\$862	\$820	\$865	\$841
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME					
Occupied units paying rent	40,249	26,441	21,301	12,934	4,398
Less than 15.0 percent	3,572	2,884	1,479	1,188	425
15.0 to 19.9 percent	4,920	3,316	1,877	1,571	365
20.0 to 24.9 percent	5,569	3,624	2,330	1,670	606
25.0 to 29.9 percent	4,735	3,820	2,166	1,832	818
30.0 to 34.9 percent	4,001	2,295	2,373	1,261	389
35.0 percent or more	17,452	10,502	11,076	5,412	1,795

Source: U.S. Census Bureau, 2011 American Community Survey, www.census.gov

If homeowners struggle with a significant degree of cost burden, renters in the Lehigh Valley struggle worse. A full half of all renters in the region paid more than 30% of their household income in rent. While the table of 2011 ACS data above begins to illustrate the issue of rental affordability, the pair of tables below paint a far more vivid picture. The tables contain data from the National Low Income Housing Coalition's (NLIHC) annual *Out of Reach* release,²⁹ a report on "the wage one must earn in order to afford a modest rental home in communities across the country." Data in these tables is presented for the two individual counties as well as for the Allentown-Bethlehem-Easton metropolitan area as a whole.

The NLIHC estimates that the median income for a renter in the Lehigh Valley area is \$31,535. A renter with this income would need to keep rent costs at or below \$788 to avoid cost burden. Those earning minimum wage face the possibility of severe cost burden, as a fulltime minimum wage job would allow only \$377 per month for rent expenses. To afford a two bedroom housing unit without spending more than 30% of one's income on rent, one would need to work 101 hours per week at minimum wage (equivalent to 2.5 fulltime jobs) or earn an hourly wage of \$18.35. Based on this analysis of the data, the NLIHC estimates that 58% of renters in the Lehigh Valley are unable to afford a 2 bedroom housing unit in the region.

²⁹ *Out of Reach*. The National Low Income Housing Coalition. <http://nlihc.org/oor>.

Lehigh Valley Renter Affordability

Table A

Household Characteristics	Pa.	Lehigh County	Northampton County	Allentown/ Bethlehem/ Easton MSA
Number of Households 2006-2010				
Total	4,940,58	132,879	111,929	270,919
Renters	1,431,96	41,448	27,488	74,107
% Renters	29%	31%	25%	27%
Minimum Wage, Mean Renter Wage, SSI Monthly Payment				
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25
Estimated Mean Renter Wage	\$12.86	\$12.92	\$10.76	\$11.90
SSI Monthly Payment	\$698	\$698	\$698	\$698
2012 Fair Market Rent (FMR)				
One-Bedroom	\$694	\$806	\$806	\$806
Two-Bedroom	\$835	\$954	\$954	\$954
Three-Bedroom	\$1,040	\$1,234	\$1,234	\$1,234
Four-Bedroom	\$1,177	\$1,306	\$1,306	\$1,306
Annual Area Median Income				
Annual AMI	\$68,939	\$73,300	\$73,300	\$73,300
30% of AMI	\$20,682	\$21,990	\$21,990	\$21,990
Estimated Renter Median	\$28,424	\$31,574	\$32,520	\$31,535
Rent affordable at Renter Median Income	\$711	\$789	\$813	\$788
Maximum Affordable Monthly Housing Costs by % of AMI				
30% of AMI	\$517	\$550	\$550	\$550
50% of AMI	\$862	\$916	\$916	\$916
80% of AMI	\$1,379	\$1,466	\$1,466	\$1,466
Rent affordable at Median Income	\$1,723	\$1,833	\$1,833	\$1,833
Rent affordable with Full Time Job Paying Min Wage	\$377	\$377	\$377	\$377
Rent affordable with Full Time Job Paying Mean Renter Wage	\$669	\$672	\$559	\$619
Rent affordable to SSI Recipient	\$209	\$209	\$209	\$209

Source: National Low Income Housing Coalition, "Out of Reach" 2012 Annual Data, <http://www.nlihc.org/>

Lehigh Valley Renter Affordability

Table B

Household Characteristics	Pa.	Lehigh County	Northampton County	Allentown/ Bethlehem/ Easton MSA
Annual Income Needed to Afford FMR				
1 Bedroom	\$27,764	\$32,240	\$32,240	\$32,240
2 Bedroom	\$33,404	\$38,160	\$38,160	\$38,160
3 Bedroom	\$41,608	\$49,360	\$49,360	\$49,360
4 Bedroom	\$47,077	\$52,240	\$52,240	\$52,240
% of AMI Needed to Afford FMR				
1 Bedroom	40%	44%	44%	44%
2 Bedroom	48%	52%	52%	52%
3 Bedroom	60%	67%	67%	67%
4 Bedroom	68%	71%	71%	71%
Housing Wage Needed to Afford FMR				
1 Bedroom	\$13.35	\$15.50	\$15.50	\$15.50
2 Bedroom	\$16.06	\$18.35	\$18.35	\$18.35
3 Bedroom	\$20.00	\$23.73	\$23.73	\$23.73
4 Bedroom	\$22.63	\$25.12	\$25.12	\$25.12
Work Hours per Week at Minimum Wage to Afford FMR				
1 Bedroom	74	86	86	86
2 Bedroom	89	101	101	101
3 Bedroom	110	131	131	131
4 Bedroom	125	139	139	139
Full Time Jobs Needed at Minimum Wage to Afford FMR				
1 Bedroom	1.8	2.1	2.1	2.1
2 Bedroom	2.2	2.5	2.5	2.5
3 Bedroom	2.8	3.3	3.3	3.3
4 Bedroom	3.1	3.5	3.5	3.5
Full Time Jobs Needed at Mean Renter Wage Needed to Afford FMR				
1 Bedroom	1.0	1.2	1.4	1.3
2 Bedroom	1.2	1.4	1.7	1.5
3 Bedroom	1.6	1.8	2.2	2.0
4 Bedroom	1.8	1.9	2.3	2.1
Estimated Percent of renters unable to afford 2 bedroom unit	56%	58%	56%	58%

Source: National Low Income Housing Coalition, "Out of Reach" 2012 Annual Data, <http://www.nlihc.org/>

Some Lehigh Valley residents who are unable to afford housing turn to public housing programs for assistance. A total of five public housing authorities operate in the region, each offering both traditional public housing units and Housing Choice Vouchers. Under both of these programs, a tenant's cost burden is minimized through the application of various forms of subsidy. While such programs can be very helpful

to those enrolled, available housing units and vouchers are scarce and waiting lists are long. A total of 6,405 public housing units are located in Lehigh Valley. The tables below show the very high occupancy rates for these units. While some vacancies may technically exist (none has a 100% occupancy rate), occupancy rates near 100% are typically reflective of a few recently vacated units that are in the process of being prepared and inspected for new occupants. Because of high demand for limited units, waiting lists are quite long, however the true wait time is not accurately represented by the “Average Months on Wait List” figure reported by HUD. This figure, which ranges from nine months to two and a half years, represents the length of time the households currently on the waiting list have been waiting (including those who have been waiting many years as well as those who recently signed up and have been waiting only a month so far), not the average length of time it takes to obtain housing.

Public Housing Inventory by County				
	Lehigh County		Northampton County	
	Public Housing	Housing Choice Vouchers	Public Housing	Housing Choice Vouchers
Total Units	1,502	3,014	1,928	1,975
% Occupied	95%	86%	98%	85%
% Disabled	31%	29%	27%	24%
% Minority	60%	58%	71%	43%
% Black	11%	16%	13%	20%
% Hispanic	50%	44%	58%	24%
Total Persons Housed	3,082	6,119	3,748	3,699
Avg. Months on Wait List	24	27	15	26

Source: *Picture of Subsidized Households, 2012*; <http://www.huduser.org/portal/datasets/picture/yearlydata.html>

Public Housing Inventory by City						
	City of Allentown		City of Bethlehem		City of Easton	
	Public Housing	Housing Choice Vouchers	Public Housing	Housing Choice Vouchers	Public Housing	Housing Choice Vouchers
Total Units	1,153	1,754	1,454	712	368	492
% Occupied	93%	88%	98%	91%	99%	94%
% Disabled	33%	27%	29%	31%	25%	17%
% Minority	68%	77%	79%	62%	52%	59%
% Black	13%	21%	8%	18%	33%	41%
% Hispanic	57%	60%	71%	45%	21%	20%
Total Persons Housed	2,102	4,214	3,293	1,474	671	1,153
Avg. Months on Wait List	27	16	18	28	9	30

Source: *Picture of Subsidized Households, 2012*; <http://www.huduser.org/portal/datasets/picture/yearlydata.html>

Every year (or, for some high performers, every other year) HUD conducts an assessment of the nation’s public housing authorities using the Public Housing Assessment System (PHAS). Housing authorities are scored on their performance in four core areas, assigned a composite score, and issued a designation. The most recent PHAS results for the Lehigh Valley’s public housing authorities are exhibited below and come from HUD’s PHAS reports dated July 2, 2012. All but the Allentown Housing Authority were designated High Performers. Allentown Housing Authority was designated a Standard Performer and compared less favorably with its peers mainly on the grounds of its financial standing.

Lehigh County Housing Authority	
Physical	36
Financial	25
Management	24
Capital Fund	10
Late Penalty Points	0
PHAS Total Score	95
PHAS Designation	High Performer
Northampton Housing Authority	
Physical	35
Financial	25
Management	21
Capital Fund	10
Late Penalty Points	0
PHAS Total Score	91
PHAS Designation	High Performer
Bethlehem Housing Authority	
Physical	35
Financial	24
Management	25
Capital Fund	10
Late Penalty Points	0
PHAS Total Score	94
PHAS Designation	High Performer
Allentown Housing Authority	
Physical	35
Financial	17
Management	22
Capital Fund	10
Late Penalty Points	0
PHAS Total Score	84
PHAS Designation	Standard Performer
Easton Housing Authority	
Physical	25
Financial	27
Management	30
Capital Fund	9
Late Penalty Points	0
PHAS Total Score	91
PHAS Designation	High Performer

According to the HUD’s Low Income Housing Tax Credit (LIHTC) database, the Lehigh Valley has several affordable housing developments funded with Low Income Housing Tax Credits providing a total of 2,555 affordable housing units throughout the region. An inventory of tax credit-funded projects is provided on the following pages.

Low Income Housing Tax Credit Projects

HUD ID Number	Project Name	Project Address	Project City	2010 Census Tract Number	Total Number of Units	Total Low-Income Units
PAA1990177	ALBURTIS APARTMENTS	105 S MAIN ST	ALBURTIS	63.02	10	10
PAA1991305	ALBURTIS APARTMENTS	105 S MAIN ST	ALBURTIS	63.02	10	10
PAA1987395	S. 7TH ST. APTS.	1112 S 7TH ST	ALLENTOWN	14.01	5	5
PAA1987435	WHITE HALL APARTMENTS	927 S 7TH ST	ALLENTOWN	14.01	2	2
PAA1988070	137 S. 8TH ST.	137 S 8TH ST	ALLENTOWN	97	3	3
PAA1988190	314 N. CHURCH ST.	314 N CHURCH ST	ALLENTOWN	10	8	7
PAA1988205	327 N. LUMBER ST.	327 N LUMBER ST	ALLENTOWN	18	1	1
PAA1988360	715-723 E. HAMILTON ST.	715 E HAMILTON ST	ALLENTOWN	96	8	8
PAA1988400	833 PINE ST.	833 W PINE ST	ALLENTOWN	18	3	3
PAA1988420	964 JACKSON ST.	964 JACKSON ST	ALLENTOWN	97	4	4
PAA1988665	UNION STREET APTS.	259 E UNION ST	ALLENTOWN	96	4	4
PAA1989205	240 E. HAMILTON ST.	240 E HAMILTON ST	ALLENTOWN	96	2	2
PAA1989305	422 1/2 N. HALL ST.	422 1/2 N HALL ST	ALLENTOWN	16	1	1
PAA1989460	846 WALNUT ST.	846 W WALNUT ST	ALLENTOWN	97	2	2
PAA1989465	848 WALNUT ST.	848 W WALNUT ST	ALLENTOWN	97	2	2
PAA1989485	ALLENTOWN TOWNE HOUSE	1827 W WALNUT ST	ALLENTOWN	21	160	159
PAA1990360	MARKET STREET APTS.	345 MARKET ST	ALLENTOWN	14.01	7	7
PAA1990420	TURNER ST. APTS.	146 N 7TH ST	ALLENTOWN	97	12	12
PAA1991360	CONSTITUTION DR. APTS.	1012 CONSTITUTION DR	ALLENTOWN	6	3	3
PAA1991535	PINE STREET ASSOCIATES	930 W PINE ST	ALLENTOWN	18	1	1
PAA1991650	WOODWARD STREET	641 S WOODWARD ST	ALLENTOWN	6	7	7
PAA1992045	627 HAMILTON APARTMENTS	627 HAMILTON ST	ALLENTOWN	97	30	30
PAA1992050	627 HAMILTON APARTMENTS	627 HAMILTON ST	ALLENTOWN	97	30	30
PAA1992260	SHERMAN STREET APTS.	616 SHERMAN ST	ALLENTOWN	1.02	3	3
PAA1993005	10TH STREET PROJECT	34 N 10TH ST	ALLENTOWN	18	23	23
PAA1993205	N. 5TH ST. APTS.	950 N 5TH ST	ALLENTOWN	7	8	8
PAA1993210	N. 5TH ST. APTS.	950 N 5TH ST	ALLENTOWN	7	8	8
PAA1999155	MOUNTAINVILLE MANOR	1920 S 5TH ST	ALLENTOWN	15.01	20	20
PAA2007075	HART RENTAL PHASE II	246 E LINDEN ST	ALLENTOWN	96	79	79
PAA1987190	55 BROADWAY	55 BROADWAY	BANGOR	152.01	26	26
PAA1988465	CENTURY HOUSE	8 N MAIN ST	BANGOR	152.01	34	34
PAA1995082	HOWARD JONES MANOR	232 PLYMOUTH AVE	BATH	166	31	31
PAA1997110	HOWARD JONES MANOR II	232 PLYMOUTH AVE	BATH	166	34	34
PAA1987145	43-55 W. SPRUCE ST.	43 W SPRUCE ST	BETHLEHEM	107	7	7
PAA1987255	ATLANTIC APARTMENTS	729 E 7TH ST	BETHLEHEM	112	6	6
PAA1987275	BROAD & HIGH STS.	604 HIGH ST	BETHLEHEM	108	12	12
PAA1987280	CHEROKEE APTS.	501 CHEROKEE ST	BETHLEHEM	109	5	5
PAA1987415	W. UNION BLVD.	42 W UNION BLVD	BETHLEHEM	107	10	10

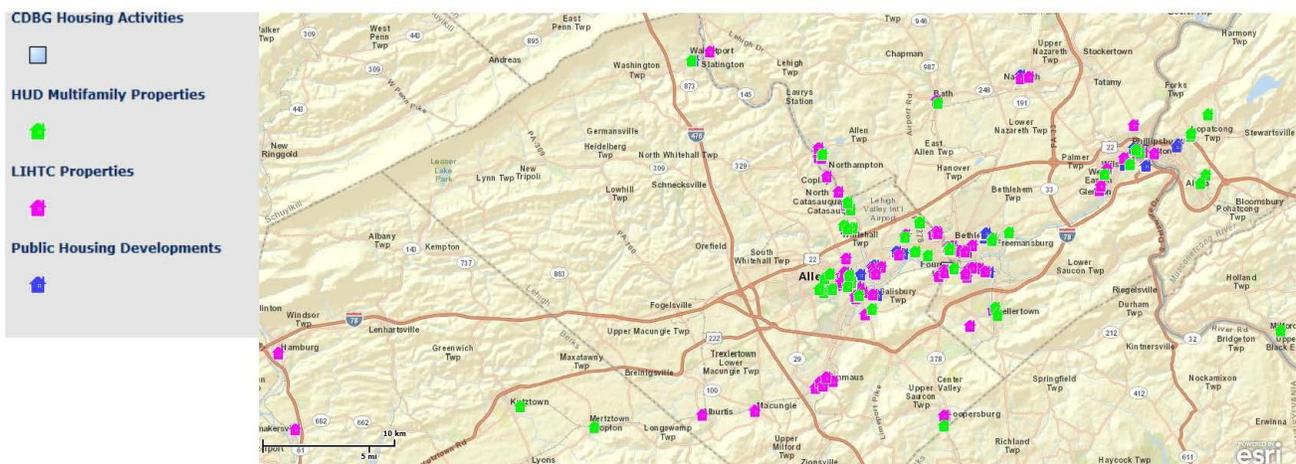
PAA1989095	1538 E. EIGHTH ST. APTS.	1538 E 8TH ST	BETHLEHEM	113	4	4
PAA1989470	941 E. 4TH ST.	941 E 4TH ST	BETHLEHEM	112	2	2
PAA1990140	536-38 BROADWAY ST.	536 BROADWAY	BETHLEHEM	109	6	6
PAA1991320	ATLANTIC STREET APTS.	825 ATLANTIC ST	BETHLEHEM	112	22	22
PAA1991385	E. FOURTH ST. APTS.	1136 E 4TH ST	BETHLEHEM	113	8	8
PAA1993235	PENNSYLVANIA AVE. APTS.	1442 PENNSYLVANIA AVE	BETHLEHEM	93	14	14
PAA1997060	EATON AVENUE APARTMENTS	1102 EATON AVE	BETHLEHEM	91	50	50
PAA1999153	MORAVIAN HOUSE III	133 W UNION BLVD	BETHLEHEM	108	50	50
PAA2002065	LEXIES DREAM	1609 SCHOENERSVILLE RD	BETHLEHEM	91	15	15
PAA2002110	PARKVIEW AT BETHLEHEM	1241 CLUB AVE	BETHLEHEM	93	115	115
PAA2002125	SCHOENERSVILLE APARTMENTS	1547 SCHOENERSVILLE RD	BETHLEHEM	91	40	40
PAA2003065	FORTE APARTMENTS	1345 E 5TH ST	BETHLEHEM	113	10	10
PAA2003070	GOEPP STREET APARTMENTS	732 E GOEPP ST	BETHLEHEM	106	54	54
PAA2006015	BETHLEHEM TOWNHOMES II	1191 LIVINGSTON ST	BETHLEHEM	105	127	127
PAA2007055	FRED B ROONEY BUILDING	4 E 4TH ST	BETHLEHEM	110	150	150
PAA2008020	BETHLEHEM YMCA	430 E BROAD ST	BETHLEHEM	106	35	33
PAA1990220	CATASAUQUA APARTMENTS	118 BRIDGE ST	CATASAUQUA	59.01	36	36
PAA1990260	FIRE HOUSE APTS.	116 CHURCH ST	CATASAUQUA	59.01	5	5
PAA1990265	FIRE HOUSE APTS.	118 CHURCH ST	CATASAUQUA	59.01	5	5
PAA1995145	NORTH CATASAUQUA STREET APTS	1400 MAIN ST	CATASAUQUA	163	40	40
PAA1994110	COOPERSBURG SCHOOL APARTMENTS	331 E STATE ST	COOPERSBURG	69.02	40	40
PAA1994115	COOPERSBURG SCHOOL APTS.	331 E STATE ST	COOPERSBURG	69.02	40	40
PAA2000035	COOPERSBURG II APARTMENTS	401 E STATE ST	COOPERSBURG	69.02	41	41
PAA1993080	COMMUNITY HELP P.	1 S 2ND ST	COPLAY	58	21	21
PAA1990255	FERRY STREET APTS.	600 FERRY ST	EASTON	143	10	10
PAA1993060	BISHOP APARTMENTS	527 NORTHAMPTON ST	EASTON	144	20	20
PAA1993285	S. THIRD ST. APTS.	100 S 3RD ST	EASTON	144	22	22
PAA1996035	BUTLER STREET APARTMENTS	1198 BUTLER ST	EASTON	142	9	9
PAA1998110	GRANDVIEW APARTMENTS	100 GRANDVIEW DR	EASTON	175.02	57	57
PAA1999095	GRANDVIEW APARTMENTS	100 GRANDVIEW DR	EASTON	175.02	57	57
PAA1999097	GRANDVIEW II	200 GRANDVIEW DR	EASTON	175.02	60	60
PAA2001095	KNOX AVENUE SENIOR APARTMENTS	1101 KNOX AVE	EASTON	171.02	48	48
PAA2002050	HARLAN HOUSE ELDERLY HOUSING	221 S 4TH ST	EASTON	144	100	100
PAA2004170	WILSON MANOR APARTMENTS	535 AVONA AVE	EASTON	173	60	60
PAA1989745	RIDGE MANOR II	120 N 3RD ST	EMMAUS	65	30	30
PAA1990200	BROOM STREET APTS.	314 BROOM ST	EMMAUS	65	6	6
PAA1991330	BANK STREET APTS.	934 BANK ST	EMMAUS	65	1	1
PAA1994125	EAST PENN PLACE	633 BROAD ST	EMMAUS	65	47	47
PAA1996070	EAST PENN PLACE II	643 BROAD ST	EMMAUS	65	40	40

PAA1996255	WALNUT STREET APARTMENTS	624 WALNUT ST	EMMAUS	65	4	4
PAA1990370	MILL APARTMENTS	901 CHEROKEE ST	FOUNTAIN HILL	68	45	45
PAA1993310	SENECA STREET APTS.	943 LONG ST	FOUNTAIN HILL	68	52	52
PAA1997100	HELLERTOWN ELDERLY APARTMENTS	950 FRONT ST	HELLERTOWN	179.01	47	47
PAA2001100	LOCUST ST APARTMENTS	22 LOCUST ST	MACUNGIE	63.03	17	17
PAA2003040	CEDAR STREET APARTMENTS	17 CEDAR ST	MACUNGIE	63.03	19	19
PAA1989500	BELVIDERE ASSOCIATES	19 BELVIDERE ST	NAZARETH	168	20	20
PAA2002075	NAZARETH SENIOR APARTMENTS	368 MADISON AVE	NAZARETH	168	35	35
PAA1990350	MAIN STREET APARTMENTS	1700 MAIN ST	NORTHAMPTON	162.01	23	23
PAA1992025	1801 NEWPORT AVE. APTS.	1801 NEWPORT AVE	NORTHAMPTON	162.01	34	34
PAA1997245	WASHINGTON APARTMENTS	2174 WASHINGTON AVE	NORTHAMPTON	162.01	14	14
PAA1988540	LINCOLN MANOR	320 OAK ST	WALNUTPORT	161	37	37
PAA1999232	SIXTH STREET ELDERLY APTS	1029 6TH ST	WHITEHALL	57.02	48	48
PAA1997255	WIND GAP ELDERLY APARTMENTS	6 N BROADWAY	WIND GAP	157	20	20
PAA1999274	WIND GAP MANOR	665 ALPHA RD	WIND GAP	157	26	26
Total Units				2,559	2,555	

Source: HUD Low-Income Housing Tax Credit Database, <http://lihtc.huduser.org/>

The map below displays the Lehigh Valley concentration of HUD Multifamily properties, Low-income Housing Tax Credit Properties [LIHTC] and public housing developments.

Lehigh Valley Concentration of HUD Assisted Properties



Source: HUD eCon Planning Suite, <http://egis.hud.gov/cpdmmaps>

The housing needs of seniors and people with disabilities can diverge significantly from the needs of other groups. With household sizes often smaller than that of families, seniors tend to desire smaller homes. As people age, their ability to maintain and care for a home and yard without assistance diminishes, leading many seniors to consider apartment living or assisted living arrangements, where some of these functions are performed by others.

HUD maintains an inventory that includes the names and locations of properties with HUD-assisted units designated for the elderly or disabled. Of the 1,668 total units (at 17 different properties), the largest share (44%) and the largest developments are located in Allentown.

Inventory of Units for the Elderly and Disabled in the Lehigh Valley

Property Name	Address	Occupancy Eligibility	Total Units	Total Assisted Units	Total Units Designated for Elderly	Total Units Designated for Disabled	Total Units with Accessible Features
Allentown, Pennsylvania Suppor	So 5th Street, Allentown, PA 18103	Disabled	18	18	0	18	18
Antonian Towers	2405 Hillside Ave, Easton, PA 18042	Elderly & Disabled	50	50	47	3	3
B'Nai B'Rith House	1616 Liberty St, Allentown, PA 18102	Elderly & Disabled	270	270	264	6	6
Broadwood Manor	400 Broad St, Bethlehem, PA 16242	Elderly & Disabled	66	65	0	0	7
Easton Senior Housing	127 S 4th St, Easton, PA 18042	Elderly & Disabled	98	97	97	2	0
Episcopal House	1440 Walnut St, Allentown, PA 18102	Elderly	210	15	210	0	0
Fred B Rooney	4 E 4th Street, Bethlehem, PA 18015	Elderly & Disabled			0	13	
Holy Family Apartments	334 13th Ave, Bethlehem, PA 18018	Elderly & Disabled	50	49	45	5	5
Little Lehigh Manor	824 Jackson St, Allentown, PA 18102	Elderly & Disabled	111	110	93	12	12
Livingston Manor	1054 Livingston St, Bethlehem, PA 18017	Elderly	42	42	42	0	6
Lutheran Manor	2085 Westgate Dr, Bethlehem, PA 18018	Elderly	196	195	195	0	21
Moravian House II	701 Main St, Bethlehem, PA 18018	Elderly & Disabled	10	10	106	10	10
Moravian House IV	70 W North St, Bethlehem PA 18018	Disabled	8	8	0	8	8
Phoebe Apartments	1901 S Linden St, Allentown, PA 18104	Elderly	131	26	131	0	32
Shiloh Manor	223 Brother Thomas Bright Ave, Easton, PA 18042	Elderly	58	58	58	0	5
Spitale Elderly Apts	607 Northampton St, Easton, PA 18042	Elderly & Disabled	12	12	0	0	12
Step by Step	11 West 4th Street, Bethlehem, PA 18015	Disabled	5	5	0	5	1
Total Units			1668	1349	1450	107	185

Source: HUD's MFH Inventory Survey of Units for the Elderly and Disabled. <http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm>

Home Mortgage Disclosure Act (HMDA) Analysis

Homeownership is vital to a community's economic well-being. To live up to the requirements of fair housing law, all persons must have the ability to live where they want and can afford. Prospective homebuyers need access to mortgage credit and programs that offer homeownership should be available without discrimination. The task in this Home Mortgage Disclosure Act (HMDA) analysis is to determine the degree to which the housing needs of residents of the Lehigh Valley region are being met by home loan lenders.

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The national 2011 HMDA data consists of information reported by 7,632 home lenders including all of the nation's largest mortgage originators: 4,497 banking institutions; 2,017 credit unions; and 1,118 mortgage companies, and 812 independent mortgage companies.³⁰ The HMDA data includes the type, purpose, and characteristics of each home mortgage that lenders originate or purchase during the calendar year. Place-based data at the census-tract level were made available for the properties related to those loans including loan pricing information, demographic, and additional information about loan applicants including sex, race, ethnicity, income, and other information.

The primary data source for this regional analysis was the 2011 HMDA dataset assembled from county-level data from Lehigh and Northampton counties. HMDA data from 2009 and 2010 were also used to examine trends in home loan approval and denial rates.

Within each HMDA record some of the data variables are 100% reported: "Loan Type," "Loan Amount", "Action Taken", for example, but other data fields are less complete. For example, for the 2011 regional HMDA data, 10.8% of the records contained no race-related data (information not provided by applicant or not applicable). For "Reason for Loan Denial," for which there is no requirement for reporting; 86.8% of the records did not have the relevant information.

Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. The reasons for incomplete data are not explained in the HMDA documentation so it is impossible to assess the biases that could arise from analyzing the data. It is possible that the reasons for the omitted data were systematic and therefore may have had a significant but unknown effect on the analytical results, particularly for those variables with a large proportion of omitted data like "Reasons for Loan Denial." Ideally, any missing data for a specific data variable would affect a small proportion of the total number of loan records and therefore would have only a minimal effect on the analytical results.

³⁰ R. B. Avery, Bhutta N., Brevoort K.P., and Canne, G.B. 2012. "The Mortgage Market in 2011: Highlights from the Data Reported Under the Home Mortgage Disclosure Act." Board of Governors of the Federal Reserve System. Federal Reserve Bulletin, Vol. 98, No. 6.

The HMDA data does not include a borrower’s total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio or loan product choices. Research (Avery, et. al., 2012) has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data. Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use the HMDA price data in conjunction with information from loan files to assess an institution’s compliance with the fair lending laws.

Loan Approval and Denial Rates by Sex

The 2011 HMDA data for the Lehigh Valley region tabulated sex status from 31,736 microdata records with 19,545 coded “Male,” 7,660 “Female,” 1,798 “No Information Provided by Applicant,” and 2,733 “Not Applicable.” Using the 93.8% of the records with valid sex data, the table below presents a snapshot of loan approval rates and denial rates calculated for low, moderate, and upper income applicants.³¹ The loan approval rate was based on calculations from the 2011 HMDA program data. For 2000, HUD set the Area Median Family Income (MFI) for Lehigh and Northampton Counties at \$51,000³² which provided the basis for calculating the low, moderate, and high income categories used in the table below. Note that denial rates are not simply the complement of approval rates because the “Loan Action” variable allows other outcomes including “Application Withdrawn,” “Incomplete File,” “Purchased Loan,” and “Preapproval Request.”

LOAN APPROVAL & DENIAL RATES BY SEX (2011)					
LEHIGH VALLEY, PENNSYLVANIA					
LOWER INCOME		MODERATE INCOME		HIGHER INCOME	
MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
APPROVAL RATES					
69.6%	61.4%	63.0%	63.3%	68.2%	65.7%
DENIAL RATES					
16.2%	21.9%	22.8%	21.9%	17.0%	20.3%

Source: FFIEC 2011 HMDA Data

Overall, the table above shows that approval rates were three to four times higher than denial rates. Approval rates for both sexes at all income levels were in the range of 61.4% to 69.6%. The maximum variation of approval rates was between lower income males and females; 8.2% favoring males. (Subsequent analysis will show that females were more likely to be denied a mortgage loan because of indebtedness and employment or credit history.)

Except for the lower and higher income categories, approval and denial rates for males were better than those for females. (For the moderate income category rates were approximately equal.) Denial rates varied

³¹ For the 2011 HMDA data the low-income category consists of census tracts where the median family income was less than 50% of the median MSA income based on the 2000 Census of Population and Housing. The upper income category consists of census tracts where the median family income was more than 120% of the median MSA income. Source: Home Mortgage Disclosure Act Disclosure statement explanation of Notes for 2011.

http://www.ffiec.gov/hmdaadwebreport/footnote_HMDA2011.htm.

³² Source: <http://www.huduser.org/portal/datasets/il/fmr00/hud00pa.txt>. Lehigh and Northampton Counties are part of the Allentown-Bethlehem-Easton, PA HUD Metro FMR Area.

between 16.2% (lower income males) and 22.8% (moderate income males). As with approval rates, denials had the largest gap at the low income level: 5.7% between low income males and females.

Loan Approval Rate by Race & Ethnicity

The below table disaggregates loan approval rates into racial and ethnic categories for different levels of income. Of the 2011 HMDA records, 10.8% were not coded for race and 9.9% had missing ethnicity data.

Whites consistently had the highest loan approval rates at all income levels, almost 70% for both low and high income applicants. Among the more populous groups, Blacks and Hispanics had the lowest approval rates at all income levels. Large differences in approval rates were found between White and Black income groups: low-17.9%, moderate-11.6%, and high-17.8%. Similarly, the difference between White and Hispanic income groups was 17.0%, 14.1%, and 15.8%. For White and Asian income groups the gap was smaller but still substantial: 8.0%, 9.7%, and 13.7%. Pacific Islanders had the lowest approval rates: 35.3% to 47.6%.

The analysis determined that loan approval outcomes for Whites were substantially better than those for all other groups. Asians, particularly those with low incomes, fared better than Blacks and Hispanics but still fell well below White approval levels. Overall, approval rates were determined to be weakly dependent on income within groups but varied strongly across race and ethnic groups.

LOAN APPROVAL RATES BY RACE & ETHNICITY (2011)						
LEHIGH VALLEY, PENNSYLVANIA						
LOWER INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
69.5%	51.6%	61.5%	50.0%	35.3%	52.5%	69.2%
MODERATE INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
65.3%	53.7%	55.6%	53.8%	48.8%	51.2%	65.5%
HIGHER INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
69.3%	51.5%	55.6%	61.5%	47.6%	53.5%	68.9%

Source: FFIEC 2011 HMDA Data

Loan Denial Rate by Race & Ethnicity

The table on the following page divides loan denial rates into racial and ethnic categories for three levels of income. Mirroring the result of the approval rate analysis, Whites had the lowest denial rates at all income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. As with approval rates, denial rates for Asians were lower than for other minority groups but much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. In summary, denial rates were consistent with approval rates with Whites faring much better than Blacks, Asians, or Hispanics, and especially American Indians and Pacific Islanders.

LOAN DENIAL RATES BY RACE & ETHNICITY (2011) LEHIGH VALLEY, PENNSYLVANIA						
LOWER INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
16.9%	28.1%	20.9%	29.2%	47.1%	29.7%	17.0%
MODERATE INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
21.0%	32.4%	29.6%	30.8%	39.0%	33.3%	20.9%
HIGHER INCOME						
WHITE	BLACK	ASIAN	AMER. IND.	PAC. ISL.	HISP.	NON-HISP
16.9%	34.5%	25.7%	26.9%	42.9%	27.3%	17.2%

Source: FFIEC 2011 HMDA Data

Loan Actions by Census Tract Minority Percentage

Census tracts often approximate neighborhoods and can provide a convenient measure of the small area effects of loan discrimination. The following table (HMDA Loan actions by Census Tract Minority Percentage) provides the counts and rates of loan actions³³ for Lehigh Valley census tracts by varying levels of minority population.

The categories shaded in green show loans that were approved by a HMDA-reporting loan institution. Many loans were approved resulting in a mortgage (Loan Originated) but in some cases an application was approved but the applicant decided not to finalize the loan and so were categorized as “Approved But Not Accepted.”

By far the largest minority percentage category of approved loans was for census tracts with less than 10% minority population. Forty-eight of the 144 Lehigh Valley census tracts had a minority percentage less than 10%. Over half (51.2%) of all successful loan applications were approved in these tracts. For the 90 census tracts with a minority percentage between 10% and 20%, the approval rate was almost as high, 49.1%. Loan approvals in tracts composed of more than 20% minorities were at least 10% lower. For tracts with greater than 70% minority population (11 tracts, most in Allentown), the successful loan origination rate dropped to 28.7%. For the dozen tracts with a minority percentage between 50% and 70%, the rate was 38.4%. Tracts with minority populations of between 20% and 70% showed relatively little variation in loan originations averaging about 38 percent demonstrating it was the extremes of minority concentration that showed the most variation. Tracts with greater than 70% minority also had the highest percentage of loan “Approved but Not Accepted” (5.7%) and “Closed Incomplete” (4.6%) suggesting that those applicants may have had reasons to reconsider a mortgage.

Overall, the rate of loan denials (shaded in red in the table) was about a third that of approvals. Tracts with less than 10% minorities had the lowest loan application denial rate, 14.8%, while tracts with above 70% minorities had the highest denial rate, 31.0%. The following map (HMDA Loan Denial Rate) shows the

³³ Loan approvals include “Loan Originated” and “Approved but Not Accepted.” “Application Denials by the Financial Institution” was the single category used to calculate Denial Rates. Other loan action categories included “Application Withdrawn by Client” and “File Closed for Incompleteness.”

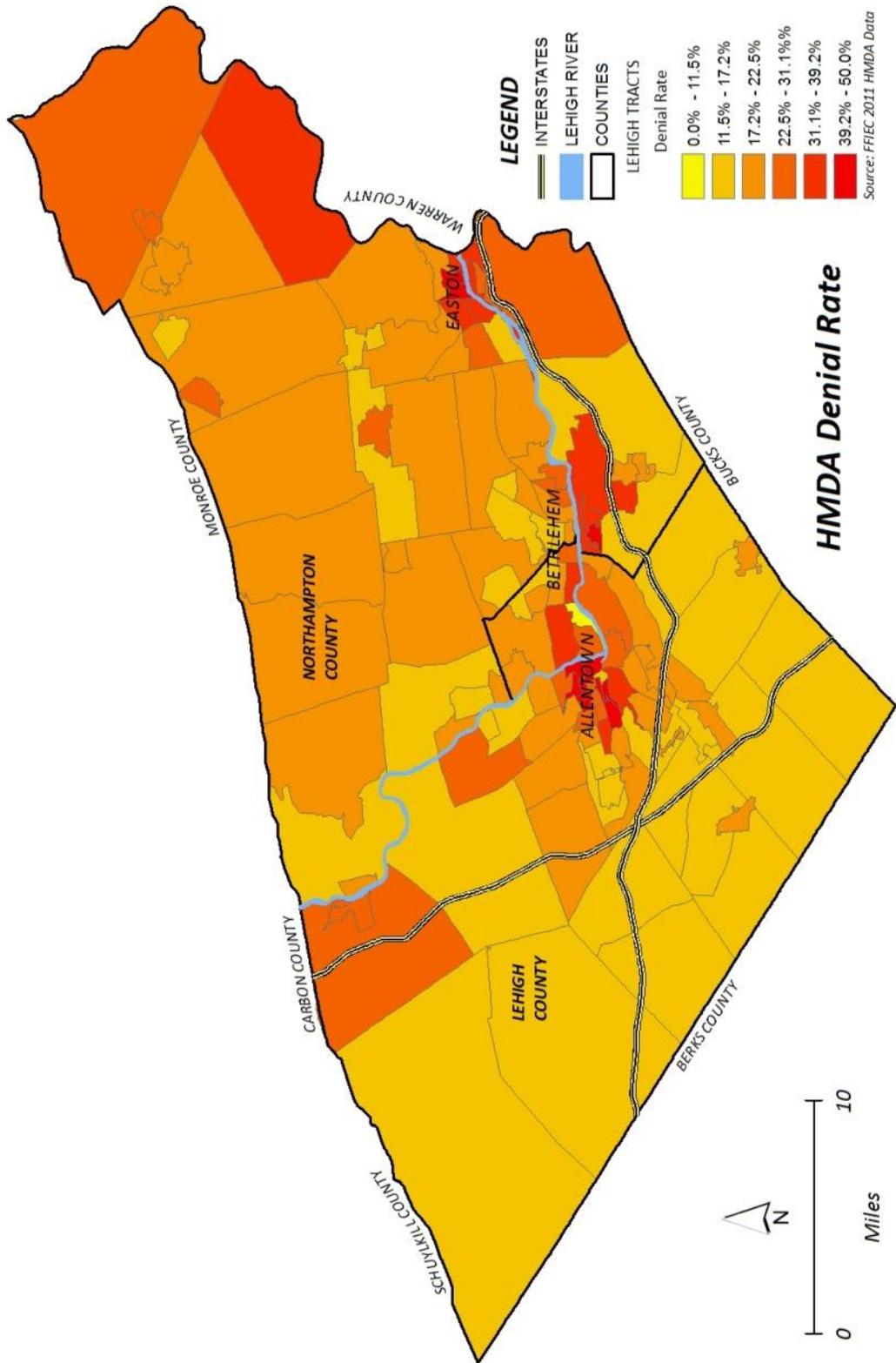
Source: http://www.ffiec.gov/hmdaadwebreport/footnote_HMDA2011.htm.

geographic distribution of loan denials which corresponds to the urban areas of Allentown, Bethlehem, and Easton where large numbers of minorities live. Additionally, broad areas of rural Northampton County, especially in the northeast, had substantially higher loan denial rates than Lehigh County. Census tracts 154.00 and 151.00 had denial rates of 31.7% and 23.6%, comparable to the most adversely affected urban areas.

HMDA LOAN ACTIONS BY CENSUS TRACT MINORITY PERCENTAGE (2011)							
LEHIGH VALLEY, PENNSYLVANIA							
Tract Minority Percentage	Loan Action (Counts)						
	Loan Originated	Approved But Not Accepted	Denied By Financial Institution	Withdrawn By Applicant	Closed Incomplete	Purchased By Institution	TOTAL
0.0 - 10%	13,183	1,035	3,808	2,350	780	4,587	25,743
10% - 20%	1,226	93	408	227	72	473	2,499
20% - 30%	580	53	396	182	38	272	1,521
30% - 40%	328	36	202	88	29	174	857
40% - 50%	162	11	129	47	13	91	453
50% - 70%	221	18	162	50	17	108	576
70% - 100%	25	5	27	10	4	16	87
TOTAL	15,725	1,251	5,132	2,954	953	5,721	31,736
	Loan Action (Rates)						
0.0 - 10%	51.2%	4.0%	14.8%	9.1%	3.0%	17.8%	100.0%
10% - 20%	49.1%	3.7%	16.3%	9.1%	2.9%	18.9%	100.0%
20% - 30%	38.1%	3.5%	26.0%	12.0%	2.5%	17.9%	100.0%
30% - 40%	38.3%	4.2%	23.6%	10.3%	3.4%	20.3%	100.0%
40% - 50%	35.8%	2.4%	28.5%	10.4%	2.9%	20.1%	100.0%
50% - 70%	38.4%	3.1%	28.1%	8.7%	3.0%	18.8%	100.0%
70% - 100%	28.7%	5.7%	31.0%	11.5%	4.6%	18.4%	100.0%
TOTAL	49.5%	3.9%	16.2%	9.3%	3.0%	18.0%	100.0%

Source: 2011 FFIEC HMDA Data; Census 2000 Tract Geography

LEHIGH VALLEY, PENNSYLVANIA



Loan Approval Rate, Minority Rate, and Household Income by Census Tract

The table on the next page (Loan Approval Rate by Census Tract) is useful for examining small area factors that potentially relate to housing discrimination. The table is a tract-by-tract reconciliation of “Percent Minority,” “Median Household Income,” and “Loan Approval Rate” for the Lehigh Valley region. The minority population and median income data used in the following table is from the 2011 HMDA dataset which drew from Census 2000³⁴ data. As before, the loan approval rate data is from calculations which were based on the HMDA program data from 2011.³⁵

The statistical correlation coefficient³⁶ between the loan approval rate and the median household income was determined to be 0.64 (statistically significant at the 0.01 level), a value suggesting a definite positive relationship between these two variables. Similarly, the correlation between approval rate and minority percentage is -0.66 (inversely related at 0.01 significance) and income and minority percentage is -0.67 (inverse at 0.01 significance). The conclusion from the correlation analysis was that the approval rate clearly varied positively with household income and inversely with tract minority percentage. Applicants with lower incomes had a greater difficulty obtaining a loan and were more likely to reside in census tracts with higher levels of minorities.

Two examples will illustrate the positive relationship between income, minority share, and approval rate: 1) census tract 11.00 in central Allentown had the lowest median household income in the region, \$15,550, the lowest rate of loan approval, 25.0%, and a very high minority share, 58.3%; and, 2) tract 63.04 in the western Lehigh County suburbs of Allentown had the highest household income of any tract, \$80,490, a 72.0% approval rate, and a very low minority population share of 9.3%.

³⁴ The Census Tracts used in the table are based on demographic information from the 2000 Census of Population and Housing. Source: [Home Mortgage Disclosure Act Statement Explanation of Notes for 2011](http://www.ffiec.gov/hmdaadwebreport/footnote_HMDA2011.htm), http://www.ffiec.gov/hmdaadwebreport/footnote_HMDA2011.htm

³⁵ The change from using data from the 2000 Decennial Census to using data from the 2010 Census and the 2006–2010 American Community Survey (ACS) as the basis for deriving median family income affects how banking institutions fared in Community Reinvestment Act performance evaluations. If the new census-tract income classifications had been used in 2011, there would have been a national net increase in mortgage lending to low- and moderate-income neighborhoods of about 150,000 loans, about 22 percent higher than the number of this type of loan in 2011 under current census-tract income classifications (Avery, et. al., 2012).

³⁶ Pearson's correlation coefficient is a measure of the extent to which two measurement variables “vary together.” Note that just because two variables are correlated does not necessarily mean that one causes the other.

LOAN APPROVAL RATE BY CENSUS TRACT (2011)
LEHIGH VALLEY REGION, PENNSYLVANIA

LEHIGH COUNTY										NORTHAMPTON COUNTY										
TRACT NUMBER	MINORITY POPULATION (%)	MEDIAN INCOME (\$)	LOAN APPROVAL RATE (%)	TRACT NUMBER	MINORITY POPULATION (%)	MEDIAN INCOME (\$)	LOAN APPROVAL RATE (%)	TRACT NUMBER	MINORITY POPULATION (%)	MEDIAN INCOME (\$)	LOAN APPROVAL RATE (%)	TRACT NUMBER	MINORITY POPULATION (%)	MEDIAN INCOME (\$)	LOAN APPROVAL RATE (%)	TRACT NUMBER	MINORITY POPULATION (%)	MEDIAN INCOME (\$)	LOAN APPROVAL RATE (%)	
1.00	24.15	36,250	53.05%	56.02	5.25	40,878	67.02%	101.00	16.92	44,750	71.19%	160.01	1.93	54,101	64.40%					
2.00	17.49	25,139	85.71%	57.01	17.27	51,158	68.36%	102.00	6.67	79,774	72.54%	160.02	1.78	41,127	69.05%					
3.00	46.03	28,567	57.06%	57.02	5.61	36,166	63.19%	103.00	7.89	44,033	69.28%	161.00	3.48	41,743	64.71%					
4.00	48.76	25,997	35.85%	57.03	25.86	36,332	59.62%	104.00	11.05	46,161	64.36%	162.01	3.40	36,587	64.16%					
5.00	74.16	23,636	42.31%	58.00	4.46	38,679	71.31%	105.00	67.66	16,500	61.70%	162.02	2.29	47,113	66.33%					
6.00	37.22	33,580	57.67%	58.00	6.31	42,432	70.18%	106.00	13.79	36,934	67.30%	163.00	3.20	39,375	62.16%					
7.00	53.26	24,907	50.94%	59.02	17.35	35,061	60.47%	107.00	15.42	32,962	60.33%	164.00	1.83	54,464	69.03%					
8.00	66.56	24,446	31.37%	60.01	4.38	48,369	68.66%	108.00	14.40	27,179	67.19%	165.00	3.45	55,694	65.05%					
9.00	70.21	19,000	47.37%	60.02	6.29	72,798	66.17%	109.00	47.90	31,200	46.67%	166.00	.05	40,825	62.20%					
10.00	73.29	20,585	38.46%	61.01	.06	39,286	68.75%	110.00	27.39	15,813	44.64%	167.00	2.91	55,291	70.86%					
11.00	58.28	15,550	25.00%	61.02	4.03	57,415	74.89%	111.00	25.06	29,063	25.00%	168.00	2.16	39,038	61.06%					
12.00	63.44	24,725	71.43%	62.01	9.65	73,652	72.11%	112.00	61.22	25,677	54.12%	169.00	4.07	70,250	66.48%					
13.00	56.57	16,612	43.48%	62.02	4.94	53,549	72.05%	113.00	62.94	25,393	56.47%	170.00	1.36	48,816	74.47%					
14.01	25.59	37,847	51.61%	63.02	3.46	51,643	68.70%	141.00	8.64	49,821	69.57%	171.00	6.44	66,055	64.60%					
14.02	8.90	41,114	68.42%	63.03	5.86	51,721	67.39%	142.00	24.68	30,208	46.43%	172.00	9.05	37,472	51.81%					
15.01	39.90	31,465	58.60%	63.04	9.25	80,490	72.04%	143.00	37.30	29,040	39.19%	173.00	7.46	37,755	48.39%					
15.02	20.92	36,550	54.55%	63.05	6.90	66,000	70.03%	144.00	26.82	22,989	39.29%	174.01	8.25	63,214	65.30%					
16.00	55.57	27,992	38.10%	63.06	7.24	71,775	70.51%	145.00	38.75	34,722	47.17%	174.02	6.33	54,482	60.77%					
17.00	44.96	30,000	36.62%	64.00	2.92	65,202	71.58%	146.00	37.64	35,479	44.44%	175.01	6.07	43,778	63.84%					
18.00	52.54	25,208	57.75%	65.00	4.53	37,143	67.14%	147.00	21.80	41,985	47.19%	175.02	7.81	60,345	73.33%					
19.00	19.97	22,561	48.31%	66.00	4.29	54,136	69.60%	151.00	3.27	45,153	58.31%	176.01	10.73	62,061	68.62%					
20.00	37.22	32,804	61.18%	67.01	6.21	44,879	61.20%	152.01	3.13	37,134	61.57%	176.02	8.20	66,042	65.33%					
21.00	28.86	28,680	42.28%	67.02	7.12	50,153	59.32%	152.02	1.33	36,429	62.07%	176.03	8.96	45,917	62.09%					
22.01	8.14	42,250	68.56%	67.03	4.53	68,370	73.56%	153.00	1.20	48,728	58.87%	177.01	8.65	64,358	67.39%					
22.02	9.93	30,023	60.00%	68.00	16.82	40,318	61.27%	154.00	2.32	51,568	56.35%	177.02	6.21	66,974	75.51%					
23.01	7.86	55,851	71.55%	69.02	5.19	43,603	69.37%	155.00	1.68	49,019	61.17%	178.00	19.45	44,297	60.61%					
23.02	8.52	50,893	64.57%	69.03	3.78	64,315	70.18%	156.00	2.71	40,066	65.63%	179.01	3.84	37,170	70.31%					
51.00	4.76	36,531	59.35%	69.04	3.27	67,757	72.73%	157.00	3.49	35,030	59.04%	179.02	2.88	43,220	60.47%					
52.00	1.93	50,587	59.34%	70.00	2.46	67,008	66.84%	158.00	2.35	63,966	63.43%	180.01	4.49	54,962	69.74%					
53.00	2.26	54,219	71.28%	91.00	6.45	32,959	71.43%	159.01	2.17	48,542	67.87%	180.02	5.37	62,697	68.64%					
54.00	2.71	63,566	70.59%	92.00	8.84	42,645	66.67%	159.02	1.54	47,598	62.94%	181.00	3.80	54,816	59.22%					
55.01	3.14	60,861	71.11%	93.00	7.35	49,018	71.61%													
55.02	4.90	60,196	71.62%	94.00	24.97	38,357	54.55%													
56.01	4.07	45,241	63.40%	95.00	18.16	36,152	61.93%													

Sources: 2011 FFIEC HMDA Data; Census 2000 Summary File 1; Geography: Census 2000 Tracts

Loan Application, Approval, and Denial Trends 2009-2011

Nationally, the number of loan applications is down substantially from the levels at the height of the housing boom. HMDA data show the same trend was evident in the Lehigh Valley region for several years after the housing crash. The pair of graphs below (loan counts and loan rates) are based on HMDA data from 2009, 2010, and 2011.

The most striking aspect of the first graph is the consistent decline of loan applications and approvals over the period of the data. Applications fell from 43,711 in 2009, to 37,317 in 2010, and finally to 31,379 in 2011; an average annual decline of 6,166 applications (green line). From a high of 23,099 loans approved in 2009, by 2011 the number had declined to 16,979, a net decline of 26.5% with a nearly constant downward slope of 3,060 loans per year (blue line) and no bottoming out of the trend.

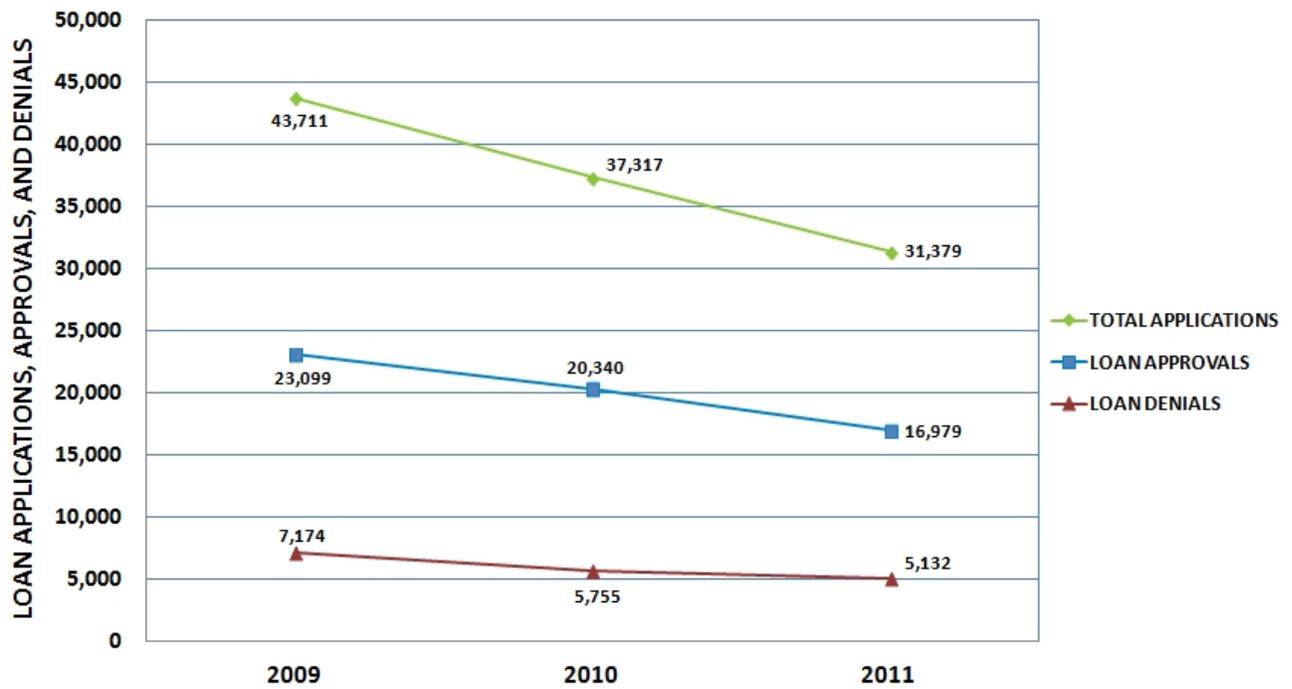
The first of the following graphs shows that loan denials decreased by 1,419 (2009-2010) to 623 (2010-2011), a decline of 43.9% reflected by the shallower slope of the red line during the latter period. This decline in the volume of denials could be attributed to reluctance of some home buyers with marginal credit to become involved in the fragile housing market.

The second graph shows loan approval and denial rates for the region. While the number of loan approvals dropped sharply during the period, loan approval rates remained nearly constant, an indication that the quality of applications remained steady (assuming that the loan evaluation criteria did not change). The rate at which loan applications were denied was relatively constant also, further suggesting that the quality of applications did not decline.

In summary, the HMDA analysis for the period 2009-2011 showed a consistent downward trend in the volume of both applications and approvals. Approval and denial rates held steady during the period. More recently, the national housing market has demonstrated a modest rebound but HMDA data for years subsequent to 2011 are not yet available.

HMDA APPLICATIONS, APPROVALS, AND DENIAL COUNTS

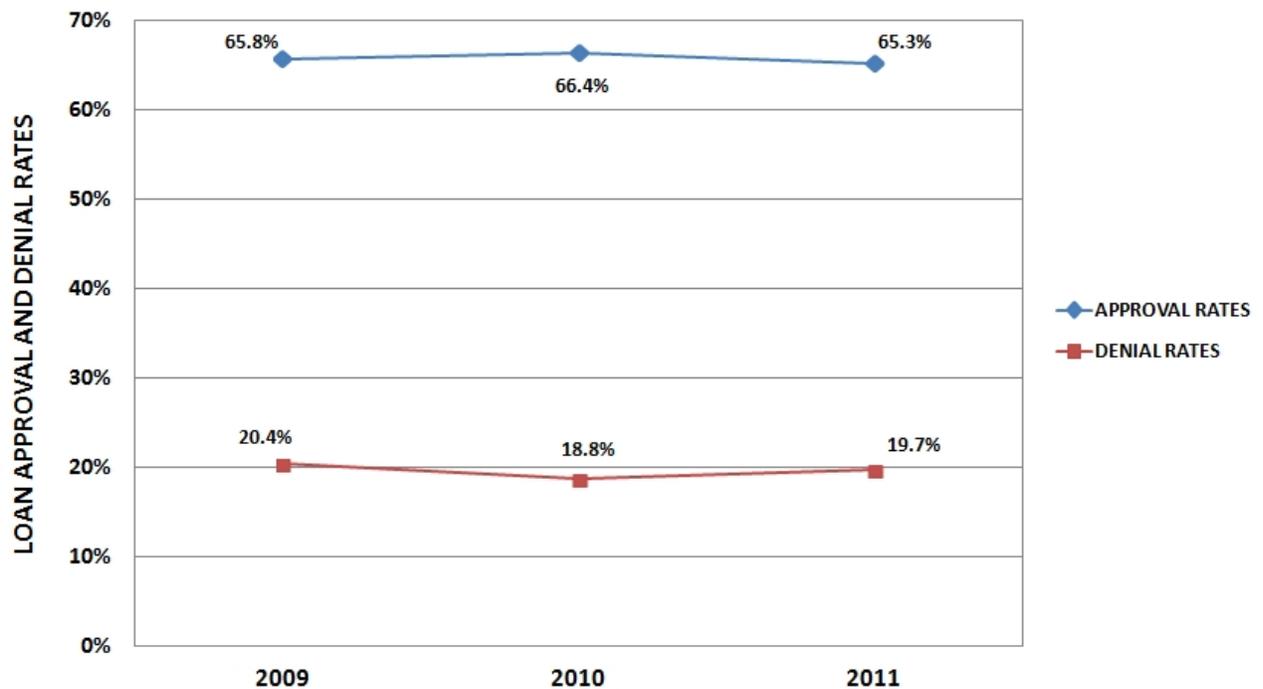
Lehigh Valley Region, Pennsylvania



Sources: FFIEC 2009-2011 Home Mortgage Disclosure Data (HMDA) Data

HMDA APPROVAL AND DENIAL RATE TRENDS

Lehigh Valley Region, Pennsylvania



Sources: FFIEC 2009-2011 Home Mortgage Disclosure Data (HMDA) Data

Reasons for Loan Denial by Sex

Under the provisions of the HMDA, reporting institutions may choose to report the reasons they deny loans to consumers. As noted earlier in this section there is no requirement for reporting “Reason for Loan Denial” and the majority (86.9%) of the data records do not have this information. The below table breaks down the reasons for denial by sex. Three tiers of information are available: counts of each reason for loan denial, rates calculated from the sex, and the ratio of female to male rates.

Across most of the major reasons for mortgage loan denial, females fared worse than males. For “Debt-to-Income Ratio,” females were 1.25 times more likely to be denied loans than males, reflecting lower incomes than males or, less likely, higher debt loads. Similarly, females were more likely to be denied a loan because of credit history (1.30X), employment history (1.24 times more likely than males but a relatively minor factor for both), and mortgage insurance denied (1.64X, but a minor factor). Historically, males have had the advantage with respect to employment and credit history.

Females did better when it came to collateral (0.78 times as likely as a male to be denied a loan on the basis of inadequate collateral) or insufficient cash (0.93 times as likely). Females also were denied mortgages less often for unverifiable information (0.64X), or an incomplete credit application (0.84X).

In summary, the reasons for denial mostly relate to the applicant’s (and co-applicant, if any) long-term ability to repay the loan such as debt-to-income ratio, employment and credit history or their ability to pay the short-term costs of originating a mortgage (down payment and closing). Females were denied mortgage loans more frequently than males due to income, employment, or credit reasons and were less likely to be denied for collateral and credit application issues.

HMDA LOAN REASON FOR DENIAL BY SEX (2011)											
LEHIGH VALLEY REGION, PENNSYLVANIA											
	No Data	Debt-To- Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash (Downpayment, Closing Costs)	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total with Data
COUNTS											
MALE	16,944	521	39	469	710	90	100	390	4	278	2,601
FEMALE	6,474	297	22	277	254	38	29	150	3	116	1,186
TOTAL	23,418	818	61	746	964	128	129	540	7	394	3,787
RATES											
MALE	72.4%	20.0%	1.5%	18.0%	27.3%	3.5%	3.8%	15.0%	0.2%	10.7%	100.0%
FEMALE	27.6%	25.0%	1.9%	23.4%	21.4%	3.2%	2.4%	12.6%	0.3%	9.8%	100.0%
TOTAL	100.0%	21.6%	1.6%	19.7%	25.5%	3.4%	3.4%	14.3%	0.2%	10.4%	100.0%
FEMALE-TO-MALE RATE RATIO											
F/M RATIO	0.86	1.25	1.24	1.30	0.78	0.93	0.64	0.84	1.64	0.92	1.00

Source: FFIEC 2011 HMDA Data

Reasons for Loan Denial by Race and Ethnicity

This section of the HMDA Analysis disaggregates the “Reasons for Denial” variable described in the previous section by race (Whites, Blacks, Asians, American Indians, and Pacific Islanders) and ethnicity (Hispanic or non-Hispanic). The format of the previous table is repeated in this section providing counts, rates, and the ratio of loan denials to Whites (as a reference group for comparison) to other races and the Hispanic ethnicity. The findings by reason for loan denial were:

- Debt-To-Income Ratio – Denials on the basis of too high a debt-to-income ratio averaged 20%-22% for all races except for Asians (24.5%) and American Indians (15.8%). However, the number of American Indians that applied for loans was so low that chance cannot be ruled out as a factor causing the low value.
- Employment History – This factor was more significant for Blacks than any other group accounting for 4.0% of all reasons for denial, double the rate of any other group. Compared to Whites, Blacks were 2.95 times as likely to be denied a loan on the basis of employment history. The Asian loan denial rate was 1.38 times that of Whites.
- Credit History – Credit history was a major reason for denial for all groups but especially for Hispanics (30.3%), Blacks (27.7%), American Indians (36.8%), and Pacific Islanders (34.5%). For Whites and Asians credit history was a much less frequent reason, 19.1% and 13.8%, respectively. Blacks, American Indians, Pacific Islanders, and Hispanics were significantly more likely than Whites—1.45 times, 1.93 times, 1.80 times, and 1.59 times respectively—to be denied for credit history.
- Collateral – Overall, insufficient collateral was the single largest reason for denial of a mortgage loan. Hispanics, Pacific Islanders, Blacks and American Indians were found to be less likely to be denied a mortgage loan because of a lack of collateral than Whites and Asians—0.68 times, 0.67 times, 0.81 times, and 0.82 times respectively.
- Insufficient Cash – Blacks, Asians, and Hispanics were less likely than Whites to be denied a loan for insufficient cash but overall this was not a major factor in the loan decision outcomes.
- Unverifiable Information – Hispanics, Blacks, and to a lesser degree, Asians were less likely than Whites to be able to provide sufficient verifiable information given as part of the mortgage loan application.
- Credit Application Incomplete – Whites were the largest group to be denied a mortgage loan on the basis of an incomplete loan application accounting for 462 of 507 rejections for this factor.
- Mortgage Insurance Denied – There were very few cases of a loan being rejected for denial of mortgage insurance.

HMDA LOAN REASON FOR DENIAL COUNTS BY RACE AND ETHNICITY (2011)											
LEHIGH VALLEY REGION, PENNSYLVANIA											
	No Data	Debt-To- Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash (Downpayment, Closing Costs)	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total With Data
COUNTS											
WHITE	20,952	698	44	613	827	116	103	462	7	337	3,207
BLACK	551	37	7	48	36	5	9	15	0	16	173
ASIAN	655	39	3	22	40	2	6	23	0	24	159
AMER. IND.	61	3	0	7	4	0	0	2	0	3	19
PAC. ISL.	54	6	0	10	5	0	0	5	0	3	29
HISP.	1,392	81	6	121	70	13	24	45	0	39	399
NON-HISP	21,093	713	50	595	855	111	99	470	7	345	3,245
RATES											
WHITE	94.1%	21.8%	1.4%	19.1%	25.8%	3.6%	3.2%	14.4%	0.2%	10.5%	100.0%
BLACK	2.5%	21.4%	4.0%	27.7%	20.8%	2.9%	5.2%	8.7%	0.0%	9.2%	100.0%
ASIAN	2.9%	24.5%	1.9%	13.8%	25.2%	1.3%	3.8%	14.5%	0.0%	15.1%	100.0%
AMER. IND.	0.3%	15.8%	0.0%	36.8%	21.1%	0.0%	0.0%	10.5%	0.0%	15.8%	100.0%
PAC. ISL.	0.2%	20.7%	0.0%	34.5%	17.2%	0.0%	0.0%	17.2%	0.0%	10.3%	100.0%
HISP.	6.2%	20.3%	1.5%	30.3%	17.5%	3.3%	6.0%	11.3%	0.0%	9.8%	100.0%
NON-HISP	93.8%	22.0%	1.5%	18.3%	26.3%	3.4%	3.1%	14.5%	0.2%	10.6%	100.0%
GROUP-TO-WHITE RATE RATIO											
WHITE		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BLACK		0.98	2.95	1.45	0.81	0.80	1.62	0.60	0.00	0.88	1.00
ASIAN		1.13	1.38	0.72	0.98	0.35	1.17	1.00	0.00	1.44	1.00
AMER. IND.		0.73	0.00	1.93	0.82	0.00	0.00	0.73	0.00	1.50	1.00
PAC. ISL.		0.95	0.00	1.80	0.67	0.00	0.00	1.20	0.00	0.98	1.00
HISP.		0.93	1.10	1.59	0.68	0.90	1.87	0.78	0.00	0.93	1.00
NON-HISP		1.01	1.12	0.96	1.02	0.95	0.95	1.01	0.99	1.01	1.00

Source: FFIEC 2011 HMDA Data

Summary of HMDA Analysis Findings

Many useful observations can be drawn from this HMDA Analysis, among them the following:

- The number of home mortgage loan applications in the region fell from 43,711 in 2009 to 31,379 in 2011. From 23,099 loans approved in 2009, the number had declined to 16,979 by 2011, a net decline of 26.5%.
- The loan approval rate for lower income males was 8.2% higher than for females. The denial rate for males was 5.7% lower than for females.
- Loan approval rates were determined to be weakly dependent on income but varied substantially by sex and across racial and ethnic groups.
- Loan approval outcomes for Whites averaged 12% more than other groups for middle income applicants and 17% more than other incomes ranges. Asians fared better than Blacks and Hispanics but still fell well below White approval levels.
- White loan denial rates were the lowest among all groups ranging from a difference of 4.0% compared to lower income Asians to 17.6% for higher income Blacks.
- Tracts with below 10% minorities had the highest approval and lowest denial rates.
- Tracts with above 70% minorities had the lowest approval and highest denial rates.
- The geographic distribution of loan denials showed the highest concentration in Allentown, Bethlehem, and Easton, where large numbers of minorities live. Broad areas of rural Northampton County, especially in the northeast, had substantially higher loan denial rates than Lehigh County.
- The major reasons for denial of a mortgage loan application were debt-to-income ratio, credit history, and collateral.

- Applicants with lower incomes had greater difficulty obtaining a loan and were more likely to reside in census tracts with higher levels of minorities.
- Females were denied mortgage loans more frequently than males due to employment and income reasons and were less likely to be denied for collateral and credit application issues.
- Compared to Whites, Blacks were 2.95 and Asians 1.38 times as likely to be denied a loan on the basis of employment history. Blacks and Hispanics were 1.45 and 1.59 times as likely as Whites to be rejected for a loan due to issues with their credit history.

This analysis found there were significant differences in loan approvals and denials due to sex, race, and ethnicity. However, based on the data alone however it is not possible to determine if the lender motivation for this disparate treatment was due to economic reasons or social discrimination or both.

Fair Housing Organizations & Activities

Public awareness of fair housing issues and laws is critical to reducing fair housing violations and is a means to ending housing discrimination. As citizens become more aware of their fair housing rights, a logical assumption can be made that more housing complaints will be filed. The baseline measurement regarding public awareness of fair housing issues comes from a national survey conducted in 2000 by HUD. The survey revealed that “majorities of the adult public were knowledgeable about and approved of most aspects of the law, although the size of the majorities varies across these aspects”³⁷ However, only a small percentage of the survey respondents who believed they had been victims of discrimination reported taking any action. In 2005, a follow up survey was conducted by HUD to measure the national increase in public awareness of fair housing rights and the survey revealed very little change in public awareness overall, however public support for fair housing had dramatically increased.

In the Lehigh Valley, federal, state, and local laws work in concert to promote fair housing and prohibit housing discrimination. The federal Fair Housing Act prohibits housing discrimination on the basis of race, color, religion, sex, national origin, familial status, and disability. The state of Pennsylvania has its own anti-discrimination legislation known as the Pennsylvania Human Relations Act. This state law prohibits discrimination against the same groups as the federal Fair Housing Act, as well as discrimination on the basis of age, for people aged 40 and older. Additionally, local ordinances exist in Allentown, Bethlehem, and Easton making it illegal to discriminate because of the person’s sexual orientation and gender identity.

In addition to HUD at the federal level and the Pennsylvania Human Relations Commission at the state level, there are several key local organizations in the region that participate in educational and compliance efforts. These organizations consist of North Penn Legal Services, the Fair Housing Council of Suburban Philadelphia, the Allentown Human Relations Commission, the Bethlehem Human Relations Commission, and the Easton Human Relations Commission. Each organization has its own fair housing education goals and objectives and ideally, all of these organizations implement collaborative efforts to ensure that fair housing education and enforcement is promoted.

For 40 years, North Penn Legal Services (NPLS) has provided no-cost legal advice and representation to low-income residents of Northeastern Pennsylvania. In addition to its standard service offerings, NPLS receives funding from each of the five CDBG entitlement communities³⁸ in Lehigh Valley for the operation of a comprehensive, region-wide fair housing education, referral, and legal representation program called the Lehigh Valley Fair Housing Project. The project is significant for its support from all five major jurisdictions, its consolidation of services that were previously fragmented among these jurisdictions, and for the success of its efforts. NPLS offers a telephone hotline for fair housing-related concerns and provides a dedicated page on its website for the education of the community on fair housing issues. The page also has links to forms so that persons needing assistance with housing can complete a form to request

³⁷ Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, U.S. Department of Housing and Urban Development, February 2006. Source: <http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf>

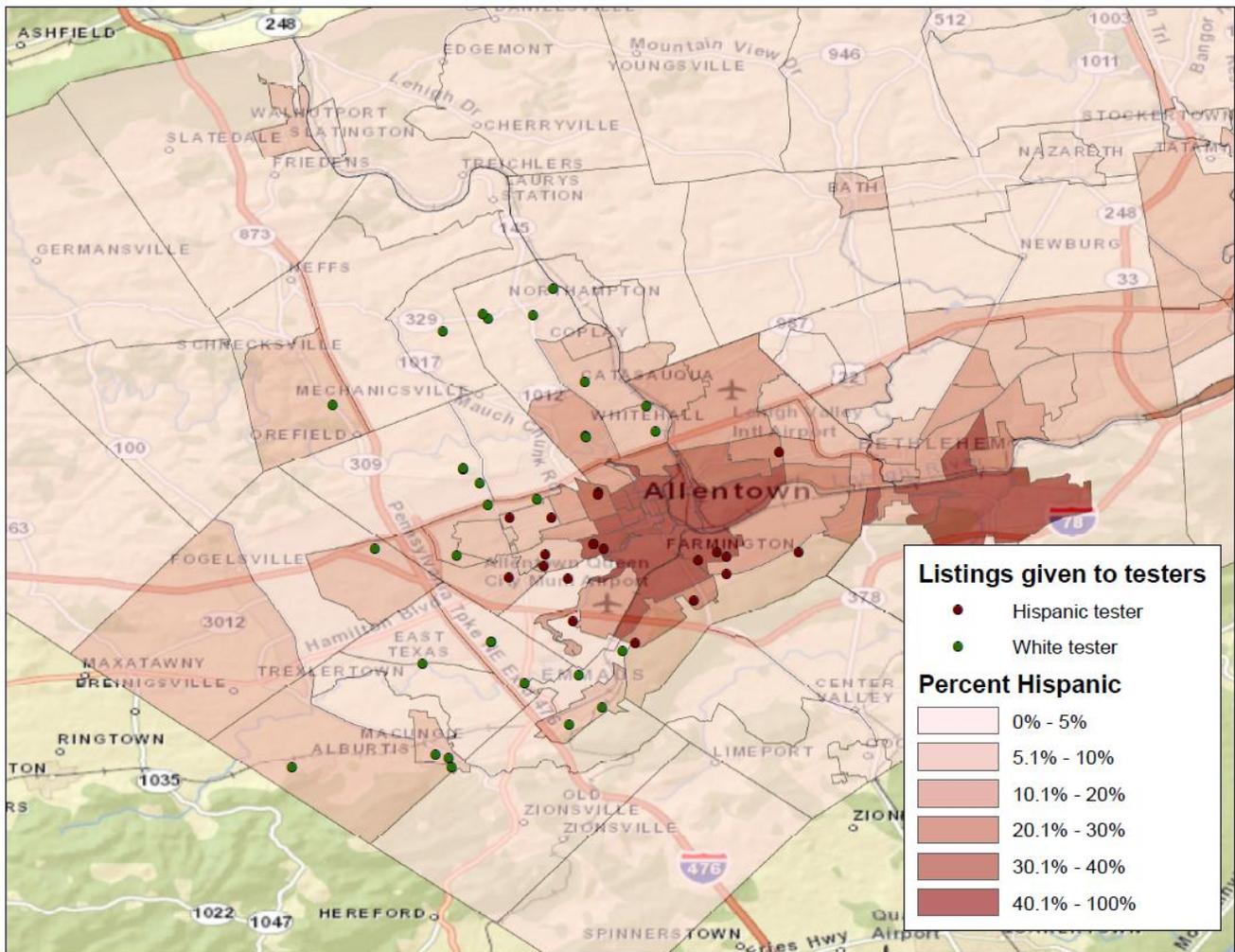
³⁸ Lehigh County, Northampton County, Allentown, Bethlehem, and Easton all receive direct federal funding from HUD under the Community Development Block Grant (CDBG) program. Such direct recipients of CDBG funds are known as “entitlement communities” because federal funding formulas entitle them to the annual funding.

assistance. NPLS also developed a landlord and tenant rights handbook that provides information about renting an apartment, fair housing laws, and basic landlord-tenant laws. Recently, NPLS began a bus advertisement campaign to promote fair housing education. Because NPLS is a legal aid organization, it can provide free legal advice and representation for eligible clients experiencing housing discrimination.

The Fair Housing Council of Suburban Philadelphia (FHCSP) was established in 1956 as a private, non-profit fair housing advocacy and enforcement organization. FHCSP provides fair housing education and outreach services and also accepts and investigates fair housing discrimination complaints in Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia counties. Because the need for fair housing education resources in the Lehigh Valley is served by North Penn Legal Services, the FHCSP's role in the region is primarily one of enforcement. The Council does not receive direct funding from the entitlement communities in the region, but does perform fair housing testing and has brought lawsuits against parties in Lehigh Valley regarding Fair Housing Act violations. These lawsuits are described in detail in a later section of this analysis.

In 2011, the FHCSP was commissioned by the City of Allentown and the Community Action Committee of the Lehigh Valley (CACLV) to perform fair housing testing within the city. FHCSP released a final report in 2012 summarizing the results of 33 tests completed between March 2011 and December 2011. For the testing, the FHCSP evaluated real estate agents and agencies in and around Allentown for their compliance with the Fair Housing Act. The main purpose of these surveys was to see if real estate agents were steering White homebuyers out of the city while at the same time steering minority homebuyers into the city. The testers consisted of trained Hispanic, African American and White testers who assumed the profiles of homebuyers interested in purchasing homes in Allentown. The tests themselves consisted of phone calls with real estate agents and site visits where the testers went and looked at available properties for sale with local Allentown real estate agents. The map on the following page illustrates the results of one such test as an example. Based on 33 tests conducted, the FHCSP determined that 73% of the tests included differential location suggestions based on race or ethnicity; 24% of the tests were inconclusive, while 3% were shown to have treated clients of different races or ethnicities the same.

Residents engaged in development of this analysis agreed that, although this testing study highlighted a key component of discrimination, more residents were unfairly treated based on familial status rather than race. Proving discrimination based on familial status is harder to quantify and this is why residents believed that it is more widespread. Many residents related first-hand accounts of familial status discrimination but could not recall incidences of blatant discrimination based on race. Other residents confirmed that race-based discrimination is not as prevalent as discrimination against people with disabilities and immigrants.

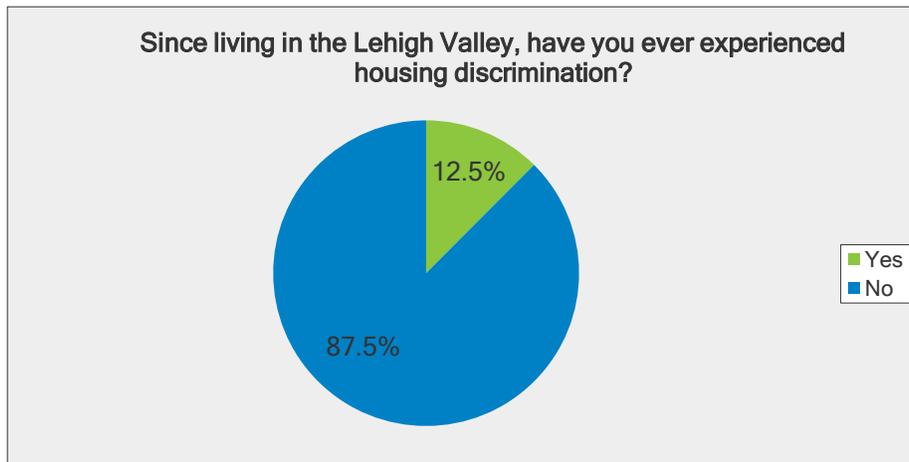


Source: Community Action Committee of the Lehigh Valley

In addition to the organizations already described, the Lehigh Valley Association of Realtors, while not specifically a fair housing organization, is an important provider of education related to fair housing law. The association holds an educational forum at each of their monthly staff meetings to ensure that fair housing education is an ongoing process. A task force has been created to develop monthly fair housing topics that brokers can use at their own meetings. This task force has also begun exploring ways to increase minority representation on the association's board and has worked with HUD to develop a publication directed at consumers to help them understand Fair Housing and how to report Fair Housing issues. These programs have been in place over the past year and stem primarily from the results of fair housing testing commissioned by the City of Allentown and the CACLV, and subsequent involvement by Allentown's mayor and CACLV in a resolution with the Lehigh Valley Association of Realtors.

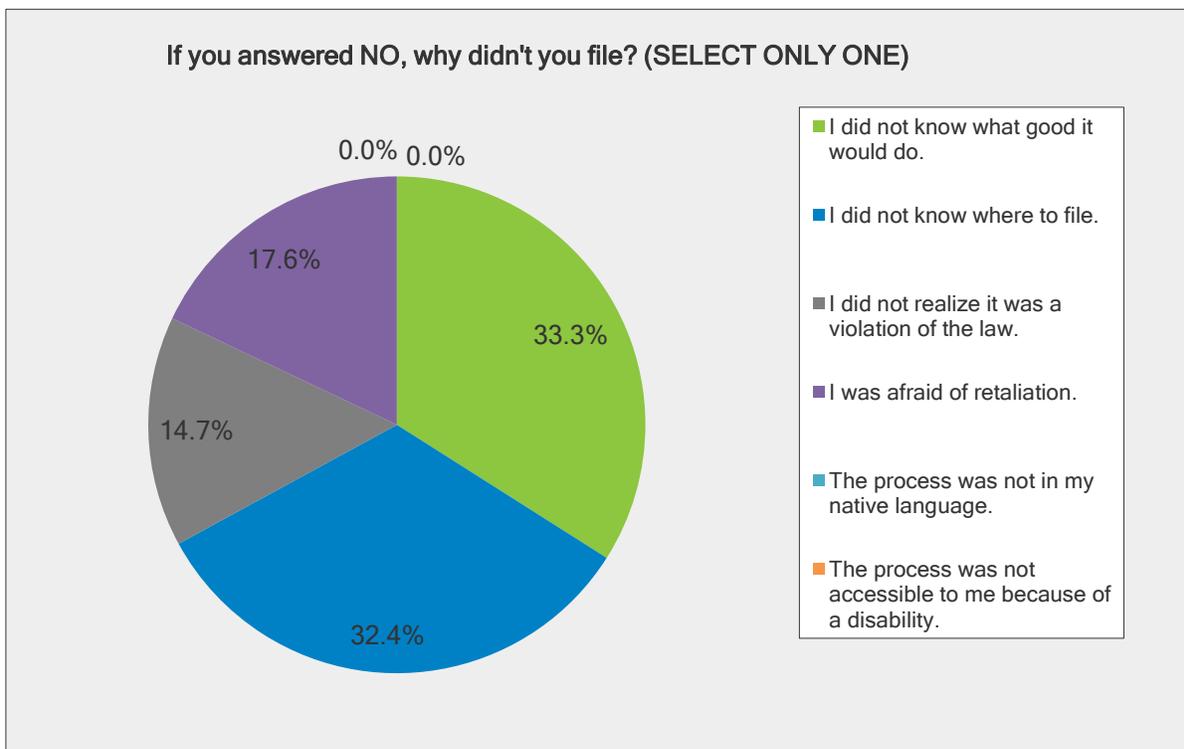
In conjunction with this analysis, a public survey was conducted among Lehigh Valley residents to receive opinions and input on fair housing choice. Based on survey responses, there is strong need for improvement on fair housing educational efforts directed towards the housing industry and to the general public.

When asked if any of the survey respondents had ever experienced housing discrimination, 344 out of 393 (87.5%) of survey respondents stated they had never experienced housing discrimination, while 49 (12.5%) respondents reported that they had.

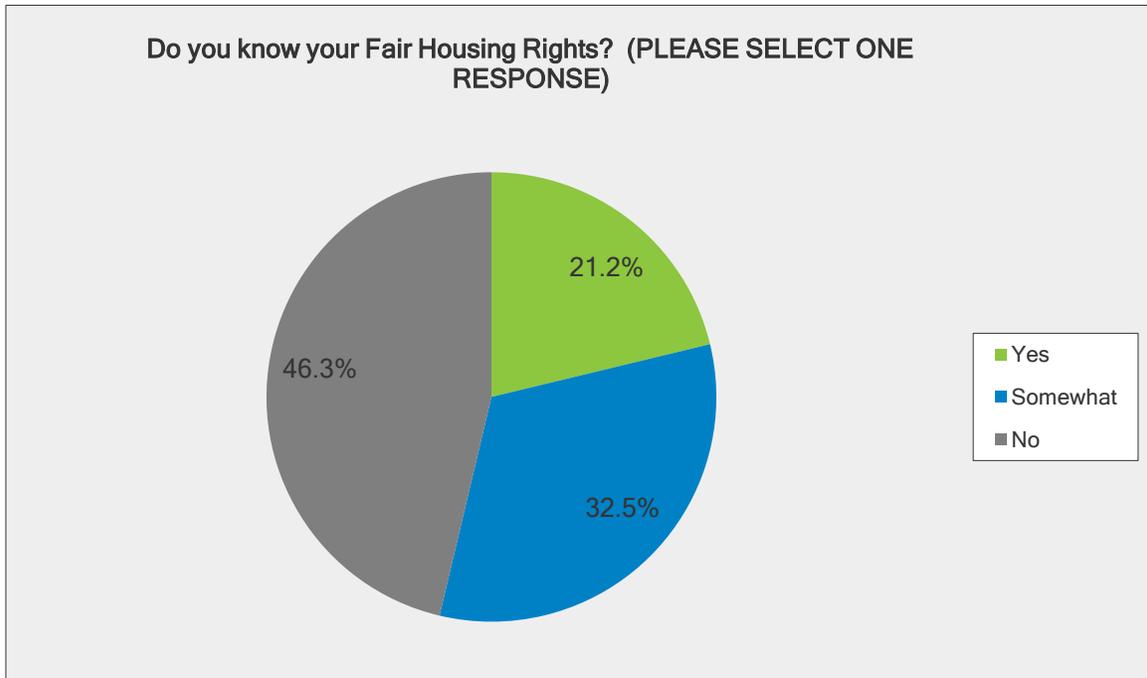


The respondents that had experienced discrimination were asked a follow-up question to ascertain the source of discrimination.

Only 3 of the 49 (6.0%) survey respondents who reported that they had been discriminated against actually filed a complaint. When asked the reason respondents did not file, 33.3% responded that they did not know what good it would do while 32.4% responded that they did not know where to file; 17.6% feared retaliation and 14.7% reported that they did not realize it was a violation of the law.



When asked if survey respondents were knowledgeable about their fair housing rights, only 210 out of the 391 survey respondents (53.7%) stated they were either familiar or somewhat familiar with fair housing rights; the other 181 respondents (46.3%) stated they did not know their fair housing rights.



While HUD has not determined a national standard for the adequate level of public awareness of fair housing laws, HUD encourages jurisdictions to make a continual effort to increase education and awareness. HUD’s FHEO encourages jurisdictions to implement education and outreach activities in an effort to reduce potential violations of fair housing laws. Knowing about the laws and their penalties can serve as a deterrent and help protect against discrimination complaint charges being filed in the Lehigh Valley.

In addition to specific fair housing education needs, as demonstrated by the above survey results, other types of education and facilitation of community understanding were raised by stakeholders participating in interviews and meetings associated with this analysis. One common thread related to education was the belief that housing discrimination is often not intentional. Rather, real estate agents or landlords may work in a way that is discriminatory, but they do not know that their actions are illegal. In such cases, a need for education related to fair housing law is revealed. Similarly, faith-based housing providers were thought by some to be in need of further education on LGBT anti-discrimination measures.

Another area of educational concern was knowledge of the rights of renters and homebuyers. The presence of a sizeable Hispanic population in the region means there are many residents who do not speak fluent English, resulting in a language barrier to awareness of community resources. Residents felt that many

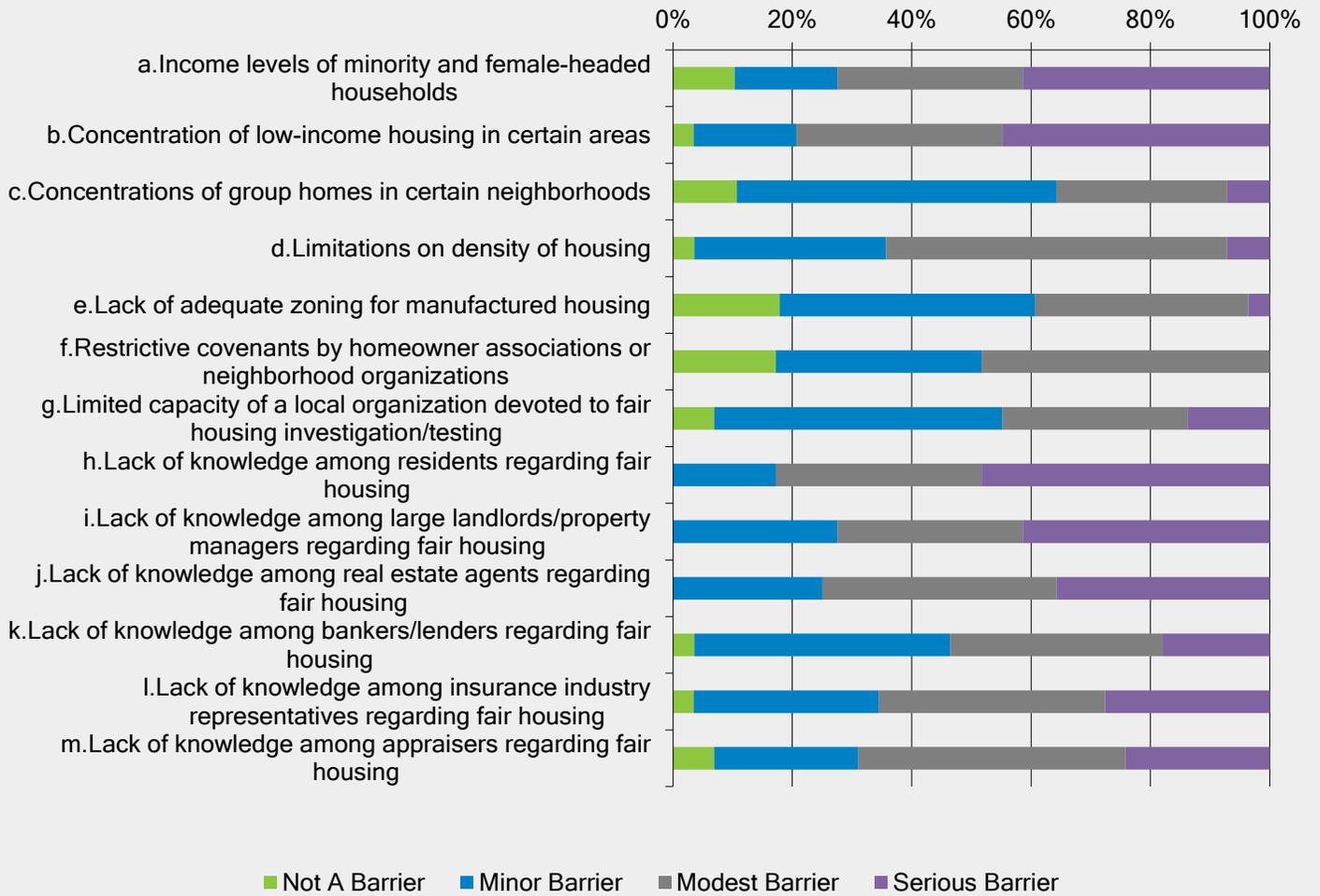
homebuyers did not fully understand what rights they were entitled to and how to use this information to ensure they are treated fairly when entering into purchase and sale agreements, sometimes due to language or cultural differences. Similarly, a need for more education provided to tenants was voiced. Tenants, particularly those who are immigrants or are new to the area are reportedly taken advantage of by unscrupulous landlords.

Some residents believed that there has been a misconception that occupants of subsidized affordable housing receive welfare or public benefits and are a blight to the community. One resident shared that people in the Lower Saucon area at one point wanted to change their zip code so it would not be shared with South Bethlehem. Another resident stated that the community did not feel bound together, but rather like a collection of disconnected people simply living near one another. Numerous people expressed the need for greater cultural awareness and sensitivity. From these stakeholders' points of view, many are under the misconception that immigrant families are the source of large families, crime and noise.

Finally, many residents felt there was a disconnect between the people seeking help with their housing dilemmas and knowledge of where to get this help. Information is available to help residents in need but many of these residents are not sure where or who to turn to in order to improve their situation.

A subset of survey respondents describing themselves as organization or agency representatives was asked to evaluate a series of potential barriers to fair housing choice. A total of 29 professionals, knowledgeable of fair housing, provided the following responses. The most serious barrier in their opinion was a lack of knowledge among residents regarding fair housing. Also in the top five were two other choices having to do with a lack of knowledge about fair housing: one having to do with landlords and property managers, and one concerning real estate agents.

Please evaluate the following possible barriers to fair housing on a scale of 1 to 4, (1=not a barrier, 2=a minor barrier, 3=a modest barrier, 4=a serious barrier).



Housing Discrimination Complaints

HUD's Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can choose to file a fair housing complaint through their respective Regional Office of FHEO. Typically, when a complaint is filed with the agency, a case is opened and an investigation of the allegations of housing discrimination is initiated. If the complaint cannot be successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a "Determination", as well as a "Charge of Discrimination", and a hearing is scheduled before a HUD administrative law judge. Either party (complainant or respondent) may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court.

*The study "How Much Do We Know" published by HUD in 2002, reports that only half of the public could correctly identify as "unlawful" six out of eight scenarios describing illegal fair housing conduct. Nearly one quarter of the public knew the law in two or fewer of the eight cases. In addition, 14% of the adult population claims to have experienced some form of housing discrimination at one point or another in their lives. Of those who thought they had been discriminated against, 83% indicated they had done nothing about it, while 17% say they did pursue a complaint. In HUD's follow-up study *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law* (published in 2006) "41% of the former survey respondents said it was "very likely" they would do something about future discrimination compared to only 20% in the 2005 survey of which African Americans are even somewhat more prone to say they would be likely to respond."*³⁹ The survey revealed that 46% of those who reported having experienced discrimination in the past and done nothing about it said they would very likely do something about future discrimination.

Individuals with more knowledge of their fair housing protections are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

According to the National Fair Housing Alliance (NFHA), in its *2012 Fair Housing Trends Report*, more disability complaints have been filed than any other type of fair housing complaints. NFHA suggest that this may be primarily attributed to apartment owners' direct refusal to make reasonable accommodations or modifications for people with disabilities. As a result, HUD has implemented the Fair Housing Accessibility

³⁹ The Urban Institute (2006). *Do we know more now? Trends in Public Knowledge, Support, and Use of Fair Housing Law*. <http://www.huduser.org/Publications/pdf/FairHousingSurveyReport.pdf>

FIRST program to assist in educating architects and builders regarding design and construction of accessible housing units.

In conducting the following fair housing complaint analysis, several data limitations should be noted:

- Because each organization’s complaint process relies on self-reporting by the complainant, the data represents only complaints that actually are filed and is not inclusive of the total number of inquiries received by an organization and does not represent all acts of housing discrimination, as all incidents are not reported;
- Larger, denser areas are likelier to have a higher number of complaints due to larger populations;
- The fair housing complaints are recorded here by the location where the alleged instances of discrimination occurred and may include complaints filed by residents of surrounding jurisdictions;
- The numbers of types of complaints filed with each organization may exceed the total number of filings due to multiple discrimination allegations within a single complaint.

Complaints Filed with HUD

Region III of the FHEO receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia. The mission of the FHEO is to protect individuals from employment, housing and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases of and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing, public accommodations and hate violence. The following table identifies the number of complaints filed by the location in which the complaint occurred, the status of the complaint, and the bases for the complaint.

From January 1, 2003 to December 31, 2012 there were 73 housing discrimination complaints filed in Lehigh County and Northampton County. Of these complaints, 26 were determined to have cause and 19 of the complaints were settled through conciliation. A total of 8 of the “with cause” complaints were withdrawn after resolution. As of December 31, 2012, 72 of the 73 FHEO complaints had been closed. The complaints as presented from the FHEO are found in full in the Appendix.

**HUD Complaints of Housing Discrimination Received in Lehigh County and Northampton County Jurisdiction
January 1, 2003 - December 31, 2012**

Complaint Origination	# Filed	# Closed	# Open	With Cause	Settle-ment	Disability	Race/ Color	Familial Status	Marital Status	Sex	National Origin	Age	Citizen-ship	Religion	Retalia-tion	Harrass-ment	Other
Lehigh County	2	2	0	2	1	1	2	0	0	0	0	0	0	0	0	0	0
Allentown	31	31	0	11	5	11	11	4	0	7	5	0	0	1	1	0	0
Bangor	1	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0
Bath	1	1	0	0	1	1	0	1	0	1	0	0	0	0	0	0	0
Bethlehem	12	12	0	6	6	9	1	0	0	1	3	0	0	0	0	0	0
Catasauqua	3	2	1	0	0	2	1	0	0	1	0	0	0	0	0	0	0
East Bangor	1	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Easton	5	5	0	1	1	3	0	0	0	0	2	0	0	0	1	0	0
Emmaus	2	2	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0
Fountain Hill	1	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Lower Macungie	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0
Macungie	3	3	0	1	1	2	0	0	0	0	0	0	0	1	0	0	0
North Catasauqua	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Saint Clairsville	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Selingsgrove	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Slatington	2	2	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
Walnutport	1	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Whitehall	3	3	0	0	0	0	2	0	0	1	0	0	0	1	0	0	0
Zionville	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
TOTALS	73	72	1	26	19	36	19	7	0	11	12	0	0	3	2	0	0

This review of complaints shows that the overwhelming majority of complaints investigated by the Region III FHEO in Philadelphia for Lehigh County and Northampton County were based on disability status and color or race, at 40% and 21%, respectively, of the total types of complaint filings with national origin and sex as the next most common complaint bases at 13% and 12%.⁴⁰ A lack of filed complaints does not indicate that a problem does not exist. It should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

Complaints Filed with North Penn Legal Services

In addition to its fair housing education programs described in the previous section, North Penn Legal Services, also accepts and investigates fair housing discrimination complaints from the Northeastern Pennsylvania area. Between January 1, 2012 and December 31, 2012, a total of 55 complaints were filed with NPLS.

NPLS Complaints of Housing Discrimination Received in Lehigh County and Northampton County Jurisdiction				
January 1, 2012 - December 31, 2012				
Complaint Origination	Lehigh	Northampton	Out of State	Grand Total
Allentown City	22	0	0	22
Bethlehem City	3	12	1	16
Catasauqua Borough	1	0	0	1
Easton City	0	6	0	6
Emmaus Borough	2	0	0	2
Forks Township	0	1	0	1
Hellertown Borough	0	2	0	2
Macungie Borough	1	0	0	1
Nazareth Borough	0	1	0	1
Slatington Borough	1	0	0	1
South Whitehall Township	1	0	0	1
Wind Gap Borough	0	1	0	1
Grand Total	31	23	1	55

Among the complaints received by NPLS, allegations of discrimination based on disability status were most common (38 complaints). Discrimination with regard to gender and familial status followed (6 and 5 complaints, respectively). Of the 55 primary complaints, 15 secondary complaints were filed with NPLS. The most common basis for these secondary complaints was also disability status at 5 (33%) of the 15 secondary complaints.

⁴⁰ Note that a single filed complaint may allege discrimination on multiple bases. The percentages cited here represent the relative frequency of one basis of complaint compared to all other bases of discrimination reported. In the case of these FHEO complaints, that total is 90 (the sum of all bases of complaint, from the bottom row of the table).

NPLS Type of Complaints Received (Primary & Secondary) January 1, 2012 - December 31, 2012			
PRIMARY COMPLAINT		SECONDARY COMPLAINT	
Type of Complaint	Number of Complaints	Type of Complaint	Number of Complaints
Disability	38	Disability	5
Familial Status	5	Familial Status	3
Gender	6	Gender	2
National Origin	3	National Origin	4
Race/Color	3	Race/Color	1
Grand Total	55	Grand Total	15

As of January 28, 2013, 39 of the 55 NPLS complaints had been closed with 19 (48.7%) of the complaints closed as a result of counsel and advice from NPLS.

NPLS Type of Closure for Complaints Received January 1, 2012 - December 31, 2012	
Type of Closure	Number of Complaint Closures
Administrative Agency Decision	3
Contested Court Decision	1
Counsel and Advice	19
Extensive Service	1
Limited Action	6
Negotiated Settlement (with Litigation)	2
Negotiated Settlement (without Litigation)	7
Grand Total	39

Complaints Filed with the Fair Housing Council of Suburban Philadelphia

Between January 1, 2003 and December 31, 2012, a total of 25 complaints were filed with the FHCSF regarding housing in the Lehigh Valley. The most common type of complaint received by FHCSF involved allegations of discrimination based on familial status (11 complaints), reflecting 44% of the total complaints received.

FHCSF Type of Complaints Received January 1, 2003-December 31, 2012					
Complaint Origination	Disability	Color/Race	Familial Status	National Origin	Grand Total
Lehigh Valley	8	1	11	5	25

Complaints Filed with the Pennsylvania Human Relations Commission

The Pennsylvania Human Relations Commission (PHRC) is an independent state agency that has been charged with enforcing the Pennsylvania Human Relations Act, which prohibits discrimination in housing, employment and other public accommodations based on the Fair Housing Rights Act protected class status. The Commission consists of administrative, legal and investigative staff, overseen by an executive director in Harrisburg and regional directors in Harrisburg, Philadelphia and Pittsburgh.

There are a total of 11 commissioners who are appointed by the Governor and act as public liaisons to set policies for implementation by staff and resolve some cases that are not settled voluntarily. The commission is independent and nonpartisan, with no more than six commissioners from one political party. The commission chairperson is appointed by the governor, and a vice-chairperson, secretary and assistant secretary are elected by commissioners each year.

Between fiscal years 2003 and 2012, there were a total of 88 accepted complaints made to the PHRC originating in Lehigh and Northampton Counties. Among the complaints received by PHRC during this ten-year time period, the number of allegations of discrimination based on race and color (41 complaints; 36% of the total) was nearly equaled by complaints of discrimination with regard to disability (38 complaints; 33.7% of the total). Of the 88 complaints filed with PHRC, 37 were determined to have cause and resulted in settlements totaling \$81,741.88. As of December 31, 2012, all 88 complaints had been closed by the PHRC. Again, it should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

**PHRC Complaints of Housing Discrimination Received in Lehigh County and North Hampton County Jurisdiction
January 1, 2003 - December 31, 2012**

Complaint Origination	# Filed	# Closed	# Open		With Cause	Settlement		Disability	Race/ Color	Familial Status	Marital Status	Sex	National Origin	Age	Citizen - ship	Religion	Retalia- tion	Harrass- ment	Other
Lehigh County	58	58	0		19	\$10,956.50		20	31	4	0	5	3	1	0	3	3	0	0
Northampton County	30	30	0		18	\$70,785.38		18	10	3	0	6	3	0	0	0	3	0	0
TOTAL	88	88	0		37	\$81,741.88		38	41	8	0	11	6	1	0	3	6	0	0

An examination of the fair housing complaints filed within a region can be used to indicate specific areas where complaints are more prevalent and the characteristics of households experiencing housing discrimination. However, it is important to note that reviewing the number of fair housing complaints filed within a given community cannot by itself be used as a direct indicator of fair housing problems in that community. Such an examination, paired with other types of data and indicators (as is done in this Analysis of Impediments) is more conclusive. A lack of complaints filed is not necessarily indicative of an absence of housing discrimination in a community. Many households do not file complaints because they are not educated about the process for doing so. Other households may be aware that they are experiencing housing discrimination, but they are simply not aware that this discrimination is against the law. Finally, many households are more concerned with their primary goal of finding decent affordable housing and choose not to take the time to file a complaint and wait for a resolution.

Among the agencies accepting fair housing complaints for Lehigh County and Northampton County, the largest numbers of complaints filed were claims of discrimination based on disability status and race or color. Only HUD and NPLS tracked the origin of complaints down to the municipal level. Their data showed, predictably, that greater numbers of complaints were filed in the more populous areas of Allentown, Bethlehem, and Easton. Complaints originating in smaller municipalities (townships and boroughs) in the region were not frequent enough to support a conclusion as to the prevalence of discrimination from one municipality to another.

Housing Discrimination Lawsuits

Within the past ten years, four significant lawsuits and HUD charges of discrimination have been filed to redress housing discrimination within the Lehigh Valley municipalities. These cases, discussed below, are important because of their impact on the rights and responsibilities of private individuals and local businesses and of local governments and governmental agencies that provide municipal services. These cases also have bearing on an analysis of fair housing choice because of the potential number of residents within a protected class that should benefit from the standards set by these cases. (In addition, individual private litigants have filed dozens of other fair housing lawsuits in the past ten years, but because those cases only affect individual households and do not appear to have a substantial impact on fair housing issues for Lehigh Valley's population at large or governmental organizations, they are not included in this discussion or analysis.)

***Newell v. Traditions of Hanover*, Civ. Action File No. 5:12-cv-06094-LS (ED Pa. Nov. 19, 2012).**

Plaintiff S. Newell filed a lawsuit alleging violations of the Federal Fair Housing Act (FHA) against Defendants Westrum Hanover, LP t/a Traditions of Hanover (TOH), an independent living community for seniors in Northampton County's Hanover Township, and Heritage Senior Living, LLC (Heritage), the operator of TOH and other senior living facilities throughout Pennsylvania and New Jersey. Plaintiff, a former employee of TOH, asserts that Defendants illegally attempted to coerce her to violate provisions of the FHA, and then harassed and retaliated against her for opposing Defendants' discriminatory policies to screen out prospective tenants with disabilities and for aiding and encouraging prospective tenants of TOH to exercise certain rights protected by the FHA.

Plaintiff was employed as the marketing manager for TOH from October 2010 until her firing in May 2012. By early 2012, TOH's 114 units were fully occupied and there was a substantial waiting list for prospective tenants. The amended complaint alleges that TOH made a policy decision to screen out prospective tenants perceived to have a disability by imposing "independent living" criteria, expressly disqualifying individuals with cognitive disabilities or mobility impairments and those requiring assistance with daily living activities. Defendants also allegedly expressly inquired into prospective tenants' physical and mental impairments, made statements expressing a preference, limitation, or discrimination based on applicants' disabilities, and discouraged prospective tenants with disabilities from applying for TOH housing. Plaintiff states that after refusing to go along with these practices and attempting to counsel TOH management to seek fair housing education, Defendants' agents harassed her, targeted her for adverse treatment, attempted to coerce her to take actions in violation of the FHA, and finally retaliated against her by terminating her employment.

Defendants filed their Answer to the Amended Complaint on December 18, 2012, denying the majority of the factual and legal allegations. According to the Court's scheduling order, discovery in the case ends June 18, 2013, and the first settlement conference is scheduled for June 19, 2013.

However this case ultimately plays out for Plaintiff, this lawsuit has implications beyond just as an employment case. The allegations against Traditions of Hanover and Heritage Senior Living could set the stage for further litigation by potentially dozens of prospective tenants in Bethlehem who were denied fair housing because of their disabilities or perceived disabilities.

***Hartman v. City of Allentown*, 880 A2d 737 (Pa. Commw. Ct. 2005).**

In *Hartman*, four citizens sued Allentown seeking to invalidate an amendment to the city's Human Relations Ordinance, codified at Article 181. Article 181, originally adopted in 1966, made it unlawful to discriminate in employment, housing, and public accommodation based on categories that tracked those listed in the Pennsylvania Human Relations Act (PHRA), and authorized the city's Human Relations Commission to initiate, receive, and investigate complaints of discrimination. The amended anti-discrimination Ordinance, adopted in March 2002, added "sexual orientation" and "gender identity" as prohibited bases of discrimination. The Plaintiffs/Appellees, who were owners of rental property, taxpayers, and a business operator, filed suit challenging the amended Ordinance on two grounds: (1) that the PHRA preempted the Ordinance; and, (2) that the Ordinance was *ultra vires* (beyond the City's authority), because it violated Allentown's authority under the state's Home Rule Charter and Optional Plans Law (Home Rule Law).

The Court of Common Pleas of Lehigh County ruled on June 14, 2004, that the Ordinance was not preempted by the PHRA, but, nevertheless was invalid and unenforceable under *Section 2962(f) of the Home Rule Law*. This appeal followed in which the Commonwealth Court had to determine how broadly the limitation in Section 2962(f), which limits the "regulation of business," should be interpreted and whether it prevents Allentown from enacting the anti-discrimination Ordinance at issue.

The Court first outlined the broad, general grant of legislative power given to local municipalities in the Home Rule Law, which the Court noted provides for liberal construction of its powers in favor of the municipality. The broad grant of power is limited by Section 2962(f), the basis of Plaintiffs/Appellees' challenge, which states that a home rule municipality, such as Allentown, "shall not determine duties, responsibilities or requirements placed upon businesses, occupations and employers . . . except as expressly provided. . . ." *53 Pa. C.S. § 2962(f)*. The trial court found that the Ordinance places duties and responsibilities on businesses, occupations and employers and that there is no statute, including the PHRA, which expressly authorizes municipal legislation dealing with discrimination on the basis of sexual orientation or gender identity. Therefore, the trial court held that, to the extent that the Ordinance does so, it is *ultra vires*. However, the Commonwealth Court disagreed.

Following the state Supreme Court's decision in *Devlin v. City of Philadelphia*, 580 Pa. 564, 862 A.2d 1234 (2004), wherein the Supreme Court indicated that a municipality's authority to enact anti-discrimination laws is derived from its police powers, the Court found that Allentown's police powers provide authority for it to enact local anti-discrimination ordinances that prohibit discrimination for reasons in addition to those specifically listed in the Pennsylvania Human Relations Act (PHRA). The Court also concluded that the Ordinance was not designed or intended to impose affirmative duties on businesses; rather, the Ordinance was intended to protect Allentown's citizens from discrimination. Reversing the trial court, the Commonwealth Court held that Allentown's Ordinance is not *ultra vires*.

As to the issue of preemption, the Court agreed with the trial court's analysis that the PHRA explicitly disclaims any intention of preempting municipal ordinances relating to discrimination. On the contrary, it provides that "nothing contained in this act shall be deemed to repeal or supersede any of the provisions of any existing or hereafter adopted municipal ordinance . . . relating to discrimination. . . ." 43 P.S. § 962(b). The Court found that the PHRA does not address a municipality's police powers and cannot preempt such action. In further support against Plaintiffs/Appellees' argument, the Court found that enforcement of the PHRA is in no way impeded by Allentown's Ordinance, which prohibits additional categories of discrimination. Finally, the Court noted that the PHRA was not intended to be exclusive in the field of anti-discrimination. In fact, the legislative history of the act reveals that the General Assembly wanted to preserve local power to enact greater protections against discrimination.

Based on these findings, the order of the Court of Common Pleas of Lehigh County was affirmed to the extent that it held that the Pennsylvania Human Relations Act does not preempt Allentown's Ordinance and reversed to the extent that it held that the Ordinance violated the Home Rule Charter and Optional Plans Law.

Following the court's decision, Allentown's anti-discrimination ordinance has remained intact with the additional protected classes based on "sexual orientation" and "gender identity." Having survived a constitutional challenge and court scrutiny, Allentown's Ordinance may be used as a model for other municipalities which wish to expand on the categories of protected classes and strengthen their anti-discrimination and fair housing ordinances.

***Community Services, Inc. v. Wind Gap Municipal Authority*, 421 F.3d 170 (3d Cir. 2005); 2006 U.S. Dist. LEXIS 23385 (E.D. Pa. Apr. 25, 2006); 2006 U.S. Dist. LEXIS 54948 (E.D. Pa. Aug. 7, 2006).**

Plaintiff, a for-profit corporation that provides caretaker services for persons with disabilities, brought this action against the Wind Gap Municipal Authority ("Authority"), the agency that administers sewer services in Wind Gap Borough. Plaintiff's complaint alleged that the Defendant discriminated against it based upon the handicapped status of residents of a house it leased by requiring additional fees and administrative processes, changing the classification or status of the

subject property from residential to commercial, and failing to provide a reasonable accommodation in violation of the Fair Housing Act and Fair Housing Amendments Act, *42 U.S.C. § 3601 et seq.* Plaintiff operates in several counties in Pennsylvania, including Northampton County.

In 2000, the Wind Gap Zoning Hearing Board granted Plaintiff a variance, as a reasonable accommodation under the FHAA, for it to operate a “Community Living Arrangement” at the subject house. Three women with mental retardation who required onsite supportive care services resided at the home located in a residential community. In January 2001, the Authority changed the house’s sewer service status from “residential” to “commercial” based on the Authority’s classification of the property as a “personal care home” (which the Borough’s regulations did not separately define), and increased the home’s sewer charges. The applicable regulations classified a personal care home as a commercial, rather than residential, use, and thus charged personal care homes an increased rate for sewer services. Prior to litigation, counsel for Plaintiff requested that the house be classified as a single-family residence and that the Authority grant a reasonable accommodation, but the request went unanswered.

The District Court granted summary judgment to Plaintiff, in large part because it concluded that the Authority’s classification of the house as a “personal care home” was a proxy for handicapped status and, therefore, the regulation discriminated on its face based on disability. On appeal, the Third Circuit disagreed with the District Court’s conclusion that the regulatory classification and treatment of the house as “commercial” constituted disparate treatment “because of” the handicap status of the residents, and reversed and remanded the case. The Court of Appeals found a plausible non-discriminatory rationale that the classification was based on the commercial nature of Plaintiff CSG as the lessee of the property. Rather than based on the disability of residents, the classification of the many facilities (including hotels, nursing homes, and boarding houses in addition to personal care homes) subject to increased fees and administrative burdens associated with sewer service - the alleged discrimination - was broad-based, with different sewer charges assessed against numerous different types of facilities based on whether they were deemed “residential” or “commercial,” and did not “single out for regulation group homes for the handicapped.”

The Court acknowledged that the term “personal care home” conceivably could be a proxy for discrimination against persons with disabilities in certain circumstances (as very similar terms have been found to be in previous fair housing cases); however, in this case the Court found that a plain reading of the relevant regulation did not support the District Court’s conclusion that classifying the subject property as a “personal care home” was facially discriminatory as singling out Plaintiff for disparate treatment because of the residents’ disabilities. The Third Circuit reversed and remanded the case for further disposition on the questions of whether the Authority’s regulation discriminated as-applied and whether the Authority discriminated by failing to grant a reasonable accommodation.

On remand and before trial, the Defendant granted Plaintiff a reasonable accommodation and adopted a variance changing the subject property’s classification back to residential, refunded the

payments that Plaintiff had been paying in excess of residential fees, and moved to dismiss the case for mootness. After hearing arguments, the District Court concluded that the Defendant Authority's voluntary granting of the Plaintiff's request for a reasonable accommodation in late 2005, which included various caveats, did not render the case moot. The Authority failed to meet the "stringent" test for whether, upon voluntary cessation of the alleged wrongful conduct, a case has become moot: "if subsequent events made it absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur." The order issued by the Defendant stated that "any change in the community living arrangement (CLA) at the property shall require review and approval by the Wind Gap Zoning Hearing Board and all other necessary approvals by the Borough or other agencies as required." The District Court ruled, in *2006 U.S. Dist. LEXIS 23385 (E.D. Pa. Apr. 25, 2006)*, that the fact that the granting of the reasonable accommodation could be revoked upon the Defendant's determination that a "change" in the living arrangement had taken place gave rise to the potential for recurrence of the Defendant's alleged wrongful conduct. Accordingly, the court denied the Authority's Motion to Dismiss.

Thereafter, the Defendant amended the regulation under which it had classified the property as commercial to provide that "home facilities" such as the property at issue that have residents who qualify under the FHAA would be charged residential sewer fees. The Defendant then moved again to dismiss on mootness grounds. This time the District Court concluded that the granting of the reasonable accommodation in combination with the amendment was sufficient to ensure that Plaintiff's relief would not be taken away arbitrarily. The court rendered the case moot because the Defendant's behavior was not reasonably likely to recur and there remained "no actual case or controversy." On August 7, 2006, six years after Plaintiff's complaint, the case against the Wind Gap Authority was dismissed.

The *Community Services* case, with its protracted procedural history, teaches that the FHAA's protections reach beyond just the sale or rental of housing. Its protections apply as well to the provision of municipal services to a dwelling. However, facial discrimination claims, involving a regulation or policy that on its face seemingly treats certain classes of persons differently on the basis of a trait protected under the FHAA (like disability), will be closely scrutinized by the courts. The FHAA does not require preferential treatment or outright exemption from zoning and other regulatory laws, and that a protected class is subject to additional administrative or regulatory hurdles by local ordinances is not per se discrimination. Rather, the regulation must be looked at in the context of how it applies to all groups and whether the specific treatment is truly "because of" or on the basis of a protected trait.

***The Secretary, United States Department of Housing and Urban Development, on behalf of the Fair Housing Council of Suburban Philadelphia v. The Blue Valley Times, Blue Valley Publishing, Inc., and Michael Ortoski*, HUD ALJ 11-F-081-FH-40; FHEO No. 03-11-0288-8 (Consent Order Dec. 15, 2011).**

In May 2011, the Fair Housing Council of Suburban Philadelphia (“FHCSF” or “Complainant”), a non-profit housing organization, filed a familial status discrimination complaint with the U.S. Department of Housing and Urban Development (“HUD”) alleging that discriminatory advertising for housing indicating a preference against families with children was published in the *Blue Valley Times*. *Blue Valley Times* is a newspaper that publishes classified advertisements for the sale and rental of houses, mobile homes and apartments and is distributed most heavily throughout the northeastern portion of Northampton County with a weekly readership of over 20,000.

Following an investigation into the allegations of the complaint, HUD, through the Office of Regional Counsel for the Philadelphia Regional Office, issued a Charge of Discrimination against The Blue Valley Times, Blue Valley Publishing, Inc., and Michael Ortoski. At the time, *Blue Valley Times* was owned by Blue Valley Times, LLC (“The Blue Valley Times”) and Ortoski. Blue Valley Publishing, Inc. was subsequently dismissed from the Charge as it no longer had any ownership interest in *Blue Valley Times*. HUD found reasonable cause to believe that the remaining Respondents had violated the Fair Housing Act, specifically 42 U.S.C. § 3604(c), which prohibits publishing any notice, statement or advertisement with respect to the rental of a dwelling unit that states any preference, limitation or discrimination based upon race, color, religion, national origin, sex, disability or familial status. (“Familial status” means one or more individuals under the age of eighteen being domiciled with a parent or legal guardian. 42 U.S.C. § 3602(k)).

Evidence showed that from August 2010 through April 2011, Respondents published advertisements in the classifieds section of *Blue Valley Times* for rental housing containing phrases such as “No children or pets,” “Mature individual or couple,” and “2 occupants only.”

None of the parties involved in this matter elected to have their claims decided in a civil action in federal district court. Rather, in December 2011, HUD, Complainant, and Respondents agreed to resolve the case through a consent agreement and accordingly entered into an “Initial Decision and Consent Order” setting out the remedies and responsibilities of the parties.

The specific relief granted requires the following:

1. All members of the staff of *Blue Valley Times* were to complete online fair housing training conducted by FHCSF at no cost to Respondents within sixty (60) days of the approval of the agreement by the Office of Administrative Law Judges. FHCSF must provide a certificate of completion to HUD evidencing that all members of the staff of *Blue Valley Times* successfully completed the online fair housing training provided by FHCSF, within thirty (30) days of completion of such course;

2. Within three months of the effective date of the agreement, Respondents must publish the following equal housing opportunity statement in the classified advertising section of each issue of *Blue Valley Times*, for as long as the paper is published, that states:

IT IS ILLEGAL TO DISCRIMINATE AGAINST ANY PERSON BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS (HAVING ONE OR MORE CHILDREN UNDER 18), OR NATIONAL ORIGIN IN THE SALE, RENTAL, FINANCING, APPRAISAL OF HOUSING OR IN THE PROVISION OF REAL ESTATE BROKERAGE SERVICES. IF YOU BELIEVE YOU HAVE BEEN DISCRIMINATED AGAINST OR WOULD LIKE FURTHER INFORMATION ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THE FAIR HOUSING ACT, CONTACT THE FAIR HOUSING COUNCIL OF SUBURBAN PHILADELPHIA AT 267-419-8918.

3. Respondents must publish a fair housing advertisement (4 inches by 5 inches) provided by FHCSF in each issue of *Blue Valley Times* for the next twenty-three (23) years;

4. Respondents must provide a letter to FHCSF that identifies an estimated dollar figure for any space provided to FHCSF in *Blue Valley Times* within ten (10) days;

5. Respondents must publish one article annually on fair housing submitted by FHCSF for a period of twenty-three (23) years; and

6. Respondents must not accept for publication in *Blue Valley Times* any advertising for real estate that violates the Fair Housing Act.

The obligations contained in the Consent Order are binding on any subsequent owners, managers, or successors of *Blue Valley Times*. HUD retains authority to review and monitor compliance with the Consent Order. Respondents' failure to satisfy the terms of the Consent Order is a breach of the Consent Order, which may be enforced in the United States Court of Appeals.

Hate Crime Data

Any traditional crime, such as murder, arson, or vandalism can be classified as a hate crime if it is motivated by a bias against a race, religion, disability, ethnic origin or sexual orientation. Because these protected classes significantly overlap those classes protected under the Fair Housing Act, an examination of data on hate crimes is conducted as part of this Analysis of Impediments. The Federal Bureau of Investigation (FBI) maintains a Uniform Crime Reporting Program, under which more than 18,000 federal, state, and local law enforcement agencies voluntarily report incidences of crime in their jurisdictions for nationwide statistical assessment and monitoring purposes. Hate crime statistics have been monitored and published annually under the FBI's Uniform Crime Reporting Program since 1992.⁴¹

For this analysis, hate crime statistics for the most recently available five-year period (2007-2011) were reviewed for trends that could indicate pervasive discriminatory attitudes in particular jurisdictions within the Lehigh Valley. However, only one incident of a hate crime was found to have been reported anywhere within the region over the five-year period studied. The sole hate crime reported concerned a race-motivated crime in the township of Upper Saucon in 2008. While a single hate crime can be a serious incident, the presence of one reported crime does not support a conclusion that race-biased (or otherwise biased) attitudes are prevalent in Upper Saucon or elsewhere in Lehigh Valley.

⁴¹ FBI.gov. <http://www.fbi.gov/about-us/cjis/ucr/hate-crime/2011/resources/about-hate-crime-statistics>

Impediments and Recommendations

In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.⁴² Throughout this analysis various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the quality of jobs available in the region) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute impediments. Even some affordable housing-related issues (e.g. low credit scores leading to denial of apartment rental applications) fall short of classification as impediments to fair housing choice.

For this analysis, qualitative data received in the form of input from interviews and community meetings was combined with quantitative data from the fair housing survey and from the many other sources consulted, including the U.S. Census, the American Community Survey, and Home Mortgage Disclosure Act data. In some cases, the quantitative data collected from a single source was clear and compelling enough on its own to indicate the existence of an impediment. In other cases, and particularly with the use of qualitative data, the cumulative effect of a comment or criticism repeated many times over in many different settings was sufficient to indicate an impediment. Sometimes a weak or inconclusive correlation of quantitative data from one source could be supported by public comments and input or data from another source to constitute an impediment.

In this section, the eight impediments identified are summarized with supporting examples noted. The named impediments do not all affect the Lehigh Valley and its municipalities equally and, where the applicability of an impediment is limited to specific geographies within the region, this is noted. Each impediment listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, the related impediment. It should be noted that these impediments are largely systemic and will require effort from both private sector and public sector actors to correct.

Impediment #1: Steering by Real Estate Agents

Applicability: Allentown

In 2011, the Fair Housing Council of Suburban Philadelphia (FHCSF) was commissioned by the City of Allentown and the Community Action Committee of the Lehigh Valley (CACLV) to perform fair housing testing within the city. FHCSF released a final report in 2012 summarizing the results of 33 tests completed between March 2011 and December 2011. For the testing, the FHCSF evaluated real estate agents and agencies in and around Allentown to determine whether real estate agents were steering White homebuyers out of the city while at the same time steering minority homebuyers

⁴² U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

into the city. Steering refers to the practice of real estate agents limiting clients' home searches only to certain areas based on the clients' race or ethnicity and is specifically prohibited by the Fair Housing Act. Based on 33 tests conducted, the FHCSF determined that 73% of the tests included differential location suggestions based on race or ethnicity; 24% of the tests were inconclusive, while 3% were shown to have treated clients of different races or ethnicities the same. The scope of FHCSF's testing was limited to Allentown, where the results conclusively showed that steering was occurring. While there is not testing data to support the applicability of this impediment to other areas in the Lehigh Valley, the prevalence of the practice in Allentown suggests that it is highly likely to occur elsewhere in the region as well.

Recommendation: Based on the results of the testing study, Allentown's mayor and the CACLV have already initiated efforts with the local real estate community to encourage greater understanding of fair housing issues. The Lehigh Valley Association of Realtors has created a task force to develop monthly fair housing topics that brokers can use at their own meetings. This task force has also begun exploring ways to increase minority representation on the association's board and has worked with HUD to develop a publication directed at consumers to help them understand Fair Housing and how to report Fair Housing issues. It is recommended that intensive education and training efforts continue. Additionally, in 2014 a new fair housing testing study should be conducted, to include Allentown as well as Bethlehem and Easton, for the purpose of determining whether the education efforts are having their desired effect and resulting in a reduction in incidences of steering.

Impediment #2: Disparities in Mortgage Lending

Applicability: Region-wide

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage

applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #3: Need for Increased Fair Housing Education

Applicability: Region-wide

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover* lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #4: Need for Increased Coordination among Fair Housing Providers

Applicability: Region-wide

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #5: Zoning Provisions Impacting People with Disabilities

Applicability: Various municipalities in Lehigh and Northampton Counties

The zoning ordinances adopted by Lehigh Valley municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Great variation exists among the 61 zoning codes in place within the Lehigh Valley. Many of these codes make it unreasonably difficult for persons with disabilities to make reasonable modifications to their property, restrict group homes from residential districts, require special permitting from them, impose spacing requirements between them, and restrict placement of group homes based on their requirements for onsite supportive services. The table below displays each municipality's average total risk score; details of each individual ordinance and its position on these issues can be found in the appendix.

Rather than include accessibility and other similar provisions in their individual codes, many municipalities rely instead upon the Pennsylvania Uniform Construction Code which applies statewide standards for all new construction, rehabilitation, and building inspections. The Uniform Construction Code is a noteworthy state law that provides an important backstop to the rights of

people with disabilities, however, the presence of a state law may not be as effective at ensuring fair housing choice as would be the same provisions if codified locally.

Zoning Code Analysis by Municipality			
LEHIGH COUNTY		NORTHAMPTON COUNTY	
Municipality	Risk Score	Municipality	Risk Score
Alburtis	1.89	Allen Twp.	2.00
Allentown	1.61	Bangor	2.06
Catasauqua	1.44	Bath	1.72
Coopersburg	1.72	Bethlehem	1.44
Coplay	1.39	Bethlehem Twp.	1.56
Emmaus	1.61	Bushkill Twp.	1.44
Fountain Hill	1.33	Chapman*	--
Hanover Twp.	1.83	East Allen Twp.	1.56
Heidelberg Twp.	1.56	East Bangor	1.94
Lower Macungie Twp.	1.44	Easton	1.78
Lower Milford Twp.	1.33	Forks Twp.	1.78
Lowhill Twp.	1.61	Freemansburg	1.33
Lynn Twp.	1.61	Glendon	1.78
Macungie	1.56	Hellertown	1.44
North Whitehall Twp.	1.56	Lehigh Twp.	1.78
Salisbury Twp.	1.67	Lower Mt. Bethel Twp.	2.06
Slatington	1.78	Lower Nazareth Twp.	1.78
South Whitehall Twp.	2.11	Lower Saucon Twp.	2.06
Upper Macungie Twp.	1.61	Moore Twp.	1.94
Upper Milford Twp.	1.33	Nazareth	1.78
Upper Saucon Twp.	1.72	Northampton	1.67
Washington Twp.	1.56	North Catasauqua	1.67
Weisenberg Twp.	1.72	Palmer Twp.	1.72
Whitehall Twp.	2.28	Pen Argyl	1.50
		Plainfield Twp.	1.67
		Portland	2.00
		Roseto	1.61
		Stockertown	1.89
		Upper Mt. Bethel Twp.	1.50
		Upper Nazareth Twp.	1.22
		Walnutport	1.39
		Washington Twp.	1.72
		West Easton	1.61
		Williams Twp.	1.56
		Wilson	1.44
		Wind Gap	1.72

Recommendation: Local stakeholders should meet together to review the impacts of each municipality’s zoning ordinance, prioritize the ordinances most in need of amendment, develop model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Impediment #6: Zoning Provisions Restricting Residential Uses From Residential Districts

Applicability: Various municipalities in Lehigh and Northampton Counties

At least 27 Lehigh Valley municipalities, in both Lehigh County and Northampton County, restrict inherently residential land uses (such as shelters or residential treatment facilities) from some or all residential zones. The specific “inherently residential” uses are defined differently from one municipality to another, but in these cases, the zoning code clearly contemplates residential use (as opposed to only day use) of the facility type in question. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. the Fair Housing Act and the Americans with Disabilities Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems. The table below displays each municipality’s average total risk score; details of each individual ordinance and its position on this issue can be found in the appendix.

Zoning Code Analysis by Municipality			
LEHIGH COUNTY		NORTHAMPTON COUNTY	
Municipality	Risk Score	Municipality	Risk Score
Alburtis	1.89	Allen Twp.	2.00
Allentown	1.61	Bangor	2.06
Catasauqua	1.44	Bath	1.72
Coopersburg	1.72	Bethlehem	1.44
Coplay	1.39	Bethlehem Twp.	1.56
Emmaus	1.61	Bushkill Twp.	1.44
Fountain Hill	1.33	Chapman*	--
Hanover Twp.	1.83	East Allen Twp.	1.56
Heidelberg Twp.	1.56	East Bangor	1.94
Lower Macungie Twp.	1.44	Easton	1.78
Lower Milford Twp.	1.33	Forks Twp.	1.78
Lowhill Twp.	1.61	Freemansburg	1.33
Lynn Twp.	1.61	Glendon	1.78
Macungie	1.56	Hellertown	1.44
North Whitehall Twp.	1.56	Lehigh Twp.	1.78
Salisbury Twp.	1.67	Lower Mt. Bethel Twp.	2.06
Slatington	1.78	Lower Nazareth Twp.	1.78
South Whitehall Twp.	2.11	Lower Saucon Twp.	2.06
Upper Macungie Twp.	1.61	Moore Twp.	1.94
Upper Milford Twp.	1.33	Nazareth	1.78
Upper Saucon Twp.	1.72	Northampton	1.67
Washington Twp.	1.56	North Catasauqua	1.67
Weisenberg Twp.	1.72	Palmer Twp.	1.72
Whitehall Twp.	2.28	Pen Argyl	1.50
		Plainfield Twp.	1.67
		Portland	2.00
		Roseto	1.61
		Stockertown	1.89
		Upper Mt. Bethel Twp.	1.50
		Upper Nazareth Twp.	1.22
		Walnutport	1.39
		Washington Twp.	1.72
		West Easton	1.61
		Williams Twp.	1.56
		Wilson	1.44
		Wind Gap	1.72

Recommendation:

Similar to, or perhaps combined with, the recommendation for Impediment #4, local stakeholders should study the details of this zoning issue, determine its effect on residents, and prioritize jurisdictions to reach out to with technical assistance efforts. The stakeholder group (which should include the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting) should draft a model provision to put forth as an alternative to the current zoning provisions and work with local officials on its adoption.

Impediment #7: Condition of Affordable Housing Stock

Applicability: Region-wide

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region's housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #8: Public Perceptions Regarding Transportation Connectivity

Applicability: Region-wide

LANta, the Lehigh Valley's public transportation system, does an admirable job of networking the community given the region's three urban hubs and large rural areas. Concepts such as the Alburtis/Macungie Flex Zone are expanding LANta's services in a careful, cost-controlled manner. In the fair housing survey conducted as part of this analysis, a remarkable 73.1% of respondents said that public transportation was available in their neighborhood. However, only 45.5% said that public transportation provided access to major employers, and only 23.1% believed that LANta service schedules coincided with their work schedules. It is worth noting that 22.8% of respondents

did not know whether public transportation was available to major employers and 47% did not know whether transit scheduled coincided with their work schedules.

Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Conclusion

Through this Regional Analysis of Impediments to Fair Housing Choice, several barriers have been identified which restrict the housing choice available to residents of the Lehigh Valley; these barriers may prevent residents from realizing their right to fair and equitable treatment under the law. It is imperative that residents know their rights and that those providing housing or related services know their responsibilities. Lehigh County, Northampton County, and the cities of Allentown, Bethlehem, and Easton, will work diligently toward achieving Fair Housing Choice for their residents using the recommendations provided here to address the identified impediments. However, it should be noted that these impediments are largely systemic and will require effort from both private sector and public sector actors to correct. The entitlement communities have an important role to play but cannot on their own bring about the change necessary to remove these impediments to fair housing choice.

The recommendations proposed in this document address impediments relative to steering by real estate agents, mortgage lending disparities, the need for greater public education regarding fair housing and coordination among providers of fair housing services, zoning-related issues, affordable housing conditions, and public transportation. Implementation of the recommendations can assist the Lehigh Valley in achieving the reality of being an open and inclusive community that truly embraces Fair Housing Choice for all its residents.

Allentown Impediments and Recommendations

Impediment #1: Steering by Real Estate Agents

In 2011, the Fair Housing Council of Suburban Philadelphia (FHCSF) was commissioned by the City of Allentown and the Community Action Committee of the Lehigh Valley (CACLV) to perform fair housing testing within the city. FHCSF released a final report in 2012 summarizing the results of 33 tests completed between March 2011 and December 2011. For the testing, the FHCSF evaluated real estate agents and agencies in and around Allentown to determine whether real estate agents were steering White homebuyers out of the city while at the same time steering minority homebuyers into the city. Steering refers to the practice of real estate agents limiting clients' home searches only to certain areas based on the clients' race or ethnicity and is specifically prohibited by the Fair Housing Act. Based on 33 tests conducted, the FHCSF determined that 73% of the tests included differential location suggestions based on race or ethnicity; 24% of the tests were inconclusive, while 3% were shown to have treated clients of different races or ethnicities the same. The scope of FHCSF's testing was limited to Allentown, where the results conclusively showed that steering was occurring. While there is not testing data to support the applicability of this impediment to other areas in the Lehigh Valley, the prevalence of the practice in Allentown suggests that it is highly likely to occur elsewhere in the region as well.

Recommendation: Based on the results of the testing study, Allentown's mayor and the CACLV have already initiated efforts with the local real estate community to encourage greater understanding of fair housing issues. The Lehigh Valley Association of Realtors has created a task force to develop monthly fair housing topics that brokers can use at their own meetings. This task force has also begun exploring ways to increase minority representation on the association's board and has worked with HUD to develop a publication directed at consumers to help them understand Fair Housing and how to report Fair Housing issues. It is recommended that intensive education and training efforts continue. Additionally, in 2014 a new fair housing testing study should be conducted, to include Allentown as well as Bethlehem and Easton, for the purpose of determining whether the education efforts are having their desired effect and resulting in a reduction in incidences of steering.

Impediment #2: Disparities in Mortgage Lending

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial

rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. As such no current data definitely indicates discrimination is occurring. Therefore, efforts will be made to further the identification of steering in the lending sector in the Lehigh Valley. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #3: Need for Increased Fair Housing Education

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover* lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific

strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #4: Need for Increased Coordination among Fair Housing Providers

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #5: Zoning Provisions Impacting People with Disabilities

The zoning ordinances adopted by Lehigh Valley municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Allentown's zoning ordinance imposes 1,000 foot spacing requirements on group homes, drug/alcohol treatment centers, veterans' treatment centers, and temporary shelters. Existing Pennsylvania case law suggests such a provision may not be valid. Allentown's Zoning Hearing Board, however, is empowered to modify the City's zoning ordinance as necessary to make reasonable accommodations for people with disabilities.

Recommendation: Local stakeholders should meet together to review the impacts of each municipality's zoning ordinance, prioritize the ordinances most in need of amendment, develop

model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Impediment #6: Condition of Affordable Housing Stock

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region's housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #7: Public Perceptions Regarding Transportation Connectivity

LANta, the Lehigh Valley's public transportation system, does an admirable job of networking the community given the region's three urban hubs and large rural areas. Concepts such as the Alburtis/Macungie Flex Zone are expanding LANta's services in a careful, cost-controlled manner. In the fair housing survey conducted as part of this analysis, a remarkable 73.1% of respondents said that public transportation was available in their neighborhood. However, only 45.5% said that public transportation provided access to major employers, and only 23.1% believed that LANta service schedules coincided with their work schedules. It is worth noting that 22.8% of respondents did not know whether public transportation was available to major employers and 47% did not know whether transit scheduled coincided with their work schedules.

Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and

schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Bethlehem Impediments and Recommendations

Impediment #1: Disparities in Mortgage Lending

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #2: Need for Increased Fair Housing Education

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover*

lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #3: Need for Increased Coordination among Fair Housing Providers

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #4: Zoning Provisions Impacting People with Disabilities

The zoning ordinances adopted by Lehigh Valley municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Bethlehem's zoning ordinance imposes spacing requirements on treatment centers and temporary shelters, which shall not be located within 800 feet of another such facility. To the extent treatment centers and temporary shelters may be considered residential rather than institutional uses, existing Pennsylvania case law suggests such a spacing provision may not be valid.

Recommendation: Local stakeholders should meet together to review the impacts of each municipality's zoning ordinance, prioritize the ordinances most in need of amendment, develop model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Impediment #5: Zoning Provisions Restricting Residential Uses From Residential Districts

Treatment centers and temporary shelters are not allowed in Bethlehem's residential districts. Shelters are a special exception use in the CL, CG, CS, and CB districts, and permitted by right in the I district. Treatment centers are a special exception use in the CG, CS, LI, and IN districts. These nonresidential districts have higher minimum lot size requirements and other dimensional requirements that would impact the affordability of developing residential uses. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. the Fair Housing Act and the Americans with Disabilities Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems. While it is possible that the City's "group home" definition could be interpreted to apply to people recovering from drug or alcohol abuse, the City's more restrictive "treatment center" definition could be applied to this population as well.

Recommendation:

Similar to, or perhaps combined with, the recommendation for Impediment #4, local stakeholders should study the details of this zoning issue, determine its effect on residents, and prioritize jurisdictions to reach out to with technical assistance efforts. The stakeholder group (which should include the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting) should draft a model provision to put forth as an alternative to the current zoning provisions and work with local officials on its adoption.

Impediment #6: Condition of Affordable Housing Stock

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region's housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #7: Public Perceptions Regarding Transportation Connectivity

LANta, the Lehigh Valley's public transportation system, does an admirable job of networking the community given the region's three urban hubs and large rural areas. Concepts such as the Alburtis/Macungie Flex Zone are expanding LANta's services in a careful, cost-controlled manner. In the fair housing survey conducted as part of this analysis, a remarkable 73.1% of respondents said that public transportation was available in their neighborhood. However, only 45.5% said that public transportation provided access to major employers, and only 23.1% believed that LANta service schedules coincided with their work schedules. It is worth noting that 22.8% of respondents did not know whether public transportation was available to major employers and 47% did not know whether transit scheduled coincided with their work schedules.

Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the

Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Easton Impediments and Recommendations

Impediment #1: Disparities in Mortgage Lending

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #2: Need for Increased Fair Housing Education

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover*

lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #3: Need for Increased Coordination among Fair Housing Providers

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #4: Zoning Provisions Impacting People with Disabilities

The zoning ordinances adopted by Lehigh Valley municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. In Easton, group homes (even those limited to three or fewer persons therefore meeting the ordinance's definition of "family") are not permitted as of right in any zoning district, and are only permitted by special exception permit as authorized by the Zoning Hearing Board in the Institutional 1 (INS-1) district. Additionally, the zoning ordinance imposes 1,000 foot spacing requirements on group homes. Existing Pennsylvania case law suggests such a provision may not be valid.

Recommendation: Local stakeholders should meet together to review the impacts of each municipality's zoning ordinance, prioritize the ordinances most in need of amendment, develop model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Impediment #5: Zoning Provisions Restricting Residential Uses From Residential Districts

Residential treatment facilities and rehabilitation facilities are only permitted in institutional zoning districts (INS-1 and INS-2). Shelters for the homeless, operated under the supervision of an established religious group, are only permitted in the INS-1, INS-2, and Adaptive Reuse (AR) zones. The city's institutional and adaptive reuse districts are residential in that they permit a mix of uses including residential. However, there are other more purely residential districts (such as College Hill, South Side, and West Ward) from which these residential uses are restricted. Persons recovering from drug and/or alcohol dependence (not current users) are considered handicapped under federal law, and therefore are part of a protected class. Under federal law (e.g. the Fair Housing Act and the Americans with Disabilities Act), it is discriminatory to deny an individual or entity the right to site a treatment program in a residential zone because it will serve individuals with alcohol or other drug problems.

Recommendation:

Similar to, or perhaps combined with, the recommendation for Impediment #4, local stakeholders should study the details of this zoning issue, determine its effect on residents, and prioritize jurisdictions to reach out to with technical assistance efforts. The stakeholder group (which should include the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting) should draft a model provision to put forth as an alternative to the current zoning provisions and work with local officials on its adoption.

Impediment #6: Condition of Affordable Housing Stock

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region's housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #7: Public Perceptions Regarding Transportation Connectivity

LANta, the Lehigh Valley's public transportation system, does an admirable job of networking the community given the region's three urban hubs and large rural areas. Concepts such as the Alburtis/Macungie Flex Zone are expanding LANta's services in a careful, cost-controlled manner. In the fair housing survey conducted as part of this analysis, a remarkable 73.1% of respondents said that public transportation was available in their neighborhood. However, only 45.5% said that public transportation provided access to major employers, and only 23.1% believed that LANta service schedules coincided with their work schedules. It is worth noting that 22.8% of respondents did not know whether public transportation was available to major employers and 47% did not know whether transit scheduled coincided with their work schedules.

Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the

Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Lehigh County Impediments and Recommendations

Impediment #1: Disparities in Mortgage Lending

According to 2011 Home Mortgage Disclosure Act (HMDA) data, and after controlling for income level, Whites had the lowest mortgage denial rates in every income tier. In fact, low income Whites had a lower rate of mortgage denial than minorities of moderate and even high income levels. Blacks were denied loans at rates which increased with income: 28.1% for low income, 32.4% for moderate, and 34.5% at the higher income bracket. Moderate income Hispanics were denied loans at higher rates than those with low or high incomes. Denial rates for Asians were lower than for other minority groups but still much higher than Whites. Pacific Islanders had the highest denial rates of any group at all income levels. The presence of disparities alone is not evidence enough to prove outright discrimination (there may be legitimate factors such as credit score, job history, and collateral that result in these loan denial patterns) but they do have the effect of limiting the housing choice of would-be borrowers.

Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

Impediment #2: Need for Increased Fair Housing Education

The Lehigh Valley Fair Housing Project, undertaken by North Penn Legal Services, is roundly praised for its success at organizing events and sustaining education campaigns, including bus advertising. The project receives funding from each of the five local CDBG entitlement communities and is therefore a testament to the cooperative posture of these jurisdictions when it comes to fair housing education. As helpful as these efforts are, numerous indicators point to the need to do even more. In the fair housing survey conducted as part of this analysis, 46.3% of respondents claimed they did not know their fair housing rights; another 32.5% knew them “somewhat”, leaving barely one in five residents aware of the protections afforded them by fair housing law. More than two-thirds of survey respondents stated they did not know where to file a fair housing complaint. Increased education is also needed for landlords and property owners. Of those respondents to the survey believing they had been discriminated against, 71.4% said the discrimination had been perpetrated by a landlord or property owner. Also underscoring this need is the *Newell v. Traditions of Hanover*

lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

To address the need for increased public education relative to fair housing, it is recommended that the Lehigh Valley Fair Housing Project between North Penn Legal Services and the five CDBG entitlement communities be sustained and either expanded or complimented so that it reaches even more people. Advertising campaigns should make clear how to recognize discrimination and where one should begin if he or she has experienced discrimination. The Project should develop a specific strategy describing how Lehigh Valley landlords and property managers will be reached and the model should include proactive measures that take the necessary information to the subjects. A similar emphasis should be placed on educating racial and ethnic minorities and people with disabilities, as these were the most common bases for housing discrimination complaints in the region. A public survey similar to the one conducted as part of this analysis should be conducted in 2015 to determine the effect of these increased education efforts.

Impediment #3: Need for Increased Coordination among Fair Housing Providers

The five entitlement communities participate in a fair housing partnership with North Penn Legal Services, which representatives roundly praise and see as having been successful. This partnership consolidates the fair housing work that otherwise would have been carried out by city and county staff in the five different jurisdictions. However, some other fair housing providers with a presence in the Lehigh Valley, particularly the various local human relations commissions, are not well integrated into this partnership. Local human relations commissions exist in Allentown, Bethlehem, and Easton, but their role is unclear and their effectiveness is varied, some depending completely on volunteer staffing. The efforts of these organizations are generally not concerted.

Recommendation:

Through the North Penn Legal Services project, education regarding fair housing has been enhanced, but investment in local fair housing enforcement and compliance capacity is needed as well. Lehigh Valley's entitlement communities should take the lead in working toward increased coordination among the region's fair housing organizations by convening representatives of the organizations for the purpose of coordinating the roles and responsibilities of each organization in fair housing education, testing, and enforcement. Representatives of these organizations should meet periodically to update one another on their activities and to review and reevaluate the coordination strategy as needed.

Impediment #4: Zoning Provisions Impacting People with Disabilities

The zoning ordinances adopted by Lehigh County municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Great variation exists among the 24 zoning codes in place within the county. Many of these codes make it unreasonably difficult for persons with disabilities to make reasonable modifications to their property, restrict group homes from residential districts, require special permitting from them, impose spacing requirements between them, and restrict placement of group homes based on their requirements for onsite supportive services. The table below displays each municipality's average total risk score; details of each individual ordinance and its position on these issues can be found in the appendix.

Rather than include accessibility and other similar provisions in their individual codes, many municipalities rely instead upon the Pennsylvania Uniform Construction Code which applies statewide standards for all new construction, rehabilitation, and building inspections. The Uniform Construction Code is a noteworthy state law that provides an important backstop to the rights of people with disabilities, however, the presence of a state law may not be as effective at ensuring fair housing choice as would be the same provisions if codified locally.

Recommendation: Local stakeholders should meet together to review the impacts of each municipality's zoning ordinance, prioritize the ordinances most in need of amendment, develop model zoning provisions (with support from the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting), and work with local officials to advocate amendments that would expand fair housing choice. Amending ordinances that are likely to cause housing discrimination reduces risk of legal challenge for these municipalities as well.

Zoning Code Analysis by Municipality			
LEHIGH COUNTY		NORTHAMPTON COUNTY	
Municipality	Risk Score	Municipality	Risk Score
Alburtis	1.89	Allen Twp.	2.00
Allentown	1.61	Bangor	2.06
Catasauqua	1.44	Bath	1.72
Coopersburg	1.72	Bethlehem	1.44
Coplay	1.39	Bethlehem Twp.	1.56
Emmaus	1.61	Bushkill Twp.	1.44
Fountain Hill	1.33	Chapman*	--
Hanover Twp.	1.83	East Allen Twp.	1.56
Heidelberg Twp.	1.56	East Bangor	1.94
Lower Macungie Twp.	1.44	Easton	1.78
Lower Milford Twp.	1.33	Forks Twp.	1.78
Lowhill Twp.	1.61	Freemansburg	1.33
Lynn Twp.	1.61	Glendon	1.78
Macungie	1.56	Hellertown	1.44
North Whitehall Twp.	1.56	Lehigh Twp.	1.78
Salisbury Twp.	1.67	Lower Mt. Bethel Twp.	2.06
Slatington	1.78	Lower Nazareth Twp.	1.78
South Whitehall Twp.	2.11	Lower Saucon Twp.	2.06
Upper Macungie Twp.	1.61	Moore Twp.	1.94
Upper Milford Twp.	1.33	Nazareth	1.78
Upper Saucon Twp.	1.72	Northampton	1.67
Washington Twp.	1.56	North Catasauqua	1.67
Weisenberg Twp.	1.72	Palmer Twp.	1.72
Whitehall Twp.	2.28	Pen Argyl	1.50
		Plainfield Twp.	1.67
		Portland	2.00
		Roseto	1.61
		Stockertown	1.89
		Upper Mt. Bethel Twp.	1.50
		Upper Nazareth Twp.	1.22
		Walnutport	1.39
		Washington Twp.	1.72
		West Easton	1.61
		Williams Twp.	1.56
		Wilson	1.44
		Wind Gap	1.72

Impediment #5: Zoning Provisions Restricting Residential Uses From Residential Districts

Many municipalities restrict inherently residential land uses (such as shelters or residential treatment facilities) from some or all residential zones. The specific “inherently residential” uses are defined differently from one municipality to another, but in these cases, the zoning code clearly contemplates residential use (as opposed to only day use) of the facility type in question. At least 11 Lehigh County municipalities have zoning ordinances with this type of restriction. The table on the previous page displays each municipality’s average total risk score; details of each individual ordinance and its position on these issues can be found in the appendix.

Recommendation:

Similar to, or perhaps combined with, the recommendation for Impediment #4, local stakeholders should study the details of this zoning issue, determine its effect on residents, and prioritize jurisdictions to reach out to with technical assistance efforts. The stakeholder group (which should include the Lehigh Valley Planning Commission or another professional body familiar with zoning and ordinance drafting) should draft a model provision to put forth as an alternative to the current zoning provisions and work with local officials on its adoption.

Impediment #6: Condition of Affordable Housing Stock

The Lehigh Valley is fortunate to have an ample supply of affordable housing. Especially when compared with the large surrounding cities like Philadelphia and New York, the relatively low cost of housing in the Lehigh Valley stands out. Though the region’s housing stock tends to be relatively affordable, it also tends to be old (over 50% was built prior to 1970), inaccessible to people with disabilities, expensive to maintain, and prone to falling into substandard condition. Over 5% of Lehigh Valley homeowners *without a mortgage* spend more than 30% of their income on housing expenses, reflecting high utility and maintenance costs, likely tied to the age of the housing stock. Stakeholders interviewed in the course of this analysis often referred to substandard conditions in the most affordable housing; several described problems with slumlords in their communities.

Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

Impediment #7: Public Perceptions Regarding Transportation Connectivity

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Recommendation: Actual transit connections and options in Lehigh Valley appear to be stronger than residents realize, indicating that LANta may need to do more to advertise its routes and schedules. The public perception regarding transit connectivity should be incorporated into LANta's ongoing planning processes. Existing LANta marketing plans should continue to be supported by the region's municipalities and implemented by LANta staff. The Lehigh Valley Economic Development Corporation should continue its efforts to involve the region's employers in discussions with LANta regarding routes and schedules advantageous to their respective employees. The five entitlement communities should continually review LANta and Lehigh Valley Planning Commission studies and planning documents (such as the Comprehensive Plan and the Moving LANta Forward Study) for opportunities to advocate transportation infrastructure improvements that align with the goal of expanding housing choice.

Northampton County Impediments and Recommendations

Impediment #1: Disparities in Mortgage Lending

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Recommendation: The strong patterns of disparity in the HMDA data, though possibly attributable to legitimate factors, should be studied further to determine whether discrimination is taking place in the lending sector. Under the HMDA, lenders are not required to report the reasons mortgage applications are denied. In the data used for this analysis, a reason for denial was listed for only 13.1% of the records. This data limitation requires alternate means further study. Specifically, fair housing testing of the mortgage market is recommended. As with the testing that revealed steering among real estate agents, similar studies can be designed to evaluate mortgage lending. Combined with testing, a plan for education of mortgage lenders should be developed and implemented to ensure lenders are knowledgeable of their responsibilities under the Fair Housing Act.

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lawsuit where a property manager (responsible for multiple senior living facilities throughout Pennsylvania) is alleged to have discriminated against prospective tenants with disabilities.

Recommendation:

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Impediment #3: Need for Increased Coordination among Fair Housing Providers

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Impediment #4: Zoning Provisions Impacting People with Disabilities

The zoning ordinances adopted by Northampton County municipalities were generally determined to pose a high risk for limitation of housing choice and/or discrimination against people with disabilities. Great variation exists among the 37 zoning codes in place within the county. Many of these codes make it unreasonably difficult for persons with disabilities to make reasonable modifications to their property, restrict group homes from residential districts, require special permitting from them, impose spacing requirements between them, and restrict placement of group homes based on their requirements for onsite supportive services. The table below displays each municipality's average total risk score; details of each individual ordinance and its position on these issues can be found in the appendix.

Rather than include accessibility and other similar provisions in their individual codes, many municipalities rely instead upon the Pennsylvania Uniform Construction Code which applies statewide standards for all new construction, rehabilitation, and building inspections. The Uniform Construction Code is a noteworthy state law that provides an important backstop to the rights of people with disabilities, however, the presence of a state law may not be as effective at ensuring fair housing choice as would be the same provisions if codified locally.

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Recommendation:

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Recommendation:

The five entitlement communities should continue to concentrate affordable housing funds, to the degree practicable, on rehabilitation that increases the quality of existing housing units. Stakeholders have described several recent rehabilitation and de-conversion projects as evidence that substandard properties can be rehabilitated and successfully returned to the rental market as affordable housing. Homeowner rehabilitation programs should be a funding priority to assist homeowners with the costs of renovating and modernizing their homes as a strategy for lowering owner costs over time. Finally, programs that fund accessibility features and retrofits for people with disabilities should be considered for funding.

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