

Section 3: Focus Group Summary

Introduction

This section will report on the results from the five focus group sessions from May 22nd through 24th, 2007. Participants in the focus group included representatives from the City staff, local non-profit organizations, housing professionals, industry leaders, and other community representatives. Attendees were gathered by invitations sent to select residents and industry professionals. At each focus group session, general issues related to the housing market in Waco and specific concerns pertaining to fair housing choice in the city were discussed. Comments from participants included the following:

Information Availability

Participants cited inadequate dissemination of fair housing educational materials as an issue of concern. Some participants expressed concern over the lack of available homebuyer education and counseling opportunities from private lenders, and that first-time buyers often do not know where to go for help or how to start the process of purchasing a home.

Social-Economic Conditions

Another frequently mentioned issue in the focus group sessions was the perception that certain areas of the city are home to a disproportionate number of the city's low-income population. Participants indicated that the concentration of poverty was not only a concern with regard to social equity, but is having a significant impact on the condition and quality of housing in a neighborhood. In areas where a majority of homeowners cannot afford to perform routine maintenance, poor housing conditions may quickly become the prevalent state of affairs. Lack of job opportunities and lack of sufficient income to afford decent housing were cited as issues of concern. Both crime and perception of crime were brought up as critical issues that are hindering some residents from living in various parts of the city.

Some participants mentioned the need to improve the quality of schools in the city. Family households tend to prefer other communities around Waco because of the perception that Waco

schools under perform. Both crime and perception of crime were brought up to be critical issues that discourage some residents from living in some parts of the city.

Housing Supply and Conditions

Focus group participants mentioned that there is a need to develop housing suitable to changing demographics in the city. Elderly homeowners are finding it increasingly difficult to maintain their homes. In other instances grown children are returning to live with their parents, but are providing little to no assistance with the upkeep of the property or financial assistance with other basic living expenses. Participants pointed out that the city lacks variety in its housing options to cater to the needs of its diverse population.

There is a need for rental housing for hard to house and very low-income populations. Lower income households are not able to afford the maintenance of their home leading to deterioration which, in turn, affects the stability of the neighborhoods. Older housing stock that needs repair is concentrated in the areas with large minority populations.

Lack of affordability for low-income renters and market pressures are causing lower income households to reside in substandard housing. Hispanics/Latinos are often taken advantage of due to these conditions. Many of the landlords fail to maintain their properties, taking advantage of the low income and ethnic populations' inability to find alternative housing that meets their needs and a market where affordable and standard housing stock in good condition is no longer available. Therefore many of the units in the inner city continue to deteriorate into unsafe and substandard conditions. Other issues that were reiterated by the participants included the concentration of poverty and race in the city and predatory lending. Participants frequently cited the number of "red" and "green" tagged structures in the inner city and the city's regulatory agencies and court system's inability to bring those structures into compliance as being a major issue. Rental market discrimination was cited as an issue in the city. It was pointed out that some landlords or apartment managers adjust rents based on the tenant's ethnicity.

Unscrupulous landlords, poor business practices, and unjust treatment of tenants were mentioned as some of the barriers to fair housing choice in the city. It was pointed out that tenants are

unaware of their rights and do not have adequate knowledge and information to complain about their problems.

Mortgage Industry

The inability to obtain home mortgages was seen as the biggest barrier that limits the housing choices of the citizens of Waco. Participants indicated that a lack of credit education, criminal background, and illegal immigration are some of the factors in many households' inability to borrow for home purchases. While affordable homeownership options are a need for the very low and low-income population, credit continues to be a barrier in finding qualified applicants. Some participants felt that there is a wider population that has a need for financial education, either to correct deficiencies in their credit history or to provide a solid foundation that could prevent future financial problems. Particularly for the Hispanic population, a lack of credit was seen as a barrier comparable to poor credit because individuals often do not have the needed documentation required for a mortgage. It was also mentioned that persons with a criminal history are having problems in finding homes to rent.

Steering and redlining are critical concerns affecting housing choice in the city. Some the participants felt that steering may be occurring due to the level of crime and the quality of schools in the city. They felt that realtors tend to steer people based on safety and the quality of the school districts desired by the clients.

Predatory lending practices were another issue discussed in the focus group sessions. Some businesses that provide individuals with loans backed by the title to their car or house at relatively high interest rates are quick to foreclose in the event the borrower misses a monthly payment. The minority communities are often the target for these high interest loans. The low-income population often fall prey to these sub prime loans because they may have a poor credit rating or limited to no credit history. Some participants expressed concerns that some insurance agencies are not willing to insure lower priced homes.

Solutions

Focus group participants suggested some solutions to problems discussed above. Participants felt that many residents, especially lower income groups and minorities, were unaware of the costs involved in purchasing a home. Credit education was a consistent theme among the various focus groups. Education on topics such as financial literacy and home buyer educations were seen as solutions.

Housing professionals and industrial business leaders suggested that the City needs to work on options to develop downtown housing, including infrastructure development. There is a need to develop alternative types of housing suitable to youth, the elderly and middle-income groups. There is a sufficient supply of high-end housing and there is both an adequate supply and ample subsidies available for lower income housing purchasers. However, there is a shortage of housing supply affordable to middle-income groups. It was suggested that incentives should be used to encourage developers to create more product and to support middle income buyers interested in homeownership.

Some participants suggested that rehabilitation of older homes can help in improving the condition of the housing stock in the city. Increased funding for rehabilitation activities, rental inspections, and effective code enforcement would help to arrest the deterioration of existing neighborhoods in the city and help attract buyers back to the inner city neighborhoods.