

**CITY OF PATERSON**

**FY 2010-2014**

**ANALYSIS OF IMPEDIMENTS**

**TO FAIR HOUSING CHOICE**

**Prepared For:**

**Mayor Jeffery Jones**  
**And**  
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**Prepared By:**

**Local Planning Services**  
**NJ Department of Community Affairs**

*September 2013*



# City of Paterson Analysis of Impediments to Fair Housing Choice

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## Table of Contents

I. Introduction and General Summary of the Analysis .....	1
A. Background and Who Conducted.....	1
B. Participants .....	4
C. Methodology Used.....	4
D. How Funded .....	5
E. Citizen Participation.....	5
F. Conclusions: Impediments found and actions to address impediments .....	10
Impediment 1 - Lack of Education regarding Fair Housing Laws .....	10
Impediment 2 - Lack of Awareness regarding Complaint Process .....	10
Impediment 3 - Transportation Availability and Access to Jobs .....	11
Impediment 4 - Lack of Housing for the Disabled.....	12
Impediment 5 - Bias in Lending, Credit Counseling and Money Management.....	12
Impediment 6- Lack of Affordable Housing .....	13
Impediment 7- Language Access for Limited English Proficient (LEP) .....	14
Impediment 8 - Access to Affordable Housing .....	15
Impediment 9 - Geographic Concentration of Minority and Ethnic Groups.....	15
II. Paterson City Demographic Background Data.....	16
A. Demographic and Historic Data.....	16
B. Paterson Census Characteristics Comparison .....	18
C. Race and Ethnicity.....	19
D. Areas of Racial or Ethnic Concentration .....	19
E. Index of Dissimilarity or Ethnic Concentration.....	23
F. Age Cohorts and Educational Attainment.....	25
G. Income Data and Housing .....	26
H. Employment Data .....	27
I. Housing Profile and Income.....	28
J. Overcrowding.....	30
K. Housing Vacancy and Owner Occupancy .....	31
L. Substandard Housing.....	33
M. Housing Market Analysis for the Disabled .....	34
III. Identification of Impediments to Fair Housing Choice .....	35
A. Public Sector.....	35
<i>Land Development Regulations and Development Standards</i> .....	36
<i>Additional City Regulations</i> .....	37
<i>Taxes</i> .....	37
<i>School Quality Data</i> .....	37
<i>Hate Crime Data</i> .....	38
<i>Lead-Based Paint Data</i> .....	39
<i>Public Financing and City Departments</i> .....	42

B. Private Sector .....	43
<i>Real Estate Practices</i> .....	43
<i>Foreclosure Rates</i> .....	43
<i>Private Financing</i> .....	44
C. Public and Private Sector.....	45
<i>Fair Housing Enforcement</i> .....	45
<i>Informational Programs</i> .....	46
<i>Visibility in Housing</i> .....	47
D. Record of Housing Discrimination Complaints.....	47
E. Determination of Unlawful Segregation.....	49
F. Signature Page.....	50

**Tables**

1: City of Paterson Population .....	17
2: Paterson Census Characteristics in Comparison to Passaic County and the State of New Jersey .....	18
3: Racial Composition in Paterson City, Passaic County and N.J. ....	19
4: Areas of Minority Concentration—Paterson City .....	20
5: Paterson Index of Dissimilarity .....	23
6: Age Cohorts in Paterson, New Jersey and United States .....	25
7: Educational Attainment (Population 25 and Over).....	25
8: Elderly Housing Status by Income .....	26
9: Elderly Housing Status by Income and Disability.....	27
10: Employment Data for Residents of Paterson City.....	27
11: Housing Problem Severity by Income Group in Paterson.....	29
12: Housing Problem Severity by Income for Elderly Population in Paterson .....	29
13: Overcrowding--Occupants per Room.....	30
14: Overcrowding--Occupants per Room by Tenure.....	30
15: Substandard Housing—Selected Characteristics of Occupied Housing Units.....	33
16: Disability Status of the Civilian Non-institutionalized Population .....	34
17: Hate Crime Incidents per Bias Motivation .....	39
18: Housing Discrimination Complaints Filed in Passaic County 2004 - Feb 2010 .....	48
19: Housing Discrimination Case Disposition for Passaic County, 2004-2009 .....	48

**Maps**

1. Race and Hispanic/Latino Origin in Passaic County by Census Tract.....	22
2. Housing Unit Data in Passaic County by Census Tract.....	32

# **I. Introduction and General Summary of the Analysis**

## **A. Background and Who Conducted**

This Analysis of Impediments to Fair Housing (AI) document is a revision to the original document prepared by the City of Paterson Department of Community Development and is designed to update Census and local data and to revisit issues previously identified as impediments. This AI plan fulfills the obligation to have an AI plan as part of the City of Paterson's 2010 -2014 Five-Year Strategic Plan.

The Housing and Community Development Act of 1974 and the National Affordable Housing Act, as amended, govern the administration of Community Development Block Grant and Home funding and require participating jurisdictions to certify they will affirmatively further fair housing. This means that the jurisdiction will: conduct an analysis of impediments to fair housing choice; take appropriate actions to overcome the effects of impediments identified through analysis; and maintain records reflecting the analysis of actions.

For the 2012-2013 program year, the City of Paterson will receive the following funding from the United States Department of Housing and Urban Development: \$2,416,065 (Community Development Block Grant); \$1,160,055 (HOME Investment Partnerships); \$1,380,000 (Housing Opportunities for Persons with AIDS); and \$232,425 (Emergency Solutions Grant).

*Source: City of Paterson ES-05 Executive Summary of the 2012 Annual Action Plan*

The Department of Housing and Urban Development requires that an AI include:

- An analysis of demographic, income, housing and employment data;
- An evaluation of the fair housing complaints filed in the jurisdiction;
- A discussion of impediments, if any, in: 1) the sale or rental of housing; 2) provision of brokerage services; 3) financing; 4) public policies; and 5) administrative policies for housing and community development activities that affect housing choice for minorities;
- An assessment of current fair housing resources; and
- Conclusions and recommendations.

The AI utilizes publicly available data from a number of sources, including:

- Census and other demographic data;
- Consolidated Plan and associated planning documents;
- Fair housing complaint data as available from the Fair Housing Officer, in conjunction with New Jersey Department of Law and Public Safety's Division on Civil Rights and local Fair Housing Agencies (described herein);
- Fair housing testing complaint and education/outreach data maintained by the City's Fair Housing Officer, in conjunction with local Fair Housing Agencies; and

- Internet resources on fair housing.

In addition to the identification of impediments, jurisdictions are required to develop methods to address the issues that limit the ability of residents to rent or own housing, regardless of their inclusion in a protected class.

Fair housing choice is defined as the "ability of persons, regardless of race, color, religion, sex, national origin, familial status, or handicap, of similar income levels to have available to them the same housing choices." The Fair Housing Analysis encompasses the following six areas:

1. The sale or rental of dwellings (public or private);
2. The provision of housing brokerage services;
3. The provision of financing assistance for dwellings;
4. Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing;
5. The administrative policies concerning community development and housing activities, which affect opportunities for minority households to select housing inside or outside areas of minority concentration; and
6. Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) regarding assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570.

As an entitlement community, the City of Paterson is charged with the responsibility of conducting its Community Development Block Grant (CDBG) Program and HOME Program as well as other federal programs in compliance with the Fair Housing Act. This responsibility is extended to non-profit organizations that receive financial assistance from the City of Paterson.

The purpose of this Analysis of Impediments to Fair Housing for the City of Paterson is to evaluate local housing characteristics, to identify blatant or de facto impediments to fair housing choice, and to arrive at a strategy for expansion of fair housing opportunities throughout the City. With the acceptance of the Analysis of Impediments to Fair Housing, the community will have a baseline for progress against which implementation efforts will be judged.

The legislative basis for HUD's review of fair housing practices in communities receiving federal funds is the Civil Rights Act of 1968. On the 20th anniversary of the passage of the legislation, an amendment to Title VIII of the Civil Rights Act was passed. The amendment, which is known as the Fair Housing Act of 1988, expanded the scope of coverage of the law to include, as protected classes, families with children and handicapped persons. Enforcement powers for HUD including a monetary penalty for discrimination were also added.

New Jersey Fair Housing and Discrimination Information is administered by the New Jersey Department of Community Affairs' Division of Housing and Community Resources. It provides that the Fair Housing Act prohibits discrimination in housing because of: race; color; national origin; religion; sex; familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18); and handicap (disability).

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations or private clubs that limit occupancy to members.

The Fair Housing Act further:

- Prohibits housing discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- Sets certain requirements for accessible design in new construction;
- Covers residential multi-family dwellings for first occupancy after March 13, 1991 (covered multi-family dwellings are all types of buildings with four or more units);
- Includes condos, single-story townhouses, garden apartments, vacation timeshares, dormitories, homeless shelters;
- Requires covered buildings with an elevator to make all units in buildings accessible; and  
Requires covered buildings without an elevator to make all ground-floor units (including ground-floors at different levels in the same building) accessible.

The Fair Housing Act prohibits landlords from taking any actions such as the following based on race, religion or any other protected category:

- Advertising or making any statement that indicates a preference based on a group characteristic, such as skin color;
- Falsely denying that a rental unit is available;
- Setting more restrictive standards, such as higher income, for certain tenants;
- Refusing to rent to members of certain groups;
- Refusing to accommodate the needs of disabled tenants, such as allowing a guide dog; and
- Setting different terms for some tenants, such as adopting an inconsistent policy of responding to late rent payments, or terminating a tenancy for a discriminatory reason.

In addition to the Fair Housing Act, the New Jersey Law against Discrimination (LAD) makes it unlawful to subject people to differential treatment based on race, creed, color, national origin, nationality, ancestry, age, sex (including pregnancy), familial status, marital status, affectional or sexual orientation, atypical hereditary cellular or blood trait, genetic information, liability for military service, and mental or physical disability, including perceived disability and AIDS and

HIV status. The LAD prohibits unlawful discrimination in employment, housing, places of public accommodation, credit and business contracts.

On September 5, 2002, former Governor Jim McGreevey signed the Section 8 Anti-Discrimination bill which increases penalties for landlords who refuse to rent or lease to persons who receive federal rent subsidies or have children under the age of 18 (senior and age-restricted housing excluded). Under this law, a landlord who discriminates can be fined up to \$10,000 for a first offense and up to \$25,000 for a second offense. A person bringing action because of discrimination may be awarded a reasonable attorney's fee.

This law amends the existing "Law against Discrimination" by prohibiting landlords from discriminating against tenants based upon a tenant's source of lawful income, such as Section 8 vouchers, or the age of their children. In addition, it also broadens the powers of housing authorities so that they can bring suit on behalf of a tenant who is discriminated against. The law is supported by a 1999 New Jersey Supreme Court ruling that says landlords cannot deny an apartment to tenants based solely on their sources of income. All housing discrimination complaints are filed locally with the New Jersey Department of Law and Public Safety's Division on Civil Rights via their State Headquarters or their regional offices.

This Analysis of Impediments to Fair Housing was prepared for the City of Paterson by a team of community planners in Local Planning Services at the New Jersey Department of Community Affairs at the request of Mayor Jeffrey Jones. The planners who participated in the preparation of this document are as follows:

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Bob Tessier, PP, AICP, Project Leader  
Pamela Weintraub, PP, AICP  
Joanne Wiggins, PP, AICP

## **B. Participants**

The City of Paterson is a HUD CDBG entitlement community. The City of Paterson Department of Community Development is responsible for the Analysis of Impediments to Fair Housing under the direction of the Paterson City Mayor and Council. The recently formed Fair Housing Task Force and the newly appointed Fair Housing Officer are key implementers of the recommendations found in this report.

## **C. Methodology Used**

The preparation of the Analysis of Impediments to Fair Housing included a comprehensive review of the most recently available demographic data regarding population, housing, income, and employment. Additionally, the City reviewed and analyzed public policies affecting the



siting of housing. The City also examined administrative policies concerning housing and community development, the financing and housing brokerage services and their administration in the community. Using the listed information, the City of Paterson was able to prepare actions to be completed that affirmatively further the provision of fair housing in the jurisdiction.

The following sources were utilized to prepare the Analysis of Impediments to Fair Housing Choice:

- The most recent US Census data (where available);
- American Community Survey Data (U.S. Census);
- CHAS data;
- The 2010-2014 City of Paterson Consolidated Plan;
- Public policies affecting the siting and development of housing, including the City's Master Plan and municipal zoning ordinance;
- Administrative policies concerning housing and community development;
- Admission and Continuing Occupancy Policy documents from the Paterson Housing Authority;
- Section 8 Housing Choice Vouchers Administrative Plan from the Paterson Housing Authority;
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database;
- Recent Annual Plans (AP) and Consolidated Annual Performance and Evaluation Report (CAPER);
- Paterson Rent Leveling Lead-Based Paint reports; and
- Meetings and site visits with the City of Paterson, Department of Community Development, Division of Housing

#### **D. How Funded**

The State of New Jersey Department of Community Affairs funded the preparation of this Analysis of Impediments to Fair Housing at no cost to the City of Paterson as part of a community planning assistance program for eligible municipalities. After the Mayor of Paterson sent in a request form for services, the Department of Community Affairs approved the request and prepared a scope of work that was agreed to by both the City and the Department. This report was prepared in compliance with that Scope of Work.

#### **E. Citizen Participation**

In accordance with 24 CFR 91.115(e) the City has developed a Citizen Participation Plan describing the citizen participation requirements of its programs. More details on the Plan can be found in the section entitled "Citizen Participation" in the City of Paterson 2010-2014 Five-Year Strategic Plan. The City's citizen participation process included:

- Public meetings and public hearings at accessible locations on the Consolidated Plan
- City solicitation of comments and opinions from the general public, particularly low-income residents
- A citizen's needs survey conducted by the City
- A City website which provides the general public and non-English speaking or disabled persons with a forum to gather information on the programs and projects detailed in the One-Year Action Plan
- A Limited English Proficiency Plan (LEP) which was established in 2010 and is still in place providing outreach to citizens. Vital documents are now available in both English and Spanish.

In addition, the annual plan includes an update each year on citizen participation in the annual Action Plan. The "Citizen Participation Plan" addresses gaps in its public participation and public hearing process. Annual public notice of funding availability and acceptance applications for all Community Development programs and funding is published in the Herald News and The Record newspapers as well as the El Especial Newspaper and the Arab Voice. Requests for Proposals are sent to all interested parties. City staff also meets with all interested parties. The City of Paterson passes a Community Development annual budgetary resolution and endorsement, publishes a draft for a 30-day comment period and includes all input and comments in the Consolidated Plan and in the annual Action Plans.

As part of this AI Plan the City of Paterson held a focus group meeting on August 12, 2013 at the Paterson Public Library. The following is a summary of the input received at the Focus Group meeting:

- Strength of Housing Choice in Paterson
  - Neighborhoods have a unique feel e.g., Hillcrest, Riverside
  - Young families, tight neighborhoods
  - Quick/easy access to major transportation routes
  - Retail is convenient and accessible
  - Strong neighborhood identity
  - Diversity (ethnicities, restaurants, community parades)
  - Ethnic associations for Hispanics, Arabs and Muslims
  - Residents grow roots/build relationships in the community
  - Strong Hasidic population
  - People can walk to where they need to go
  - Mutual support/religious organizations
  - Approximately 353 churches in Paterson
  - Architecture
  - Many opportunities, perspectives and diversity
  - High density of recreational opportunities and parks

- Soccer, little league baseball, midget football
- Recreation leagues give structure and are important
- Store ownership/investment in neighborhoods
- Familiarity with neighbors
- Access to Information on Fair Housing Laws and Compliance
  - Information is not always available
  - Residents are not familiar with the process; therefore, residents live in buildings that don't meet codes, etc., because they don't know their rights (e.g., immigrants, transients)
  - Residents don't feel empowered to complain
  - Residents feel that they must "make do"
  - Ethnicity difference between the landlord and renter
  - People need more access to legal and financial advice
  - Legal Aid used to be active but is underfunded and cannot offer the help it used to
  - Need for a larger legal presence in poorer areas. People don't know their rights and don't know where to turn
  - More outreach/education would help
  - Brochures and workshops need to be in different languages. The City provides materials in English and Spanish but not Arabic
  - Improve technology. City uses the internet to disseminate information. The City would like to create an app to reach the younger population
  - City needs funds/resources and a vision to implement suggestions
- Transportation Availability and Access to Jobs
  - Most residents are not aware of the EZ RIDE Program
  - No direct train service to midtown Manhattan
  - Residents need better access to jobs in NYC
  - Transportation providers such as taxis and jitneys are often unregulated and unsafe
  - There are a lot of no-car households
  - ZIP cars would be helpful
  - A lot of people walk although distances and safety can be a concern
  - There are no supermarket chains with the City limits
  - Shopper must go elsewhere to shop, e.g., Fairlawn, Little Falls
  - No direct bus routes, people need to transfer
  - Bodegas need to offer more choices
  - Transportation routes should be redefined
  - Few job opportunities in Paterson (mostly retail, low or unskilled)
  - Few major employers

- How do people get to work? Many carpool
  - Travel time and distances are long. People work far away
  - Unrealistic expectations of job market
  - “Bottoms Up” carpooling reduces commuting expenses
  - Driver license and insurance issues
  - Dependability
  - Residents need a lot of services
- Availability and Access to Housing for the Disabled
    - ADA issues. Old housing stock does not comply with regulations
    - Crime is high in areas where disabled housing is available
    - Support centers are concentrated, which reduces choices
    - Housing subsidies are concentrated
    - Landlords are often not committed or willing to make proper upgrades
    - If a unit does not qualify for subsidies, often the owner will not make upgrades
    - Local disability office needs to advocate for changes
    - The Council on Disability is active
    - Finding funding can be difficult
    - Non-Section 8 landlords need incentives to make improvements
    - NJ DDD
    - Need to get the word out
- Bias in Lending, Credit Counseling and Money Management
    - High number of foreclosures
    - Difficult to get a mortgage; however, it is improving compared to 10 years ago
    - “Redlining” has returned
    - Predator lenders are gone, which actually makes it more difficult to get a loan
    - To get a mortgage, you have to know the right people
    - Immigrants tend to deal with lenders that they know
    - South Paterson is growing with new buildings and money and has become very vibrant, however, very little new residential development
    - Bank ownership of foreclosed houses is impacting neighborhoods
- Availability of Access to Affordable Housing
    - A lot of new construction in Paterson but it is mostly commercial not residential
    - Reuse and redevelopment must be a priority
    - Vacancy is high and the supply is eroding
    - Owners need to care for vacant buildings
    - Many properties are owned by speculators and banks

- City has an abandoned and vacant property ordinance, for which registration is required. Fees are paid to encourage occupancy. Property managers are required to maintain properties as well as posting phone numbers to report problems
- Spot blight and eminent domain are tools for the City
- Try to get vacant properties back on the market
- Demand is high but supply is low
- City needs to be transformed, one community at a time
- Must implement a holistic approach
- CDCs play an important role
- Need to build capacity
- Guidance is needed to help the landlords and renters through the process
- Costs are high and rent is high due to proximity to Bergen County
- High foreclosure and vacancy rates are reducing housing supply
- Language Accommodations for Limited English Proficient Households
  - Information is advertised in several different local newspapers and languages
  - City website is currently English only, but looking at ways to translate webpages for other languages
  - Staff is bilingual (English/Spanish)
  - There are no staff members of Arabic decent
  - Need to reach Arabic population regarding fair housing
- Geographic Concentrations of Racial and Ethnic Groups
  - Doesn't appear to be an issue
  - Some concentrations of vacancies and rental neighborhood
- Other
  - High Property taxes
  - High Vacancy Rates
  - Crime Issues (48 gun firings in one day)

From the focus group input as well as the housing and community analysis in this report the following impediments and strategies/actions for addressing those impediments were developed. These form the recommendations of this report template for actions to address fair housing impediments and housing opportunity for residents of the City.

**F. Conclusions: Impediments found and actions to address impediments**

Action	Lead Agency	Status	Schedule
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**Impediment 1 - Lack of Education regarding Fair Housing Laws**

Prepare Analysis of Impediments to Fair Housing Choice	City of Paterson	Completed	Completion Date October 2013
Appoint Fair Housing Officer	City of Paterson	Completed August 2013	Third Quarter 2013
Create Fair Housing Task Force	City of Paterson	Completed August 2013	Third Quarter 2013
Hold focus group meeting on impediments	City of Paterson	Completed August 2013	Third Quarter 2013
Hold quarterly Fair Housing Task Force meetings	City of Paterson	To be scheduled	
Develop strategy to inform residents about city housing programs and opportunities	Fair Housing Task Force City of Paterson	To be scheduled	
Create City Smart Phone App with fair housing and housing opportunities for program promotion	Fair Housing Task Force	To be scheduled	

**Impediment 2 - Lack of Awareness regarding Complaint Process**

Create educational, outreach and advocacy program with regional fair housing agency	City of Paterson	Not Started	Fourth Quarter 2013
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<b>Action</b>	<b>Lead Agency</b>	<b>Status</b>	<b>Schedule</b>
Distribute Truth-in-Renting publication	City of Paterson Fair Housing Task Force	Not Started	Fourth Quarter 2013
Post equal housing opportunity posters in English and Spanish at City Hall, public buildings and at Housing Authority offices	City of Paterson Fair Housing Task Force	Some posters in English, need bilingual posters in more locations	Immediately
Obtain or create Arabic equal opportunity posters and post at City Hall, public buildings and at Housing Authority offices	City of Paterson Fair Housing Task Force	Need to Obtain posters	Immediately
Promote Legal Aid information and presence in poorer neighborhoods	Fair Housing Task Force	Focus Group Recommendation	Immediately

### **Impediment 3 - Transportation Availability and Access to Jobs**

Coordinate with local paratransit, transit and regional agencies to ensure adequate access to City-wide and regional employment centers and/or transit connections	EZ-RIDE and City of Paterson	Ongoing	Ongoing
Create marketing program of available transit opportunities to center of employment and activity	EZ-RIDE and City of Paterson	Ongoing	Ongoing

Action	Lead Agency	Status	Schedule
Review recommendations of focus group and prepare strategy	Fair Housing Task Force City of Paterson	Focus Group Recommendation	

### Impediment 4 - Lack of Housing for the Disabled

Continue to utilize federal funding via CDBG and HOME program to ensure that developers conform to the UFA's and other access standards	City of Paterson Paterson Housing Authority	Ongoing	Ongoing
Incentivize production of supportive housing by partnering with the State of New Jersey and local service providers and providing certain compensatory benefits	City of Paterson	Ongoing	Ongoing
Review recommendation of focus group and prepare strategy	Fair Housing Task Force City of Paterson	Focus Group Recommendation	Immediately

### Impediment 5 - Bias in Lending, Credit Counseling and Money Management

Provide referral services to local HUD-approved credit counseling agencies	City of Paterson. Paterson housing Authority	Ongoing	Ongoing
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Action	Lead Agency	Status	Schedule
Continue First Time Homebuyers Program; conduct home buyers' seminars through the HUD-approved counseling agency	City of Paterson	Ongoing	Ongoing
Develop program to address high vacancy rates, foreclosures and housing stock loss	Fair Housing Task Force City of Paterson	Focus Group Recommendation	

### Impediment 6- Lack of Affordable Housing

Maintain and continue housing rehabilitation program	City of Paterson	Ongoing	Ongoing
Continue coordination and support of Paterson Housing Authority to produce appropriately located affordable housing	City of Paterson	Ongoing	Ongoing
Incentivize the production of affordable housing by providing mortgage and down payment assistance through the "Live Where You Work" program	City of Paterson and NJHMFA	Ongoing	Ongoing

Action	Lead Agency	Status	Schedule
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Incentivize the production of affordable housing by providing developers with compensatory benefits. Review recommendations of focus group and recommend strategy to deal with vacant buildings

City of Paterson  
Fair Housing Task Force

To be addressed

### Impediment 7- Language Access for Limited English Proficient (LEP)

Conduct 4-prong analysis

City of Paterson

Completed

10/17/2011 LEP Plan

Develop Language Access Plan

City of Paterson

Completed

10/17/2011 LEP Plan

Provide appropriate language assistance

City of Paterson

Ongoing

Ongoing

Post equal housing opportunity posters in English and Spanish at City Hall, public buildings and at Housing Authority offices

City of Paterson and  
Paterson Housing  
Authority

Not Completed

Immediately

Update LAP and determine if any additional languages meet the 5% per 1,000 person threshold (e.g., Arabic). Provide fair housing and program brochures in Arabic

City of Paterson

Update

2014

<b>Action</b>	<b>Lead Agency</b>	<b>Status</b>	<b>Schedule</b>
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### Impediment 8 - Access to Affordable Housing

Establish Community Housing Resource Board	City of Paterson/Paterson Task Force	Not Started	2014
Continue marketing and informational program of available transit opportunities.	EZ-RIDE and City of Paterson	On Going	Ongoing

### Impediment 9 - Geographic Concentration of Minority and Ethnic Groups

Coordinate with regional housing providers and adjacent local governments to market housing opportunities within region	City of Paterson and Passaic County Continuum of Care Coordinating Body	Ongoing	Ongoing
Market and distribute information to residents on affordable housing opportunities	Paterson Task Force/City of Paterson/Fair Housing Task Force	Not Started	Not Started
Map Census tracts with minority and ethnic group concentrations and plan outreach housing information and program services	Paterson Task Force/City of Paterson/Fair Housing Task Force	Not Started	Not Started

## **II. Paterson City Demographic Background Data**

### **A. Demographic and Historic Data**

In this section of the *Analysis of Impediments to Fair Housing*, demographic and socio-economic characteristics of the City are described to identify conditions and trends within the City. The demographic data will serve as a basis for determining needs and identifying impediments to fair housing choice. The statistical information in this section of the *Analysis of Impediments to Fair Housing*, unless noted, was derived from Census reports published by the U.S. Bureau of the Census.

Paterson is located in the southeastern part of Passaic County and is the county seat of Passaic County. Paterson is surrounded by Hawthorne, Prospect Park and Haledon on the north, Totowa and West Paterson on the west, Clifton on the south and Fair Lawn and Elmwood Park (both Bergen County) on the east. The Passaic River serves as Paterson's eastern and northern boundary.

One of the most striking features of Paterson's geography is the 77-foot high Great Falls. Due to the energy that could be harnessed from the Great Falls, Paterson was in the forefront of the American industrial revolution. The district originally included dozens of mill buildings and other manufacturing structures associated with the textile industry and later, the firearms, silk, and railroad locomotive manufacturing industries. In the latter half of the 19th century, silk production became the dominant industry, thus the nickname "Silk City." The area is listed on the National Register of Historic Places as the Great Falls/Society for the Establishment of Useful Manufactures Historic District.

Another interesting feature of Paterson's history is Hinchliffe Stadium, a 10,000-seat stadium opened in 1932 which, for over a decade, was the home of various African-American baseball leagues. The ballpark also served as a venue for many other professional sports. Abbott and Costello performed at Hinchliffe prior to boxing matches. Hinchliffe is one of only three Negro League stadiums left standing in the United States, and is on the National Register of Historic Places. Other Paterson locations and buildings on the National Register include City Hall, Public School Number Two, Danforth Memorial Library, the Cathedral of St. John the Baptist, St. Michael's Roman Catholic Church, the Paterson Downtown Commercial Historic District and the Eastside Park Historic District.

The city is served by the New Jersey Transit Main Line commuter rail service, with the station located in downtown Paterson. New Jersey Transit also provides bus service to locations in Passaic, Bergen, Essex and Hudson Counties. From the downtown Broadway Bus Terminal, there is service to the Port Authority Bus Terminal in Manhattan and to the George Washington Bridge Bus Terminal in Washington Heights. The road network accessible to Paterson includes Interstate 80 as well as State Routes 4, 19 and 20. U.S. Route 46, the Garden State Parkway, and State Routes 3, 17, 21 and 208 are also nearby.

Paterson City is the third largest city in New Jersey, behind Newark and Jersey City. As of the 2010 U.S. Census, there were 146,199 people, 44,329 households, and 32,731 families residing

within the City of Paterson (see chart below). The population density in 2010 was 16,824 persons per square mile. In 2000, Paterson’s population density was 17,172 persons per square mile, making it the second densest city (with over 100,000 residents) in the country, behind New York City.

**Table 1: City of Paterson Population**

<b>Paterson City</b>	<b>2000</b>	<b>2010</b>
Population	149,222	146,199
Households	44,710	44,329
Families	33,351	32,731
Population Density	17,172	16,824

The City’s population in 2000 was 149,222 and in 2010 it was 146,199. This marks a two percent decline in population during that time span. Currently, the population is 48.3 percent male and 51.7 percent female and the median age is 32.1 years old. In 2000, there were 48.6 percent males and 51.4 percent females and a median age of 30.5 years old.

The household count within the City has changed from 44,710 in 2000 to 44,329 in 2010, a decrease of 0.86 percent. The 2035 household projection is 59,910, an increase of 35 percent from the 2010 total. Average household size was 3.24 in 2010, compared to 3.12 in the year 2000. The number of families in 2010 was 32,731, compared to 33,351 in 2000.

Of the total 47,946 housing units in 2010, 44,329 or 92.5 percent were occupied housing units and 7.5 percent were vacant. Currently, 29.6 percent of the 44,329 occupied housing units within the City are owner-occupied and 70.4 percent are renter-occupied. In 2000, there were 47,169 total housing units, of which 44,710 or 94.8 percent were occupied. Of that total 31.5 percent were owner-occupied and 68.5 percent were renter-occupied. The percentage increase in total housing units between 2000 and 2010 was 1.6 percent.

According to the 2007-2011 ACS data, the median household income in Paterson City was \$34,302, compared to \$56,299 for Passaic County and \$71,180 for the State of New Jersey. In 2000, the median household income in Paterson was \$32,778. The 2007-2011 ACS data report a per capita income of \$15,498 in the City of Paterson, compared to \$26,615 for Passaic County and \$35,678 for the State of New Jersey. In 2000, the per capita income in Paterson was \$13,257.

The City of Paterson contains 33 Census Tracts of which 20 have low- and moderate- income ratios above 70 percent. The City will direct its resources throughout these geographic areas during the five-year plan cycle to promote a variety of housing and community development activities. The City will also continue to target available resources in approved redevelopment areas pursuant to the New Jersey Housing and Redevelopment Law. Based on 2007-2011 ACS data from the United States Census Bureau, 27.1 percent of all people and 24.6 percent of all families in the City of Paterson live in poverty.

## B. Paterson Census Characteristics Comparison

The following table compares Census data for the City of Paterson with Passaic County and New Jersey as a whole.

**Table 2: Paterson Census Characteristics in Comparison to Passaic County and the State of New Jersey**

<b>Characteristics</b>	<b>Paterson</b>	<b>Passaic County</b>	<b>New Jersey</b>
<b><i>Total Population</i></b>	145,836	496,204	8,721,577
Median Age (years)	32.0	36.0	38.5
65 years and over	8.7%	11.9%	13.2%
<b>Race</b>			
White	35.0%	61.6%	69.6%
Black or African American	31.0%	12.3%	13.5%
American Indian and Alaska Native	0.1%	0.2%	0.2%
Asian	3.1%	5.1%	8.0%
Native Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
Other Race	28.9%	19.2%	6.6%
Two or more Races	1.8%	1.6%	2.0%
<b>Hispanic or Latino (of any race)</b>	55.0%	35.7%	16.8%
<b>Arabic-Speaking Population</b>	1.5%	1.9%	0.6%
<b>% of Total Civilian Non-institutionalized Population with a Disability</b>	9.1%	10.3%	9.9%
<b><i>Total Housing Units</i></b>	50,872	175,223	3,529,033
Occupied Housing Units	88.0%	92.1%	90.0%
Vacant Housing Units	12.0%	7.9%	10.0%
Owner-Occupied	30.4%	55.3%	66.9%
Renter-Occupied	69.6%	44.7%	33.1%
Structure built 1979 or earlier	89.6%	85.5%	71.1%
Structure built 1939 or earlier	29.1%	23.0%	18.9%
Lacking complete plumbing facilities	0.5%	0.4%	0.5%
Lacking complete kitchen facilities	0.9%	0.8%	0.7%

Characteristics	Paterson	Passaic County	New Jersey
1.01 or more occupants/room (Owner)	7.3%	3.2%	1.2%
1.01 or more occupants/room (Renter)	13.4%	16.6%	7.4%
<b>Median Value Owner-Occupied Units</b>	\$331,200	\$382,600	\$357,000
<b>Median Gross Rent</b>	\$1,030	\$1,080	\$1,092
<b>Gross Rent as a % of HH Income</b>			
35.0 percent or more	57.3%	52.1%	42.40%

Source: 2009-2011 American Community Survey 3-Year Estimates

### C. Race and Ethnicity

The table below shows the racial composition of Paterson's population. Paterson is an ethnically rich city with a racial composition of 34.7 percent White, 31.7 percent Black, 3.3 percent Asian and 30.3 percent other (American Indian, some other race and two or more races). Additionally, 57.6 percent of the population identifies as having Hispanic origin. The percentage of white persons is well below the county and state percentages, while the percentage for Black Alone persons is also well above those percentages. The percentage of Hispanic persons is also significantly above the county and state percentages.

**Table 3: Racial Composition in Paterson City, Passaic County and N.J.**

Race and Ethnicity	Paterson City	Passaic County	New Jersey
Total Population	100.0%	100.0%	100.0%
White Alone	34.7%	62.6%	68.6%
Black Alone	31.7%	12.8%	13.7%
American Indian Alone	1.1%	0.7%	0.3%
Asian Alone	3.3%	5.0%	8.3%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	23.9%	15.1%	6.4%
Two or More Races	5.3%	3.7%	2.7%
Hispanic Origin (Any Race)	57.6%	37.0%	17.7%

Source: 2010 Census

### D. Areas of Racial or Ethnic Concentration

HUD defines areas of racial or ethnic concentration as geographical areas where the percentage of a specific minority or ethnic group is 10 percentage points higher than a City's overall percentage. While segregation may exist, it alone does not definitively prove discrimination in

the housing market. It may indicate discrimination or else suggest other factors are at work limiting choices of racial and ethnic groups.

The two most significant racial and ethnic groups within the City include Hispanic/Latino (any race) and Black/African American alone. For the purpose of this analysis, an area of concentration occurs for Hispanic/Latinos when the population is equivalent to 67.6 percent or more and, for Blacks/African Americans, when the percentage is 41.7 percent or more.

The American Community Survey (2007-2011 five-year estimates) yields data showing that areas of minority concentration occur in 20 of the 33 Census tracts in Paterson. Census tracts 1809, 1810, 1822, 1823.01, 1827, 1828 and 1829 have concentrations of Hispanic or Latino (any race) and Census tracts 1806, 1807, 1812, 1813, 1814, 1815, 1818, 1823.02, 1824, 1825, 1826, 1832 and 2642 have concentrations of Black/African Americans alone.

**Table 4: Areas of Minority Concentration—Paterson City**

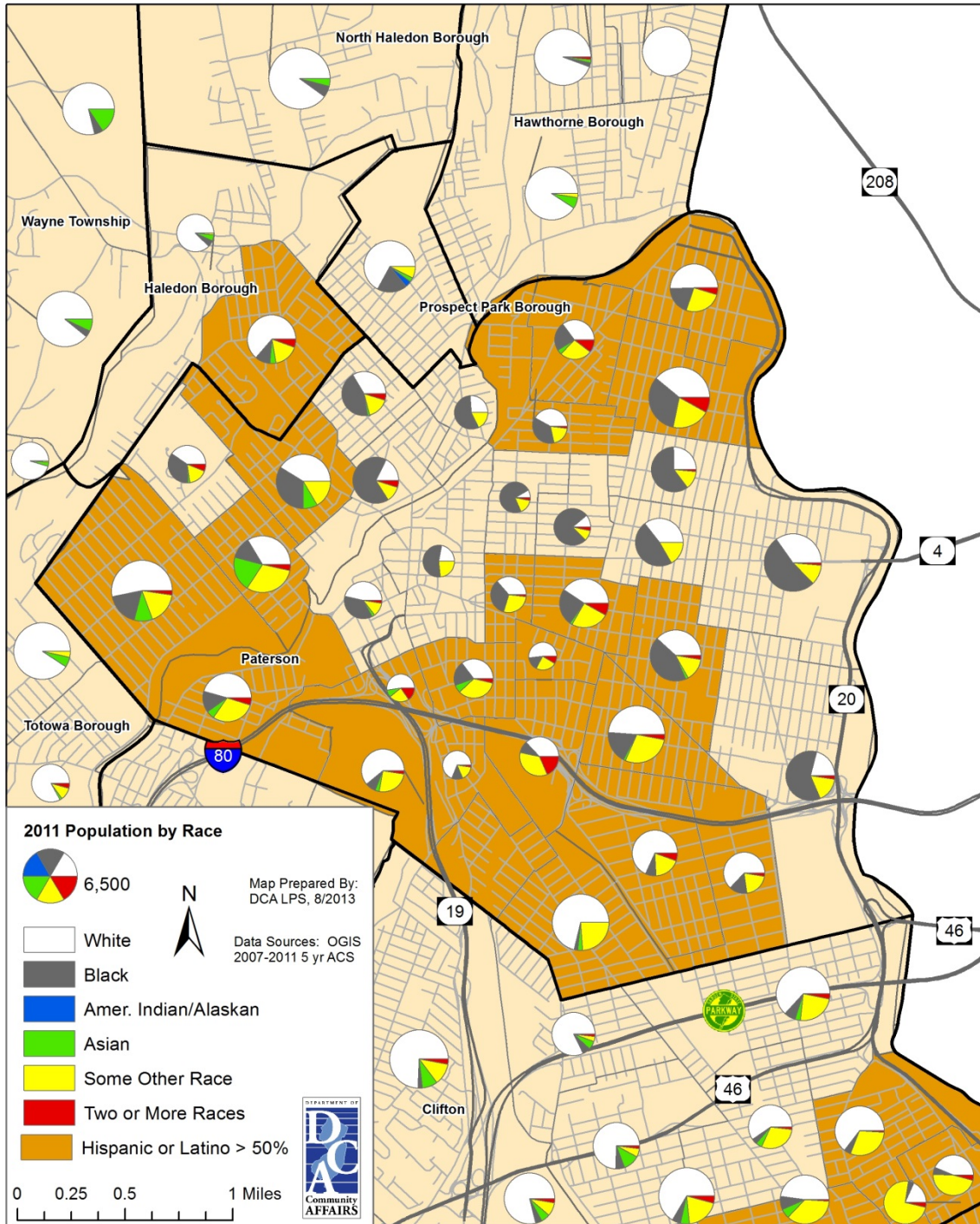
	Total:	White alone	Black or African American alone	American Indian/ Alaska Native alone	Asian alone	Native Hawaiian/ Pacific Islander alone	Some other race alone	Two or more races:	Two races including Some other race	Two races exc. some other race, and three or more races
Paterson City	145,836	51,031	45,281	156	4,557	14	42,202	2,595	1,045	1,550
Census Tract 1801	7,695	3,386	1,381	0	851	0	1,935	142	41	101
Census Tract 1802.01	3,635	1,495	849	0	237	0	1,025	29	29	0
Census Tract 1802.02	7,094	2,087	860	36	1,520	0	2,493	98	63	35
Census Tract 1803	6,355	2,280	2,055	0	475	0	1,503	42	0	42
Census Tract 1806	4,339	1,629	1,376	0	62	0	1,061	211	93	118
Census Tract 1807	2,494	567	1,384	0	129	0	378	36	36	0
Census Tract 1808	2,733	923	981	0	0	0	800	29	29	0
Census Tract 1809	3,732	1,030	896	0	126	0	1,395	285	95	190
Census Tract 1810	5,218	2,194	865	0	0	0	2,046	113	0	113
Census Tract 1811	8,326	2,715	3,352	0	17	0	2,012	230	0	230
Census Tract 1812	4,472	832	2,861	8	0	0	757	14	14	0
Census Tract 1813	4,902	1,275	2,552	0	0	0	1,061	14	0	14
Census Tract 1814	2,776	157	2,093	23	0	0	415	88	88	0
Census Tract 1815	2,224	72	1,637	0	0	0	515	0	0	0
Census Tract 1817.02	2,576	728	799	0	0	0	1,049	0	0	0
Census Tract 1818	3,386	1,238	1,125	0	228	0	769	26	7	19
Census Tract 1819	5,116	2,213	729	0	98	0	2,021	55	0	55
Census Tract 1820	1,453	695	53	0	53	0	652	0	0	0
Census Tract 1821	3,903	1,817	223	0	148	0	1,616	99	46	53
Census Tract 1822	3,415	1,046	661	33	165	14	1,496	0	0	0
Census Tract 1823.01	1,702	589	519	0	0	0	594	0	0	0
Census Tract 1823.02	5,240	1,850	1,186	0	72	0	1,928	204	135	69
Census Tract 1824	5,697	1,537	2,625	0	72	0	1,359	104	84	20
Census Tract 1825	7,429	1,998	3,708	35	22	0	1,473	193	96	97
Census Tract 1826	5,568	937	3,541	0	0	0	987	103	42	61
Census Tract 1827	7,235	3,112	900	0	83	0	2,958	182	128	54
Census Tract 1828	3,395	1,434	167	0	0	0	1,683	111	0	111
Census Tract 1829	1,904	649	314	21	21	0	866	33	11	22
Census Tract 1830	6,834	4,565	166	0	127	0	1,956	20	0	20
Census Tract 1831.01	3,575	2,012	641	0	0	0	810	112	0	112
Census Tract 1831.02	4,773	2,907	515	0	19	0	1,332	0	0	0
Census Tract 1832	2,304	500	1,122	0	32	0	650	0	0	0
Census Tract 2642	4,336	562	3,145	0	0	0	607	22	8	14



The distribution of populations by race shows concentration of blacks in some Census tracts and concentrations of whites in others but as shown in the index of dissimilarity that follows, races are distributed throughout the City. Recent immigrant arrivals from the Arabic communities, however, tend to concentrate in neighborhoods for mutual support and language based reasons.

# Map 1

## Race and Hispanic/Latino Origin in Passaic County by Census Tract



## E. Index of Dissimilarity or Ethnic Concentration

The following table shows the distribution of race by Census tract and provides an index of dissimilarity for race distribution in the City of Paterson. See next page two pages.

**Table 5: Paterson Index of Dissimilarity**

Census Tract	Total:	White alone	Black or African American alone	American Indian/Alaska Native alone	Asian alone	Native Hawaiian/Pacific Islander alone	Some other race alone	Two or more races:	Two races including some other race	Two races excluding some other race, and three or more races
Paterson city, Passaic County, New Jersey	145,836	51,031	45,281	156	4,557	14	42,202	2,595	1,045	1,550
Census Tract 1801, Passaic County, New Jersey	7,695	3,386	1,381	0	851	0	1,935	142	41	101
Census Tract 1802.01, Passaic County, New Jersey	3,635	1,495	849	0	237	0	1,025	29	29	0
Census Tract 1802.02, Passaic County, New Jersey	7,094	2,087	860	36	1,520	0	2,493	98	63	35
Census Tract 1803, Passaic County, New Jersey	6,355	2,280	2,055	0	475	0	1,503	42	0	42
Census Tract 1806, Passaic County, New Jersey	4,339	1,629	1,376	0	62	0	1,061	211	93	118
Census Tract 1807, Passaic County, New Jersey	2,494	567	1,384	0	129	0	378	36	36	0
Census Tract 1808, Passaic County, New Jersey	2,733	923	981	0	0	0	800	29	29	0
Census Tract 1809, Passaic County, New Jersey	3,732	1,030	896	0	126	0	1,395	285	95	190
Census Tract 1810, Passaic County, New Jersey	5,218	2,194	865	0	0	0	2,046	113	0	113
Census Tract 1811, Passaic County, New Jersey	8,326	2,715	3,352	0	17	0	2,012	230	0	230
Census Tract 1812, Passaic County, New Jersey	4,472	832	2,861	8	0	0	757	14	14	0
Census Tract 1813, Passaic County, New Jersey	4,902	1,275	2,552	0	0	0	1,061	14	0	14
Census Tract 1814, Passaic County, New Jersey	2,776	157	2,093	23	0	0	415	88	88	0
Census Tract 1815, Passaic County, New Jersey	2,224	72	1,637	0	0	0	515	0	0	0
Census Tract 1817.02, Passaic County, New Jersey	2,576	728	799	0	0	0	1,049	0	0	0
Census Tract 1818, Passaic County, New Jersey	3,386	1,238	1,125	0	228	0	769	26	7	19
Census Tract 1819, Passaic County, New Jersey	5,116	2,213	729	0	98	0	2,021	55	0	55
Census Tract 1820, Passaic County, New Jersey	1,453	695	53	0	53	0	652	0	0	0
Census Tract 1821, Passaic County, New Jersey	3,903	1,817	223	0	148	0	1,616	99	46	53
Census Tract 1822, Passaic County, New Jersey	3,415	1,046	661	33	165	14	1,496	0	0	0
Census Tract 1823.01, Passaic County, New Jersey	1,702	589	519	0	0	0	594	0	0	0
Census Tract 1823.02, Passaic County, New Jersey	5,240	1,850	1,186	0	72	0	1,928	204	135	69

Census Tract	Total:	White alone	Black or African American alone	American Indian/Alaska Native alone	Asian alone	Native Hawaiian/Pacific Islander alone	Some other race alone	Two or more races:	Two races including some other race	Two races excluding some other race, and three or more races
Census Tract 1824, Passaic County, New Jersey	5,697	1,537	2,625	0	72	0	1,359	104	84	20
Census Tract 1825, Passaic County, New Jersey	7,429	1,998	3,708	35	22	0	1,473	193	96	97
Census Tract 1826, Passaic County, New Jersey	5,568	937	3,541	0	0	0	987	103	42	61
Census Tract 1827, Passaic County, New Jersey	7,235	3,112	900	0	83	0	2,958	182	128	54
Census Tract 1828, Passaic County, New Jersey	3,395	1,434	167	0	0	0	1,683	111	0	111
Census Tract 1829, Passaic County, New Jersey	1,904	649	314	21	21	0	866	33	11	22
Census Tract 1830, Passaic County, New Jersey	6,834	4,565	166	0	127	0	1,956	20	0	20
Census Tract 1831.01, Passaic County, New Jersey	3,575	2,012	641	0	0	0	810	112	0	112
Census Tract 1831.02, Passaic County, New Jersey	4,773	2,907	515	0	19	0	1,332	0	0	0
Census Tract 1832, Passaic County, New Jersey	2,304	500	1,122	0	32	0	650	0	0	0
Census Tract 2642, Passaic County, New Jersey	4,336	562	3,145	0	0	0	607	22	8	14
<b>Dissimilarity Index</b>		<b>22.85%</b>	<b>40.51%</b>	<b>81.51%</b>	<b>58.52%</b>	<b>97.67%</b>	<b>19.22%</b>	<b>33.66%</b>	<b>50.18%</b>	<b>41.50%</b>

Source: 2011 American Community Survey 5-year estimates. Calculations by NJDCA Local Planning Services August 2013

## F. Age Cohorts and Educational Attainment

The table below (Table 6) shows the age cohorts of the City population. Overall, the City has a very young population, as compared to New Jersey and the United States as a whole. The working age cohort (20 to 64) ratio is much lower than the state or national percentage. The percentage of elderly (65+) and extra-elderly (75+) is also much lower than the national and state percentages.

**Table 6: Age Cohorts in Paterson, New Jersey and United States**

	<b>Paterson City</b>	<b>Paterson City %</b>	<b>NJ %</b>	<b>US %</b>
Under 5	11,730	8.1%	6.2%	6.6%
5 to 19	33,968	23.3%	19.9%	20.5%
20 to 64	87,482	59.7%	60.4%	60.0%
65 to 74	7,934	5.4%	7.0%	7.1%
75 & over	5,084	3.5%	6.5%	5.8%
Median Age	32		39	37.2

*Source: U.S. Census 2009-20011 ACS 3-Year Estimates*

Table 7 below shows the educational attainment of the City population. In addition to the high level of poverty plaguing the City, post-high school education is significantly below the county, state and national averages.

**Table 7: Educational Attainment (Population 25 and Over)**

	<b>Paterson City</b>	<b>Paterson City %</b>	<b>Passaic County %</b>	<b>NJ%</b>	<b>US%</b>
Population 25 and Over	87,970	-	-	-	-
<9th Grade	13,658	15.5%	10.2%	6.2%	6.4%
9th to 12th Grade, no diploma	10,795	12.3%	8.2%	6.5%	5.5%
HS Graduate	36,654	41.6%	34.7%	29.4%	29.5%
Some College, No Degree	13,466	15.3%	15.5%	17.2%	21.3%
Associate Degree	4,177	4.8%	5.7%	5.6%	8.0%
Bachelor's Degree	6,920	7.8%	17.3%	21.9%	17.8%
Graduate or Prof. Degree	2,300	2.7%	8.4%	13.2%	11.5%

*Source: U.S. Census 2009-20011 ACS 3-Year Estimates*

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 37.8 percent had not earned a high school diploma (14.8 percent in the U.S.);
- 41.6 percent were high school graduates only (29.6 percent in the U.S.);
- 4.8 percent had completed an Associate degree (7.7 percent in the U.S.);

- 7.8 percent had a Bachelor's degree (17.7 percent in the U.S.); and
- 2.7 percent had earned professional degree or graduate degree.

## G. Income Data and Housing

Jobs in Paterson are scarce due to the collapse of the manufacturing sector. In addition, incomes are relatively low in comparison to surrounding communities. Low income is particularly acute for elderly and disabled residents. The following two tables present Elderly Status by Income and Disability Status by Income.

**Table 8: Elderly Housing Status by Income**

Status	Tenure	Housing Problems	30% AMI or less	30-50% AMI	50-80% AMI	80% AMI and above
Elderly	Owner	N/A	0.6%	0.0%	0.0%	0.0%
Elderly	Owner	No	0.8%	19.4%	42.9%	252.1%
Elderly	Owner	Yes	21.2%	34.4%	67.3%	100.0%
Elderly	Renter	N/A	6.1%	0.0%	0.0%	0.0%
Elderly	Renter	No	14.2%	18.1%	58.5%	95.8%
Elderly	Renter	Yes	78.8%	65.6%	32.7%	0.0%
Elderly	All	All	18.5%	13.6%	14.6%	15.4%
Extra-elderly	Owner	N/A	0.0%	0.0%	0.0%	0.0%
Extra-elderly	Owner	No	0.0%	15.8%	65.1%	1928.6%
Extra-elderly	Owner	Yes	30.9%	39.5%	68.3%	100.0%
Extra-elderly	Renter	N/A	3.6%	0.0%	0.0%	0.0%
Extra-elderly	Renter	No	26.3%	39.5%	47.6%	100.0%
Extra-elderly	Renter	Yes	69.1%	60.5%	31.7%	0.0%
Extra-elderly	All	All	12.7%	7.3%	6.6%	7.2%
Non-elderly	Owner	N/A	10.6%	0.0%	0.0%	0.0%
Non-elderly	Owner	No	0.0%	285.7%	766.7%	6212.5%
Non-elderly	Owner	Yes	60.2%	3257.1%	2186.7%	4087.5%
Non-elderly	Renter	N/A	89.4%	100.0%	100.0%	100.0%
Non-elderly	Renter	No	29.5%	1600.0%	4426.7%	8850.0%
Non-elderly	Renter	Yes	617.0%	13000.0%	3200.0%	737.5%
Non-elderly	All	All	68.7%	79.1%	78.8%	77.4%
All	All	All	100.0%	100.0%	100.0%	100.0%

Source: 2006-2008 Comprehensive Housing Affordability Strategy data summary US Census

**Table 9: Elderly Housing Status by Income and Disability**

Status	Tenure	Housing Problems	30% AMI or less	30-50% AMI	50-80% AMI	80% AMI and above
Disabled	Owner	N/A	0.0%	0.0%	0.0%	0.0%
Disabled	Owner	No	0.0%	2.9%	16.3%	45.3%
Disabled	Owner	Yes	12.2%	15.7%	18.4%	23.6%
Disabled	Renter	N/A	5.2%	0.0%	0.0%	0.0%
Disabled	Renter	No	8.0%	28.9%	32.7%	31.1%
Disabled	Renter	Yes	74.6%	52.5%	32.7%	0.0%
Disabled	All	All	23.0%	12.6%	12.1%	7.2%
Not disabled	Owner	N/A	1.3%	0.0%	0.0%	0.0%
Not disabled	Owner	No	0.2%	4.0%	10.0%	38.7%
Not disabled	Owner	Yes	11.2%	19.9%	23.8%	19.3%
Not disabled	Renter	N/A	10.0%	0.5%	0.8%	0.4%
Not disabled	Renter	No	7.0%	7.9%	39.2%	38.4%
Not disabled	Renter	Yes	70.4%	67.6%	26.2%	3.1%
Not disabled	All	All	77.0%	87.4%	87.9%	92.8%
All	All	All	100.0%	100.0%	100.0%	100.0%

Source: 2006-2008 Comprehensive Housing Affordability Strategy data summary US Census

## H. Employment Data

While Paterson City historically was a thriving manufacturing center, today the majority of the population is employed in the service industry.

It is expected that total non-farm employment in Passaic County will continue to increase through 2012 but at a more gradual rate than it has during the 10-year span from 1992 to 2002. Three particular industry sectors should account for approximately three quarters of the projected growth: education and health services, professional and business services, and retail trade. Although job loss in the manufacturing sector is anticipated to decrease, about 18.4 percent of positions in that industry are expected to be lost. In 2012, employment requiring a "high" level of education and experience will account for only 26.4 percent of all jobs, while positions solely requiring on-the-job training should comprise 56.4 percent of total employment.

**Table 10: Employment Data for Residents of Paterson City**

Employment Category	Estimate	%age
Civilian employed population 16 years and over	56,105	56,105
Agriculture, forestry, fishing and hunting, and mining	42	0.10%
Construction	3,217	5.70%
Manufacturing	9,327	16.60%
Wholesale trade	2,059	3.70%
Retail trade	6,930	12.40%
Transportation and warehousing, and utilities	4,130	7.40%

<b>Employment Category</b>	<b>Estimate</b>	<b>%age</b>
Information	803	1.40%
Finance and insurance, and real estate and rental and leasing	2,665	4.80%
Professional, scientific, and management, and administrative and waste management services	5,284	9.40%
Educational services, and health care and social assistance	12,902	23.00%
Arts, entertainment, and recreation, and accommodation and food services	4,194	7.50%
Other services, except public administration	2,723	4.90%
Public administration	1,829	3.30%

Source: U.S. Census Bureau, 2007

## **I. Housing Profile and Income**

The U.S. Department of Housing and Urban Development (HUD) has identified four income classifications as target groups for Federal assistance resources. These include:

- **Extremely low-income households:** those earning less than 30 percent of median family income (MFI)
- **Low-income households:** those earning between 31 and 50 percent of MFI
- **Moderate-income households:** those earning between 51 and 80 percent of MFI
- **Middle-income households:** those earning between 81 and 95 percent of MFI

By current definitions, affordable housing is that which costs no more than 30 percent of the gross income of the household that occupies it. According to HUD, households experiencing housing costs that exceed 30 percent of gross income are categorized as having a Housing Cost Burden, whereas households with housing costs exceeding 50 percent of gross income are categorized as having a Severe Cost Burden

While housing costs in Paterson are significantly lower than in many other U.S. cities, homeownership is beyond the reach of many lower-income African-American or Hispanic families in the City. Many such families have significant financial difficulty in maintaining the homes they own and occupy. Even for those that may be able to purchase a home, with or without the assistance of leveraged homeownership programs, many lending institutions have become more stringent in terms of their lending practices. This makes it more difficult for these populations to obtain a mortgage and invest in homeownership opportunities.



The following table shows housing problem severity by income group in the overall population in Paterson.

**Table 11: Housing Problem Severity by Income Group in Paterson**

<b>Housing Problem Severity</b>	<b>30% AMI or less</b>	<b>30-50% AMI</b>	<b>50-80% AMI</b>	<b>80% AMI and above</b>	<b>All</b>
Substandard	1.5%	1.9%	1.2%	0.5%	1.3%
Severely overcrowded	0.9%	1.2%	1.1%	0.3%	0.8%
Severely cost burdened	63.7%	31.9%	12.6%	3.4%	32.0%
Overcrowded	6.6%	7.0%	5.9%	4.4%	6.0%
No income or no cash rent	9.9%	0.4%	0.7%	0.4%	3.8%
No housing problems	7.4%	14.5%	49.2%	77.1%	34.7%
Cost burdened	10.1%	43.1%	29.3%	13.9%	21.5%
All	35.1%	18.3%	23.1%	23.5%	100.0%

Source: 2006 -2008 CHAS summary data, US HUD

Table 12 shows housing problem severity by income for the elderly population in Paterson.

**Table 12: Housing Problem Severity by Income for Elderly Population in Paterson**

<b>Status</b>	<b>Housing Problems</b>	<b>30% AMI or less</b>	<b>30-50% AMI</b>	<b>50-80% AMI</b>	<b>80% AMI and above</b>	<b>All</b>
Elderly	N/A	5.6%	0.0%	0.0%	0.0%	2.3%
Elderly	No	12.3%	27.3%	50.3%	77.7%	37.4%
Elderly	Yes	82.1%	72.7%	49.7%	22.3%	60.3%
Elderly	All	18.5%	13.6%	14.6%	15.4%	16.0%
Extra-elderly	N/A	2.8%	0.0%	0.0%	0.0%	1.4%
Extra-elderly	No	20.3%	35.6%	53.0%	95.3%	42.1%
Extra-elderly	Yes	77.0%	64.4%	47.0%	4.7%	56.5%
Extra-elderly	All	12.7%	7.3%	6.6%	7.2%	9.0%
Non-elderly	N/A	12.4%	0.5%	0.9%	0.5%	4.4%
Non-elderly	No	3.7%	10.3%	48.6%	75.4%	33.2%

Status	Housing Problems	30% AMI or less	30-50% AMI	50-80% AMI	80% AMI and above	All
Non-elderly	Yes	83.9%	89.1%	50.4%	24.1%	62.3%
Non-elderly	All	68.7%	79.1%	78.8%	77.4%	75.0%
All	All	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2006 – 2008 CHAS summary data, US HUD

## J. Overcrowding

Overcrowding is defined as a household having more than 1.01 persons per room.

An analysis of 2007-2011 American Community Survey (ACS) data, as provided by the U.S. Census Bureau, on overcrowding throughout the City revealed that overall 12.9 percent of the City's occupied housing units met the definition of overcrowded. This represents 5,620 housing units. Of these 5,620 units, 2,415 (43 percent) experienced overcrowding at 1.01 to 1.50 occupants per room, while 3,205 (57 percent) experienced overcrowding at 1.51 occupants per room.

**Table 13: Overcrowding--Occupants per Room**

Occupants per Room	Estimate	%
<b>Occupied housing units</b>	43,640	100.0%
1.00 or less	38,020	87.1%
1.01 to 1.50	2,415	5.5%
1.51 or more	3,205	7.3%

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

Households living in rental units experience significantly more overcrowding than households in owner-occupied housing. Of the 30,654 occupied rental units in Paterson, 4,533 or 14.8 percent are overcrowded. In contrast, only 1,087 or 8.4 percent of the 12,986 owner-occupied units are overcrowded.

**Table 14: Overcrowding--Occupants per Room by Tenure**

Occupants per Room by Tenure	Estimate	by Tenure
<b>Total:</b>	<b>43,640</b>	<b>100%</b>
<b>Owner occupied:</b>	<b>12,986</b>	<b>29.8%</b>
0.50 or less occupants per room	6,689	51.5%
0.51 to 1.00 occupants per room	5,210	40.1%
1.01 to 1.50 occupants per room	622	4.8%
1.51 to 2.00 occupants per room	305	2.3%
2.01 or more occupants per room	160	1.2%
<b>Renter occupied:</b>	<b>30,654</b>	<b>70.2%</b>
0.50 or less occupants per room	12,033	39.3%
0.51 to 1.00 occupants per room	14,088	46.0%
1.01 to 1.50 occupants per room	1,793	5.8%
1.51 to 2.00 occupants per room	1,392	4.5%

<b>Occupants per Room by Tenure</b>	<b>Estimate</b>	<b>by Tenure</b>
2.01 or more occupants per room	1,348	4.4%

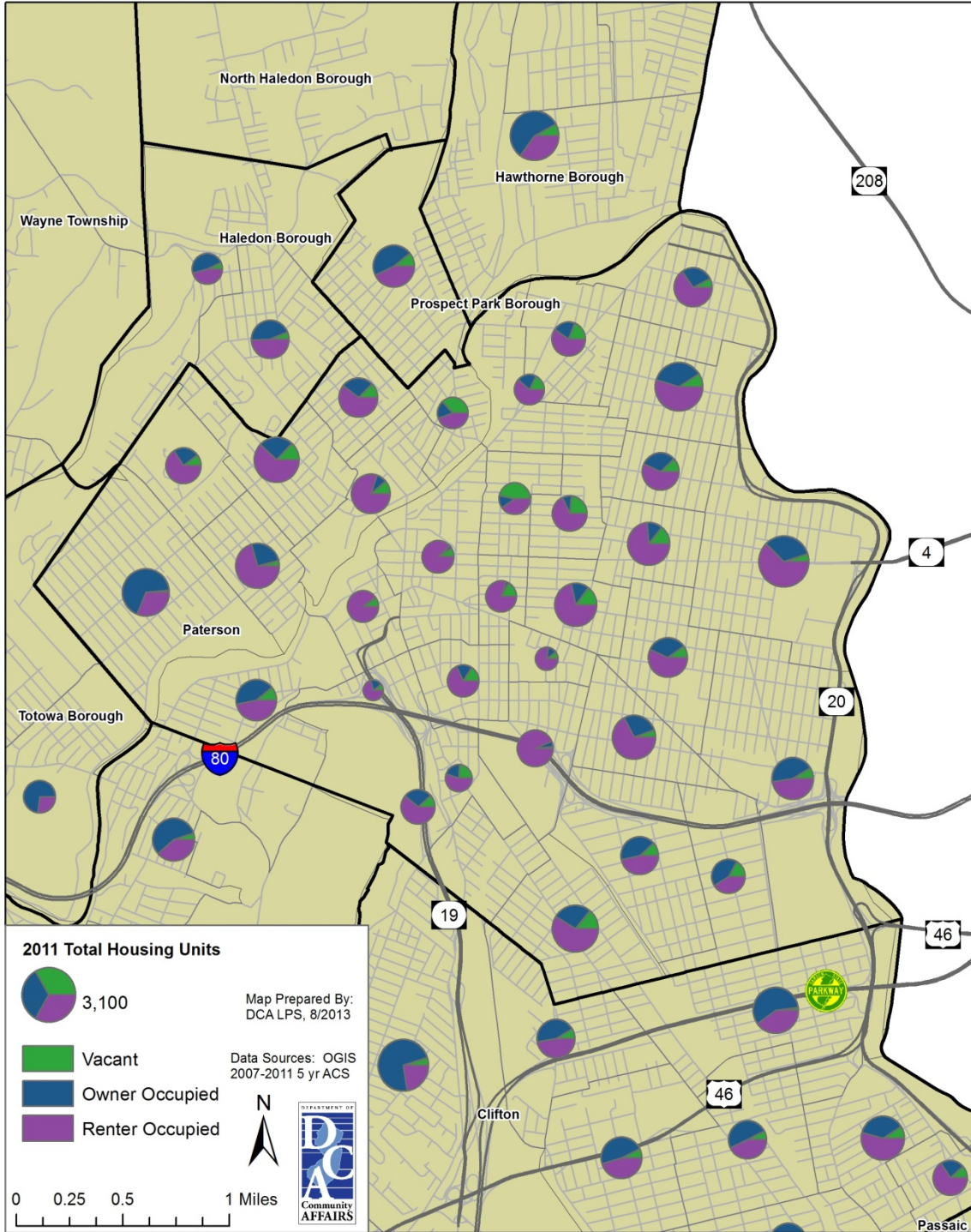
*Source: U.S. Census Bureau, 2007-2011 American Community Survey*

**K. Housing Vacancy and Owner Occupancy**

There have been 373 foreclosures in Paterson from March 30, 2011 to May 9, 2013. This has added to a major problem of vacant and abandoned buildings in the City, particularly in areas where there is a concentration of renter-occupied units. The map on the next page (Map 2) demonstrates the severity and concentrations of vacant units as well as the distribution of owner-occupied and renter-occupied units.

## Map 2

### Housing Unit Data in Passaic County by Census Tract



## L. Substandard Housing

The definition of substandard housing is a housing unit with one or more serious code violations. For the purposes of this analysis the City will use the lack of complete plumbing or a complete kitchen as an indicator of substandard housing, as provided by the 2007-2011 ACS data.

2007-2011 data reported that there were 157 housing units within the City that lacked complete plumbing and 320 units that lacked a complete kitchen (See Table 15 below). Assuming that these units do not overlap, there were 477 substandard units within the City by this definition. This represents approximately 1.0 percent of the occupied housing units within the City.

**Table 15: Substandard Housing—Selected Characteristics of Occupied Housing Units**

SELECTED CHARACTERISTICS	Estimate	%
<b>Occupied housing units</b>	<b>43,640</b>	<b>100%</b>
Lacking complete plumbing facilities	157	0.4%
Lacking complete kitchen facilities	320	0.7%
No telephone service available	4,441	10.2%

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

However, code compliance and age of the City’s housing stock provide a very different scenario. A total of 34,129 housing units (68.7 percent of the total housing stock and 78.2 percent of the occupied units) are more than 50 years old. In contrast, only 3,389 units were built since 1990. As homes age, owner-occupants, particularly elderly persons, may experience difficulty in keeping up with critical maintenance and repair needs until these homes become unsafe. The lack of regular maintenance accelerates property deterioration and increases the cost of repair. Vacant and abandoned properties are a serious threat to the social stability and economic well-being of the neighborhoods in which they are located.

Abandonment and foreclosures of the housing stock continues to be a major problem for Paterson. In many areas where property values have decreased, owners are unwilling or unable to invest in maintaining or upgrading major systems. When plumbing, heating, drainage and roofs fail, properties become uninhabitable and are vacated.

For the purposes of the Consolidated Plan, a housing unit is termed “substandard” if it requires major repair or replacement of one or more major systems or it requires rehabilitation costing \$25,000 or more in order to achieve compliance with municipal codes.

Census data and other statistics are not sufficient guides for determining whether a substandard property is suitable for rehabilitation. Since most houses in the City were built before 1960, i.e., over 50 years old, age of housing, by itself, is not a useful indicator. Similarly, major system repair and replacement needs vary widely in scope and cost, so the existence of major system deficiencies, by itself, is not a useful indicator either. Some vacant houses may be suitable for rehabilitation, but the determination of whether or not a particular house is to be rehabilitated

should be based on a variety of factors including house and block conditions, real estate market characteristics, and the level of subsidy required to complete rehabilitation.

**M. Housing Market Analysis for the Disabled**

A handicap is defined as a physical or mental impairment that substantially limits one or more life activities. Discrimination based on physical, mental, or emotional handicap, provided “reasonable accommodation” can be made is prohibited. Reasonable accommodation may include changes to address the needs of the disabled persons and may include adaptive structural changes as well as administrative changes.

It is difficult to determine accurately the size of the disabled population in a given area largely due to difficulty in defining what constitutes a disability. Census estimates traditionally define the handicapped population from a rather narrow perspective.

The 2009 American Community Survey (U.S. Census) reported 13,127 disabled persons within the City of Paterson, representing 9.1 percent of the population. Table 16 provides a breakdown of the number and percentage of persons with a disability in various age groups.

According to the Housing Consortium for Disabled Individuals (HCDI), a non-profit advocacy organization, another approach to developing estimates of the size of the disabled population has been to say that, on a national level, one out of every six individuals has sustained a disabling condition. This approach represents a more broad-based estimate that includes disabilities that may not involve a mobility or self-care limitation such as heart disease, kidney disease, or diabetes. Given the City’s 2010 population, the HCDI figures indicate that approximately 24,168 City residents have a disabling condition.

**Table 16: Disability Status of the Civilian Non-institutionalized Population**

<b>Age Group</b>	<b>Estimate</b>	<b>%</b>
<b>Population under 5 years</b>	11,862	(X)
With a disability	34	0.30%
<b>Population 5 to 17 years</b>	28,717	(X)
With a disability	1,070	3.70%
<b>Population 18 to 64 years</b>	91,575	(X)
With a disability	6,924	7.60%
<b>Population 65 years &amp; over</b>	12,856	(X)
With a disability	5,099	39.70%

*Source: 2009 American Community Survey*

The 2010 Census provides data on the group quarter population in Paterson by sex, age and type of group quarters. There are 2,628 people in group quarters in the City, of which 1,353 are institutionalized and 1,275 are non-institutionalized. The majority of the institutionalized population is in a correctional facility for adults (1,068), with smaller numbers in nursing facilities/skilled-nursing facilities (212) and juvenile facilities (73). The Census does not specify the type of locations where the non-institutionalized population resides.

### **III. Identification of Impediments to Fair Housing Choice**

This section of the *Analysis of Impediments to Fair Housing* will discuss the existing conditions within the city of Paterson that limit the choice of fair housing among owners and renters of similar income levels. This analysis is based upon the collected data describing the seven protected classes and the demographic assessment conducted for the City.

Identification of the barriers to fair housing is accomplished by analyzing the following:

- A. Public sector actions; and
- B. Private sector actions.

Both of these areas will be discussed in order to determine the existence of any impediments to fair housing in Paterson City.

#### **A. Public Sector**

An important element of the *Fair Housing Analysis* involves an examination of public policy in terms of its impact on housing choice. Public sector decision-makers exert a profound effect on housing opportunities. Such policies as land use and zoning determine the kind of housing that can be found in a community. Other policies such as the location of parks, schools, transportation routes and services also affect the composition of housing.

From a regulatory standpoint, local government measures to control land use such as zoning and subdivision define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspections procedures.

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing-related programs and initiatives. The decline in federal funding opportunities for low-income housing has shifted much of the challenge of affordable housing production to state, county and local decision-makers.

Finally, a community's sensitivity to housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing-related goals and objectives are often measured by board members, directorships and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals in housing matters. The expansion of housing choice requires a team effort, and public leadership and commitment are a prerequisite to strategic action.

The purpose of this section of the Analysis of Impediments to Fair Housing is to evaluate the public policies within Paterson City, the potential for impediments due to the policies, and to determine opportunities for furthering the expansion of housing choice for the protected classes.

### ***Land Development Regulations and Development Standards***

Land use regulations that affect the protected classes by acting as impediments to fair housing include:

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

Comprehensive zoning and subdivision regulations that are considerate of the protected classes should also provide for handicapped parking as a percentage of the total minimum parking requirements along with curb cuts with the handicapped parking.

Zoning ordinances and environmental regulations impact the amount of land available for development and thus impact land and housing costs. The most basic control of land use in New Jersey is local zoning (home rule).

The implementation of development standards sets minimum levels of protection for the public. However, excessive street widths, parking requirements, curbing and landscaping add to the cost of housing. Also, certain housing rehabilitation costs are increased because of the Uniform Construction Code (UCC). If the rehabilitation cost for a building exceeds fifty percent of its value, then the entire building must conform to the construction code. Other elements are accessibility standards, energy conservation and environmental cleanup regulations. The State has now gone to a use-base set of cleanup standards for contaminated sites, where residential uses must meet the highest standards for obvious reasons.

The following is a listing of each zoning district located within the City that allows residential development. The existing zoning provides a variety of opportunities to a variety of mixed incomes and types of housing:

- R-1 One-Family Residential District
- R-2 Low Medium Density Residential District (one- and two-family dwellings)
- R-3 High Medium Density Residential District (one-family up to low-rise apartments)
- R-4 High Density Residential District
- B-1 Non-residential District
- B-2 Non-residential District
- B-3 Non-residential District
- B-4 Non-residential District
- GFH Non-residential District (Great Falls Historic District)
- H-1 Non-residential district (Hospital Zone)
- H-2 Non-residential District (Hospital Zone)



Of the 11 districts that permit residential development, six permit multi-family options consistent with urban development patterns and two permit loft dwellings and artist like-work quarters. With suitable lot bulk standards, strategic location to transit and transportation corridors, and connection and proximity to jobs, these opportunities are appropriately located for fair housing opportunities for low- and moderate-income families and other HUD-protected classes.

### ***Additional City Regulations***

The City also has several commissions and advisory boards in place to deal with the diversity in the City. The boards are enacted to protect the general welfare of the citizens and inhabitants of the City. These include:

- Paterson Council on the Aging
- Paterson Council on Disabled
- Paterson Historic Preservation Commission
- Paterson Housing Authority
- HIV Health Services Planning Council
- Paterson Rent Leveling Board

### ***Taxes***

Paterson conducted a reassessment in 2007 and, as a result of that revaluation, property assessed value increased from \$572,833,674 to \$9,374,065,900 and correspondingly both the municipal and school tax rates have increased every year. The municipal tax almost doubled in five years, from \$0.98 to \$1.60 per \$100 of assessed valuation as valuations were increased. During the same 2007-2012 period, the school tax increased from \$0.39 to \$0.44 per \$100 of assessed valuation. The county tax fell in 2012 to \$0.48 per \$100 of assessed valuation but is still a significant percentage above the 2007 rate of \$0.38. Unlike much of New Jersey where the school tax usually represents the bulk of the property taxes, Paterson's municipal taxes made up 63.5 percent of the total rate in 2012 (\$2.52 per \$100 of assessed valuation, up from 1.75 percent in 2007).

Taxes impact housing affordability. While not an impediment to fair housing choice, real estate taxes can impact the choice that households make with regard to where they live. All tax increases are especially burdensome to low-income homeowners. With regard to rental properties, landlords are likely to pass along tax increases on to renters through higher rents.

### ***School Quality Data***

School quality plays a major role in a family's housing choices. Access to quality schools plays a pivotal role in the housing choices families make. The harmful effects of high-poverty areas are thought to be especially severe for children whose behavior and prospects may be particularly susceptible to neighborhood characteristics such as peer group influences, school quality and the availability of supervised after-school activities.

The challenges in understanding the relationship between housing and education have resulted in increasing disparities in school quality, as well as a lack of policies and practices that address the situation.

The Paterson City School District is the third largest school district in New Jersey. The District enrolls 29,400 students in preschool to grade 12. The district's population mirrors the demographic trend of urban communities in New Jersey: 62 percent of all students are of Hispanic origin; 28 percent are African-American and approximately 10 percent are of Caucasian, Middle Eastern or Asian descent. Nearly 50 percent of all students in Paterson speak a primary language other than English, with a total of 37 languages spoken in district schools.

The District currently has 54 schools with 2,526 certified teachers to accommodate students in kindergarten through grade 12. The district also provides a comprehensive preschool program, serving 3,447 three- and four-year-old students in 30 early childhood community provider centers and four in-district sites.

In 1988, New Jersey became the first state in the nation to authorize its State Department of Education to take over local school districts that were failing according to an established monitoring process. In 1991, the City of Paterson became the second of the three troubled districts forced to cede control of its public schools to the state. The Paterson City School District is still controlled by the New Jersey Department of Education. As such, Paterson public schools are managed by a State-appointed Superintendent and a School Advisory Board that serves in an advisory capacity only.

The Paterson City School District spends \$19,618 per pupil in current expenditures. The district spends 56 percent on instruction, 41.5 percent on support services, and 2.5 percent on other elementary and secondary expenditures. On average, the District has 13.0 students for every full-time equivalent teacher, higher than the state average of 12 students per full-time equivalent teacher. The District had a grades 9-12 dropout rate of 5.9 percent in the 2011-2012 academic year. In the District, 12.8 percent of students have an IEP (Individualized Education Program) which is a written plan for students eligible for special needs services.

Overall, the City's school district is a lower performing school district. The 2011-2012 academic year assessments show that, across the board, proficiency rates were lower than that of the state and the District Factor Groups (DFGs) for State Test performance scores (which includes High School Proficiency Assessment (HSPA) and New Jersey Assessment of Skills and Knowledge (NJASK) 3, 4, 5, 6, 7 and 8).

The City Board of Education and State of New Jersey continue to explore educational reform in the form of magnet schools, the Inter-district Public School Choice Program, charter schools and increased preschool opportunities.

### ***Hate Crime Data***

According to the Federal Bureau of Investigation (FBI), which collects hate crime data as part of the Uniform Crime Reporting (UCR) program, a hate crime has been defined by Congress as a "criminal offense against a person or property motivated in whole or in part by an offender's bias against a race, religion, disability, ethnic origin or sexual orientation." Data regarding hate crimes was initially collected as a result of the Hate Crime Statistics Act of 1990, which identified crimes motivated by prejudices based on race, religion, sexual orientation, or ethnicity.

Future amendments to the Act expanded the definition to include biases against people with disabilities (1994) and, more recently, gender and gender-identity prejudices (2009).

Hate crimes are viewed as a violation of civil rights. If hate crimes cause victims to feel threatened or intimidated in such a way as to interfere with their right to occupy their home, then the crimes also violate the Fair Housing Act, which promotes equal access to housing and prohibits illegal discrimination in housing.

The FBI’s UCR database indicates that very few hate crimes have been reported in Paterson City. Two hate crimes occurred within the City in the last two years of available data (2010 and 2011), as shown in the table below. Race was the bias motivation of the incident in 2010 and religion the motivating factor in 2011. As shown in Table 17 below, race and religion were, respectively, the first and second most common motivating biases in New Jersey during that time period.

**Table 17: Hate Crime Incidents per Bias Motivation**

<i>Year</i>	<i>Number of incidents per bias motivation</i>					<i>Population</i>
	<i>Race</i>	<i>Religion</i>	<i>Sexual Orientation</i>	<i>Ethnicity</i>	<i>Disability</i>	
2010	1	0	0	0	0	146,356
2011	0	1	0	0	0	146,685

*Source: FBI, Uniform Crime Reporting (UCR)*

The strongest protections and remedies for housing-related hate crimes and activity can be found in the federal Fair Housing Act, which was enacted by a bi-partisan Congress just days after the 1968 assassination of Dr. Martin Luther King, Jr. The Fair Housing Act and its subsequent amendments make it illegal to discriminate in housing-related transactions because of race, color, religion, sex, national origin, disability or familial status (the presence of children under the age of 18). For housing-related hate crimes, the Fair Housing Act provides both a civil remedy in the form of monetary compensation for injury - including emotional distress, and injunctive relief - and a criminal remedy including fines and jail time for the perpetrator. In a hate crime case, civil and criminal remedies may both apply.

The State of New Jersey’s Law against Discrimination (LAD) provides additional protections. The LAD makes it unlawful to refuse to rent, show or sell property based on a person's race, creed, color, national origin, nationality, ancestry, marital status, domestic partnership or civil union status, familial status, affectional or sexual orientation, gender identity or expression, sex, or mental and physical disability, including AIDS and HIV-related illness. In addition, the LAD prohibits discrimination in the housing context based on one's source of lawful income or rent subsidy.

***Lead-Based Paint Data***

Lead-based paint poses a particular hazard to children under the age of six, and is the focus of efforts by HUD to raise awareness of the problem and mitigate or eliminate the hazard. Lead-

based paint was banned in 1975, but housing constructed prior to that time typically contains lead-based paint to some degree.

According to the 2007-2011 American Community Survey (ACS) 5-Year Estimate, the City of Paterson has 49,664 housing units, 88.89 percent of which were built before 1980. Studies have shown, however, that the lead-based paint hazard lessens with newer construction. A unit constructed between 1960 and 1979 has a 62 percent chance of having lead-based paint. Units built between 1940 and 1959 have an 80 percent chance, while units built prior to 1940 have a 90 percent chance. It should be noted that not all units containing lead-based paint pose a lead paint hazard. Using these formulas, the city has an *estimated* 34,924 housing units with lead-based paint present. This number represents 70 percent of all housing units.

- Built prior to 1940:  $14,156 \times .90 = 12,740$
- Built 1940 to 1959:  $19,973 \times .80 = 15,978$
- Built 1960 to 1979:  $10,010 \times .62 = 6,206$

Children under the age of six are the persons most severely affected by lead poisoning. These children typically constitute about seven percent of the population in an area. However, because of the age breaks in the Census data, we have had to use figures for children five and under. According to the 2007-2011 ACS 5-Year Estimates, the percentage of children under five in the City of Paterson is approximately 8.3 percent. Because virtually all areas of the City have very high ratios of pre-1979 housing (see attached Census tracts map), any area with a high concentration of younger children is a concern for lead-based paint poisoning.

The County Department of Community Development in conjunction with the City of Paterson works cooperatively with the Northern Regional Childhood Lead Poisoning Prevention Coalition. The NRCLPP Coalition's activities are coordinated by the SNJPC which is funding by the N.J. Department of Community Affairs and the N.J. Department of Health and Senior Services. The Coalition membership includes health institutions, human service providers, churches, affordable housing developers and community action groups to strengthen the City's lead poisoning response and prevention efforts. The primary objectives of the Coalition's Action Plan are to increase the number of agencies that participate in the Coalition and to assist members to conduct lead poisoning prevention activities in their communities. These events are held throughout the year to disseminate public education materials outlining dangers of lead poisoning, to test for lead poisoning, and to inform the community and landlords on lead-safe building maintenance practices and available lead removal funding from the state.

The NRCLPP Coalition's secondary objectives include:

- Educate and train pediatric providers to screen young children for lead poisoning;
- Identify and distribute information on non-paint sources of lead;
- Educate and train municipal prosecutors and judges about executing abatement orders against property owners;
- Educate families and children about lead poisoning at home; and

- Provide information and training opportunities to property owners.

Paterson's municipal ordinance gives the Division of Health responsibility for inspecting a dwelling prior to each change in occupancy. The Division of Health also must inform the owner and any prospective purchaser or lessee if the inspection reveals lead-based paint. In addition, the Paterson Code requires the owner of every dwelling to obtain a certificate of inspection from the Division of Health immediately prior to allowing a new tenant or owner to occupy or possess the property. This is true regardless of whether the premises were previously inspected and a certificate of inspection issued.

In addition, the City revised its Housing Preservation Program Operational Guidelines ("Guidelines") to meet the new lead regulations and to facilitate the evaluation, noticing and processing of PROGRAM loans for properties found to have lead hazards. As a result of the revised Guidelines, the City moved forward with a contract with a qualified Risk Assessor/Inspector to perform a combination of limited paint testing, risk assessments and clearance testing for the CDBG and HOME funded programs.

The City will continue to fulfill the requirements of HUD's new lead regulations and the more restrictive New Jersey requirements under the State's Title 17 on any housing program or project assisted with CDBG and HOME funds. As part of the Annual Funding Plan, the City plans the following actions to continue to implement the regulations through its Paterson-PRIDE Housing Rehabilitation Program. A summary of those new procedures is:

1. The Division of Housing shall inspect the property and prepare an inspection report that identifies each property maintenance code violation and other conditions which may be corrected through the program.
2. Structures built prior to 1978 shall be made free of lead-based paint hazards and the recipient of program funds will be advised of this. In the case of children under the age of seven living in a residence constructed prior to 1978, there will be advisement of the parent or guardian as to the required testing of the child for elevated blood levels containing lead.
3. The City's Lead Contractor (LC) will inspect the unit(s) to perform a Risk Assessment and lead-based paint testing with an XRF machine. The Lead Contractor will be responsible for taking soil samplings and dust wipes and for preparing a risk-assessment report for review. The LC will also prepare a notice of evaluation for all owner/occupants, prepare specific lead abatement specifications and cost estimates and complete a notice of hazard reduction activity for all owner/occupants.
4. Remediation will be incorporated within the work write-up/specifications and cost estimate to be bid through the program.
5. If lead abatement is required, the homeowner will obtain three bids from Certified Lead-Based Paint Removal Contractors. The Community Development Department can furnish a list of contractors.

6. If required, institute comprehensive family relocation procedures if work constitutes moving from the residence, especially if children are present.
7. The worksite shall be prepared to prevent lead dust and chips to circulate. All applicable lead safe work practices will apply.
8. Warning signs as to the work being undertaken will be posted at all interior rooms.

### ***Public Financing and City Departments***

Since 1974, the City of Paterson has funded a community development program with HUD CDBG monies and has funded community development programs through HOME funds. Funds are used for a variety of public services including planning, removal of architectural barriers, and improvements to public facilities and infrastructure that support housing and economic development throughout the City. The community development program has served to benefit primarily low-income persons in agreement with the statutory requirements. The City of Paterson also receives ESG and HOPWA funds.

The Paterson City Department of Community Development, Administration Division has had the responsibility of administering the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership (HOME) Program, the Emergency Solutions Grant (ESG) Program and the Housing Opportunities for Persons with AIDs (HOPWA) Program.

The Department is comprised of seven divisions, not including the Office of the Director. The Administration Office is responsible for the administration of the City's HUD grants.

The Division of Community Improvements provides guidance on how building should be constructed in the City of Paterson, as well as the enforcement of the housing maintenance laws of the City.

The Division of Cultural and Community Affairs is charged with celebrating the City of Paterson's rich cultural heritage and diverse community by planning and producing nine city-wide annual events.

The Division of Economic Development is responsible for developing an economic vision for a sustainable and prosperous Paterson. Paterson participates in the Urban Enterprise Zone (UEZ) program. The administration of the UEZ is part of the Division of Economic Development.

The Division of Historic Preservation is charged with evaluating, promoting, and preserving the City's historic environment. This is accomplished through a variety of programs, such as historic landmark designation, seasonal educational tours and events, annual Historic Preservation Awards, and the Koar-George Fund.

The goal of the Division of Housing is to enhance the quality of life for residents by promoting affordable housing initiatives and policies. Its mission is carried out by increasing the quality of the housing stock available to low- and moderate-income families and by augmenting the supply

of suitable housing. The Division of Housing contains the Relocation Assistance Office, the First-Time Homebuyer's Program and the Emergency Solutions Grant Program and services.

The role of the Division of Planning and Zoning is to guide growth and development through informed and thoughtful regulation and analysis of land use within the City of Paterson utilizing the City's Master Plan. The division is charged with maintaining continuity between the Zoning Ordinances and other land use elements.

The Division of Redevelopment has been reactivated in response to the City of Paterson's Memorandum of Understanding with the National Park Service for the creation of the Great Falls National Historic Park. The focus of the division is urban renewal and redevelopment.

## **B. Private Sector**

### ***Real Estate Practices***

There are two local membership organizations for real estate brokers operating in or around Paterson City to which Realtors within the City belong. Both the North Central New Jersey Association of Realtors and the New Jersey Association of Realtors are open for membership to any persons regardless of race, color, national origin, sex, religion, handicap or familial status. Members of both Associations are bound by the Code of Ethics of the National Association of Realtors. The Code of Ethics obligates members to maintain professional standards including affirmatively furthering fair housing. The Association enforces its Code of Ethics through a Disciplinary Commission consisting of members of the Association. The Association has an Affirmative Fair Housing Marketing Plan.

The Association makes available to their members a listing contract and agreement of sale which contains the statement from the State Attorney General about obligations and rights in the area of fair housing under State and federal laws. The members are not required to use the listing contract and agreement of sale but, under State law, any listing contract and agreement of sale must include the statement.

The Association has an Equal Opportunity/Fair Housing Committee. The Committee conducts seminars for the Association educating its members on the Fair Housing Act. Seminar topics have included involved advertising and financing and the Committee has invited speakers from HUD and industry representatives to make presentations.

### ***Foreclosure Rates***

Since the second quarter of 2011 Paterson has experienced 373 foreclosures, with 77 occurring in 2011, 205 occurring in 2012 and 91 in 2013 as of May 8, 2013. Many of Paterson's neighborhoods face severe vacancy issues, with the United States Census reporting 3,617 vacant addresses citywide. However, it is these neighborhoods that are now struggling to withstand the impact of the housing foreclosure crisis. See map in Part 11 section K of this report for areas of vacancy concentrations.

High Institutional Real Estate Owned (REO) rates, low REO uptake rates, and dropping median housing prices point to destabilization of these markets due to increasing foreclosure rates. These transitional markets are vital to the larger Paterson market, as the city can build off this real estate market stability through housing investments. It would benefit Paterson to work in neighborhoods experiencing greater foreclosure and vacancy rates as these individual neighborhoods can impact market stabilization on a broader scale.

The City continues to execute and implement its Neighborhood Stabilization Program (NSP) funds to stabilize neighborhoods in conjunction with a consortium of non-profits. As of June 2013, there are currently 933 pre-foreclosure properties, 133 at auction, and 132 bank-owned, which represents approximately 2.5% of the City's housing stock, according to RealtyTrac. This is the same as page 44.

### ***Private Financing***

Because credit history is a major reason for denial of home mortgage applications in the City of Paterson, it is expected that there may be opportunities for the banks to focus on the problem and work with applicants to address the ongoing concern of problems with credit history. The following are actions that lenders need to consider to assist with reduction of the denial of home mortgage applications based on credit history:

- The lenders should share with the applicant the specific information on the credit report on which the denial was based.
- The lenders should give the applicant the opportunity to investigate questionable credit or to denial of a home mortgage application by the bank.
- The lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- The lenders should take the unique credit practices of the various cultures into account when considering applications.
- The lenders should refer applicants for credit counseling or other readily available services in the community.

According to 2011 HMDA data, 2,087 loans originated for the purposes of purchasing, refinancing and improving housing units at an aggregate amount of \$462,303,000. Approximately, 920 or 44.1 percent of the loans originated were for the purpose of purchasing a home; 1,056 or 50.6 percent were for the purpose of refinancing a home; and 111 or 5.3 percent were for home improvement. From a fiscal perspective, \$175,561,000 of the aggregate value of loan originations, or 38.8 percent, was used for purchase, \$276,608,000 was used for refinancing and \$10,134,000 or 2.2 percent was for improvements.

Within these total figures for residential loan originations, a total of \$68,953,000 was lent on 41 multi-family structures. Approximately 9.4 percent of these funds were used for purchase, 87.3 percent were for refinancing and 3.3 percent were for improvements.



During 2011, HMDA reports that 1,827 loans, or 87.5 percent of the 2,087 total, were made on owner-occupied structures. These loans accounted for \$353,638,000 or 76.5 percent of the total value of all loan originations. Approximately 45.6 percent of these funds were used for purchase, 53.7 percent were used for refinancing and only 0.7 percent was used for home improvements.

In 2008, some high-cost loans originated within the City. A loan is considered high-cost when there is a rate spread reported. The rate spread on a loan is the difference between the Annual Percentage Rate (APR) on the loan and the treasury security yield as of the date of the loan's origination. Rate spreads are only reported by financial institutions if the APR is three or more percentage points higher for a first lien loan, or five or more percentage points higher for a second lien loan. A rate spread of three or more suggests that a loan is of notably higher cost than a typical loan.

### **C. Public and Private Sector**

#### ***Fair Housing Enforcement***

In addition to the Fair Housing Act, the New Jersey Law Against Discrimination (LAD) makes it unlawful to subject people to differential treatment based on race, creed, color, national origin, nationality, ancestry, age, sex, (including pregnancy), familial status, marital status, affectional or sexual orientation, atypical hereditary cellular or blood trait, genetic information, liability for military service, and mental or physical disability, including perceived disability and AIDS and HIV status. The LAD prohibits unlawful discrimination in employment, housing, places of public accommodation, credit and business contracts.

On September 5, 2002, Governor McGreevey signed the Section 8 Anti-Discrimination bill which increases penalties for landlords who refuse to rent or lease to persons who receive federal rent subsidies or have children under the age of 18 (senior and age-restricted housing excluded). Under this law, a landlord who discriminates can be fined up to \$10,000 for a first offense and up to \$25,000 for a second offense. A person bringing action because of discrimination may be awarded a reasonable attorney's fee.

This law amends the existing "Law Against Discrimination" by prohibiting landlords from discriminating against tenants based upon a tenants' source of lawful income, such as Section 8 vouchers, or the age of their children. In addition, it also broadens the powers of housing authorities so that they can bring suit on behalf of a tenant who is discriminated against. The law is supported by a 1999 state Supreme Court ruling that says landlords cannot deny an apartment to tenants based solely on their sources of income.

The U.S. Department of Housing and Urban Development enforces the Fair Housing Act, which protects Americans against violations of housing rights. The City of Paterson will act quickly and effectively on all complaints of discrimination to ensure every citizen will receive the full protection of the law.

### ***Informational Programs***

The City of Paterson will invest in fair housing education and outreach. To ensure that fair housing is fully integrated into its housing plan, especially those most affected by housing discrimination, it is recommended that the City:

- Expand ongoing housing education programs for housing providers, consumers and local government officials about fair housing laws, rights and responsibilities. These workshops should occur at varying times throughout the year and should specifically relate to persons with disabilities and families with children.
- Integrate fair housing educational programs into CDBG workshops so that housing education information is disseminated to protected classes, especially immigrants, families, persons with disabilities and people of color.
- Raise awareness/ increase education programs on Federal Fair Housing Act and State Law against Discrimination.
- Ensure that fair housing informational resources are made available to community partners to facilitate their ability to affirmatively further fair housing.
- Ensure that translated fair housing materials are available to immigrant groups.
- Increase fair housing information and links to fair housing laws/programs on the City's web site.
- Advocate with newspapers, real estate organizations and housing providers to increase accessibility to fair housing internet resources on their web sites and to display fair housing information/resources in their offices.
- Increase educational efforts at homeless and transitional shelters to ensure compliance with fair housing laws.
- Place housing brochures and posters in both English and Spanish in public buildings, service agencies, libraries and any other place where the public may find information on services and report discrimination complaints.

To address this strategy the City intends to expand its relationships with the Fair Housing Council of Northern New Jersey.

In addition, the Office of Landlord/ Tenant Information within the New Jersey Department of Community Affairs' Division of Codes and Standards as well as Legal Services of New Jersey will provide legal guidance and counseling in matters of Landlord/Tenant law to City residents. They will also serve as a resource for public officials and other social service providers in need of their expertise and will conduct appropriate community outreach activities.

## ***Visibility in Housing***

The City's website will provide information about the City's Consolidated Plan, One-Year Action Plan and City of Paterson Analysis of Impediments to Fair Housing. The City recently appointed a Fair Housing Officer. This is just one tool in improving the City's ability to communicate key housing, community development and fair housing information. It is helpful that the City has established a point person to receive and respond to fair housing inquiries.

The City must also raise its fair housing visibility through public outreach. The City and its local fair housing agency partners can conduct presentations and distribute information about fair housing through elementary schools, public libraries, affordable housing providers and community/recreation centers. One suggestion is to develop a small brochure containing links to the City and local Fair Housing Agency websites. to be placed near public-use computers in libraries, computer rooms in housing developments and in churches. Another idea is to place advertisements/public service announcements in the real estate section of the newspaper, asking "Have you faced discrimination in trying to find housing to rent or buy?" along with the number to call to report potential discrimination.

### **D. Record of Housing Discrimination Complaints**

The City of Paterson keeps no record of Housing Discrimination Complaints and did not have a Fair Housing Officer to receive and record such complaints prior to the preparation of this report. The Director of Community Development for the City of Paterson has now appointed Joyce Hunt, an employee of the Department of Community Development, as the City's Fair Housing Officer.

Brenda D. Edmondson from the Department of Housing and Urban Development provided a record of Fair Housing Complaints filed with HUD for all of Passaic County. Tables 18 and 19, respectively, show the complaints according to municipality and how those complaints were addressed for the years 2004 through February 2010. The records since that time for Paterson includes:

- 2010 — No complaints filed against the City of Paterson at all. In 2010, one complaint was filed against the Paterson Housing Authority. That complaint was conciliated (settled).
- 2011 — No complaints at all
- 2012 — One complaint filed against the Paterson Housing Authority- found to have "No Cause" and the case was closed.

**Table 18: Housing Discrimination Complaints Filed in Passaic County 2004 - Feb 2010**

Municipality	Race/ Color	National Origin	Familial status	Disability	Sex	Religion	Retaliation	Sexual Harassment	Total
Clifton	6	3	2	2	2	3	0	0	18
Haledon	1	1	0	0	0	0	0	0	2
Hawthorne	0	0	0	3	0	0	0	0	3
Little Falls	0	0	0	1	0	0	0	0	1
Oak Ridge	0	0	0	0	1	0	0	0	1
Passaic	7	3	2	0	0	0	0	0	12
Paterson	6	5	1	8	3	1	0	0	24
Pompton Lakes	0	0	0	1	0	0	0	0	1
Prospect Park	0	0	1	0	0	0	0	1	2
Ringwood	0	0	0	1	0	0	0	0	1
Totowa	1	0	0	0	0	0	0	0	1
Wanaque	0	0	0	1	0	0	0	0	1
Wayne	0	1	1	1	0	0	0	0	3
<b>Total</b>	<b>21</b>	<b>13</b>	<b>7</b>	<b>18</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>70</b>

Source: NJ Filing Status 2004 to Present from HUD LEP/AP information emailed from Brenda Edmondson. 6/13/2013 to DCA Local Planning Services

**Table 19: Housing Discrimination Case Disposition for Passaic County, 2004-2009**

	Administrative	Withdrawal w/relief	Conciliation	No Cause	Cause	Total
Clifton	3	0	1	14	2	20
Haledon	0	0	0	2	0	2
Hawthorne	2	0	1	1	0	4
Little Falls	0	0	0	1	0	1
Oak Ridge	0	0	0	1	0	1
Passaic	2	1	3	4	1	11
Paterson	3	3	6	8	1	21
Pompton Lakes	1	0	0	0	0	1
Prospect Park	0	0	0	1	0	1
Totowa	0	0	0	1	0	1
Wanaque	0	0	1	0	0	1
Wayne	0	0	1	2	0	3
<b>Total</b>	<b>11</b>	<b>4</b>	<b>13</b>	<b>35</b>	<b>4</b>	<b>67</b>

Source: NJ Cases Closed 2004 to 2009.xlsx from HUD LEP/AP information emailed from Brenda Edmondson. 6/13/2013 to DCA Local Planning Services

**E. Determination of Unlawful Segregation**

There has been no determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973 in the City of Paterson. Additionally, the Secretary has not issued a charge under the Fair Housing Act regarding assisted housing in the City of Paterson.

**F. Signature Page**

By my signature I certify that the *Analysis of Impediments to Fair Housing* is in compliance with the intent and directives of the Community Development Block Grant program and HOME program regulations.

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The Honorable Jeffery Jones  
Mayor City of Paterson

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Date