

Lakewood, Ohio

Analysis of Impediments to Fair Housing Choice 2011



Prepared by

PLANNING/COMMUNICATIONS

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City of Lakewood, Ohio
Department of Planning and Development

Dru Siley, Director

Emma Petrie Barcelona, Development Officer

Michael P. Summers, Mayor

Conducted by

PLANNING/COMMUNICATIONS

Planner/Attorney: Daniel Lauber, AICP — principal author

Director of Research: Diana Lauber

Consulting Planner: Sam Casella, FAICP

Website: <http://www.planningcommunications.com>

Email: info@planningcommunications.com

River Forest, Illinois

708/366-5200

Photographs by Daniel Lauber, AICP

Home Mortgage Disclosure Act and fair housing complaint data compiled by
The Housing Research & Advocacy Center

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Chapter 1

Executive Summary

Reading an executive summary is no substitute for reading the full study. This executive summary only highlights the findings and conclusions of this Analysis of Impediments to Fair Housing Choice. To fully understand the data, findings, conclusions, impediments, and recommendations within the full context in which they are made, it is crucial that you first read chapters two through four and then Chapter five in which the impediments to fair housing choice are identified and recommendations are made to mitigate them.

This Analysis of Impediments examines the City of Lakewood, Ohio since its previous Analysis of Impediments was published in 2006. As explained in detail in Chapter 2, it focuses on the essential goals of the Community Development Block Grant Program (CDBG) and the Fair Housing Act: achieving racial diversity in housing and the legal obligation of each recipient of CDBG to affirmatively further fair housing in all of its housing activities and programs.

Lakewood sits on Lake Erie, adjacent to the west end of Cleveland. It is a mature, landlocked suburb not far from downtown Cleveland and with a reputation for excellent schools and city services.

As illustrated by the photographs throughout this report, Lakewood's housing stock includes a full range of options. About 55 percent of the dwelling units in Lakewood are rental. The housing in every census tract is at least 23 percent rental. The rental housing stock consists of lowrise, midrise, and highrise apartment buildings; "doubles;" "triples;" and single-family detached houses. The city's ownership housing includes a full range of housing costs and styles, from small modest houses and condominiums to spectacular mansions of every vintage. Significant amounts of lower-cost housing are available in both the east and west ends of Lakewood. What distinguishes Lakewood from most communities is that the rental housing sits side-by-side with ownership housing allowing for a level of economic diversity atypical of most suburbs.

Lakewood housing continues to be affordable to even many households with modest incomes. Since at least 2008, more than half of Lakewood's residents could afford to buy the median-priced single-family house, condominium, double, or triple. In 2010, households with annual incomes just under \$20,000 could afford to purchase half of the city's condominiums and two-thirds of the triples sold in 2010. Caucasian, Asian, and Hispanic residents can afford 90 percent of the rentals in Lakewood while African American residents can afford about 60

percent of them. But as explained in this report, income does not explain the historically low proportion of minorities in Lakewood prior to the last ten years.

Until the past decade, Lakewood exhibited the same highly segregated racial composition typical of the highly segregated Cleveland metropolitan area with its dual housing market, one for Caucasians and a separate one for African Americans. In 2000, Lakewood was one of a handful of suburbs west of Cleveland with a Black population *as high as* two percent. Lakewood's 2006 *Analysis of Impediments* noted the perception of Lakewood as "an all white community where minorities, especially African Americans, are not welcome."

This perception reflected Lakewood's racial composition within the dual housing market which was very different from what Lakewood's composition would have been in a free and unitary housing market without racial discrimination where income is the prime determinant of where you live. As explained in detail beginning on page 18, Lakewood would have been about 21 percent African American in 2000 in a free market without racial discrimination. Blacks would have comprised from 15 to 26 percent of the households in every Lakewood census tract. Citywide, the proportion of African American households in 2000 was nearly 19 percentage points lower than what would be expected in a free housing market.

Today this perception must have changed because Lakewood's African American population grew from 2 percent in 2000 to 6.4 percent in 2010, a healthy incremental rate of growth. While Blacks now live in every Lakewood census tract, attention must be paid to several census tracts at Lakewood's east end where the increase in the proportion of African Americans has been greater. In tract 1617, Blacks now constitute 19.6 percent of the population which is still less than the roughly 25 percent that would be expected in a free unitary housing market. The proportion of African Americans in tract 1618 grew to about 13 percent, still just half of what would be expected in a free market. In the three other tracts that experienced more than incremental growth, the proportion of Blacks in each remains well below what would be expected in a free and unitary housing market without racial discrimination.

As our analysis found, household income and the cost of housing do not explain this healthy increase in racial diversity. In the two census tracts in Lakewood's west end that the city classifies as low- and moderate-income, the African American population grew to just 1.6 and 6.8 percent. In a free market, the proportion of Black households would be around 20 percent in both tracts.

Given the history of the Cleveland metropolitan area and the way the dual housing market has distorted the housing market throughout the metropolitan area, Lakewood sits at a crossroad where it can choose to take the proactive focused actions needed to overcome this dual housing market and achieve long-term stable racial diversity throughout its borders, or allow the dual housing market to force resegregation.

Lakewood is exceptionally well-positioned to achieve stable racial diversity throughout its borders if the city takes the pre-emptive steps needed to achieve racial stability, starting with the policies and actions recommended in Chapter 5. Lakewood's promising chances for success are enhanced by:

- ◆ Lakewood's location. Lakewood continues to be attractive to all households thanks to its excellent access to downtown Cleveland by both public transportation and by car. Even more important to achieving and maintaining stable racial diversity is that Lakewood is surrounded by predominantly Caucasian neighborhoods. Most of the Cleveland suburbs that have resegregated were adjacent to intensely segregated minority neighborhoods on Cleveland's east side which made it more difficult for them to stabilize racially.
- ◆ Lakewood's excellent public schools. Lakewood's public schools continue to attract households of all races and ethnicities that want a high quality education for their children. As discussed in Chapter 3, a city's public schools play a pivotal role in achieving and maintaining racial integration. The public schools in those suburbs that have successfully integrated over the long run had very positive reputations that played a key role in maintaining white demand for housing there. The racial composition of Lakewood's public schools reflect a community that is integrating in the incremental manner needed to achieve stability and long-term racial diversity.
- ◆ The gradual in-migration of African Americans into Lakewood. The pace of integration in Lakewood has been largely incremental, reflecting the early stages of a free and unitary housing market comprised of Caucasians, African Americans, Asians, Hispanics, and other ethnicities.
- ◆ The city government's early recognition that with proactive and pre-emptive action, the City of Lakewood can initiate the policies and programs needed to achieve and maintain stable racial integration throughout the city and prevent any part of the city from becoming predominantly minority. When local governments have failed to take action, their cities have resegregated.
- ◆ Leadership by Lakewood's government. In other cities that have integrated, vigorous efforts by citizen organizations were needed to persuade local government officials to pursue the goal of stable racial integration. Precious time was lost during the years it took to convince elected officials to pursue this goal. The government of the City of Lakewood has the opportunity to put that time to good use by leading the effort to achieve this goal.
- ◆ Lakewood's Community Relations Board, block clubs, and community organizations. In most cities that have successfully integrated, the efforts has been led by the city's community relations board or commission in collaboration with block clubs and community organizations which usually are created *after* the city starts to integrate. Lakewood's advantage is that these all existed *before* the city began to integrate.
- ◆ The absence of public housing in Lakewood. Research has found that the presence of a substantial number of public housing units in an integrating neighborhood almost always leads to resegregation of the

surrounding neighborhood.¹ The absence of public housing will help Lakewood achieve stable racial integration.

- ◆ The absence of intense concentrations of minorities in Lakewood. While there is substantial variation in the proportion of African Americans in each of Lakewood’s census tracts, the proportion of African Americans in every tract is *less* than what would have been expected in a free housing market absent racial discrimination.

By developing and implementing a comprehensive strategy on a foundation of the recommendations presented in this report; by forging a close working partnership with its citizens, the rental and “for sale” real estate industry, other Cleveland–area cities, and Cuyahoga County, Lakewood is extremely likely to fully and affirmatively further fair housing by becoming a stable racially–diverse city in both the short term and the long term.

Lakewood is well situated to make this a reality.

1. Juliet Saltman, *A Fragile Movement: The Struggle for Neighborhood Stabilization* (Westport, Connecticut: Greenwood Publishing Group, 1990), page 629 for the 1989 pre–publication manuscript.

Chapter 2

Basis of This Study

Like all jurisdictions that receive Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development, the City of Lakewood, Ohio is obligated to identify, analyze, and devise solutions to both private and public sector impediments to fair housing choice that may exist in the city.

Community Development Block Grants combined a slew of categorical grants into a single grant to cities, counties, and states that gives recipients a fair amount of discretion in how they spend the funds. Passage of the Housing and Community Development Act in 1974 established that *recipients of Community Development Block Grant (CDBG) funds have an obligation to “affirmatively advance fair housing.”*¹

Since 1968, *the U.S. Department of Housing and Urban Development (HUD) has been under a duty to “affirmatively advance fair housing in the programs it administers.”*² In 1996, HUD officials very candidly reported:

“However, we also know that the Department [HUD] itself has not, for a number of reasons, always been successful in ensuring results that are consistent with the Act. It should be a source of embarrassment that fair housing poster contests or other equally benign activity were ever deemed sufficient evidence of a community’s efforts to affirmatively further fair housing. The Department believes that the principles embodied in the concept of “fair housing” are fundamental to healthy communities, and that communities must be encouraged and supported to include *real, effective*, fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”³

As a condition of receiving these federal funds, communities are required to certify that they will affirmatively advance fair housing. Every voucher for funds that a community submits to HUD “implicitly certifies” that the community is affirmatively furthering fair housing.⁴ As HUD has clearly stated, benign activities do not make the cut. Seeking to comply with our nation’s laws, HUD officials have determined that “Local communities will meet this obligation by perform-

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1. Public Law Number 93–383, 88 Stat. 633 (August 22, 1974). Most of this statute can be found at 42 U.S.C. §§1437 et seq. and 42 U.S.C. §§5301 et seq.
 2. Office of Fair Housing and Equal Opportunity, U. S. Department of Housing and Urban Development, *Fair Housing Planning Guide*, (Washington, DC. March 1996), Vol. 1, i.
 3. Ibid. Emphasis in original.
 4. *U.S. ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County*, New York, U.S. Dist. Ct. S.D.N.Y., 06 Civ. 2860 (DLC), Feb. 24, 2009, 43.

ing an analysis of the impediments to fair housing choice within their communities and developing (and implementing) strategies and actions to overcome these barriers based on their history, circumstances, and experiences.”⁵

While the extent of the obligation to affirmatively advance or further fair housing is not defined statutorily, HUD defines it as requiring a recipient of funds to:

- 1 Conduct an analysis to identify impediments to fair housing choice within the jurisdiction
- 2 Take appropriate actions to overcome the effects of any impediments identified through the analysis, and
- 3 Maintain records reflecting the analysis and actions in this regard.”⁶

Throughout the nation, HUD interprets these broad objectives to mean:

- ◆ Analyze and eliminate housing discrimination in the jurisdiction
- ◆ Promote fair housing choice for all persons
- ◆ Provide opportunities for racially– and ethnically–inclusive patterns of housing occupancy
- ◆ Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities
- ◆ Foster compliance with the nondiscrimination provisions of the Fair Housing Act.⁷

While HUD has proffered a multitude of suggestions for producing the required analysis of impediments to fair housing choice, each recipient community is able to conduct the study that fits it within the broad guidelines HUD offers. We have attempted to do just that with this report.

The substantive heart of the Fair Housing Act lies in the prohibitions stated in §3604, §3605, §3606, and §3617. It is said that the most important part of these sections is §3604(a) which makes it illegal

To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, **or otherwise make unavailable or deny**, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.⁸

The 1988 amendments to the Act added a similarly-worded provision that added discrimination on the basis of handicap in §3604(f)(1) and required that reasonable accommodations be made “in rules, policies, practices, or services when such accommodations may be necessary to afford such person equal oppor-

5. Ibid.

6. Ibid., 1–2.

7. Ibid., 1–3.

8. 42 U.S.C. §3604(a). *Emphasis added*.

tunity to use and enjoy a dwelling.”⁹ In addition, the 1988 amendments mandate that reasonable modifications of existing premises be allowed for people with disabilities and that renters must agree to restore the interior of the premises to the condition it was in prior to making the modifications.¹⁰ The amendments also require new multi-family construction to meet specified accessibility requirements in public areas and individual dwelling units.¹¹

The highlighted provision, “or otherwise make unavailable or deny,” has been read to include a broad range of housing practices that can discriminate illegally, such as exclusionary zoning; redlining of mortgages, insurance, and appraisals; racial steering; blockbusting; discriminatory advertising; citizenship requirements that have the effect of excluding African Americans from a city’s all-white public housing; harassment that would discourage minorities from living in certain dwellings; prohibiting white tenants from entertaining minority guests; and many more.¹²

As much as practical under budgetary constraints, an analysis of impediments to fair housing choice should seek to determine if any of these practices are present. The Housing and Community Development Act of 1974 clearly states that the intent of Congress is that the “primary objective” of the act and “of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”¹³

*It is clear that one of the key underlying purposes of the Housing and Community Development Act of 1974 is to foster racial and economic integration.*¹⁴ This key goal of the act is reflected in the technical language “the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income.”¹⁵

Taken as a whole the act has “the goal of open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, of racial groups.”¹⁶ With such a panoptic goal, HUD is obligated to use its grant programs “to assist in ending discrimination and segregation, to the point where the supply of genuinely open housing increases.”¹⁷ “Congress saw the antidiscrimination policy [embodied in the Fair Housing Act] as the means to effect the antisegregation–integration policy.”¹⁸

9. Ibid., §3604(f)(3)(B).

10. Ibid., §3604(f)(3)(A).

11. Ibid., §3604(f)(3)(C).

12. Robert Schwemm, *Housing Discrimination: Law and Litigation*, §13:4–13:16, 2007.

13. 42 U.S.C. §5301(c).

14. Daniel Lauber, “The Housing Act & Discrimination,” *Planning*, (February 1975): 24–25.

15. 42 U.S.C. §5301(c)(6).

16. *Otero v. New York City Housing Authority*, 484 F.2d 1122, 1134 (2d Cir. 1973).

17. *N.A.A.C.P. v. Secretary of HUD*, 817 F.2d 149, 155 (1st Cir. 1987) (Breyer, J.).

18. *United States v. Starrett City Associates*, 840 F.2d 1096, 1100 (2d Cir. 1988). The discussion in this paragraph is derived in large part from the discussion on pages 24 and 25 of the district court’s decision in *U.S. ex rel. Antidiscrimination Center of Metro New York, Inc. v. Westchester County, New York*, 495 F.Supp.2d 375, 385–386 (S.D.N.Y. 2007).

These purposes of the act have implications for the proper conduct of an analysis of impediments to fair housing choice. As noted earlier, every jurisdiction that accepts Community Development Block Grant funds is obligated to “affirmatively further fair housing.” In a lawsuit alleging that Westchester County, New York, had not affirmatively furthered fair housing with the \$35 million of CDBG funds it received from 2000 to 2006, the federal district court in the Southern District of New York ruled “a local government entity that certifies to the federal government that it will affirmatively further fair housing as a condition to its receipt of federal funds must consider the existence and impact of race discrimination on housing opportunities and choice in its jurisdiction.”¹⁹ The court concluded “an analysis of impediments that purposefully and explicitly, “as a matter of policy,” avoids consideration of race in analyzing fair housing needs fails to satisfy the duty affirmatively to further fair housing.”²⁰

Two years later Westchester County agreed to a \$62.5 million settlement and conducted a new analysis of impediments in 2010 that was supposed to address the issues of racial and socioeconomic segregation that it had ignored in violation of the law.

Since then the analyses of impediments of at least four Ohio entitlement communities have been rejected. In California, a HUD investigation led to a settlement agreement with Marin County to meet its obligation to affirmatively further fair housing. Marin County agreed to determine whether government-assisted housing there has perpetuated racial and/or ethnic segregation, identify the causes of lower racial and ethnic minority residency in Marin County relative to adjacent counties, to take affirmative marketing to promote residency in Marin County of under-represented racial and ethnic groups and people with disabilities, and examine municipal resistance to affordable housing.²¹

This analysis of impediments seeks to comply with the decisions in the Westchester County case, the Marin County settlement agreement, and with the purpose and spirit of the Housing and Community Development Act and the nation’s Fair Housing Act. Every effort has been taken to conduct a fair, balanced analysis that follows sound planning, housing, and fair housing principles and practices.

Planning/Communications approached this analysis of impediments to fair housing choice using the “CSI approach,” namely we let the evidence lead us to our conclusions. We have attempted to apply sound planning and fair housing principles to the facts we found in order to identify both current and potential impediments to fair housing choice and craft recommendations to mitigate them.

This is an analysis of “impediments” or barriers to fair housing choice. Consequently it focuses on those policies and practices that impede fair housing choice. However, several “suggestions” are offered throughout this analysis of impediments to address regulations, practices, and policies that are *not* yet impediments to fair housing choice, but could develop into impediments if left intact. Lakewood should

19. *U.S. ex rel. Antidiscrimination Center of Metro New York, Inc. v. Westchester County, New York*, 495 F.Supp.2d 375, at 387 (S.D.N.Y. 2007).

20. *Ibid.*, 388.

21. The full 14-page Marin County settlement agreement is available online at <http://www.hud.gov/offices/ftheo/library/10-Marin-VCA-final-12-21-2010.PDF>.

consider these “suggestions” as constructive recommendations that incorporate fair housing concerns into its planning and implementation process.

Limitations of This Analysis

This analysis of impediments to fair housing choice was prepared for the purposes stated in this chapter. Consequently, it seeks to identify impediments and suggest solutions. However, it does *not* constitute a comprehensive planning program. Many of the identified issues warrant additional research and analysis by the city’s planning and development staff.

Tempting as it always is to lift statements from any study out of context, please don’t! It is vital that this analysis of impediments be read as a whole. Conclusions and observations made throughout this study are often dependent on data and discussions presented earlier. Readers of early drafts of every analysis we have conducted report that they were surprised to find their questions answered one or two pages later. Context is vital to correctly understand this analysis and avoid misleading or erroneous interpretations of its content.

This analysis does not constitute legal advice.

We have assumed that all direct and indirect information that the City of Lakewood and other government agencies supplied is accurate. Similarly, we have assumed that information provided by other sources is accurate.

An important note about the data

Like any study that uses demographics over a longitudinal period, this study is at the mercy of its data sources. We have used the most recent reliable data available throughout the report.

For example, decennial census and American Community Survey figures for the value of homes are of questionable reliability. Both report what those surveyed think their homes are worth, *not* the actual selling prices during the time period covered. We have used actual sale prices of homes. This problem does not exist with rental housing where tenants tend to know exactly what they pay in rent each month.

Due to Lakewood’s size, the American Community Survey does not produce annual estimates for Lakewood. When we have needed to rely on American Community Survey data, we have used the most recently available, the “2007–2009 ACS 3–Year Estimates.”

Over the years data can be reported in different ways. Categories can be changed at the discretion of those who produce the raw data. Consequently, there

are times when it is impossible to precisely match data categories from one year to another.

In Chapters 3 and 4, this study reports data on racial and ethnic composition that include small variations depending on the source material. Various data sources categorize their data differently. For example, some sources include “Hispanics” *within* their various racial categories. Others tally Hispanics as a separate category in addition to African Americans, Caucasians, and Asians. Some of these sources refer to these Caucasians as “White Non-Hispanic.”

Because the number and proportion of Lakewood residents who are Native American, Alaskan and Eskimo, and Hawaiian/Pacific Islander is infinitesimal, we have excluded these categories from most tables and graphs to make them more legible and easier to read and use.

Readers should assume that throughout this report, the data used are the most reliable recent data available. In some instances this approach requires using data for years before 2006. But as in all research projects, we are limited by what data are available.

Additional data. There are instances in this report where summary data is presented. The raw data on which these summaries are based are available in either an Excel spreadsheet or a PDF file archived with the city’s Department of Planning and Development. This is public information available upon request from the city. Footnotes and explanatory material below a table or figure alert readers to the availability of additional data.

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Chapter 3

Overview of Lakewood, Ohio

Demographics

The suburbanization of Cleveland began in the early 1920s with Lakewood on the west and East Cleveland and Cleveland Heights on the east. Sitting on the south shore of Lake Erie and with Cleveland to its east and south, Lakewood is just six miles west of downtown Cleveland. Lakewood is the third largest city in Cuyahoga County. Only Cleveland and Parma are larger. With 63 percent of its dwellings in multi-unit structures and 55 percent rental, Lakewood's population density of 9,957.3 residents per square miles is the highest of any city in the State of Ohio, roughly comparable to the density of the District of Columbia.¹

Like other inner-ring suburbs throughout the nation, Lakewood's population has been shrinking over the past 30 years. Much of this diminution is attributable to a decline in household size. Like other land-locked, built-up mature communities, Lakewood has had few opportunities for substantial amounts of new residential construction.

Table 1: Lakewood Population Changes: 1980–2010

Lakewood Population Change: 1980–2010				
Year	Population	Change	Percent Change	Change Since 1980
1980	61,963	—	—	—
1990	59,718	-2,245	-3.8%	-3.6%
2000	56,646	-3,072	-5.4%	-8.6%
2010	52,131	-4,515	-8.7%	-15.9%

Source: 1980, 1990, 2000, 2010 U.S. Census.

The median income of Lakewood household has grown from \$28,815 in 1989 to \$40,527 in 1999, and \$43,448 in 2009.²

1. "Population and Housing Narrative Profile: 2007–2009," *2007–2009 American Community Survey 3-Year Estimates for Lakewood, Ohio*, p. 4.
2. Median incomes for 1989 and 1999: NEO CANDO system, Center on Urban Poverty and Community Development, MSASS, Case Western Reserve University (<http://neocando.case.edu>). Median income for 2009: "Selected Economic Characteristics," *2007–2009 American Community Survey 3-Year Estimates for Lakewood, Ohio*.

Figure 1: Clifton Boulevard “Doubles”



In 2009, poverty rates in Lakewood were lower than in Cuyahoga County and generally lower than the entire State of Ohio. The most significant exception is the 15.4 percent poverty rate for seniors 65 and older — nearly double that of the State of Ohio and more than one third greater than for Cuyahoga County.

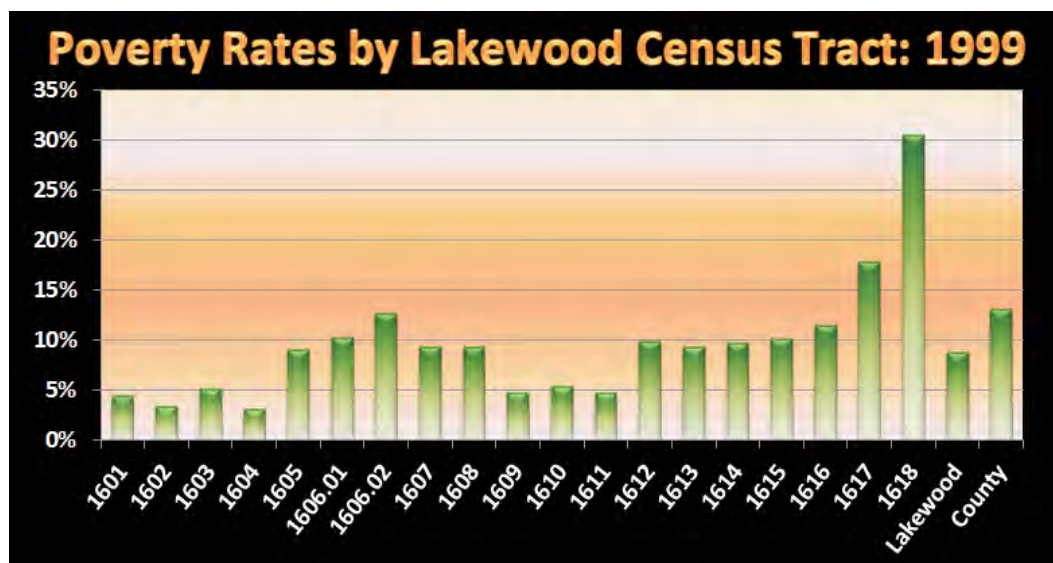
Table 2: Percentage in Poverty by Jurisdiction and Category: 2009

Percentage in Poverty by Jurisdiction and Category: 2009			
Category	Lakewood	Cuyahoga County	Ohio
All people	15.2%	18.6%	15.2%
Age 65 and over	15.4%	11.3%	8.4%
Under 18 years old	18.6%	26.6%	21.9%
Unrelated individuals, 15+ years old	23.0%	29.8%	27.5%
All families	11.5%	13.6%	11.1%
Families with related children under 18 years old	17.5%	21.9%	18.7%
Married couple families	4.0%	4.5%	4.4%
Female-headed households, no husband present	29.9%	33.3%	33.9%
With related children under 18	40.7%	42.7%	43.6%

Sources: “Selected Economic Characteristics,” 2009 American Community Survey 1-Year Estimate [Cuyahoga County and Ohio] and 2007–2009 American Community Survey 3-Year Estimates [Lakewood].

The most recent year in which poverty rates are available by census tract was 1999. The graph that follows shows that while households in poverty were concentrated in Lakewood’s east end, impoverished households lived in every census tract in Lakewood. More recent rates by census tract are not yet available. Obviously the Great Recession resulted in higher poverty rates in Lakewood just like in the rest of the nation

Figure 2: Poverty Rates by Lakewood Census Tract: 1999



Source: NEO CANDO system, Center on Urban Poverty and Community Development, MSASS, Case Western Reserve University (<http://neocando.case.edu>).

Unlike the typical suburb, Lakewood has mostly rental community. In 2000 — the most recent year for which these data are available at the census tract level — the housing in ten of the city’s census tracts was predominantly rental. Rentals dominate at both the east and west ends of the city. In contrast, housing in four of the five tracts bordering Lake Erie is primarily ownership. The other tracts that are primarily ownership comprise Lakewood’s central core. As the figures below show, no census tracts has less than 23 percent rental units and rentals comprised at least 38 percent of the dwelling units in each of the other 18 tracts. As explained later in this chapter, this much rental housing has significant implications for the analysis of Lakewood’s racial and ethnic composition.

Figure 3: Lakewood Census Tracts

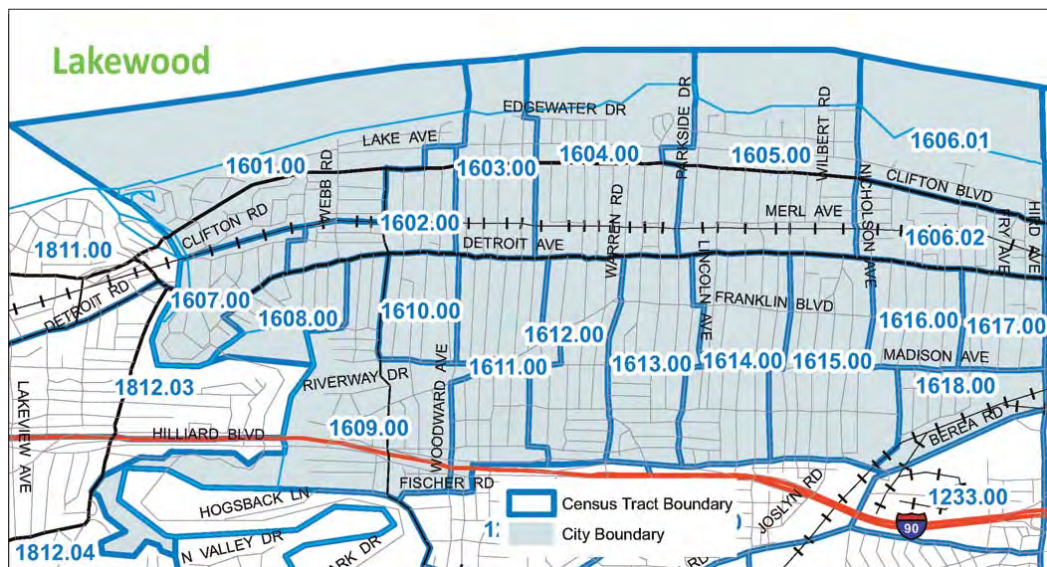
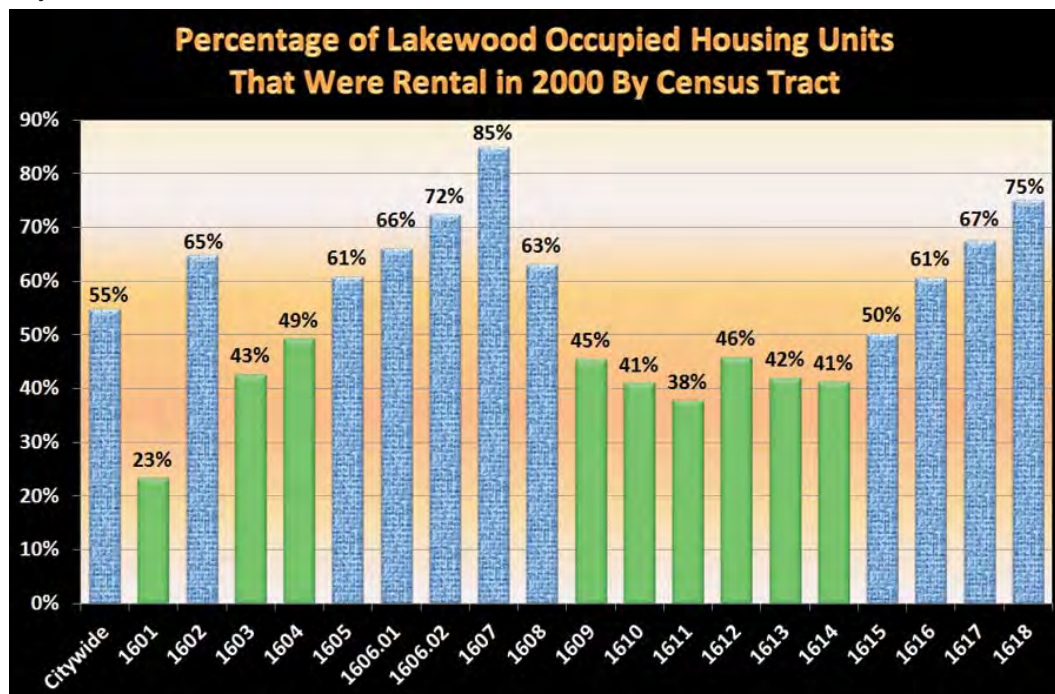


Figure 4: Percentage of Lakewood Occupied Housing Units That Were Rental in 2000 By Census Tract



Source: U.S. Census, 2000.

One characteristic that distinguishes Lakewood from most cities in Ohio and elsewhere is that rental and ownership housing sit side-by-side in most of Lakewood. While the “Gold Coast” in census tract 1606.01 is dominated by multi-family highrise condominiums and rentals, most of the other multi-family structures in Lakewood are not the typical apartment building. Instead they are doubles or triples which are the size of a typical single-family house. Walking or driving down the typical Lakewood block, an observer would be hard put to tell whether the homes are rental or owner-occupied. This mixture of ownership and rental housing allows for a level of economic integration atypical of most U.S. suburbs.

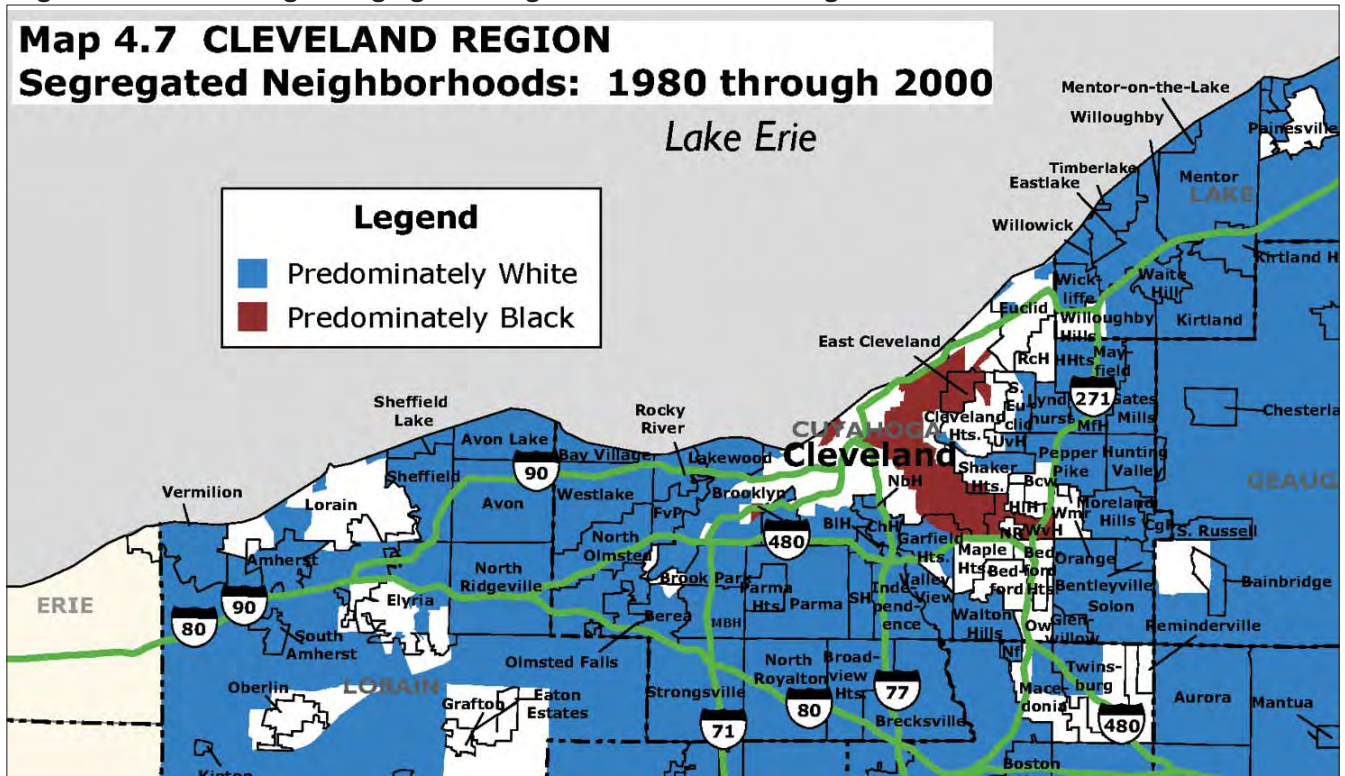
Racial and Hispanic Composition

Lakewood’s racial composition can be best understood within the context of the Cleveland metropolitan area. Cleveland and its suburbs have long ranked as one of the most racially segregated metropolitan areas in the nation.³ Among the other metropolitan areas with similar levels of extreme racial segregation in housing are Milwaukee, New York, Chicago, and Detroit. Segregation has long been so severe that in 1980 the Black population of every suburb west of Cleveland was less than two percent while some of the eastern suburbs were resegregating to nearly all-Af-

3. W. Dennis Keating, *The Suburban Racial Dilemma: Housing and Neighborhoods* (Philadelphia: Temple University Press, 1994), 3.

frican American and a small number were achieving stable racial diversity.⁴ Black suburbanization took place on the east side of Cleveland in Shaker Heights, Cleveland Heights, Oakwood, East Cleveland, and Warrensville Heights. In a genuinely free housing market not distorted by racial discrimination, no Cleveland suburb would have been less than 11 percent Black in 1980.⁵

Figure 5: Cleveland Region Segregated Neighborhoods: 1980 Through 2000



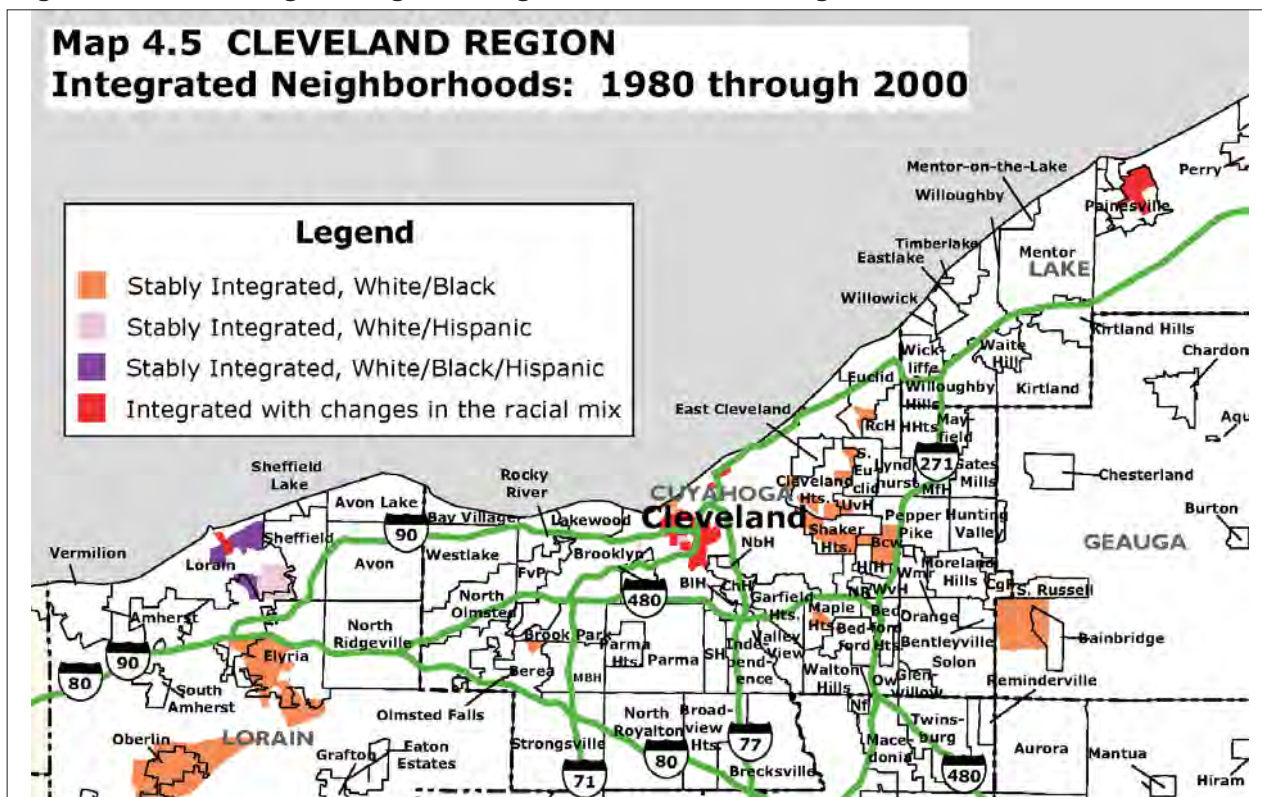
Source: *Minority Suburbanization and Racial Change: Cleveland Maps* available at http://www.irpumn.org/website/projects/index.php?strWebAction=project_folder&intDocFolderID=5.

The above map and the map below vividly illustrate the high degree of housing segregation in the Cleveland area. The above map shows the neighborhoods in the Cleveland region that remained persistently segregated between 1980 and 2000. The map below shows those neighborhoods that remained stably integrated during those two decades.

4. Ibid., 63.

5. Ibid., 68. For a detailed analysis and definition of a free housing market, see the discussion beginning on page 19 of this Analysis of Impediments.

Figure 6: Cleveland Region Integrated Neighborhoods: 1980 Through 2000



Source: *Minority Suburbanization and Racial Change: Cleveland Maps* available at http://www.irpumn.org/website/projects/index.php?strWebAction=project_folder&intDocFolderID=5.

Like the other heavily segregated housing markets across the country, Cleveland area housing continues to operate as a “dual housing market,” one almost exclusively for Caucasians and a separate one almost exclusively for African Americans. There is an extensive body of research on how this dual market developed thanks to deliberate real estate industry practices and public sector laws, policies, and practices. As long as a dual housing market continues, cities that wish to achieve stable racial diversity have no choice but to take proactive and focused measures to establish a free and unitary housing market within their boundaries and work with other cities to create a free and unitary housing market throughout the metropolitan area.⁶

In 2006, Lakewood’s *Analysis of Impediments* identified as an impediment to fair housing the perception of Lakewood as “an all white community where minorities, especially African Americans, are not welcome.”⁷ The proportions of African Americans and Hispanics living in Lakewood in 2000 and before were so low that this

6. For a detailed explanation of how the dual housing market developed and what cities, including some in the Cleveland area, have done to overcome it, see Daniel Lauber, *Ending American Apartheid: How Cities Achieve and Maintain Racial Diversity* (River Forest, Illinois: Planning/Communications, 1989, updated 2010). You can download a PDF of the 62-page monograph from the “Publications” page at <http://www.planningcommunications.com>.

7. Housing Research & Advocacy Center, *Analysis of Impediments to Fair Housing Choice in the City of*

assessment reflected the perception of the entire west suburban area, not just Lakewood. As noted earlier, African Americans constituted a minuscule proportion of the population in the other western suburbs of Cleveland as well.

Back in 2000, Lakewood's racial composition was typical of the distorted dual housing market of Cleveland's western suburbs. But in 2010, the U.S. Census showed that Lakewood was making progress toward achieving racial diversity while nearly all of the other western suburbs maintained extreme levels of racial segregation and exclusion. As the table that follows shows, Lakewood (6.4 percent), Berea (6.6 percent), and Brooklyn (5.2 percent) were the only western suburbs near Cleveland with an African American population greater than five percent. Only five other western suburbs had a Black population greater than 2 percent: Brook Park (3.2 percent); Parma Heights (2.8 percent); Avon (2.3 percent); Parma (2.2 percent); and Broadview Heights (2.1 percent; also 5.2 percent Asian).

Table 3: Racial and Hispanic Composition of Cleveland's Closest Western Suburbs: 2010

Racial and Hispanic Composition of Cleveland's Closest Western Suburbs: 2010							
Western Suburb of Cleveland	Total Population	White	Black	Asian	All Other Reported Races	Multiple Races	Hispanic of Any Race
Lakewood	52,131	87.5%	6.4%	1.9%	1.6%	2.7%	4.1%
Avon	21,193	92.4%	2.3%	3.1%	0.8%	1.4%	3.4%
Avon Lake	22,581	95.7%	1.1%	1.3%	0.5%	1.4%	2.4%
Bay Village	15,651	97.0%	0.5%	0.9%	0.5%	1.1%	1.6%
Berea	19,093	88.8%	6.6%	1.5%	0.8%	2.3%	2.8%
Broadview Heights	19,400	91.0%	2.1%	5.2%	0.5%	1.3%	1.8%
Brooklyn	11,169	84.3%	5.2%	3.9%	4.2%	2.4%	10.4%
Brooklyn Heights	1,543	94.6%	1.2%	1.7%	1.0%	1.6%	2.5%
Brook Park	19,212	92.2%	3.2%	1.6%	1.1%	1.9%	3.4%
Fairview Park	16,826	94.4%	1.8%	1.6%	0.9%	1.2%	3.3%
Middleburg Heights	15,946	91.1%	1.6%	5.6%	0.8%	0.9%	2.2%
North Olmsted	32,718	92.6%	2.0%	2.7%	1.1%	1.7%	3.5%
North Ridgeville	29,465	95.0%	1.5%	1.2%	0.8%	1.6%	3.3%
North Royalton	30,444	94.6%	1.1%	2.7%	0.4%	1.1%	1.6%
Olmsted Falls	9,024	94.9%	2.0%	1.2%	0.5%	1.3%	2.6%
Parma	81,601	93.0%	2.3%	1.9%	1.2%	1.6%	3.6%
Parma Heights	20,718	91.1%	2.8%	3.0%	1.3%	1.8%	3.8%
Rocky River	20,213	95.5%	1.0%	1.8%	0.5%	1.3%	1.8%
Seven Hills	11,804	95.6%	0.8%	2.5%	0.3%	0.7%	1.3%
Strongsville	44,750	92.0%	1.9%	4.1%	0.5%	1.4%	2.0%
Westlake	32,729	91.2%	1.6%	4.9%	0.7%	1.6%	2.5%

Source: U.S. Census 2010, file "DEC_10_PL_GCTPL1.ST13."

But as shown in the table below, the 2010 U.S. Census reveals that Lakewood is integrating at an incremental rate that strongly suggests that Lakewood *can* become a stable, racially-integrated community with a racial composition that

Lakewood, Ohio (Cleveland, OH, January 2006), 26.

reflects a free housing market without discrimination rather than resegregate from virtually all-white to nearly all-Black as has been the norm for many suburbs east of Cleveland and many Cleveland neighborhoods.

Table 4: Lakewood's Racial and Ethnic Composition: 1980–2010

Lakewood's Racial and Hispanic Composition: 1980–2010						
Year	White	African American	Asian	All Other Reported Races	Multiple Races	Hispanic of Any Race
1980	98.5%	0.2%	0.9%	0.4%	N/A	1.6%
1990	97.5%	0.9%	1.0%	0.6%	N/A	1.5%
2000	93.1%	2.0%	1.4%	0.6%	2.7%	2.2%
2010	87.5%	6.4%	1.9%	1.6%	2.7%	4.1%

The percentages for racial groups in a row do not add up to 100 percent due to rounding. Hispanics are an ethnic group; they can be of any race.

Sources: 1980, 1990, 2000, and 2010 *U.S. Census*. 1980 U.S. Census figures provided by the Minnesota Population Center. National Historical Geographic Information System. Pre-release Version 0.1. Minneapolis, MN 2004, <http://www.nhgis.org>.

An increase in the African American population from 2.0 to 6.4 percent during the past decade suggests that Lakewood may be in the initial stages of achieving stable racial integration. However, to better understand the demographic changes in Lakewood, it is vital to look at the actual racial and Hispanic composition of the city's census tracts as well as what the racial and Hispanic composition of each tract would have been in a free housing market that is not distorted by discriminatory private and/or public sector practices.

Methodology. By taking household income into account, the analysis that follows more accurately identifies possible racial and ethnic segregation than simply reporting the proportions of each racial or ethnic group within Lakewood or in a census tract. There is a common misconception that housing is segregated because minority households as a whole earn less than white households. Our methodology, however, explicitly takes into account household income to approximate the racial and ethnic composition of a census tract or city if racial and ethnic discrimination were absent and household income was the primary determinant of where households live.

This approach requires thinking about housing discrimination and segregation a little differently than usual. Discrimination is the likely cause of an area's racial and ethnic composition when the actual racial and ethnic composition differs significantly from its composition that would be expected in a free unitary housing market devoid of discrimination. It is very likely that discrimination is the primary cause of a census tract being 95 percent white if the tract would be expected to be 75 percent white when taking household income into account.

The approach used here compares the actual racial composition of a census tract or a city with what the approximate racial composition would likely be in a

free, unitary housing market undistorted by racial discrimination.⁸ The racial discrimination that underlies the dual housing market badly warps the free market in housing by artificially reducing demand for housing in some neighborhoods and artificially increasing demand in others.

A free unitary housing market is one in which “all people in a given area, both minority and non-minority, actually compete for housing in numbers generally reflective of their purchasing power and proportion of the region’s population.”⁹ It’s a single housing market in which all people compete for the housing they can afford.

Racial discrimination and the dual housing market it spawns also distort property values. When African Americans, for example, move to segregated neighborhoods, they pay a substantial price in lost housing value. It is well documented that the value and appreciation of homes in segregated minority neighborhoods is generally less than in stable integrated areas and white areas. Segregated minority neighborhoods also often lack jobs and business investment opportunities, making them economically unhealthy compared to stable integrated and predominantly white areas.¹⁰ For the Black middle and upper classes, living in segregated minority neighborhoods denies them the full economic and educational benefits of middle- and upper-class status enjoyed in stable integrated and in predominantly Caucasian neighborhoods.

In a genuinely free and unitary housing market, household income rather than race or ethnicity determines who lives in the community. The table below, “Lakewood Racial and Ethnic Household Composition 1990–2000 & Individuals 2010” shows the actual racial composition of Lakewood and each of its census tracts in 1990 and 2000 and the approximate racial composition if housing enjoyed a genuine free market *without* the distortions caused by discriminatory housing practices. The difference between the actual composition and the free market composition is shown for Lakewood as a whole and for each census tract. Keep in mind that the free market figures are based on actual household in-

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8. Determining the approximate racial and ethnic composition of a geographic area like a census tract or city is a fairly straightforward, albeit lengthy, process. Here is the step-by-step procedure using a census tract as an example. First we obtain from the U.S. Census the number of households for the census tract that are in each of 16 income ranges starting with “Less than \$10,000” and “\$10,000 to \$14,999” and ending with “\$150,000 to \$199,999” and “\$200,000 or more.” Within each income range, the census specifies the number of Caucasian, African American, Asian, and Hispanic households. We obtain the same data for the entire housing market within which the census tract is located. All of Cuyahoga County constitutes the entire housing market that serves Lakewood.

We then multiply the number of Caucasian households in an income category in that census tract by the percentage of white households in that income bracket for the full housing market, i.e. Cuyahoga County. This gives us an good approximation of the number of white households in this income bracket that would live in this census tract if income determined who lived there. We calculate these figures in all 16 income brackets for all four racial and ethnic groups. *This procedure assures that the census tract income of residents in a free market without discrimination is the same as the income of actual residents.* We then add up the number of households in each racial or ethnic group to get the approximate racial and ethnic composition of the census tract if income were the prime determinant of who lives there. From this we calculate the percentages of the census tract that each group would comprise. These percentages are then compared to the actual proportion of each racial or ethnic group within the census tract to identify the difference between actual census numbers and a free housing market without discrimination.

9. Keating, 104.
10. D. Coleman, M. Leachman, P. Nyden, and B. Peterman, *Black, White and Shades of Brown: Fair Housing and Economic Opportunity in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, February 1998), 28–29. See chapter 5, note 1.

Figure 7: Lakewood's Economically –Diverse Housing Stock Features a Wide Variety of Types and Price Points



comes. These data debunk the misconception that dissimilarities in household income explain the racial composition of Lakewood or any other city.

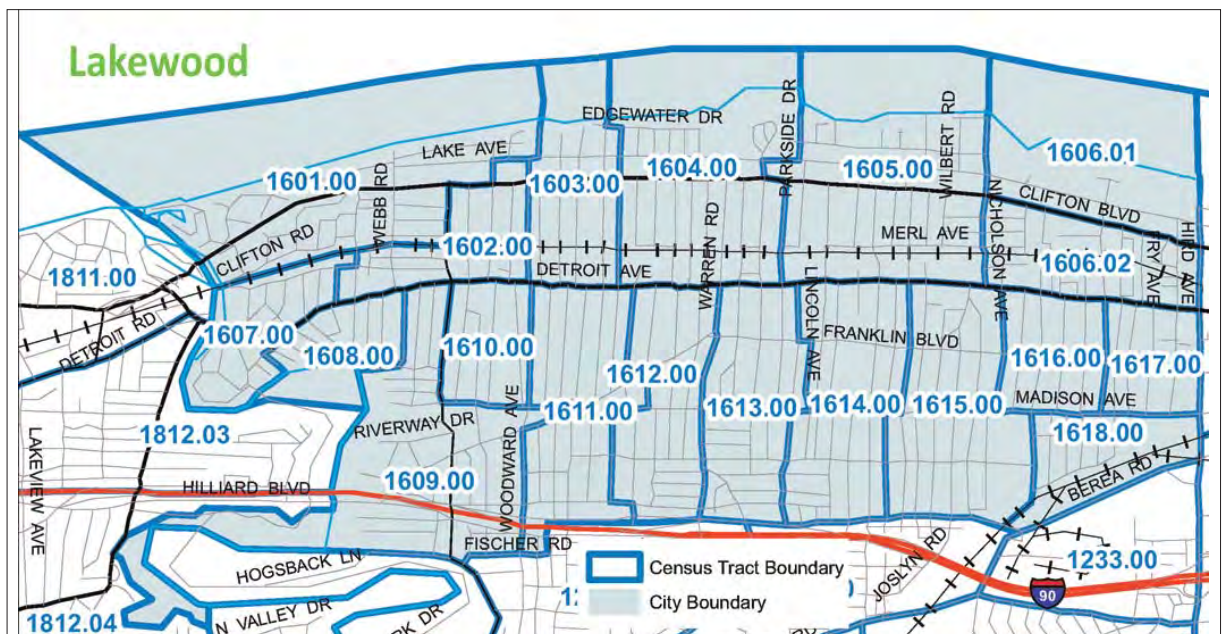
When the actual proportions of minorities are significantly less than the proportions that would exist in a free housing market, it is extremely likely that factors other than income, social class, or personal choice are influencing who lives in the community. Researchers have concluded “that race and ethnicity (not just social class) remain major factors in steering minority families away from some communities and toward others.”¹¹

In the table that follows, differences of ten or more percentage points that suggest distortions of the free housing market possibly caused by racial discrimination are highlighted in yellow. While some researchers have concluded that differences of five percentage points indicate that discrimination is distorting the housing market,¹² we have concluded that ten percentage points is more likely to be indicative of possible discrimination by factoring in those minority households that may prefer to live in a predominantly minority neighborhood.

Because household data for 2010 are not yet available, the table also shows the 2010 census figures of individuals, not households, for each demographic group. Based on past years' experience, the percentages of individuals and households are very close which make the 2010 data a pretty comparable substitute for households.

To help readers place where each Lakewood census tract is located, the map of Lakewood's census tracts is reproduced below.

Figure 8: Lakewood Census Tracts



11. Ibid., v. The methodology, first developed by Harvard economist John Kain, is explained in detail beginning on page 17 of the study. A PDF file of the entire study (28.1 megabytes) can be downloaded at <http://www.luc.edu/curl/pubs>.

12. See *Black, White and Shades of Brown: Fair Housing and Economic Opportunity in the Chicago Region*.

Table 5: Lakewood Racial and Ethnic Household Composition 1990–2000 & Individuals 2010

Lakewood Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Citywide								
2010 Individuals	87.5%	6.4%	1.9%	4.1%				
HHs Actual proportions	94.0%	1.9%	1.3%	1.5%	97.6%	0.8%	0.9%	1.0%
HHs Free market	75.6%	20.7%	1.4%	2.2%	79.0%	19.2%	0.9%	1.4%
HHs Difference	18.3%	-18.8%	-0.1%	-0.7%	18.6%	-18.4%	-0.1%	-0.4%
Census Tract 1601								
2010 Individuals	96.1%	2.0%	0.8%	1.7%				
HHs Actual proportions	97.2%	2.0%	0.0%	1.3%	99.4%	0.0%	0.0%	0.5%
HHs Free market	81.1%	15.2%	1.8%	1.7%	85.1%	12.9%	1.4%	1.1%
HHs Difference	16.1%	-13.3%	-1.8%	-0.4%	14.2%	-12.9%	-1.4%	-0.6%
Census Tract 1602								
2010 Individuals	89.1%	4.3%	1.9%	5.2%				
HHs Actual proportions	97.7%	0.0%	1.9%	2.4%	96.9%	0.6%	1.3%	1.2%
HHs Free market	77.0%	19.4%	1.4%	2.1%	79.0%	19.1%	0.9%	1.4%
HHs Difference	20.7%	-19.4%	0.5%	0.3%	17.9%	-18.6%	0.4%	-0.2%
Census Tract 1603								
2010 Individuals	91.4%	2.5%	2.4%	4.1%				
HHs Actual proportions	96.9%	0.0%	0.0%	0.7%	100.0%	0.0%	0.0%	0.8%
HHs Free market	78.5%	17.9%	1.5%	1.9%	82.2%	16.0%	1.0%	1.3%
HHs Difference	18.5%	-17.9%	-1.5%	-1.2%	17.8%	-16.0%	-1.0%	-0.4%
Census Tract 1604								
2010 Individuals	90.2%	3.6%	1.6%	3.6%				
HHs Actual proportions	97.4%	1.5%	0.4%	1.7%	98.0%	0.7%	0.8%	1.4%
HHs Free market	78.0%	18.4%	1.4%	2.0%	80.6%	17.5%	1.0%	1.4%
HHs Difference	19.3%	-16.9%	-1.1%	-0.3%	17.4%	-16.8%	-0.2%	0.0%
Census Tract 1605								
2010 Individuals	90.5%	4.2%	2.2%	2.7%				
HHs Actual proportions	97.3%	0.9%	0.0%	0.6%	98.4%	0.9%	0.4%	1.1%
HHs Free market	73.5%	22.7%	1.5%	2.3%	76.9%	21.2%	0.9%	1.5%
HHs Difference	23.8%	-21.8%	-1.5%	-1.7%	21.5%	-20.3%	-0.5%	-0.4%
Census Tract 1606.01								
2010 Individuals	83.1%	8.9%	3.9%	4.6%				
HHs Actual proportions	88.4%	3.9%	3.8%	1.0%	94.9%	2.9%	1.3%	1.1%
HHs Free market	74.9%	21.3%	1.4%	2.2%	79.7%	18.5%	1.0%	1.4%
HHs Difference	13.5%	-17.5%	2.3%	-1.2%	15.2%	-15.6%	0.3%	-0.3%
Census Tract 1606.02								
2010 Individuals	75.5%	14.5%	3.3%	6.7%				
HHs Actual proportions	85.4%	3.9%	4.1%	1.1%	95.6%	1.5%	1.1%	0.9%
HHs Free market	73.1%	23.1%	1.3%	2.4%	77.2%	20.9%	0.8%	1.6%
HHs Difference	12.3%	-19.3%	2.8%	-1.3%	18.4%	-19.4%	0.2%	-0.7%
Census Tract 1607								
2010 Individuals	87.4%	6.8%	1.7%	4.2%				
HHs Actual proportions	96.2%	1.5%	1.2%	1.0%	96.7%	0.5%	0.5%	0.9%
HHs Free market	72.7%	23.5%	1.2%	2.4%	77.6%	20.6%	0.8%	1.5%
HHs Difference	23.4%	-22.0%	0.0%	-1.4%	19.1%	-20.1%	-0.3%	-0.6%
Census Tract 1608								
2010 Individuals	94.3%	1.6%	1.1%	2.2%				
HHs Actual proportions	99.3%	0.0%	0.7%	1.4%	98.1%	0.0%	0.9%	0.0%
HHs Free market	75.6%	20.7%	1.4%	2.2%	79.1%	19.1%	0.9%	1.4%
HHs Difference	23.7%	-20.7%	-0.7%	-0.8%	19.0%	-19.1%	0.0%	-1.4%

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Lakewood Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Census Tract 1609								
2010 Individuals	91.6%	5.0%	1.0%	2.7%				
HHs Actual proportions	95.6%	0.9%	0.5%	0.8%	99.3%	0.3%	0.0%	0.3%
HHs Free market	77.3%	19.1%	1.4%	2.1%	79.9%	18.3%	0.9%	1.4%
HHs Difference	18.3%	-18.2%	-0.9%	-1.2%	19.4%	-18.0%	-0.9%	-1.1%
Census Tract 1610								
2010 Individuals	92.7%	3.2%	0.6%	4.7%				
HHs Actual proportions	97.4%	0.7%	0.6%	1.7%	98.5%	0.0%	0.7%	0.7%
HHs Free market	78.3%	18.2%	1.4%	2.0%	80.5%	17.8%	1.0%	1.4%
HHs Difference	19.1%	-17.4%	-0.8%	-0.3%	18.1%	-17.8%	-0.2%	-0.6%
Census Tract 1611								
2010 Individuals	93.1%	2.5%	0.5%	3.6%				
HHs Actual proportions	96.3%	0.0%	0.0%	1.7%	98.9%	0.3%	0.0%	0.9%
HHs Free market	77.9%	18.6%	1.4%	2.0%	80.3%	17.9%	0.9%	1.4%
HHs Difference	18.4%	-18.6%	-1.4%	-0.3%	18.6%	-17.6%	-0.9%	-0.4%
Census Tract 1612								
2010 Individuals	87.9%	5.0%	2.3%	4.0%				
HHs Actual proportions	93.7%	2.0%	1.4%	1.6%	97.8%	0.4%	1.5%	2.4%
HHs Free market	75.6%	20.7%	1.4%	2.2%	79.2%	19.0%	0.9%	1.4%
HHs Difference	18.1%	-18.7%	0.0%	-0.6%	18.6%	-18.6%	0.6%	0.9%
Census Tract 1613								
2010 Individuals	90.1%	4.4%	1.2%	4.2%				
HHs Actual proportions	97.1%	1.2%	0.0%	2.2%	97.6%	0.5%	1.9%	1.1%
HHs Free market	76.4%	20.0%	1.4%	2.1%	79.3%	18.9%	0.9%	1.4%
HHs Difference	20.7%	-18.8%	-1.4%	0.1%	18.3%	-18.4%	1.0%	-0.4%
Census Tract 1614								
2010 Individuals	87.1%	6.7%	1.8%	3.5%				
HHs Actual proportions	95.9%	0.0%	1.5%	2.1%	98.9%	0.0%	0.8%	2.0%
HHs Free market	76.9%	19.5%	1.3%	2.1%	80.1%	18.1%	0.9%	1.4%
HHs Difference	18.9%	-19.5%	0.1%	0.0%	18.7%	-18.1%	-0.1%	0.6%
Census Tract 1615								
2010 Individuals	88.6%	6.1%	1.3%	3.6%				
HHs Actual proportions	94.7%	1.2%	0.0%	1.4%	99.3%	0.4%	0.0%	0.5%
HHs Free market	75.7%	20.6%	1.4%	2.2%	79.2%	18.9%	0.9%	1.4%
HHs Difference	19.0%	-19.4%	-1.4%	-0.8%	20.0%	-18.6%	-0.9%	-1.0%
Census Tract 1616								
2010 Individuals	83.2%	9.7%	1.1%	6.0%				
HHs Actual proportions	90.6%	4.8%	1.1%	1.4%	98.5%	0.0%	0.8%	0.8%
HHs Free market	73.4%	22.8%	1.4%	2.3%	74.6%	23.4%	0.9%	1.7%
HHs Difference	17.2%	-18.0%	-0.2%	-0.9%	23.8%	-23.4%	-0.1%	-0.9%
Census Tract 1617								
2010 Individuals	70.3%	19.6%	3.8%	6.8%				
HHs Actual proportions	89.9%	3.5%	0.7%	2.2%	95.0%	0.9%	3.4%	1.7%
HHs Free market	70.9%	25.2%	1.3%	2.5%	74.9%	23.2%	0.8%	1.7%
HHs Difference	19.0%	-21.7%	-0.5%	-0.4%	20.1%	-22.3%	2.6%	0.0%
Census Tract 1618								
2010 Individuals	77.8%	13.3%	2.3%	5.7%				
HHs Actual proportions	89.6%	5.3%	0.0%	3.6%	98.4%	0.0%	1.6%	0.0%
HHs Free market	69.7%	26.3%	1.3%	2.6%	73.8%	24.3%	0.8%	1.7%
HHs Difference	19.9%	-21.0%	-1.3%	1.0%	24.6%	-24.3%	0.8%	-1.7%
HHs = Data for 1990 and 2000 are based on households. Data for 2010 are based on individuals.								
Source: 1990, 2000, 2010 U.S. Census.								

Relatively few Asians and Hispanics live in Cuyahoga County. The proportions of the Lakewood population that are Asian and Hispanic have been very close to what would be expected in a free housing market without discrimination

suggesting that it is *highly unlikely* that Asians and Hispanics are experiencing housing discrimination in Lakewood. In 2010, 4.8 percent of Cuyahoga County's population was Hispanic and 2.6 percent Asian.

The picture for African Americans was very different in 1990 and 2000. The actual African American composition was consistently and significantly much lower throughout Lakewood in 1990 and 2000 than would have been expected in a free market that wasn't distorted by racial discrimination. In both years, African Americans would have comprised about 20 percent of Lakewood's households rather than the 0.8 and 1.9 percent in 1990 and 2000 respectively.¹³ Even the city's wealthiest census tract, 1601, would have been 15 percent Black in 2000 rather than the 2 percent it actually was. The same sort of depression in the proportion of African Americans was true in every tract in the city no matter what the cost of housing was in the tract.

In 2000, the actual proportion of African American households exceeded two percent in only the five tracts closest to Cleveland's west end: 1606.01, 1606.02, 1616, 1617, and 1618. In a free housing market, the proportion of Black households would have ranged from approximately 21 to 26 percent. These findings are characteristic of a housing market distorted by racial discrimination.

During the past decade, Lakewood has begun to show signs it is at a crossroad where it can decide to invest in the community by taking the actions needed to establish and maintain Lakewood as a stable, racially-diverse city, or follow the typical Cleveland area pattern of the past 50 years in which neighborhoods and suburbs are forced to resegregate from nearly all white to virtually all Black.

Census data strongly suggest that a free and unitary housing market is developing in nearly all of Lakewood as the proportion of African Americans incrementally moves closer to what would be expected in a free housing market. The 2010 census revealed that the proportion of African Americans had increased since 2000 in every census tract except 1601.¹⁴ In the vast majority of the tracts the increase has been a healthy incremental increase typical of a community opening up to all households as intended under the nation's Fair Housing Act and Community Development Block Grant Program.

*Clearly the "perception that Lakewood is still an all-white community where minorities, especially African Americans, are not welcome" is no longer valid.*¹⁵

In a healthy free housing market absent discrimination, racial change over a decade would be incremental as it has been in most of Lakewood. However, attention must be paid to the changes in racial composition in several of the census tracts in Lakewood's east end where the change has been more than incremental. The percentage of African Americans in tract 1617 has grown to 19.6 per-

13. The percentages here are based on households, not on individuals as in the earlier table "Lakewood's Racial and Ethnic Composition: 1980–2010." The differences between households and individuals are so small as to be insignificant.

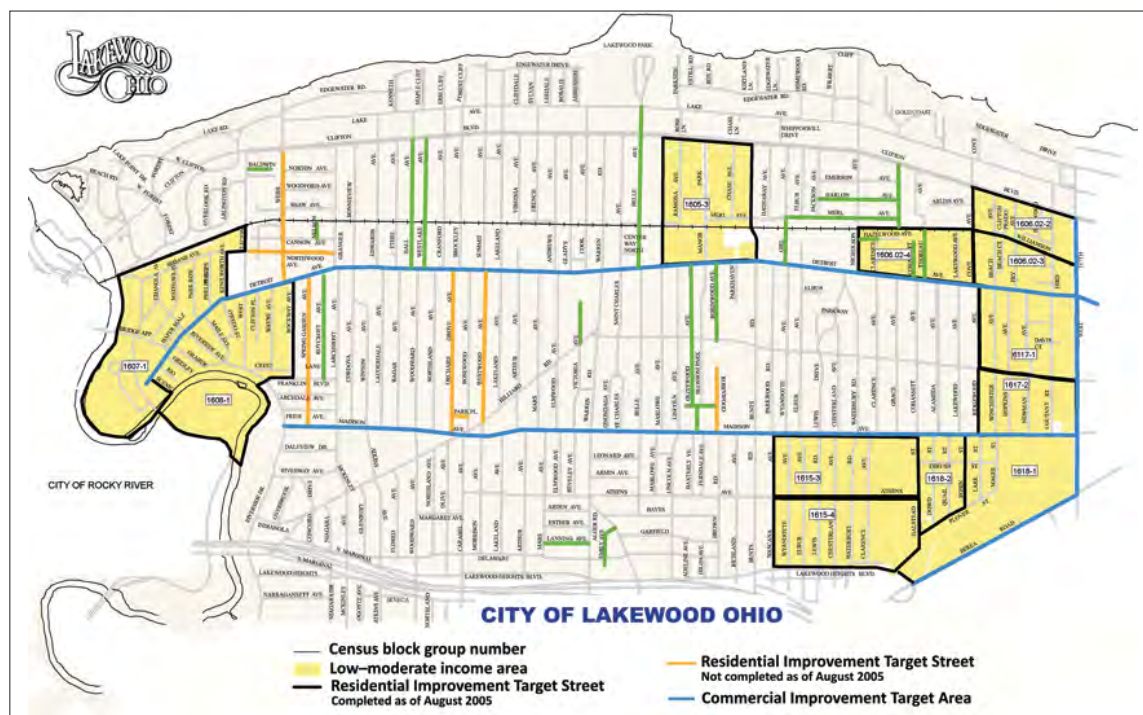
14. **Caveat:** The 2010 census data reported here are for individuals, not households. So a *precise* comparison to the 2000 and 1990 data is not possible. Despite not being precisely comparable, the data can indicate movement during the past decade toward or away from housing integration.

15. Housing Research & Advocacy Center, *Analysis of Impediments to Fair Housing Choice in the City of Lakewood, Ohio* (Cleveland: January 2006), 28.

cent, close to the 25.2 percent that would have been expected in a free housing market in 2000. The proportion of Blacks in tract 1618 has grown to 13.3 percent, about half of what would have been expected in a free market in 2000. In tract 1616, the proportion of African Americans roughly doubled to 9.7 percent, just 42 percent of what would have been expected in 2000 in a free market. In tract 1606.02, the proportion of Blacks increased to 14.5 percent, 63 percent of what would have been expected in 2000 in a free market. Tract 1606.01 saw an increase to 8.9 percent, 42 percent of what would have been expected in 2000 in a free market.

The 2010 census data show that comparatively few African Americans have moved into Lakewood's west end, including the two census tracts, 1607 and 1608, parts of which are low- and moderate-income areas shown on the map below. In tract 1608 the proportion of African Americans grew to just 1.6 percent in 2010 and in 1607 it grew to 6.8 percent. In a free market, the proportion of Black residents in these two tracts would have been around 20 percent. This strongly suggests that real estate practices are likely creating barriers to African Americans with modest incomes to moving to these affordable areas in Lakewood

Figure 9: Map of Low- and Moderate-Income Areas in Lakewood



Source: Lakewood Department of Planning and Development.

Cities and neighborhoods in the Cleveland area — and elsewhere — resegregate from all white to all Black when white demand for housing disappears and nearly everybody who moves into the city or neighborhood is African American. But by taking the actions that maintain substantial white demand for housing within their borders, some cities in the Cleveland area and across the country have become stable, racially-diverse communities. Chapter 5 will detail the key

policies and practices Lakewood needs to adopt and implement to become a stable, racially-integrated community over the long run.¹⁶

Lakewood's prospects for achieving stable racial integration throughout the city are extremely high if Lakewood takes the pre-emptive and focused steps needed to achieve racial stability, including the policies and actions recommended in Chapter 5. Lakewood's promising chances for success are enhanced by:

- ◆ Lakewood's location. Lakewood continues to be attractive to all households thanks to its excellent access to downtown Cleveland by both public transportation and by car. Even more important is Lakewood being adjacent to predominantly Caucasian Cleveland neighborhoods on its east and south sides. Most of the Cleveland suburbs that have resegregated are adjacent to intensely segregated minority neighborhoods on Cleveland's east side which made it more difficult for them to stabilize racially.
- ◆ Lakewood's excellent public schools. The schools continue to attract households of all races and incomes to Lakewood. As discussed in the next section of this report, a city's public schools play a pivotal role in achieving and maintaining racial integration. The continued excellence of Shaker Heights' public schools played a key role in maintaining white demand for housing there.¹⁷ The racial composition of Lakewood's public schools reflect a community that is integrating in the incremental manner needed to achieve stability and long-term racial diversity.
- ◆ The absence of public housing in Lakewood. Research has found that the presence of a substantial number of public housing units in an integrating neighborhood almost always leads to resegregation of the surrounding neighborhood.¹⁸ The absence of public housing will help Lakewood achieve stable racial integration.
- ◆ The absence of any intense concentrations of minorities in any part of Lakewood. While there is substantial variation in the proportion of African Americans in each of Lakewood's census tracts, the proportion of African Americans in every tract is *less* than what would have been expected in a free housing market absent racial discrimination.
- ◆ The gradual in-migration of African Americans into Lakewood. The pace of integration in Lakewood has been gradual, reflecting a developing free and unitary housing market comprised of Caucasians, African Americans, Asians, Hispanics, and other ethnicities.

16. For a thorough explanation of the private and public sector practices that force resegregation on cities and the policies and actions cities have used to achieve stable, racial integration, see Daniel Lauber, *Ending American Apartheid: How Cities Achieve and Maintain Racial Diversity* (River Forest, Illinois: Planning/Communications, 1989, updated 2010). You can download a PDF of the 62-page monograph from the "Publications" page at <http://www.planningcommunications.com>.

17. Keating, 102.

18. Juliet Saltman, *A Fragile Movement: The Struggle for Neighborhood Stabilization* (Westport, Connecticut: Greenwood Publishing Group, 1990), page 629 for the 1989 pre-publication manuscript.

Public Schools

A city's public schools play a pivotal role in achieving a stable, racially integrated community. The racial composition of public schools is relevant to fair housing because researchers have long known that changes in school racial composition can foreshadow changes in the racial composition of the surrounding community. The challenge to fair housing derives from the way potential Caucasian home seekers perceive the "quality of schools" as a major factor in choosing a home. No matter how inaccurate their views are and regardless of objective standards, a great many white people perceive predominantly white schools as superior, and predominantly minority schools as inferior.¹⁹ So there is a substantial proportion of white households that avoid moving into a school's attendance area because whites are in the minority at the school even though students at the school may be receiving an excellent education.

Figure 10: Viktor Schreckengost's Sculpture "Early Settlers" at Lakewood High School



School systems can take the racial composition of public schools out of the equation used by Caucasian households to decide where to live by adjusting attendance zones and the judicious use of magnet and "controlled choice" schools to help the student body at schools better reflect the demographic composition of the entire

19. Juliet Saltman, *A Fragile Movement: The Struggle for Neighborhood Stabilization* (Westport, Connecticut: Greenwood Publishing Group, 1990), page 629 of the 1989 manuscript.

school district.

Longitudinal research covering 40 years shows that those racially-diverse cities that deliberately acted to integrate their public school systems throughout the city so that all schools have approximately the same racial composition have tended to achieve stable racial integration over the long term.²⁰

Figure 11: Examples of Lakewood's Diverse Housing Stock



Real estate brokers have been known to frequently steer white households to neighborhoods served by nearly all-white public schools and away from neighborhoods with racially-diverse public school student bodies. They have been known to frequently steer African Americans to areas served by integrated or nearly all-Black public schools and away from neighborhoods served by schools with nearly all-white student bodies. If whites are steered away from neighborhoods with racially-diverse public schools and African Americans are steered to those neighborhoods, resegregation becomes inevitable. As Professor Orfield has

20. Based on a presentation by Professor Myron Orfield at the conference “Fair Housing: The Legal Duty to Affirmatively Further” (Raleigh, NC: April 29, 2011). Dr. Orfield reported on findings of his study of the nation’s 300 largest metropolitan areas that will be published in a forthcoming book. Earlier research of this nature based on a smaller number of jurisdictions appears in Myron Orfield and Thomas Luce, *Minority Suburbanization and Racial Change: Stable Integration, Neighborhood Transition, and the Need for Regional Approaches* (Minneapolis: Institute on Race & Poverty, 2005) and Institute on Race & Poverty, *Minority Suburbanization, Stable Integration, and Economic Opportunity in Fifteen Metropolitan Regions* (Minneapolis: Institute on Race & Poverty, 2006). To access these reports, visit <http://www.irpumn.org> and follow the link to “Projects.”

reported, when the student body of each public school in an integrated community has a very similar racial composition, racial steering is minimized. One form of steering has been to include the name of the local public school in real estate ads. Our study of real estate ads for Lakewood found only one mention of a public school, possibly because the racial composition of Lakewood's public schools is so relatively balanced.²¹

Researchers have found that throughout the nation, when the student body of a public school has become mostly African American, the school and surrounding neighborhood have almost always “resegregated,” changed from nearly all-white to nearly all-black over an average of 13 years. So-called “white flight” does not necessarily take place. White demand for housing in the neighborhood shrinks while the proportion of members of minority groups moving in grows.²² While this kind of resegregation has been the usual pattern, it is *not* inevitable if the city and school district work together to stabilize the community.

Lakewood's public schools are exceptionally well positioned to help the city achieve stable racial integration.

Usually the proportion of minorities in a city's public schools during the early stages of integration is substantially greater than the proportion of minorities in the city's total population.²³ As the following table shows, that phenomenon has *not* occurred in Lakewood, possibly because a substantial proportion of Lakewood's housing stock consists of one and two bedroom rentals which attract smaller households with fewer children than dwellings with three or more bedrooms.

As the table that follows shows, no Lakewood public school was close to becoming “majority-minority” as of last year. While the student body at Harrison Elementary was just barely mostly minority in 2006, it had become nearly 60 percent white in 2010. Harrison serves census tracts 1616, 1617, 1618, and part of 1615 which were, respectively 9.7, 19.6, 13.3, and 6.1 percent African American in 2010. The percentage of pupils who were African American declined from 23.1 percent in 2006 to 19.9 percent in 2010 and the percentage of pupils who were of multiple races declined from 18.7 to 10.3 percent.

Table 6: Racial and Hispanic Composition of Lakewood Public Schools: 2000–2010

Racial and Hispanic Composition of Lakewood Public Schools: 2000–2010					
Year	White	African American	All Other Races	Multiple Races	Hispanic of Any Race
2000	92.5%	1.9%	1.7%	1.9%	1.9%
2006	83.4%	6.2%	2.1%	5.6%	2.8%
2010	76.4%	9.4%	2.9%	7.2%	4.1%

Source: Ohio Department of Education: Interactive Local Report Card
<http://ilrc.ode.state.oh.us>

21. The results of the study are reported beginning on page 55.

22. Ibid. Also see Daniel Lauber, “Racially Diverse Communities: A National Necessity,” in Wendy Kellogg, ed., *African Americans in Urban America: Contemporary Experiences* (Dubuque: Kendall/Hunt, 1996), 180–200.

23. Keating 130.

Table 7: Racial and Hispanic Composition of Lakewood Public Schools: 2006–2010

Racial and Hispanic Composition of Lakewood Public Schools: 2006–2010					
Lakewood Public School	White	Black	Asian	Multiple Races	Hispanic of Any Race
All Lakewood Public Schools 2006	83.4%	6.2%	1.7%	5.6%	2.8%
2010	76.4%	9.4%	2.7%	7.2%	4.1%
Emerson Elementary 2006	79.8%	7.5%	2.6%	6.2%	3.4%
2010	70.9%	10.4%	5.5%	6.4%	6.5%
Grant Elementary School 2006	83.0%	4.1%	N/C	8.2%	2.5%
2010	77.8%	6.2%	N/C	11.2%	3.2%
Harrison Elementary School 2006	49.7%	23.1%	N/C	18.7%	N/C
2010	59.3%	19.9%	3.3%	10.3%	7.2%
Hayes Elementary School 2006	85.8%	6.8%	N/C	N/C	N/C
2010	80.4%	8.3%	N/C	7.5%	3.0%
Horace Mann Elementary School 2006	91.8%	N/C	N/C	N/C	N/C
2010	81.0%	4.6%	N/C	8.6%	3.9%
Lincoln Elementary School 2006	90.3%	N/C	N/C	4.9%	N/C
2010	80.7%	3.4%	3.0%	8.6%	4.2%
Roosevelt Elementary School 2006	82.6%	5.8%	N/C	9.1%	N/C
2010	78.4%	9.1%	N/C	8.8%	N/C
Lakewood City Academy 2010	68.1%	14.3%	N/C	10.5%	6.7%
Garfield Middle School 2010	67.5%	15.1%	4.9%	7.7%	4.8%
Harding Middle School 2006	82.2%	9.0%	N/C	5.3%	N/C
2010	82.8%	6.4%	1.5%	5.6%	3.7%
Lakewood High School 2006	86.6%	4.8%	1.5%	3.4%	3.2%
2010	78.9%	9.1%	2.7%	5.6%	3.3%

N/C = Not calculated. Ohio and federal privacy laws prohibit reporting a figure when there are no more than ten students in a subgroup. Both Lakewood City Academy and Garfield Middle School opened after 2006.

Source: Ohio Department of Education: Interactive Local Report Card 2005-2206 and 2009-2010.

<http://ilrc.ode.state.oh.us>

Between 2006 and 2010, the proportion of pupils who were African American declined in two Lakewood schools and rose slightly in the rest. These reflect favorably on the ability of Lakewood and its public school system to achieve stable racial integration throughout the city and its school system.

Employment

While Lakewood is not one of the major employment centers within Cuyahoga County, it does sport a fair number of jobs in a variety of industries. The first table below shows the distribution of private sector businesses by general category as well as by number of employees in 2008, the most recent year for which this data were available.

Table 8: Lakewood Private Sector Businesses by Industry and Number of Employees: 2008

Lakewood Private Sector Businesses by Industry and Number of Employees: 2008										
Industry	Total Number of Businesses	Number of Businesses in Lakeswood by Number of Employees								
		1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Total all sectors	978	562	187	116	71	20	17	3	0	2
Construction	64	43	14	3	2	1	1	0	0	0
Manufacturing	26	17	2	4	2	0	1	0	0	0
Wholesale trade	36	22	6	4	2	2	0	0	0	0
Retail trade	120	53	28	23	12	3	1	0	0	0
Transportation and warehousing	14	9	0	3	2	0	0	0	0	0
Information	13	10	2	0	0	0	1	0	0	0
Finance and insurance	61	40	13	4	2	0	2	0	0	0
Real estate and rental and leasing	49	33	11	5	0	0	0	0	0	0
Professional, scientific, and technical services	116	90	14	9	3	0	0	0	0	0
Management of companies and enterprises	4	2	0	0	2	0	0	0	0	0
Administrative and Support and Waste Management and Remediation Services	62	40	7	4	3	3	3	2	0	0
Educational services	14	6	1	3	1	2	1	0	0	0
Health care and social assistance	149	77	34	21	7	2	6	1	0	1
Arts, entertainment, and recreation	18	8	6	2	0	1	1	0	0	0
Accommodation and food services	124	48	24	17	30	5	0	0	0	0
Other services (except public administration)	106	62	25	14	3	1	0	0	0	1
Industries not classified	2	2	0	0	0	0	0	0	0	0

Source: U.S. Census Bureau online at <http://censtats.census.gov/cbpnaic/cbpnaic.shtml>.

As shown in the table below, seven of the city's largest employers are private sector businesses. Between them, the ten largest businesses provide over one-third of the jobs located in Lakewood.

Figure 12: Typical Mixed Use of Street Level Storefronts With Second Story Rental Apartments

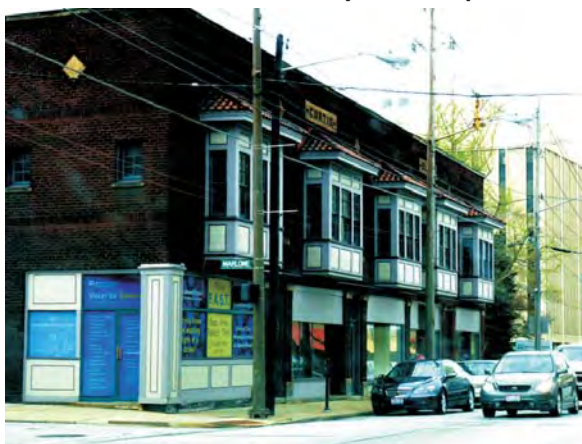


Table 9: Largest Lakewood Employers: 2009

Largest Lakewood Employers: 2009			
Employer	Nature of Employer	Number of Employees	Percentage of Total City Employment
Lakewood Hospital	Medical care	1,401	12.06%
Lakewood Board of Education	Elementary and secondary schools	1,050	9.04%
City of Lakewood	Local government	452	3.89%
New York Life Insurance Company	Insurance	240	2.07%
Lakewood Senior Health Campus	Medical care	222	1.91%
AT&T	Telephone and communications	160	1.38%
First Federal Saving and Loan Association of Lakewood	Finance	152	1.31%
Galaxy Balloons	Promotional merchandise	131	1.13%
Advanced Energy Technology, Inc.	Carbon and graphic manufacturer	120	1.03%
United States Post Office	Federal government	95	0.82%
Total Employment in Lakewood: 11,615	Total employees at the largest employers listed above	4,023	34.64%

Source: Ohio State Auditor, *City of Lakewood, Ohio Comprehensive Annual Financial Report for the Year Ended December 31, 2009*, S28.

As Lakewood's population has shrunk and aged over the past decade, so has the size of its workforce as shown in the table below.

Table 10: Lakewood Work Force: 2001–2010

Lakewood Resident Work Force: 2001–2010				
Year	Size of Work Force	Number Employed	Number Unemployed	Unemployment Rate
2010	30,536	28,058	2,478	8.1%
2009	30,341	28,142	2,412	7.9%
2008	31,531	29,660	1,871	5.9%
2007	31,883	30,226	1,657	5.2%
2006	32,011	30,492	1,519	4.7%
2001	34,497	33,349	948	2.8%

Source: U.S. Bureau of Labor Statistics, <http://www.bls.gov/data>. Not seasonally adjusted.

As the tables above and below show, unemployment in Lakewood has increased during the past decade just as it has increased in Cuyahoga County, the State of Ohio, and the rest of the nation.

Table 11: Unemployment Rates: 2001–2010

Unemployment Rates: 2001–2010				
Year	Lakewood	Cuyahoga County	Ohio	National
2010	8.1%	9.5%	10.1%	9.6%
2009	7.9%	9.2%	10.1%	9.3%
2008	5.9%	7.0%	6.6%	5.8%
2007	5.2%	6.3%	5.6%	4.6%
2006	4.7%	5.7%	5.4%	4.6%
2001	2.8%	4.5%	4.4%	4.7%
Sources: U.S. Bureau of Labor Statistics, http://www.bls.gov/data . Not seasonally adjusted.				

Unemployment rates in Lakewood have been consistently lower than those of Cuyahoga County and the State of Ohio. For the last two years unemployment has been lower in Lakewood than in the nation as a whole.

Racial and Ethnic Composition of Workers Compared to Residents

The most recent data on the racial and ethnic composition of Lakewood's workforce comes from the year 2000. Blacks and Hispanics who worked in Lakewood tended to be concentrated in service and blue collar occupations.

African Americans constituted a larger proportion of the people who worked in Lakewood – 7.2 percent — than among the city's residents — 2 percent. Blacks comprised 14.5 percent of the production operative workers, 17.3 percent of transportation and material moving operative workers, 16.6 percent of protective service workers, 12.2 percent of laborers and helpers, and 11.5 percent of service workers other than protective.

The proportion of Lakewood workers who were Hispanic was just 2.6 percent, nearly the same as the proportion of residents who were Hispanic in 2000 — 2.2 percent. Latinos comprised 14.4 percent of the city's production operative workers and 7.3 percent of laborers and helpers. The proportions of construction and extractive craft workers and transportation and material moving operative workers who were Hispanic were 0.0 percent.

Asians comprised just 1.2 percent of the workers in Lakewood and 1.4 percent of the city's population. They made up 5.5 percent of the city's healthcare practitioner professionals and 3 percent of the science, engineering, and computer professionals. As the table below shows, Asians constituted 0.0 percent of five different occupational groups.

Table 12: Racial and Ethnic Composition of Who Worked in Lakewood: 2000

Racial and Ethnic Composition of Who Worked in Lakewood: 2000						
Occupational Group	All Groups	White Non-Hispanic	Hispanic of Any Race	Black Non-Hispanic	Asian Non-Hispanic	Others and Multi-Racial Non-Hispanic
Lakewood Residents Who Work *	100%	92.6%	1.9%	1.5%	1.2%	2.8%
Total Employed in Lakewood	100%	87.5%	2.6%	7.2%	1.2%	1.5%
	15,658	13,707	404	1,120	184	243
Management, Business, and Financial Workers	100%	93.1%	1.4%	3.6%	0.2%	1.7%
Science, Engineering, and Computer Professionals	100%	95.7%	0.0%	0.0%	3.0%	1.3%
Healthcare Practitioner Professionals	100%	86.6%	1.0%	3.6%	5.5%	3.3%
Other Professional Workers	100%	93.7%	1.1%	3.3%	0.6%	1.3%
Technicians	100%	89.9%	2.0%	6.2%	1.0%	0.9%
Sales Workers	100%	92.6%	1.1%	3.7%	0.2%	2.4%
Administrative Support Workers	100%	88.0%	2.2%	8.1%	1.2%	0.5%
Construction and Extractive Craft Workers	100%	98.3%	0.0%	1.7%	0.0%	0.0%
Installation, Maintenance, and Repair Craft Workers	100%	90.3%	1.1%	7.1%	0.0%	1.5%
Production Operative Workers	100%	67.8%	14.4%	14.5%	1.5%	1.8%
Transportation and Material Moving Operative Workers	100%	80.3%	0.0%	17.3%	0.0%	2.4%
Laborers and Helpers	100%	77.5%	7.3%	12.2%	0.0%	3.0%
Protective Service Workers	100%	82.5%	0.9%	16.6%	0.0%	0.0%
Service Workers, except Protective	100%	80.8%	3.7%	11.5%	1.9%	2.1%

* = The "Lakewood" row is the total civilian employed workforce that lives in Lakewood.
Source: 2000 Census EEO Data Tool at http://www.census.gov/hhes/www/eeoindex/page_c.html.

Transportation

Eighty-two percent of Lakewood residents work outside Lakewood.²⁴

Reducing the time spent commuting increases the desirability of living in a community. A well-regarded 2004 study arrived at the "unambiguous conclusion" that, "The length of their commute to work holds a dominant place in Americans' decisions about where to live. Americans place a high value on limiting their commute times and they are more likely to see improved public transportation and changing patterns of housing development as the solutions to

24. 2000 U.S. Census, Summary File 3 (SF 3), Table P27.

longer commutes than increasing road capacities.”²⁵

More specifically, this random-sample national survey found:

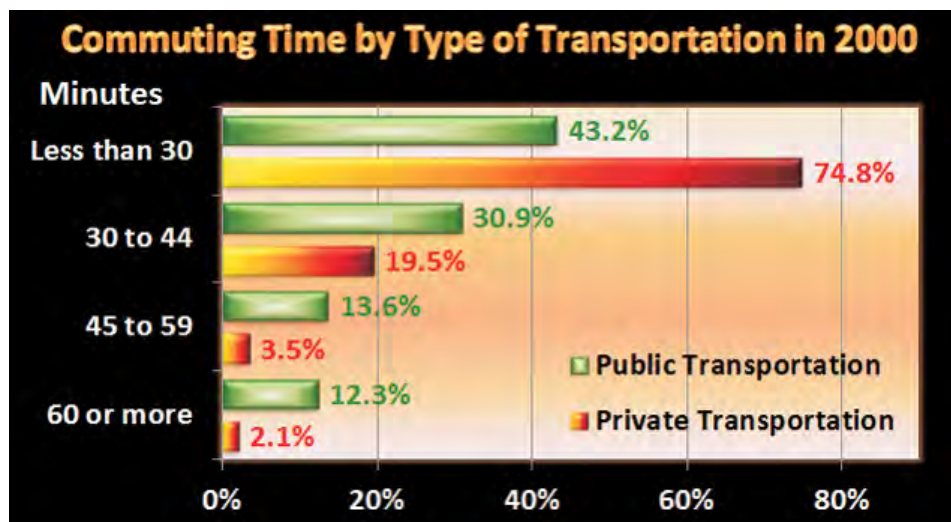
“A limited commute time is, for most Americans, an important factor in deciding where to live. Being within a 45-minute commute to work is rated highest among a list of fourteen priorities in thinking about where to live (79% “very” or “somewhat” important), followed by easy access to highways (75%) and having sidewalks and places to walk (72%).

“A short commute is particularly important to people who plan to buy a home in the next three years (87%) and women and African Americans place high importance on sidewalks and places to walk (76% and 85%, respectively).”²⁶

As shown in the table below, in 2000 (the most recent year for which these data are available) 94.3 percent of the Lakewood residents who drove to work and 74.1 percent of those who took public transportation spent less than 45 minutes commuting to work each way — which contributes to Lakewood’s desirability as a place to live. Eighty five percent of all Lakewood workers drove to work with 11 percent of them car pooling. Four percent walked to work.²⁷

As is typical throughout the nation, commuting time for Lakewood residents who rode public transportation tended to be greater than for those who drove to work (private transportation).

Figure 13: Commuting Time by Type of Transportation in 2000



Source: 2000 U.S. Census, Summary File 3 (SF 3), Table P32.

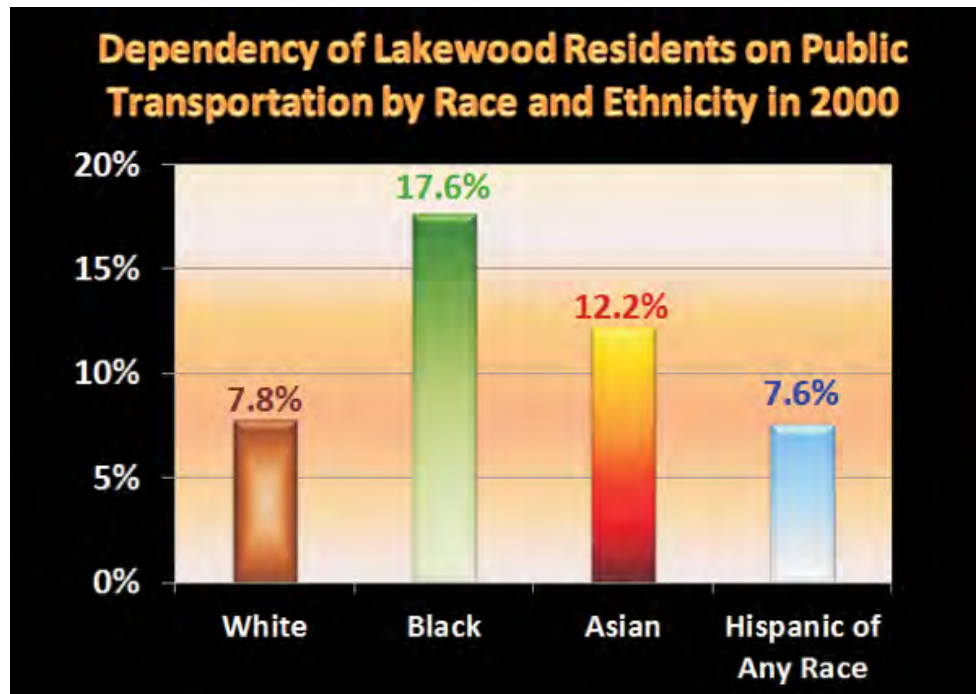
25. Belden Russonello & Stewart Research and Communications, *2004 American Community Survey National Survey on Communities* (October 2004), 1. Available online as a PDF file at <http://smartgrowthamerica.org/narsgareport.html>

26. Ibid. 7, 9.

27. 2000 U.S. Census, Summary File 3 (SF 3), Table P30.

A greater percentage of Lakewood's small African American and Asian populations were more dependent on public transportation than other demographic groups in 2000.

Figure 14: Dependency of Lakewood Residents on Public Transportation by Race and Ethnicity in 2000



Source: 2000 U.S. Census, Summary File 3 (SF 3), Tables PCT65 A, B, D, and H.

As is typical of the nation as a whole, households with lower incomes tend to be more dependent on public transportation than other households. Fortunately, Lakewood is well served by the Greater Cleveland Regional Transportation Authority. East-west bus routes on Clifton and Detroit provide short trips to downtown Cleveland while the buses on Madison feed the West 117th-Madison "Red Line" light rail system to employment center Cleveland Hopkins International Airport south of Lakewood and east to employment centers in downtown Cleveland and University Circle, and to inner-ring suburbs Shaker Heights and University Heights with connections to north-south bus lines. The 117th-Madison station is handicapped accessible as are many of the other stations in the system. Commuter parking is available. On weekdays, buses on Detroit run round the clock from six to 24 minutes apart depending on the time of day. Weekday buses on Madison run to and from the rail station from 4:20 a.m. to 7 p.m., nearly every 12 minutes. Buses on Clifton run weekdays from 5 a.m. to 10 p.m. roughly every 10 minutes.

As is typical of the Cleveland metropolitan area, public transportation to the major outer-ring suburban employment centers is weak or nonexistent.

Lakewood's census tracts with the highest percentages of households in poverty are among the closest to a public transit rail stop as shown in the table to the right using the most recent data available. Five of the seven census tracts with 1999 poverty rates in double digits are within a mile of a public transit rail station. The two tracts with the highest poverty rates are quite close to a station, less than fourth tenths of a mile.

Figure 15: House on Grace Avenue Popularly Known as the "Grace Mansion"



Table 13: Poverty and Distance to Rail Stop by Lakewood Census Tract

Poverty and Distance to Rail Stop by Lakewood Census Tract		
Census Tract	Poverty Rate 1999	Distance to Closest Public Transit Rail Stop
1601	4.5%	2.77 miles
1602	3.5%	2.20 miles
1603	5.2%	2.20 miles
1604	3.2%	1.99 miles
1605	9.0%	1.57 miles
1606.01	10.4%	1.37 miles
1606.02	12.7%	0.89 miles
1607	9.4%	2.45 miles
1608	9.4%	2.18 miles
1609	4.8%	1.80 miles
1610	5.4%	1.80 miles
1611	4.7%	1.41 miles
1612	10.0%	1.20 miles
1613	9.4%	1.00 miles
1614	9.8%	0.90 miles
1615	10.1%	0.75 miles
1616	11.5%	0.59 miles
1617	17.8%	0.37 miles
1618	30.6%	0.33 miles

Sources: TRF & Urban Mapping at PolicyMap.com and NEO CANDO system, Center on Urban Poverty and Community Development, MSASS, Case Western Reserve University, <http://neocando.case.edu>.

Zoning and Availability of Land for Residential Development

Lakewood staff estimates that only about five percent of the city's land is still available for development. As noted earlier, Lakewood is a land-locked mature inner-ring suburb that is almost entirely built out. Very little vacant land is available for development within the city.

In the table that follows, the zoning districts in which residential development is allowed are highlighted in light blue. Given the current economic climate and small amount of land available, the likelihood of new residential development in Lakewood is slim at best. And as reported in Chapter 4, a substantial amount of Lakewood housing is affordable to households with modest means.

Table 14: Lakewood Land Available for Development By Zoning District: Nov. 2010

Lakewood Land Available for Development By Zoning District: Nov. 2010				
Zoning District (Districts that allow residential uses are highlighted in light blue)		Minimum Lot Area in Square Feet	Total Acres	Estimated Land Available to Develop in Acres
R1L	Single-Family, Low Density	14,000	141.9	7.1
R1M	Single-Family, Medium Density	9,000	131.7	6.6
R1H	Single-Family, High Density	5,000	672.7	33.6
L	Residential, Lagoon (Single-Family)	2,400	16.3	0.8
R2	Residential, Single- and Two-Family	5,000	1,013.9	50.7
ML	Residential, Multiple-Family, Low Density	15,000	28.6	1.4
MH	Residential, Multiple-Family, High Density	10,000	93.2	4.7
MUOD	Mixed Use Overlay District	Base zone	2.2	0.1
PD	Planned Development	10,000	4.2	0.2
HPD	Historic Preservation Districts/Historic Properties	Base zone	0.2	0.0
C1	Commercial, Office	6,000	27.2	1.4
C2	Commercial, Retail	5,000	130.2	6.5
C3	Commercial, General Business	10,000	121.0	6.1
C4	Commercial, Public School	10,000	72.1	3.6
I	Industrial	21,780	87.3	4.4
Total Land Zoned for Residential Use			2,105	105

Source: Lakewood Department of Planning and Community Development, prepared by Ryan Noles, November 2010.

In practice Lakewood's zoning code has not excluded housing affordable to households of modest means. The vast majority of the city's housing stock consists of medium and small-sized single family homes, "doubles," and "triples." Most of the housing is rental.

Our analysis of the city's zoning code did not find any zoning regulations that effectively exclude housing affordable to any income range. The requirement of a garaged parking space for each residential dwelling unit (Schedule 1143.05) can increase the cost of new residential construction by as much as \$20,000 per space. But in a city as dense as Lakewood, it is pretty essential that new residential construction include sufficient enclosed off-street parking. To reduce the cost of construction (and presumably the dwelling units), Lakewood *might* want to consider reducing the off-street parking requirements for new multi-family dwellings close to a rapid transit rail station since such housing tends to generate

fewer automobiles than housing far from rapid transit.

With so little land available in the residential districts, additional residential construction may be feasible through redeveloping commercially-zoned property as was done with the multi-family Rockport Square and Rosewood Place developments on Detroit Avenue. Multifamily housing is a conditional use in the General Business (C3) district and is also allowed in the Mixed-Use Overlay District and in Planned Developments. Including residential units above first floor commercial property is a cost-effective way to produce additional housing affordable to households with modest incomes, especially in mature, land-locked communities like Lakewood.

Diverse and Affordable Housing in Lakewood's Plans

Planning in Lakewood continues to be guided by the city's 1993 comprehensive plan entitled *Lakewood Community Vision*. The plan envisions "strict enforcement of fair housing standards that support adequate housing opportunities for the City's economically and culturally diverse families, including the elderly."²⁸

One of the strategic initiatives in the plan calls for establishing "a Rental Office to serve community renters and landlords" whose purpose would be "to assist renters and landlords in maintaining quality rental properties and to encourage renters to buy in Lakewood."²⁹

The plan does not contain any provisions that address achieving racial and ethnic housing integration or affirmatively furthering fair housing.

The city's annual one-year action plans under Lakewood's *Consolidated Plan* consistently state the objective "To insure that all persons seeking housing in Lakewood are treated equally regardless of race, color, religion, sex, national ori-

Figure 16: Recently Constructed Townhomes



28. Lakewood Planning Commission, *Lakewood Community Vision* (Lakewood, OH: April 6, 1993), 12.

29. Ibid. 14, 63.

gin, handicap, familiar status, or sexual orientation.”³⁰

The *One-Year Action Plan* for fiscal year 2010 provided funding for a domestic violence shelter, other homeless housing, home purchasing, mental health services for people who are homeless, and transitional housing for homeless men. The plan for fiscal year 2009 included an objective to “maximize the independence of special population groups” by “providing for the public service needs of the City’s low and moderate incomes residents, and”...“removing architectural barriers that restrict the mobility and accessibility of elderly and persons with disabilities to publicly owned buildings.” It also provided funding for at least one Lakewood resident at Y-Haven, a transitional shelter for men with substance abuse issues.

The action plans for fiscal years 2009 and 2008 provided funding to the Housing Research & Advocacy Center to conduct real estate testing, conduct fair housing seminars for real estate agents and owners of rental properties, and to address complaints of housing discrimination in Lakewood. They also provided funding for a rental information center operated by the Cleveland Tenants Organization. Funding for these fair housing activities has continued in subsequent years even when not specifically mentioned in the city’s Action Plan.

The action plans and the consolidated plan do not directly address the issues of racial and ethnic integration in housing.

Figure 17: Tudor–Style Apartment Building on Lake Avenue



30. This objective appears as Objective C under Goal I in the *One-Year Action Plans* for fiscal years 2011, 2009, and 2008.

Chapter 4

Status of Fair Housing in Lakewood

Private Sector Compliance Issues

Fair Housing Complaints and Studies

Complaints of discrimination in housing can be filed with the City of Lakewood which has its own fair housing ordinance, the Housing Research & Advocacy Center, the U.S. Department of Housing and Urban Development, and the Civil Rights Commission of the State of Ohio.

The city's fair housing ordinance adds ancestry and sexual orientation to the list of classes protected under federal law.¹ Complaints are filed with the city's Director of Planning and Development who is responsible for establishing and administering a discrimination complaint service.² A complainant must file within 180 days of the alleged discriminatory action taking place. If the Director of Planning and Development decides there are reasonable grounds to believe a violation has occurred, she can attempt to conciliate the complaint within five working days of its filing date. If the Planning and Development Director and the city's Law Director determine that there is a fair housing violation, the Law Director issues a directive ordering the violator to cease and desist. If the violator fails to rectify his behavior within 15 days, the Planning and Development Director is to initiate proper legal action as she deems appropriate via the city's Law Department, the complainant's attorney, or the U.S. Department of Housing and Urban Development.

The city's fair housing ordinance then states:

"If at the conclusion of the informal hearing, the Director of Community Development and Law Director determine upon the preponderance of the evidence presented that the person complained against has not violated this chapter, the Director shall issue an order dismissing the complaint."³

-
1. *City of Lakewood Codified Ordinances*, §516.01. The entire fair housing ordinance appears in §§516.01 through 516.99.
 2. *Ibid.* §516.07. The city's ordinance specifies the "Director of Community Development" because Lakewood had a community development department when it adopted its fair housing ordinance. Since then the Department of Community Development has been merged into the Department of Planning and Development. The city's fair housing ordinance should be amended to reflect this change.
 3. *Ibid.* §516.07(f).

While this is the first reference in the city’s ordinance to “the informal hearing,” the language appears to refer to the attempt to conciliate the complaint. A complainant retains the right to seek any remedy he chooses. Violators are guilty of a misdemeanor of the third degree.

During the study period, no fair housing complaints were filed with the City of Lakewood although city staff received an unspecified number of inquiries. City staff routinely refers callers with a fair housing complaint to the Housing Research & Advocacy Center in Cleveland. The center refers complaints back to the city only when the basis of the complaint is solely under the city’s ordinance (like gender identity and gender expression which were added to Lakewood’s fair housing ordinance in late 2010, and sexual orientation) and not covered by the nation’s Fair Housing Act. During the study period, city staff received one question regarding possible discrimination based on sexual orientation. The caller did not proceed with a complaint or any follow-up.

During 2006–2010, 30 charges of housing discrimination in Lakewood were filed with the Housing Research & Advocacy Center. Race accounted for 40 percent of the complaints with disability close behind with one-third of the complaints. All complaints involved rental housing.

Table 15: Lakewood Fair Housing Complaints Filed with the Housing Research & Advocacy Center: 2006 – 2010

Lakewood Fair Housing Complaints Filed with the Housing Research & Advocacy Center: 2006 – 2010								
Basis of complaints	All complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	12	40%	12	40%	0	0%	0	0%
National origin	0	0%	0	0%	0	0%	0	0%
Color	0	0%	0	0%	0	0%	0	0%
Religion	1	3%	1	3%	0	0%	0	0%
Gender	3	10%	3	10%	0	0%	0	0%
Familial Status	3	10%	3	10%	0	0%	0	0%
Disability	10	33%	10	33%	0	0%	0	0%
Sexual Orientation	1	3%	1	3%	0	0%	0	0%
Total Complaints	30	100%	30	100%	0	0%	0	0%

Five complaints each alleged two bases of discrimination. Percentages are of the total number of 30 bases of complaints filed.

Source: Housing Research & Advocacy Center.

Fair housing complaints involving property in Lakewood that the Housing Research & Advocacy Center received include:

- ➡ A bi-racial woman rented an apartment in Lakewood. When the landlord met her white boyfriend, the landlord made it clear that she did not like their relationship. After her boyfriend visited, the landlord accused the tenant of violating the guest policy in the lease agreement. The tenant

overheard the landlord talking about the tenant's relationship with a white man. When the tenant objected that the landlord targeted her because she did not like the inter-racial relationship, the landlord evicted her. The tenant was referred to a tenant's organization to stay the pending eviction and she filed a complaint with the Housing Research & Advocacy Center based on racial discrimination. The case was turned over to the Ohio Civil Rights Commission. Charges were never filed.

➡ A man with AIDS had lived a fourth floor apartment for seven years. Over time it became more difficult for him to climb the stairs to the fourth floor. He requested a unit on a lower floor that would be more accessible. The landlord agreed, but he conditioned the move to the available unit on the tenant's ability to prove that he could pay rent for the next five months of his month-to-month tenancy. The landlord also placed an ad in the newspaper advertising a similar unit for less than what he charged the tenant who had AIDS. The Housing Research & Advocacy Center wrote a letter to the landlord requesting a reasonable accommodation. The landlord granted the accommodation and the man was able to move to the more accessible unit at the lower advertised rent.

➡ A woman with a Section 8 Housing Choice Voucher found walking very painful. She was virtually trapped in her second floor unit because another tenant's car and dogs kept in the fenced yard adjacent to her rear entry blocked the entrance to the woman's home. She had to park on the street, walk a long distance to her home, walk around the neighbor's car in the driveway. Then she had to walk through the gate that was difficult to open, and past the dogs that terrified her. She made the landlord aware of the situation and requested an accommodation. He did nothing in response. She filed complaints with the police and the city, and was willing to mediate, but the other tenant would not participate. Finally, she contacted the Housing Research & Advocacy Center and filed a fair housing complaint based on her disability. When the building failed the Section 8 inspection, she moved.

The table that follows shows the type and number of fair housing complaints involving property in Lakewood that were filed with the U.S. Department of Housing and Urban Development from 2006 through 2010. To provide some perspective, last year 144 complaints were filed in Cuyahoga County while 186 complaints were filed for all of Northeast Ohio (a six-county region comprised of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, and Medina counties). In 2009, 226 complaints were filed in the region; 254 in 2008; 114 in 2007; and 168 in 2006.⁴

In Cuyahoga County, 173 fair housing complaints were filed with the U.S. Department of Housing and Urban Development in 2009; 180 in 2008; 92 in 2007; and 104 in 2006.⁵

4. Figures are from the annual reports produced each April by the Housing Research & Advocacy Center, *The State of Fair Housing in Northeast Ohio*, 2007, 2008, 2009, 2010, and 2011.

5. Jeffrey Dilliman, Krissie Wells, Zachary Crafton, *The State of Fair Housing in Northeast Ohio: 2011*, (Cleveland: Housing Research & Advocacy Center, April 2011), 29.

Table 16: Lakewood Fair Housing Complaints Filed with the U.S. Department of Housing and Urban Development: 2006 – 2010

Lakewood Fair Housing Complaints Filed with the U.S. Department of Housing and Urban Development: 2006 – 2010								
Basis of complaints	All complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	11	28%	11	28%	0	0%	0	0%
National origin	1	3%	1	3%	0	0%	0	0%
Color	0	0%	0	0%	0	0%	0	0%
Religion	0	0%	0	0%	0	0%	0	0%
Gender	2	5%	2	5%	0	0%	0	0%
Familial Status	16	41%	16	41%	0	0%	0	0%
Disability	6	15%	6	15%	0	0%	0	0%
Sexual Orientation	0	0%	0	0%	0	0%	0	0%
Retaliation	2	5%	2	5%	0	0%	0	0%
Sexual Harassment	1	3%	1	3%	0	0%	0	0%
Total Complaints	39	100%	39	100%	0	0%	0	0%

Several complaints had multiple bases. Percentages are of the total number of 39 bases of complaints filed.

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

In Cuyahoga County, the most common bases of discrimination alleged in complaints filed with the U.S. Department of Housing and Urban Development during 2006–2010 were race (29.2 percent), disability (26.4 percent), and familial status (21.9 percent). As the above table shows, familial status was a much more frequent basis of complaints in Lakewood than in the county and disability was a much less frequent basis of complaints in Lakewood than in the county.

It is highly likely that these figures greatly understate the actual number of acts of housing discrimination in Lakewood and the rest of northeast Ohio. Research shows that only “two percent of those who thought they had suffered discrimination said they had sought assistance from, or filed a complaint....”⁶ The Housing Research & Advocacy Center conservatively estimates that each year there are at least 33,690 instances of housing discrimination in the six counties that comprise northeast Ohio.⁷

6. Urban Institute, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, February 2006, p. 36, available at <http://www.huduser.org/Publications/pdf/FairHousingSurveyReport.pdf>.

7. Jeffrey Dilliman, Krissie Wells, Zachary Crafton, *The State of Fair Housing in Northeast Ohio: 2011*, (Cleveland: Housing Research & Advocacy Center, April 2011), 1, 33–34.

The table at the right shows the fair housing complaints involving properties in Lakewood that were filed with the Ohio Civil Rights Commission. Race was the most frequent basis for a complaint with familial status and disability a distant second and third respectively.

Figure 18: Typical Lakewood House With Front Porch



Table 17: Lakewood Fair Housing Complaints Filed with the Ohio Civil Rights Commission: 2006 – 2010

Lakewood Fair Housing Complaints Filed with the Ohio Civil Rights Commission: 2006 – 2010		
Basis of complaints	Number	Percent
Race	14	42%
National origin	1	3%
Color	1	3%
Religion	1	3%
Gender	3	9%
Familial Status	6	18%
Disability	5	15%
Retaliation	2	6%
Total Complaints	33	100%

Source: Ohio Civil Rights Commission, April 12, 2011. Compiled by Sandy Aukeman, Constituent Services. Data not separated into sales or rental.

Fair Housing Lawsuit Against the City of Lakewood

As of this writing, a fair housing lawsuit against the City of Lakewood is being heard by the Eastern Division of the U.S. District Court for the Northern District of Ohio, *Hidden Village, LLC v. City of Lakewood, et al.* (Case: 1:10-CV-00887-JG). Originally filed in December 2008, the plaintiff withdrew its complaint eight months later and then refiled in April 2010. The complainant building owner seeks a monetary award of at least \$25,000. The judge is currently reviewing the city's motion for summary judgment which, if granted, would be dispositive of all the claims in the complaint.

Hidden Village is a four-building apartment complex with 97 dwelling units on and south of Clifton Boulevard in northeast Lakewood. In 2006 the owner rented two of the buildings with 32 units to Lutheran Metropolitan Ministries for its Youth Re-Entry Program to prepare young adults for the transition from foster care to independent living. As the complaint states, nearly all of the participants in the Youth Re-Entry Program are African American. The complaint claims that "The young African-Americans at Hidden Village are likely the largest concentration of African-Americans in Lakewood."⁸

The plaintiff alleges that in 2006 and 2007 now former Lakewood city officials tried to coerce and intimidate Lutheran Metropolitan Ministries to move from

8. Plaintiff's Complaint in *Hidden Village, LLC v. City of Lakewood, et al.*, §127. Emphasis added. Placement of the nearly all-Black Youth Re-Entry Program introduces a racially-segregated housing into Lakewood, contrary to the purposes of the Fair Housing Act and Community Development Block Grant program.

the Hidden Village apartments to another location. After the Building Commissioner ruled that the use was an institutional use not allowed in the MH multiple-family high density zoning district in which Hidden Village is located, the city's Planning Commission unanimously ruled that it was a residential use allowed as of right. The applicable zoning code provision at issue reads:

"In the MH District no building or premises shall be used or established which is designed, arranged, or intended for other than a medium density multiple-family residential building, a low density multiple-family residential building, a single- or two-family dwelling, adult family home, adult group home, or cluster house development."⁹

The key question is whether or not use of Hidden Village as a Youth Re-Entry Program constitutes a residential or institutional use. The Planning Commission determined it is a residential use.

The plaintiffs contend that the opposition to use of these apartments as a Youth Re-Entry Program was based on the race of its clients.

After the initial complaint was filed, the U.S. Department of Justice investigated and declined to pursue legal action. In late May 2011, the plaintiff's attorney reported to the court that the Department of Justice had declined to file an *amicus* brief in support of the plaintiff.

Local Fair Housing Organizations

Lakewood and the Cleveland metropolitan area are served by the Housing Research & Advocacy Center in Cleveland. The Center processes fair housing complaints submitted to the City of Lakewood and provides counseling to those who feel they have encountered housing discrimination. The Center conducts research and produces detailed studies of fair housing issues in the Cleveland region of Northeast Ohio, many of which are references in this Analysis of Impediments. The Center has conducted testing of real estate practices for Lakewood.

Information on the Center's activities and studies conducted by the Center are available at <http://www.thehousingcenter.org>.

Ohio Civil Rights Commission

The Ohio Civil Rights Commission maintains a regional office in nearby Cleveland. It publishes a brief brochure "Fair Housing & the Law" available from the Commission's website <http://www.crc.ohio.gov>. The brochure succinctly details the protected classes under Ohio fair housing law and gives readers examples of discrimination in housing, mortgage lending, and accessibility in housing. It explains what to do if you suspect housing discrimination and the time

9. *Codified Ordinances of Lakewood, Part Eleven – Planning and Zoning Code*, §1127.02(b).

frame in which to contact a regional office of the Ohio Civil Rights Commission with your possible complaint.

When a complaint is filed, all parties are given the opportunity to resolve the complaint via the Commission's mediation program. If agreement is reached, its terms are binding upon the parties and the case is closed. If a settlement cannot be achieved, an investigator conducts a full investigation. In 2008, the mediation staff successfully mediated 82 percent of the 740 mediations it conducted for all civil rights complaints, not just fair housing. If the investigator finds enough evidence to substantiate that discrimination occurred, the Commission issues a "probable cause" finding and attempts to conciliate the case. If conciliation fails, a formal complaint is issued and the case is scheduled for a public hearing before an administrative law judge.¹⁰

Incidents of Hate Crimes and Racial Violence

A hate crime, also known as a "bias crime," is a criminal offense committed against a person, property, or society that is partially or wholly motivated by the offender's bias against the victim's race, religion, disability, sexual orientation, and/or ethnicity or national origin. Data on hate crimes are reported by law enforcement departments.

Table 18: Reported Hate Crimes in Lakewood: 2006–2010

Reported Hate Crimes in Lakewood: 2006–2010				
Year	Motivation	Victim	Suspect	Underlying Crime
2010	Race	African American	Unknown	Criminal damaging
2009	Race	African American	White	Menacing
2008	No hate crimes reported in 2008			
2007	Race	African American	White	Criminal mischief
2006	Race	White	African American	Criminal damaging and aggravated menacing
	Ethnicity	Arabic	Unknown	Ethnic intimidation, telephone harassment
	Race	African American	White	Aggravated menacing
	Race *	—	—	—
	Race *	—	—	—
	Religion *	—	—	—
	Sexual Orientation *	—	—	—

Sources: Lakewood Police Department, February 2011, and FBI, *Hate Crime Statistics, 2009*, Table 13, "Hate Crime Incidents per Bias Motivation and Quarter by State and Agency, 2009." Details not available for hate crimes marked with an asterisk because they were reported by the FBI which does not provide details.

10. Ohio Civil Rights Commission, *The Ohio Civil Rights Commission 2008 Annual Report*, 13.

As shown in the table above, the most frequently targeted victims of the very few hate crimes perpetrated in Lakewood have been African Americans. Only two of the reported hate crimes resulted in charges being filed largely due to insufficient evidence or the lack of a suspect.

Figure 19: Gold Coast Highrises



Home Mortgage Lending Practices

Issuance of Home Mortgage Loans

For decades, one of the barriers to fair housing choice throughout the country has been discrimination by private sector lenders based largely on race. These practices have led to minorities, especially African Americans and, usually to a lesser extent, Hispanics, being denied conventional home loans significantly more frequently than Caucasians, and being approved at substantially lower rates.

The Home Mortgage Disclosure Act requires lenders to report the race, ethnicity, and income of applicants for mortgage loans and how the applications were resolved: whether a mortgage was issued or denied as well as whether the applicant did not accept an approved mortgage, withdrew her application, or the application was closed as incomplete.

In both the State of Ohio and the Cleveland Metropolitan Statistical Area (MSA), African Americans and Hispanics have been consistently denied conventional mortgage loans more frequently than Caucasians. Mortgages have been issued to Black and Latino applicants at significantly lower rates than to whites. The rates for 2008 and 2009 appear in the table below.

Table 19: Results of Home Mortgage Applications in the Cleveland MSA: 2008–2009

Results of Home Mortgage Applications in the Cleveland MSA: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
American Indian or Alaskan	47	31	66.0%	2	6	12.8%	7	1
Asian	330	248	75.2%	16	30	9.1%	34	2
Black or African American	503	269	53.5%	30	150	29.8%	42	12
Hispanic of Any Race	167	129	77.2%	9	21	12.6%	7	1
Native Hawaiian/Pacific	14	7	50.0%	2	2	14.3%	1	2
White	8,809	6,899	78.3%	393	351	4.0%	577	126
Multiple Races	96	69	71.9%	8	5	5.2%	12	2
Race Unknown	9,096	585	6.4%	65	137	1.5%	92	30
Total (excludes the ethnicity "Hispanic")	18,895	8,108	42.9%	516	681	3.6%	765	175
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
American Indian or Alaskan	32	19	59.4%	3	9	28.1%	1	0
Asian	396	278	70.2%	28	45	11.4%	38	7
Black or African American	1,440	617	42.8%	126	459	31.9%	141	97
Hispanic of Any Race	301	194	64.5%	22	63	20.9%	16	6
Native Hawaiian/Pacific	20	14	70.0%	0	1	5.0%	3	2
White	12,959	9,608	74.1%	755	1,539	11.9%	824	233
Multiple Races	170	128	75.3%	11	16	9.4%	12	2
Race Unknown	1,441	839	58.2%	117	265	18.4%	175	45
Total (excludes the ethnicity "Hispanic")	16,458	11,503	69.9%	1,040	2,334	14.2%	1,194	386

Source: Housing Research & Advocacy Center from the Home Mortgage Disclosure Act Table 4–2 for Cleveland, Ohio Metropolitan Statistical Area.

In 2008 the denial rate for white applicants was 11.9 percent while 31.9 percent of applications made by African Americans and 20.9 percent of those made by Hispanics were denied. The disparities increased in 2009 where blacks were denied at a rate (29.8 percent) nearly seven and a half times greater than whites (4 percent) and Hispanics at a rate (12.6 percent) three times greater.

In a mortgage market free of discrimination, you would expect that the denial rate for higher income mortgage applicants of any race or ethnicity would be *less* than the denial rate for lower income households of any race or ethnicity. *But in the Cleveland MSA, mortgage applications by African Americans of any income, including those in the highest income brackets, are denied more frequently than applications from the lowest income Caucasians.*¹¹ Income differences do not explain the much higher denial rates for African Americans and Hispanics compared to Caucasians. This pattern suggests that the mortgage lending industry

11. Jeffrey Dillman, Krissie Wells, and Zachary Crafton, *Racial and Ethnic Disparities in 2009 Ohio Mortgage Lending* (Cleveland: Housing Research & Advocacy Center, January 2011), 1, 5–6; Jeffrey Dillman, Carrie Pleasants, and Meran Chang, *Continued Racial & Ethnic Disparities in Ohio Mortgage Lending* (Cleveland: Housing Research & Advocacy Center, February 2008), 1–2; Jeffrey Dillman, Samantha Hoover, and Carrie Pleasants, *Racial and Ethnic Disparities in 2008 Ohio Mortgage Lending* (Cleveland: Housing Research & Advocacy Center, December 2009), 5–6.

continues to engage in illegal discriminatory practices in the Cleveland area.

It is difficult to make these comparisons for applicants for conventional mortgages in Lakewood because the number of minority applicants has been so small.

Table 20: Results of Home Mortgage Applications in Lakewood, OH: 2008–2009

Results of Home Mortgage Applications in Lakewood, OH: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
American Indian or Alaskan	2	1	50.0%	0	0	0.0%	1	0
Asian	4	3	75.0%	0	1	25.0%	0	0
Black or African American	5	2	40.0%	0	3	60.0%	0	0
Hispanic of Any Race	2	2	100.0%	0	0	0.0%	0	0
Native Hawaiian/Pacific	0	0	—	0	0	—	0	0
White	258	204	79.1%	2	31	12.0%	17	4
Multiple Races	3	2	66.7%	0	0	0.0%	1	0
Race Unknown	27	14	51.9%	2	4	14.8%	4	3
Total (excludes the ethnicity "Hispanic")	299	226	75.6%	4	39	13.0%	23	7
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
American Indian or Alaskan	0	0	—	0	0	—	0	0
Asian	6	4	66.7%	0	1	16.7%	1	0
Black or African American	5	2	40.0%	0	1	20.0%	1	1
Hispanic of Any Race	7	4	57.1%	1	2	28.6%	0	0
Native Hawaiian/Pacific	1	1	100.0%	0	0	0.0%	0	0
White	410	273	66.6%	29	65	15.9%	36	7
Multiple Races	3	3	100.0%	0	0	0.0%	0	0
Race Unknown	36	28	77.8%	2	3	8.3%	2	1
Total (excludes the ethnicity "Hispanic")	461	311	67.5%	31	70	15.2%	40	9

Source: Housing Research & Advocacy Center from the Home Mortgage Disclosure Act Table 4–2 for Lakewood, Ohio.

In both 2008 and 2009, only four percent of the applicants for conventional home mortgages in Lakewood were members of minority groups. Just 3.5 percent of the mortgages issued were to members of minority groups. Only four of the ten African American applicants received mortgages in Lakewood while six of the nine Hispanic applicants received a mortgage. These numbers are simply too small to arrive at any conclusions about the behavior of lenders. Taking into account the analysis of Lakewood's racial and Hispanic composition that begins on page 16, it is no surprise that the city has so few African American and Hispanic homeowners.

"High Cost" Mortgage Loans

"High cost" mortgages include the sort of loans typically labeled "subprime" and/or "predatory." They include mortgages based on higher rates, typically three percentage points or more above the yield on a comparable term treasury security. These include mortgages with variable interest rates that can skyrocket in the years after the loan is issued.

The widespread use of these high cost mortgages is part of the increase in abusive lending practices that generated today's nationwide crisis for homeowners.

Their use accelerated significantly in the past decade as lenders sought to extend credit to home purchasers who had poor credit histories and a poor understanding of mortgage loans. These lenders frequently target people with minimal understanding of the terms that constitute a prime mortgage, usually seniors and minorities and poor families buying for the first time. The mortgages to which they steer these folks have abusive terms that can lead to a loss of home equity and loss of the home. These include loans with the moniker “exploding ARMs” under which an adjustable interest rate can soar substantially after two or three years unlike in the prime market where adjustable rate mortgages usually have a cap on annual increases of one or two percent and a lifetime cap of six percent.

According to research by the Center for Responsible Lending, 20 percent of high cost mortgages result in foreclosure, over eight times the rate for mortgages in the prime market. Subprime prepayment penalties and balloon payments only exacerbate the crisis.¹²

Lakewood borrowers received high cost mortgages and refinancings less frequently than borrowers throughout Ohio and the nation when these loans were still rampant in 2006 and 2007. As the frequency declined during 2008 and 2009, a slightly higher proportion of Lakewood homeowners and buyers were saddled with these unconscionable terms than the rest of Ohio.

High cost mortgage and refinancing loans become a fair housing issue when lenders treat members of any class protected under the nation’s Fair Housing Act differently and steer them to these loans. While lenders have placed Lakewood home buyers of all races into high cost mortgages, the data in the two figures that follow strongly suggest that lenders have been steering African Americans, and to a slightly lesser extent Hispanics and Asians, to high cost loans far more frequently than they have Caucasians.

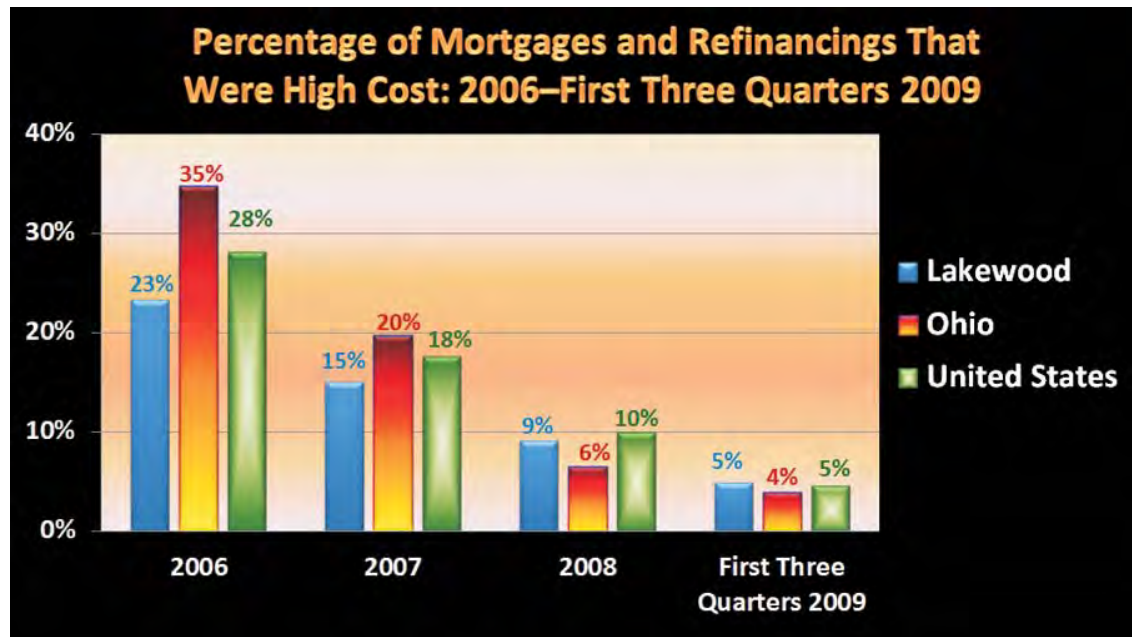
From 2006 through 2008, a far greater proportion of African Americans received high cost home loans than any other group. Hispanics were a distant second. In 2009, a greater proportion of Asians received high cost home loans than any other group. Whites consistently had the lowest proportion of households receiving high cost home loans. Where the percentage is zero, the number of home loans issued could be counted on one hand.

Figure 20: Gold Coast Highrise



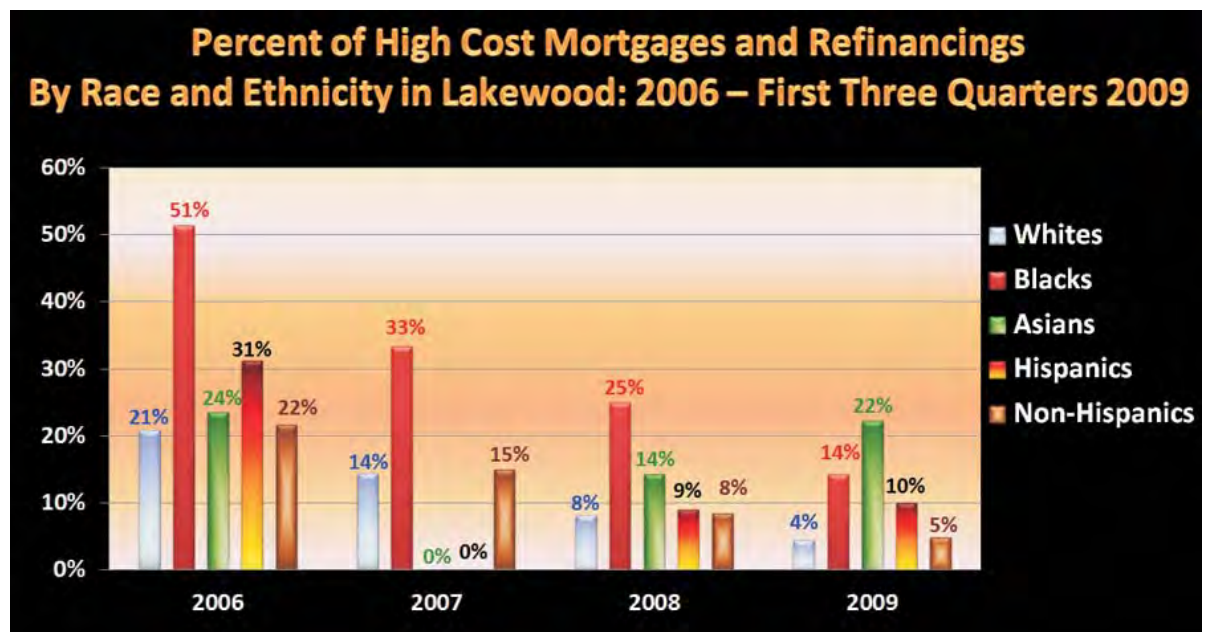
12. Detailed information on the signs of a predatory loan are explained in detail online at <http://www.responsiblelending.org/mortgage-lending/tools-resources/8-signs-of-predatory-lending.html>.

Figure 21: Percentage of Mortgages and Refinancings That Were High Cost: 2006–First Three Quarters of 2009



Source: PolicyMap.com “HMDA Report” for Lakewood, Ohio February 2011.

Figure 22: Percent of High Cost Mortgages and Refinancings By Race and Ethnicity in Lakewood: 2006–First Three Quarters of 2009



Source: PolicyMap.com “HMDA Report” for Lakewood, Ohio February 2011.

Foreclosures

These high cost mortgages most likely contributed to the increase in foreclo-

tures in Lakewood as well as throughout the nation. From 2006 through 2010, the residential foreclosure filings rate and residential mortgage foreclosure filing rate in Lakewood have consistently been lower than for Cuyahoga County. The only exception was 2009 when the residential mortgage foreclosure filings rate for Lakewood was 2.41 percent and Cuyahoga County was 2.38 percent.¹³

Lakewood staff report that a significant percentage of residential properties in foreclosure in Lakewood were owned by non-occupant owners.

We could not find any reports of evidence that foreclosures have been conducted in a discriminatory manner in Lakewood. While it appears very possible that high cost mortgages and refinancings were issued based on race or Hispanic ethnicity, additional original research far beyond the scope of this study would be needed to determine whether foreclosures are being filed in a discriminatory manner. It is impossible to tell without knowing the race, ethnicity, and income of each homeowner who received a foreclosure filing as well as the circumstances of each foreclosure filing.

Home Appraisal Practices

No studies were conducted or published during the time period covered by this study.

Testing of Rental and For Sale Properties

On behalf of the City of Lakewood, the Housing Research & Advocacy Center has been proactively “testing” rental and for sale housing practices for signs violations of the fair housing laws of the City of Lakewood, State of Ohio, and the United States.

Testing is a tool for monitoring the housing market to determine the nature and extent of discriminatory treatment accorded to home seekers. Two individuals, alike in every aspect except the variable being tested (race, ethnicity, gender, disability, familiar status, etc.), are sent to the same rental or sales office. These testers play the role of home seekers — persons looking for a housing unit in which to live. Following the inquiry about buying or renting, each tester prepares an objective report of what transpired. Testers must be objective, careful observers, accurate reporters, and truthful witnesses. If the two testers are treated differently, housing discrimination may have occurred.¹⁴

Discriminatory differential treatment, for example, occurs when the “protected status” tester is told an advertised apartment is has been rented while the “control tester” is shown the advertised apartment shortly after the protected status tester is denied. When a real estate agent provides different information to the two testers — such as an African American being shown homes *only* in ra-

13. “Social and Economic Indicators Report: Subject Category Property Data – Cuyahoga County (PROP), Subject Subcategory: PROP–Foreclosure filings, Year: 2010, 2009, 2008, 2007, 2006,” NEO CANDO system, Center on Urban Poverty and Community Development, MSASS, Case Western Reserve University (<http://neocando.case.edu>).

14. Adapted from the Silver State Fair Housing Council’s website at <http://silverstatefairhousing.org/testers.htm>.

cially-integrated or predominantly black neighborhoods while a Caucasian is shown homes *only* in predominantly white neighborhoods — it is likely that the agent has engaged in illegal racial steering.

The federal courts have consistently allowed testing as a legitimate, necessary method to identify practices of unlawful housing discrimination. Testing provides compelling, objective evidence that verifies a home seeker's experience with discrimination. The courts routinely accept the sworn oral testimony and actual written reports of testers as evidence of discriminatory conduct by a defendant. Testers receive a small stipend for their time which includes several hours of training that covers fair housing law, reviews the nature and structure of housing discrimination tests, and teaches them how to report their experiences in an objective, professional manner.

The variable that is “tested” is a characteristic protected by local, state, and/or federal fair housing laws. For example, a “protected status” tester who is white female without children would be paired with a “control” tester who is a white male without children. An African American male would be paired with a white male control tester. Both testers would have otherwise nearly identical credit histories, familial status (married or unmarried, with or without children).

Testing can be conducted after an individual or household makes a fair housing complaint. Alternatively, testing can be conducted at random as part of a ongoing proactive program to monitor real estate industry practices. For example, some nonprofit fair housing organizations send testers to apartment complexes to determine how well they comply with design and construction requirements for accessibility even though a fair housing complaint has not been made.

Rental Leasing Firms and Landlords

The Housing Research & Advocacy Center conducted over 140 tests of rental properties in Lakewood during the 2006–2010 period of this study. Probable cause that a fair housing violation was found in more than 11 percent of the tests. Three-quarters of these were based on race, 18 percent on national origin, and five percent on familial status. About six percent of the tests were inconclusive and the rest found no discrimination. These rates are relatively low.

Real Estate Firms and Developers

The Housing Research & Advocacy Center conducted eight tests of ownership housing in Lakewood during 2006–2010 study period. Race was the variable in six of the tests; national origin in two. In seven tests, both testers were given the same information. The eighth test was inconclusive.

Suggestion Given the findings on integration reported in Chapter 3, Lakewood should continue to have proactive testing conducted, especially for rentals, and expand its proactive testing of ownership properties. Testing should be con-

ducted throughout the city.

Real Estate Advertising

While no studies of residential real estate advertising of Lakewood properties have been conducted by local fair housing organizations, we conducted our own small study for this Analysis of Impediments.

Print Advertising

We examined the real estate section of *The Cleveland Plain Dealer* published on August 10, 2010; September 5, 2010; September 26, 2010; January 9, 2011; and February 6, 2011. Of the 48 ads for home sales and 195 ads for rentals, we found no overt violations of the Fair Housing Act. Thirty-five percent of the rental ads were for single-family homes.

There were, however, quite a few ads for rentals that mentioned “Section 8,” referring to Housing Choice Vouchers. While four ads said that Section 8 vouchers were welcome, 15 specified “No Section 8.” Only one ad mentioned that the property was close to a specific public school. Four rental ads noted that the properties were close to public transportation.

About half of the display ads included the equal housing opportunity logo. A handful of display ads including the phrase “equal housing opportunity.” The display ads did not include any photographs of people.

Figure 23: Single-Family Home

Online Advertising

We examined 11 real estate websites that serve Lakewood. Four included the equal housing opportunity logo. One included the phrase “equal housing opportunity” at the bottom of each page and another billed itself as “Russell Realty, an Equal Opportunity Housing Broker.”

Photographs on websites (as well as in display ads) can send an unsubtle message to potential buyers. For example, if a viewer were to rely solely on the photographs of real estate agents that appear on these websites, she would think that nearly every real estate agent who serves Lakewood is Caucasian. Of the 191 real estate agents pictured online, as many as 13 could have been minorities. The 13 all worked at just four of the 11 companies. The absence of minority agents sends a not-so-subtle message that only white clients are welcome. If so many of these real estate firms employ only white agents, there is a serious problem that needs to be addressed. If they are excluding from their websites their agents who are members of minority groups, there is a different serious problem that must be addressed.



Only one of the websites included photos of prospective buyers. All six were white.

Public Sector Compliance Issues

Land–Use Controls and Building Codes

Community Residences for People With Disabilities

Twenty–three years ago the Fair Housing Amendments Act of 1988 (FHAA) added people with disabilities to the classes protected by the nation’s Fair Housing Act (FHA). The amendments recognized that many people with disabilities need a community residence (group home, halfway house, recovery community) in order to live in the community in a family–like environment rather than being forced into an inappropriate institution. The FHAA’s legislative history stated that:

“The Act is intended to prohibit the application of special requirements through land–use regulations, restrictive covenants, and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their choice with in the community.”¹⁵

While some suggest that the FHAA prohibits all zoning regulation of community residences, the FHAA’s legislative history suggests otherwise:

“Another method of making housing unavailable has been the application or enforcement of otherwise neutral rules and regulations on health, safety, and land–use in a manner which discriminates against people with disabilities. Such discrimination often results from false or over–protective assumptions about the needs of handicapped people, as well as unfounded fears of difficulties about the problems that their tenancies may pose. These and similar practices would be prohibited.”¹⁶

Many states, counties, and cities across the nation continue to base their zoning regulations for community residences on these “unfounded fears.” The 1988 amendments require all levels of government to make a *reasonable accommodation* in their zoning rules and regulations to enable community residences for people with disabilities to locate in the same residential districts as any other residential use.¹⁷

It is well settled that a community residence is a residential use, not a business. The Fair Housing Amendments Act of 1988 specifically invalidates restrictive covenants that would exclude community residences from a residential area. The Fair Housing Act renders them unenforceable against community resi-

15. H.R. Report No. 711, 100th Cong., 2d Sess. 311 (1988), reprinted in 1988 U.S.C.C.A.N. 2173.

16. *Ibid.*

17. 42 U.S.C. §3604(f)(B) (1988).

dences for people with disabilities.¹⁸

Typically, a city's zoning ordinance places a cap on the maximum number of unrelated people allowed to live together in a single dwelling unit.¹⁹ For example, many zoning codes set four as the cap on the number of unrelated people who can reside together. In this example, community residences for more than four unrelated individuals are excluded from the residential districts where they belong.²⁰

If a proposed community residence complies with the cap in a zoning code's definition of "family," any community residence that abides with that cap must be allowed as of right, namely as a permitted use. The courts have made it abundantly clear that imposing any additional zoning requirements on a community residence that complies with the cap in the definition of "family" would clearly constitute illegal discrimination under the Fair Housing Act.

*But when a definition of "family" places no limit on the number of unrelated individuals who can dwell together, then all community residences must be allowed as of right in all residential districts.*²¹

When a proposed community residence would house more unrelated people than the definition of "family" allows, jurisdictions must make the "reasonable accommodation" that the Fair Housing Act requires to allow such community residences to locate in residential districts. However, different types of community residences have dissimilar characteristics that warrant varying zoning treatment depending on the type of tenancy.

Community residences that offer a relatively permanent living arrangement in which there is no limit to how long somebody can live there (group homes and recovery communities) should be permitted uses allowed as of right in all residential districts. There is considerable debate in legal circles whether a rationally-based spacing distance or a license can be required.

On the other hand, community residences such as a halfway house that sets a limit on length of residency are more akin to multifamily housing and may be subject to a special use permit in single-family districts, although this too is subject to debate in legal circles. There is little doubt that they should be allowed as of right in multifamily districts although there is debate over whether a spacing distance from other community residences or a license can be required.

While a jurisdiction can certainly exclude transitional homes for people *without* disabilities from the residential districts of its choosing, the Fair Housing Act prohibits this kind of zoning treatment for halfway houses and recovery communities that house people with disabilities.²² The key distinction between halfway

18. H.R. Report No. 711, 100th Cong., 2d Sess. 311 (1988), reprinted in 1988 U.S.C.C.A.N. 2173, 2184.

19. The U.S. Supreme Court sanctioned this type of restriction in *Village of Belle Terre v. Borass*, 416 U.S. 1 (1974) and later modified its ruling in *Moore v. City of East Cleveland, Ohio*, 431 U.S. 494 (1977).

20. The vast majority of community residences for people with disabilities house more than four people. While the trend for people with developmental disabilities is towards smaller group home households, valid therapeutic and financial reasons result in community residences for people with mental illness and for people in recovery from drug and/or alcohol addiction housing eight to 12 residents.

21. See also *Marbrunak, Inc. v. City of Stow, Ohio*, 974 F.2d 43 (6th Cir. 1992).

22. It is extremely well-settled that people with drug and/or alcohol addictions who are not currently using an illicit drug are people with disabilities under the *Fair Housing Act* and the *Americans With Disabilities Act*.

houses and recovery communities is that tenancy in the former is temporary. Halfway houses impose a limit on how long residents can live there. Tenancy is measured in months.

On the other hand, residency in a recovery community is relatively permanent. There is no limit to how long a recovering alcoholic or drug addict who is not using can live there. Tenancy is measured in years just as it is for conventional rental and ownership housing. Consequently, it is rational for zoning to treat recovery communities like group homes which also offer relatively permanent living arrangements and to treat halfway houses more like multifamily rental housing. Halfway houses should be allowed as of right in multifamily districts. In single-family districts, the higher scrutiny of a special use permit is warranted for a halfway house.

Any examination of a city's zoning treatment of community residences begins with its zoning definition of "family." Lakewood's *Planning and Zoning Code* defines "family" as:

"... an individual or two (2) or more persons living together as a single housekeeping group in a dwelling unit. A "single housekeeping group" exists where the group of individuals share expenses and labor related to the maintenance of the dwelling unit and are living and eating together as a household. "Family" shall not include an individual occupying a rooming unit nor a group of unrelated individuals occupying a rooming house."²³ [*Emphasis added*]

As explained on page 57, when a city's definition of "family" places no limit on the number of unrelated individuals who can dwell together, all community residences for people with disabilities must be allowed as of right in all residential districts.²⁴ Lakewood certainly can require that a community residence that is in a single-family detached house comply with all of the requirements in the zoning district for single-family detached houses, but because of Lakewood's definition of "family" no additional zoning requirements can be imposed.

Due to the definition of "family" in Lakewood's *Planning and Zoning Code*, community residences for people with disabilities must be allowed in all residential districts on exactly the same terms as other permitted uses in the same type of structure (single family, double, triple, multiple family, etc.).

Under Lakewood's zoning, community residences for three to five adults are called "Adult Family Homes." Those housing six to 16 adults are "Adult Group

See 42 U.S.C. 3602(h) and 24 C.F.R. 100.201(a)(2). See, also, *City of Edmonds v. Washington State Building Code Council*, 115 S. Ct. 1776 (1995).

23. *Codified Ordinances of Lakewood, Part Eleven – Planning and Zoning Code*, §1103.02(jj).

24. See *Merritt v. City of Dayton*, No. C-3-91-448 (S.D. Ohio April 7, 1994) (rejecting spacing requirement where group home met definition of zoning "family"); *Oxford House–Evergreen v. City of Plainfield*, 769 F. Supp. 1329 (D.N.J. 1991); *Support Ministries for Persons with AIDS v. Village of Waterford*, 808 F. Supp. 120, 136–138 (N.D.N.Y. 1992). For a more thorough discussion, see Daniel Lauber, "A Real LULU: Zoning for Group Homes and Halfway Houses Under the Fair Housing Amendments Act of 1988," in *The John Marshall Law Review*, Vol. 29, No. 2, Winter 1996, 369, at 398–403.

Homes.” The zoning code does *not* provide for community residences that house children with disabilities. Adult Family Homes are allowed as of right in all residential districts as long as they are at least 1,000 feet from any existing Adult Family Home or, in the multiple-family zones, any existing Adult Group Home. Adult Group Homes are allowed as of right in multiple-family zones as long as they are not within 1,000 feet of an existing Adult Family Home or Adult Group Home.²⁵ The zoning code does not provide any mechanism, such as a conditional use permit, to make an exception to this rule.

Under the nation’s Fair Housing Act, Lakewood’s definition of “family” makes it illegal to exclude Adult Group Homes from the city’s single-family and two-family residential districts. The definition of “family” also renders the 1,000 foot spacing distance unenforceable.²⁶

All Adult Family and Group Homes are still subject, however, to Lakewood’s building code provisions for similar building structures. For example, if an Adult Family Home is in a duplex, it must comply with the city’s building code provisions for a duplex. They are subject to the Lakewood’s building code requirements that regulate the number of occupants in all residences throughout the city.²⁷

Because local and state laws must comply with federal law, there is no need to analyze further the convoluted and questionable provisions of the Ohio State Statutes regarding zoning for community residences. Ohio state law on zoning for community residences addresses a subset of disabilities — frail elderly and people with developmental disabilities — while leaving out people with mental illness and people in recovery from drug and/or alcohol addiction.²⁸ No local or state zoning scheme for community residences for people with disabilities can pick and choose which disabilities it covers. Thanks to Lakewood’s zoning code expansive definition of “family,” even the defective state statute becomes inapplicable.

Suggestions *Lakewood’s zoning provisions for community residences do not pose an impediment to fair housing choice only because the city’s definition of “family” renders them unenforceable.* If the city wishes to be able to regulate community residences for people with disabilities, it needs to establish a cap on the number of unrelated individuals who can live together as a “family.” Once it amends the zoning code to establish this cap, all community residences for people with disabilities that would house more unrelated people than the cap allows could be subject to a rationally-based spacing distance and a requirement for a license to be allowed as of right in residential zoning districts, within the parameters established by state statute. The city would also have to amend its zoning ordinance to allow community residences for people with disabilities in all resi-

25. Ibid. §§1121.11, 1123.11, and 1127.11.

26. These restrictions, however, can be applied to Adult Family Homes and Adult Group Homes occupied by people *without* disabilities because they are not covered by the Fair Housing Act.

27. *City of Edmonds v. Oxford House, Inc.*, 514 U.S. 725, 115 S. Ct. 1776, 131 L. Ed. 2d 801 (1995). *Also see Fair Housing Association v. City of Richmond Heights*, 998 F. Supp. 825 (N.D. Ohio 1998), affirmed on other grounds, 209 F.3d 626, 2000 FED App. 0132P (6th Cir. 2000).

28. RC Chapter 3722, §5123.19.

dential zones via a conditional use permit when they seek to locate within that spacing distance or when the state does not require a license.

To establish spacing distances that can withstand a court challenge, the city would need to have an expert report prepared that explains the factual justification for the spacing distances — to promote normalization and community integration, the two purposes of community residences for people with disabilities. Even though state law permits the use of spacing distances, it does not provide the factual basis for requiring them. Without this justification, courts have almost unanimously invalidated spacing distances under the Fair Housing Act.

The city should also change its terminology because “Adult Family Home” is too easily confused with “Day-Care, Type A Family Home” and “Day-Care, Type B Family Home” which are totally unrelated. We suggest using a phrase like “Community Residence for People with Disabilities” to avoid this confusion and encompass the group homes, halfway houses, and recovery communities that comprise the world of community residences. The definitions also need to be revised to be more precise and to cover all ages, not just adults.

Building Codes

Lakewood has adopted the *1995 Ohio Basic Building Code* and subsequent updates. Community residences are considered “congregate living facilities” under this code. Community residences housing up to five individuals are treated as “Group R-3” uses while those occupied by six to 16 people, excluding staff, are considered “Group R-4” uses.

Like other local and state laws, the *Ohio Basic Building Code* that Lakewood has adopted is subject to the nation’s Fair Housing Act. The Sixth Circuit Federal Court of Appeals has ruled that “the FHAA does not prohibit the city from imposing any special safety standards for the protection of developmentally disabled persons. It may impose standards which are different from those to which it subjects the general population, *so long as that protection is demonstrated to be warranted by the unique and specific needs and abilities of those handicapped persons.*”²⁹ In the *Marbrunak* case, the City of Stow, Ohio sought to impose safety code standards on a group home for women with developmental disabilities not required of other single-family residences. The Sixth Circuit found that the additional safety code requirements were based on myths and unfounded fears about the residents with disabilities and lacked the requisite rational basis needed to justify them.

The U.S. Supreme Court has firmly established that community residences for people with disabilities are subject to the same building and housing code provisions that apply to *all* dwelling units in a jurisdiction.³⁰ Like all other residential uses, community residences must comply with the city’s *Property Maintenance and Safety Code*.³¹ The code imposes two key minimum floor area requirements on all dwelling units that determine the maximum occupancy of

29. *Marbrunak, Inc. v. City of Stow, Ohio*, 974 F.2d 43 (6th Cir. 1992). *Emphasis added*.

30. *City of Edmonds v. Oxford House, Inc.*, 514 U.S. 725, 115 S. Ct. 1776, 131 L. Ed. 2d 801 (1995).

31. *Codified Ordinance of the City of Lakewood, Ohio*, Chapter 1306.

every residential use:

“(a) Every dwelling unit shall contain at least 150 square feet of habitable floor area for the first occupant thereof and at least 100 additional square feet of habitable floor area for every additional occupant thereof, but in no case shall any dwelling unit contain less than the minimum number of square feet of habitable floor area as required by other provisions of this Code.

“(b) In every dwelling unit, every room occupied for sleeping purposes by one occupant shall contain at least seventy square feet of floor space, and every room occupied for sleeping purposes by more than one occupant shall contain at least fifty square feet of floor space for each occupant thereof.”³²

Under this formula — which applies to *all* residential uses including community residences — no more than two residents can share a bedroom that has less than 170 square feet of floor area. Similarly community residences must adhere to the minimum floor area requirements in (a) above. This is the legal and proper way to regulate the number of people who can live in a community residence.

The key lesson of *City of Edmonds* and *Marbrunak* is that unless Lakewood can document actual facts that establish a rational basis for additional building or safety code requirements for these community residences, Lakewood must apply the same building and property maintenance code standards to community residences for people with disabilities as it does to other residences of the same type. For example, a community residence located in a detached single-family house is subject only to the same building or property maintenance code requirements Lakewood applies to all detached single-family houses unless Lakewood can factually document the need for additional regulations. Simply asserting there is a need is insufficient. Blindly applying the state’s building code and Lakewood’s *Property Maintenance and Safety Code* to community residences for people with disabilities to a specific community residence could result in violations of the nation’s Fair Housing Act. Reasonable accommodations must be made as mandated by the Fair Housing Act.

Public and Subsidized Housing

The Cuyahoga Metropolitan Housing Authority operates public housing and administers the Housing Choice Voucher Program throughout the county. While there are no units of public housing in Lakewood, nearly 400 Lakewood households use a Housing Choice Voucher. As of April 1, 2011, 391 Housing Choice Vouchers were in use in Lakewood, ten more than in December 2006. In 2006, 54.9 percent of the vouchers in Lakewood were used by households whose head was Caucasian and 45.1 percent whose head was African American. In 2011, 48.6 percent of the households heads were white and 51.4 percent were Black. In 2006, 6.8 percent were Hispanic of any race; in 2011 7.2 percent were. In both years, no Housing Choice Vouchers were used in Lakewood by households of any

32. Ibid. §1306.15.

other race.³³

As illustrated by the table and maps that follow, Housing Choice Vouchers are being used in every Lakewood census tract. African American and Hispanic voucher holders lived in nearly every census tract. It's not surprise that the lowest rates of utilization are in the western tracts in which Lakewood's most expensive housing and fewest rentals are located. The highest percentages of rental households using vouchers, however, are in the tracts on Lakewood's east end closest to Cleveland. In some of those tracts, African Americans constituted more than half of the voucher holders; in others less than one fourth. African Americans comprised more than half the voucher holders in several of the tracts in central and western Lakewood. The approximately 27 Hispanic households with vouchers in 2008 were more evenly distributed throughout Lakewood.

Table 21: Use of Housing Choice Vouchers in Lakewood: 2008

Use of Housing Choice Vouchers in Lakewood: 2008			
Census Tract	Percent of Rental Households Using Housing Choice Vouchers	Percent of Housing Choice Voucher Holders Who Were African American	Percent of Housing Choice Voucher Holders Who Were Hispanic of Any Race
All Lakewood	2.87%	26.0%	6.0%
1601	1.08%	N/A	N/A
1602	1.59%	50.0%	0.0%
1603	1.63%	N/A	N/A
1604	1.66%	8.0%	8.0%
1605	3.20%	13.0%	1.0%
1606.01	1.23%	14.0%	5.0%
1606.02	5.70%	51.0%	4.0%
1607	2.11%	16.0%	16.0%
1608	1.14%	N/A	N/A
1609	1.49%	58.0%	0.0%
1610	2.41%	N/A	N/A
1611	1.85%	42.0%	17.0%
1612	2.67%	54.0%	19.0%
1613	2.04%	9.0%	5.0%
1614	3.68%	63.0%	4.0%
1615	3.68%	56.0%	6.0%
1616	5.40%	21.0%	6.0%
1617	7.38%	64.0%	6.0%
1618	4.57%	23.0%	15.0%

Percentages are not available when the number of African American or Hispanics households in a census tract was ten or less. Source: U.S. Department of Housing and Urban Development, *A Picture of Subsidized Households: 2008*.

The maps that follow show where Housing Choice Vouchers were utilized by race and Hispanic ethnicity in Lakewood as of April 1, 2011 and December 1, 2006. Over the nearly five-year span, there's been little change in where holders

33. Cuyahoga Metropolitan Housing Authority spreadsheet "Housing Choice Vouchers in Lakewood from Housing Authority – April 1, 2011.xls" available from the Lakewood Planning and Development Department.

of Housing Choice Vouchers live in Lakewood. The concentration in the city's eastern end where the lowest priced rentals are available continues while there has been some increase in the southern end of census tract 1615.

Because some of the larger multi-family buildings house five to eight Housing Choice Voucher families at the same street address, symbols on the two maps at about ten locations are superimposed on each other.

Overall, households with Housing Choice Vouchers appear to be finding rentals throughout Lakewood. In 2008, 2.87 of the Lakewood's rental units were occupied by housing holds using a Housing Choice Voucher.

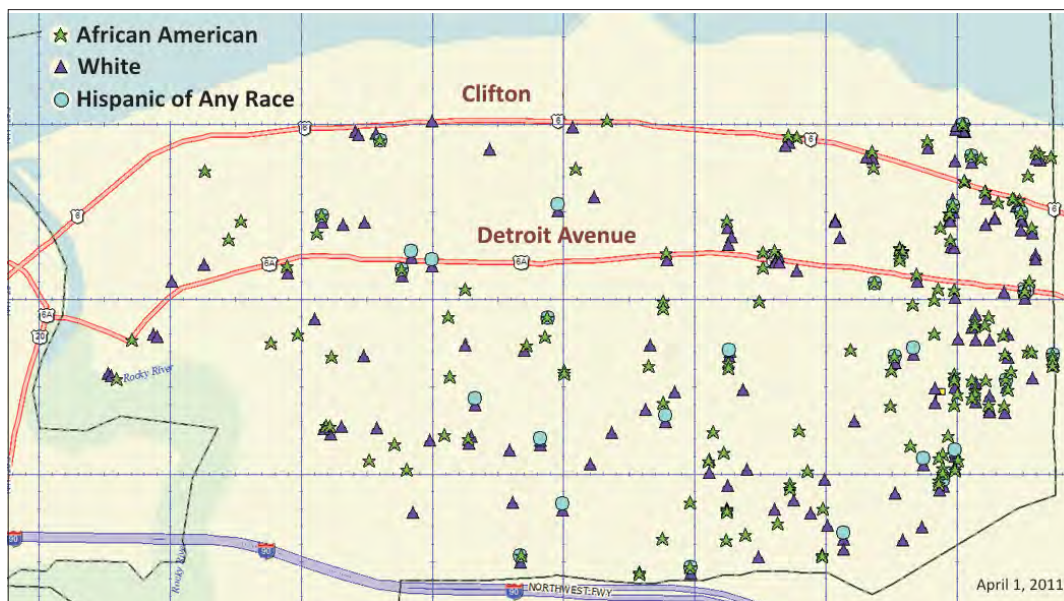
Figure 24: Typical Lakewood Double



Suggestion

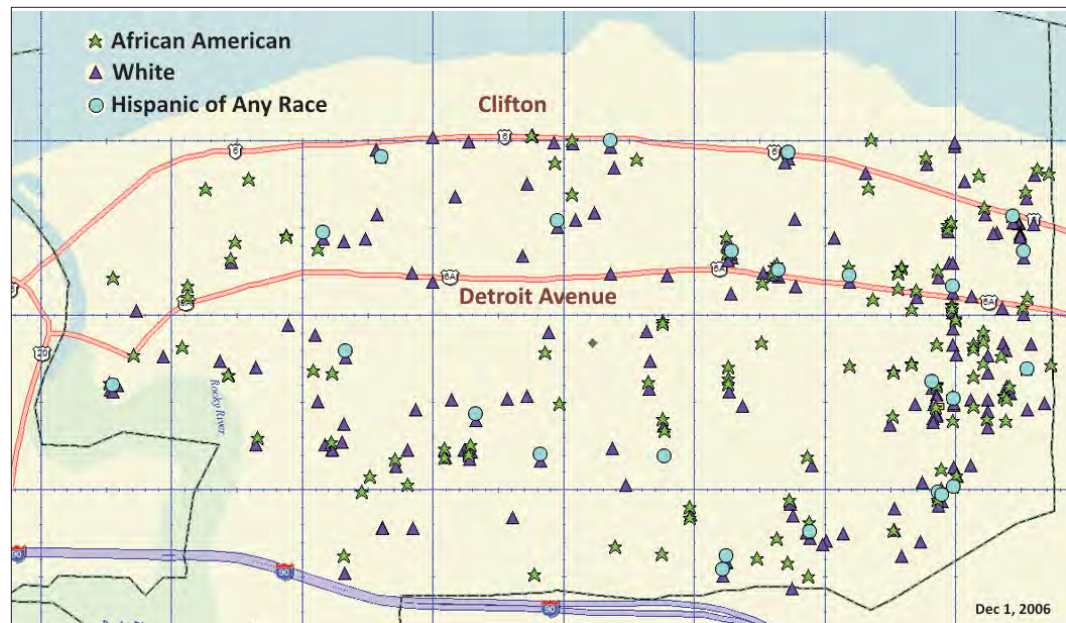
Lakewood should carefully monitor where Housing Choice Vouchers are being used in the city by race and Hispanic ethnicity to assure they are used in a pro-integrative manner in accord with the purpose of the Housing Choice Voucher program and to make sure they do not begin to severely concentrate in any neighborhood.

Figure 25: Location of Housing Choice Voucher Holders by Race and Ethnicity: 2011



Source: Cuyahoga Metropolitan Housing Authority spreadsheet "Housing Choice Vouchers in Lakewood from Housing Authority – April 1, 2011.xls" available from the Lakewood Planning and Development Department.

Figure 26: Location of Housing Choice Voucher Holders by Race and Ethnicity: 2006



Source: Cuyahoga Metropolitan Housing Authority spreadsheet “Housing Choice Vouchers in Lakewood from Housing Authority – April 1, 2011.xls” available from the Lakewood Planning and Development Department.

Affordable Housing

Lakewood housing did not escape the impact of nation’s economic collapse in the second half of the past decade. The decline in median home prices in Lakewood was not as severe in many other cities. As shown in the four figures below, the median sale price for single-family homes fell 17.4 percent from 2006 to 2010. The median sale price for condominiums fell 16 percent and 40 percent for doubles. Triples have moved up and down during the past five years. While the decline from 2006 to 2010 was 66 percent — with just three sales in 2010 — the median sale price of triples in 2009 was more than twice that of 2010 and just 30 percent lower than in 2006. For comparison’s sake, the decline in the median sales price of single-family homes in Clark County, Nevada, the epicenter of the housing industry’s collapse was 56 percent during this same time period.³⁴

Figure 27: Townhouse Rentals on Clifton Boulevard



34. PolicyMap.com based on actual home sale data from Boxwood Means, Inc.

Figure 28: Median Sale Price Lakewood Single-Family Homes



Source: Northern Ohio Regional Multiple Listing Service

Figure 29: Median Sale Price Lakewood Condominiums



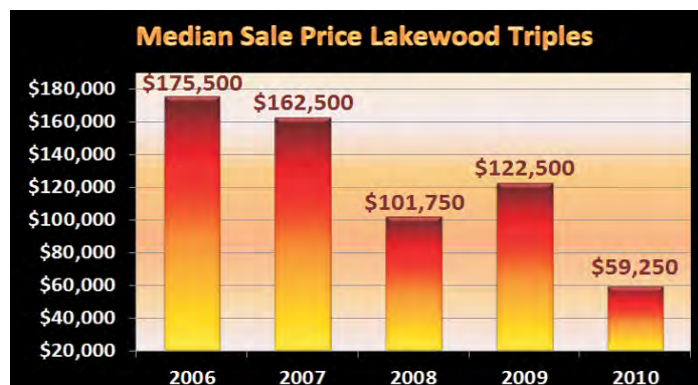
Source: Northern Ohio Regional Multiple Listing Service

Figure 30: Median Sale Price Lakewood Doubles



Source: Northern Ohio Regional Multiple Listing Service

Figure 31: Median Sale Price Lakewood Triples



Source: Northern Ohio Regional Multiple Listing Service

Most of Lakewood's dwelling units are rentals. According to the latest American Community Survey, 56.2 percent of Lakewood dwelling units are rental in contrast to just 38.8 percent of Cuyahoga County's dwellings.³⁵ As shown in the table to the right, the median Lakewood rent has long been very close to the median for all of Cuyahoga County.

Within Lakewood, median rents in

Table 22: Median Rent: 1990–2009

Median Rent: 1990–2009		
Year	Median Rent	
	Lakewood	Cuyahoga County
1990	\$409	\$397
2000	\$549	\$541
2007–2009	\$676	\$682

Source: U.S. Census 1990 and 2000, "Selected Housing Characteristics 2007–2009," 2007–2009 American Community Survey 3–Year Estimates.

35. "Selected Housing Characteristics: 2007–2009," 2007–2009 American Community Survey 3–Year Estimates.

2000 (the most recent year for which the data are available by census tract) ranged from a low of \$442 in tract 1618 located in the city's southeast corner to a high of \$667 in tract 1603 located in west-central Lakewood bordering Lake Erie.

Forthcoming results of the 2010 U.S. Census will reveal whether there have been substantial changes in rental patterns since 2000. Mostly likely there continues to be a supply of affordable rental housing throughout Lakewood.

When households with modest incomes pay mortgages or rents low enough to be considered "affordable," the household's "residual income" available after it pays its essential housing costs can increase substantially. In some cases this can come to \$500 or more per month.³⁶ Rather than save these funds, households with modest incomes are more likely than wealthier households to pump more money into the local economy by spending them to meet basic needs such as food, clothing, transportation, and health care.³⁷

Table 23: Lakewood Rents: 2007–2009

Lakewood Rents: 2007–2009	
Monthly Rent	Percent of Rentals
No Rent Paid	2.3%
Less than \$300	4.1%
\$300 to \$499	17.0%
\$500 to \$749	38.9%
\$750 to \$999	24.0%
\$1,000 to \$1,499	11.8%
\$1,500 or more	1.9%
Median Rent	\$676

Source: "Selected Housing Characteristics: 2007–2009," 2007–2009 *American Community Survey 3-Year Estimates*.

Figure 32: New and Vintage Townhomes in Lakewood



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36. Chris Walker, *Affordable Housing for Families and Neighborhoods: The Value of Low-Income Housing Tax Credits in New York City* (Columbia, MD, and Washington, DC: Enterprise Community Partners, Inc., and Local Initiatives Support Corporation) June 2010. See also Keith Wardrip, Laura Williams, and Suzanne Hague, *The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature* (Washington, D.C.: Center for Housing Policy), January 2011.
37. Josh Bivens and Kathryn Anne Edwards, *Down-Payment on Economic Recovery: Why Temporary Payments to Social Security and Supplemental Security Income Recipients Are Effective Stimulus*, Briefing Paper #269 (Washington, DC: Economic Policy Institute) September 14, 2010.

Economists and housing experts have long used the rule of thumb that a home is affordable when its purchase price is no more than two and a half or three times the buyer's gross annual income.³⁸ Their other test that applies to both owner and tenant households is that housing is affordable if the household spends no more than 30 percent of its gross monthly income on housing.

This is not an arbitrary figure. Spending more than 30 percent on housing, leaves a typical household less money for essentials such as food, clothing, furniture, transportation, health care, savings, and health insurance. Local businesses suffer the most from this reduction in discretionary spending money due to high housing costs. Spending more than 30 percent on housing denies funds to other sectors of the economy unless households strapped for cash go into credit card debt.

Households that spend more than 30 percent of their gross monthly income on housing costs (rent; or mortgage, property tax, and condominium or home owner association assessments) are considered to be "cost burdened."

In the interest of accuracy, we have used medians based on actual home sale prices provided by the Northern Ohio Regional Multiple Listing Service. The service's figures are much more reliable than the very subjective median home values reported by the U.S. Census and American Community Survey where the medians are based on the home value reported by those households that respond to the decennial Census and the American Community Survey. Home owners are making subjective estimates that are not as reliable as actual home sale prices. Relatively few home owners know the actual current value of their homes.

Figure 33: Rehabilitating Modest Cost and Expensive Housing in Lakewood



38. For purposes of this analysis, we will err on the conservative side and use three times the median income to establish the price of an affordable house in Lakewood rather than two and a half times.

To make sense of the plethora of available data, many researchers report on median household incomes and median home values. The median is the middle. For example, half of Lakewood's households have incomes above the median and half below it.

The table that follows shows the minimum household income needed to afford the median-priced Lakewood single-family dwelling, condominium, double, and triple in 2008, 2009, and 2010.

Table 24: Affordable Home Ownership in Lakewood: 2008–2010

Affordable Home Ownership in Lakewood: 2008–2010					
Year	Estimated Median Household (HH) Income for 2007–2009	Median Sales Price of Single-Family Homes	Minimum HH Income to Afford Median Priced Single-Family Home	Median Sales Price of Condominiums	Minimum HH Income to Afford Median Priced Condominium
2010	\$43,448	\$113,000	\$37,667	\$58,300	\$19,433
2009	\$43,448	\$114,000	\$38,000	\$72,000	\$24,000
2008	\$43,448	\$113,500	\$37,833	\$71,000	\$23,667
Year	Maximum Home Price Affordable to Median Income Household	Median Sales Price of Doubles	Minimum HH Income to Afford Median Priced Double	Median Sales Price of Triples	Minimum HH Income to Afford Median Priced Triple
2010	\$130,344	\$82,706	\$27,569	\$59,250	\$19,750
2009	\$130,344	\$59,900	\$19,967	\$122,500	\$40,833
2008	\$130,344	\$75,000	\$25,000	\$101,750	\$33,917

Sources: Median sales prices provided by the Northern Ohio Regional Multiple Listing Service. Median income: "Selected Economic Characteristics: 2007–2009," *2007–2009 American Community Survey 3-Year Estimates* for Lakewood, Ohio.

For at least the past three years, more than half of Lakewood's households could afford a median-price single-family house, a condominium, a double, and a triple. In 2010, households with incomes just under \$20,000 could even afford half of the condominiums and two of the three triples that were sold in 2010.³⁹

Despite the relatively affordable cost of Lakewood residential real estate, substantial proportions of home owners and tenants are "cost burdened."

39. In 2009, seven triples were sold in Lakewood, and three were sold in 2008 according to the raw data from the Cuyahoga County Auditor provided to us by NEO CANDO.

Table 25: Cost–Burdened Home Owners: 2007–2009

Cost–Burdened Home Owners: 2007–2009						
Jurisdiction	Home Owners With a Mortgage			Home Owners Without a Mortgage		
	Percentage Who Spent 30 to 34.9% of Their Gross Income on Housing	Percentage Who Spent 35% or More of Their Gross Income on Housing	Total Percentage Cost–Burdened	Percentage Who Spent 30 to 34.9% of Their Gross Income on Housing	Percentage Who Spent 35% or More of Their Gross Income on Housing	Total Percentage Cost–Burdened
Lakewood	9.3%	23.1%	32.4%	0.6%	19.6%	20.2%
Cuyahoga County	8.9%	27.5%	36.4%	4.8%	15.8%	20.6%
Ohio	8.6%	22.4%	31.0%	3.7%	11.0%	14.7%
Nation	9.0%	28.7%	37.7%	3.4%	12.0%	15.4%

Source: "Selected Housing Characteristics: 2007–2009," 2007–2009 American Community Survey 3–Year Estimates.

Because the mortgage is usually the largest cost of home ownership, it is no surprise that much smaller proportions of home owners *without* a mortgage are cost burdened than those with a mortgage.

Among home owners without a mortgage, roughly the same proportion of Lakewood and Cuyahoga County residents are cost burdened. In both the city and county, however, significantly more are cost burdened than in the entire state and nation.

A much smaller proportion of Lakewood home owners with a mortgage are cost burdened than Cuyahoga County owners and the nation as a whole.

In all cases a much greater proportion of home owners are spending at least 35 percent of their gross income on housing than those who are just barely cost burdened, those spending 30 to 34.9 percent. To place these figures in perspective, in the epicenter of the housing crash, Clark County, Nevada, half of the home owners with a mortgage were cost burdened in 2009 and 16.9 percent of those without a mortgage were cost burdened.⁴⁰

Table 26: Cost–Burdened Tenants: 2007–2009

Cost–Burdened Tenants: 2007–2009			
Jurisdiction	Percentage of Tenant Households That Spent 30 to 34.9% of Their Gross Income on Rent	Percentage of Tenant Households That Spent 35% or More of Their Gross Income on Rent	Total Percentage of Cost–Burdened Tenant Households
Lakewood	8.9%	40.2%	49.1%
Cuyahoga County	7.8%	44.2%	52.0%
Ohio	8.6%	40.3%	48.9%
Nation	9.1%	41.2%	50.3%

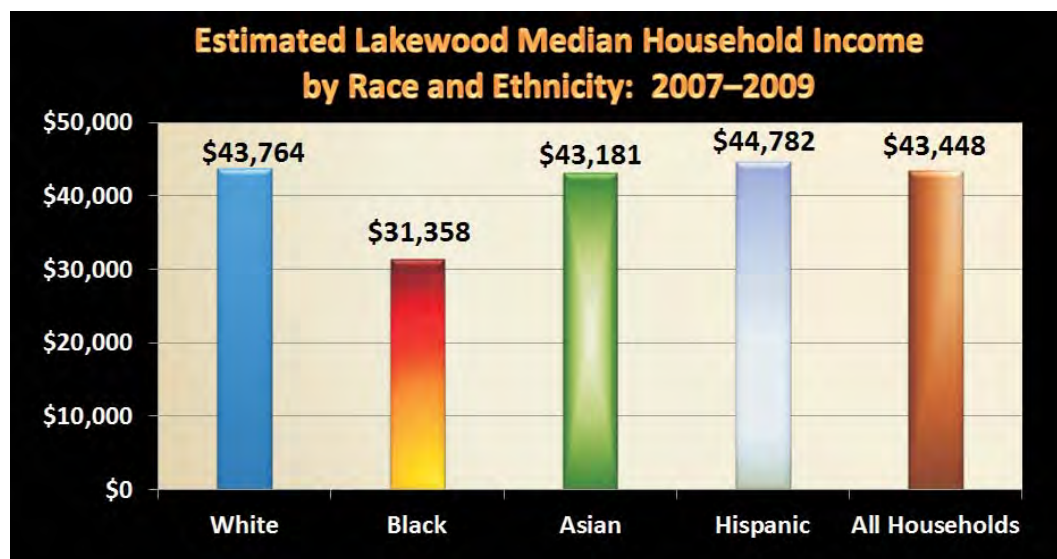
Source: "Selected Housing Characteristics: 2007–2009," 2007–2009 American Community Survey 3–Year Estimates.

A greater proportion of Lakewood tenants than home owners is cost burdened. While 8.9 percent of the renters were barely cost burdened during 2007–

40. Planning/Communications, *Clark County, Nevada Analysis of Impediments to Fair Housing Choice 2011* (River Forest, IL: April 2011), 113.

2009, over 40 percent spent at least 35 percent of their gross income on rent, a slightly lower percentage than in Cuyahoga County and the entire nation. In the center of the housing collapse, Clark County, Nevada, 52.6 percent of tenants were cost burdened in 2009.⁴¹

Figure 34: Estimated Lakewood Median Household Income by Race and Ethnicity: 2007–2009



Source: Extrapolated from the 2000 U.S. Census, Summary File SF3, Median Household Income Tables P53, P152 B, D, H, and I using median household income data from “Selected Economic Characteristics: 2007–2009,” *2007–2009 American Community Survey 3–Year Estimates*. Amounts represent the same proportional increase in income as for all households.

As the above graph shows, the median income of African American residents of Lakewood was 28 percent lower than the median for the city as a whole. Even at this level, most African American households can afford the \$676 monthly median rent in Lakewood.⁴² In fact, Black Lakewood residents can afford around 60 percent of the city’s rental units while Caucasian, Asian, and Hispanic residents can afford close to 90 percent of the city’s rentals.⁴³

In 2010, African American households with at least the median income could afford to buy the median-priced condominium, double, and triple. But the median-priced single-family house remains beyond the means of the median income Black household in Lakewood. However a substantial proportion of Lakewood single-family homes are affordable to current Lakewood residents who are African American. During the past three years, the only other type of home owner property not affordable to the median income Black household has been the median-priced triple in 2008 and 2009.

41. Ibid.

42. Thirty percent of the median African American household income comes to \$784, well above the \$676 median monthly rental.

43. See the table “Lakewood Rents: 2007–2009” on page 66.

Conclusions on Affordable Housing

Both ownership and rental housing in Lakewood continue to be relatively affordable except for the very poor. Most of the rental housing and ownership dwellings are affordable to households at or above the median income. Still a significant proportion of home owners with a mortgage and an even greater proportion of tenants are spending more than 30 percent of their gross income on housing at rates similar to the rest of the nation.

As discussed in Chapter 3, the cost of housing does not explain Lakewood's racial composition. The data in Chapter 3 show that the proportion of African Americans in every Lakewood census tract was substantially less in 2000 than would be expected in a free housing market undistorted by racial discrimination.

Treatment of Proposals to Build Affordable Housing

Being a land-locked, fully built-out city, it's not surprising that no proposals to build housing affordable to households with modest incomes were made during the study period. However, Lakewood did issue a Request for Proposals in 2010 to redevelop land that had been an automobile dealership. The only proposal submitted was to build about 60 units of rental housing for seniors in two three-story buildings with accessible design and close to existing senior services. The development will be possible only if the developer receives a Low Income Tax Credit. The City of Lakewood supports the proposal.

Other proposals never got beyond the initial discussion stage because they all needed a Low Income Tax Credit to build and the proposers were unable to obtain the credit.

Accessing Information About Fair Housing and Reporting Housing Discrimination

Reporting Housing Discrimination by Phone

We conducted a test of how the city's operators handle phone calls when the caller asks for help because she thinks a landlord discriminated against her. The city operator promptly directed calls to the city's Law Department where the person who answered the phone told us to call the Cleveland Tenants Organization (CTO). She gave us the phone number and told us that the CTO was holding a meeting that night in Lakewood where we could seek advice.

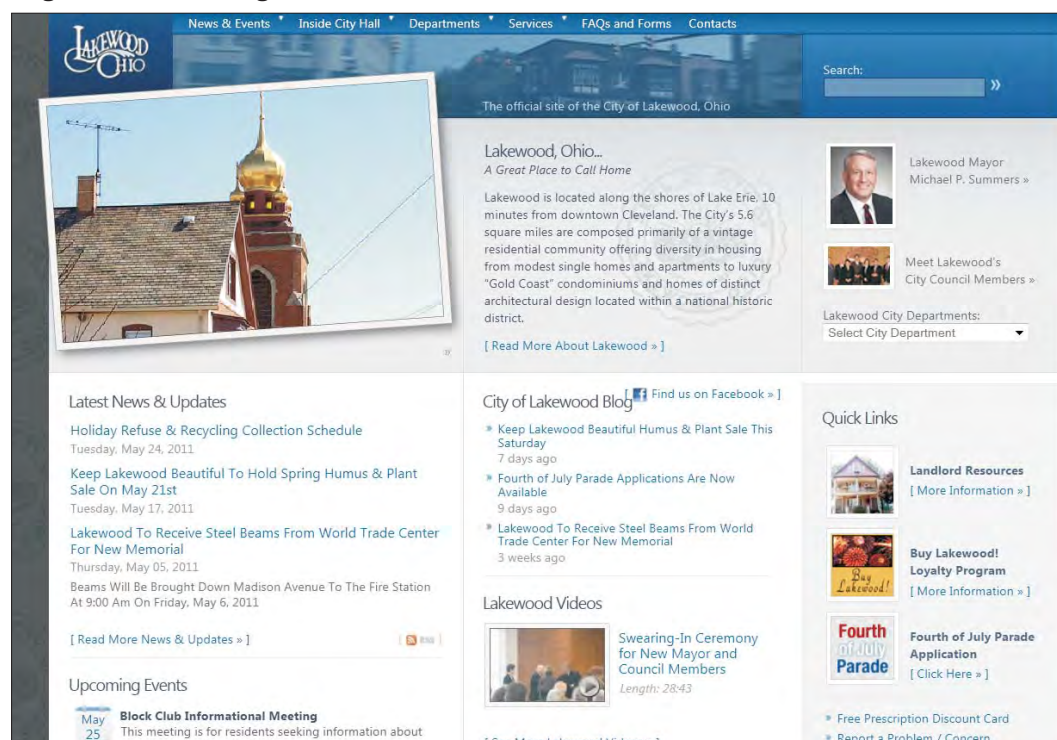
While city staff did not hesitate to direct us, they directed us to the wrong organization. The CTO has little expertise on fair housing and does not receive or process fair housing complaints. Staff should be directing callers about housing discrimination either to the city's Director of Planning and Development who is charged with administering Lakewood's fair housing law or to the Housing Research & Advocacy Center which provides fair housing counseling and receives and processes fair housing complaints under Ohio and federal law.

Online Information and Reporting

Lakewood's official website at <http://www.onelakewood.com> does not provide any direct links for information on fair housing or how to file a housing discrimination complaint. Conducting a search on the site for the word "discrimination" brings up a link to a page entitled "City of Lakewood, Ohio: Ohio's Landlord and Tenant Law." At the bottom of the page are paragraphs titled "Fair Rental Housing Practices" and "Need More Information?" Readers are advised:

"Information on the rights and duties of landlords and tenants is provided to Lakewood residents by the City of Lakewood, through a contract with the Cleveland Tenants Organization. For more information, call CTO at (216) 432-0609. Persons having questions in regard to discrimination in housing should contact the Housing Research & Advocacy Center at (216) 361-9240."

Figure 35: Home Page of Lakewood's Official Website



Viewers can also reach this page by clicking on the "Tenant Law" link in the "Quick Links" section of the city's home page. The information itself is geared toward tenants and ignores potential home buyers. The less-than-intuitive ways to find this minimalist information discourages people who may have faced housing discrimination from seeking assistance. The only mention of the city's own fair housing ordinance are about recent amendments to the ordinance.

Beginning on page 88, the next chapter presents detailed recommendations to enhance the city's website to make information on what constitutes housing dis-

crimination and how to file a fair housing complaint easily available.

Implementation of the 2006 AI

Lakewood's 2006 Analysis of Impediments identified two impediments to fair housing choice:

- "1. There is still a perception that Lakewood is still an all white community where minorities, especially African Americans, are not welcome.
- "2. There is a lack of accessible and affordable housing for people with disabilities."⁴⁴

To help address these identified impediments, Lakewood's one-year action plans since 2006 have included the objective:

"To insure that all persons seeking housing in Lakewood are treated equally regardless of race, color, religion, sex, national origin, handicap, familial status, or sexual orientation."

The city has put HOME funds into some affordable rental projects and low- and moderate-income occupied housing. It operates loan and rebate programs for low- and moderate income owners and renter occupied housing.

HOME funds have been provided to the Welcome House and Westerly housing to rehabilitate affordable dwelling units to make them handicap accessible and affordable over the long run.

To attract to Lakewood members of minority groups not living in Lakewood in significant numbers, Lakewood expanded eligibility for its down payment assistance program to include nonresidents.

Lakewood staff reports that the city "ensures that fair housing rules and policies are being followed by all federally funded programs (as required) and that the city is following the guidelines of 'affirmatively furthering fair housing.'"⁴⁵

More specifically, the city supports a landlord-tenant hotline to the Cleveland Tenants Organization. The tenant orga-

Figure 36: Westerly Senior Housing



44. Housing Research & Advocacy Center, *Analysis of Impediments to Fair Housing Choice in the City of Lakewood, Ohio* (Cleveland: January 2006), 2.

45. Email from Emma Barcelona to Daniel Lauber, May 25, 2011.

nization provides monthly reports to the city with specifics and resolution of the 40 to 60 calls it receives each month.

The Cleveland Tenants Organization also conducts weekly meetings in Lakewood where tenants and landlords can get their questions answered and receive counseling. To publicize these meetings as well as the hotline, Lakewood distributes and posts flyers at the public library, social service agencies, and city hall as well as on its website.

Each year Lakewood conducts at least two training seminars for landlords that include fair housing. All landlords who do not live in their rental building must register annually with the city. Invitations to the seminars are mailed to all registered landlords and to as many unregistered landlords as possible. Between 30 and 45 landlords attended each of the seminars in 2008 while attendance rose at each seminar to around 55 in 2009 and 2010.

Figure 37: Handicapped–Accessible House



Suggestion To assure that all registered landlords understand fair housing requirements, the city might find it valuable to require attending at one landlord training seminar with a substantial fair housing component at least every two years as a prerequisite for landlord registration. Owners of owner-occupied rentals should also be invited to this training.

The city recently published an updated 61–page guide for landlords that includes five pages on fair housing.⁴⁶ The guide offers sound advice on how to comply with city, state, and federal fair housing laws in non-bureaucratic legalese-free language that is easily understood. It provides some pretty detailed guidance to landlords on the reasonable accommodations that the fair housing law requires for people with disabilities. The guide is easily accessible. The link to it appears on the home page of Lakewood’s website.

As noted earlier in this study, the City of Lakewood has adopted its own fair housing ordinance. Since 2007, no complaints have been filed under the city’s ordinance.

And as noted earlier, the City of Lakewood has provided funding to conduct both sales and rental testing. The city is a member of the Northeast Ohio Fair Housing Consortium. City staff regularly attend the bi-monthly meetings.

46. City of Lakewood, Ohio, *Best Rental Practices: A Manual for Lakewood Landlords* (Lakewood, Ohio: May 2011).

Chapter 5

Impediments and Recommendations

As explained in the analysis beginning on page 16, the past decade has seen Lakewood’s racial composition gradually move toward what it would be in a free and unitary housing market devoid of racial discrimination. This demographic movement places Lakewood at a crossroad where the city can make the decision to become one of the Cleveland area’s few stable, racially-diverse cities or rejoin the long list of racially-segregated Cleveland communities.

Resegregation from nearly all-white to virtually all-Black is one of the most serious impediments to fair housing choice. Mitigating impediments to fair housing choice in their early stages is much more effective than waiting for them to distort the free housing market to a point where, for all practical purposes, a free and unitary housing market cannot be restored in our lifetimes or our grandchildren’s lifetimes.

The recommendations in this chapter address the private sector and public sector impediments to fair housing choice that Lakewood faces and offer guidance and specific tools to consolidate fair housing into Lakewood’s planning process rather than being the afterthought fair housing is in most cities.

Historically, halfway measures simply have not worked. Attaining stable, racial integration requires a “full court press.” This chapter proffers the framework for a comprehensive approach to achieving this goal over both the short run and long run.

Lakewood enjoys a plethora of advantages that strongly suggest the city has an excellent opportunity to achieve stable racial diversity throughout its borders if the city takes the pre-emptive and focused steps needed to achieve racial stability, starting with the policies and actions recommended in this chapter. Lakewood’s promising chances for success are enhanced by:

- ◆ Lakewood’s location. Lakewood continues to be attractive to all households thanks to its excellent access to downtown Cleveland by both public transportation and by car. Even more important for achieving and maintaining stable racial diversity is that Lakewood is surrounded by predominantly Caucasian neighborhoods. Most of the Cleveland suburbs that have resegregated were adjacent to intensely segregated minority neighborhoods on Cleveland’s east side which made it more difficult for them to stabilize racially.
- ◆ Lakewood’s excellent public schools. Lakewood’s public schools continue to attract households of all races and ethnicities that want a high quality education for their children. As discussed in Chapter 3, a city’s public schools play a pivotal role in achieving and maintaining racial integration. The public schools in those suburbs that have

successfully integrated over the long run had very positive reputations that played a key role in maintaining white demand for housing there. The racial composition of Lakewood's public schools reflect a community that is integrating in the incremental manner needed to achieve stability and long-term racial diversity.

- ◆ The gradual in-migration of African Americans into Lakewood. The pace of integration in Lakewood has been largely incremental, reflecting the early stages of a free and unitary housing market comprised of Caucasians, African Americans, Asians, Hispanics, and other ethnicities.
- ◆ The city government's early recognition that with proactive and pre-emptive action, the City of Lakewood can initiate the policies and programs needed to achieve and maintain stable racial integration throughout the city and prevent any part of the city from becoming predominantly minority. When local governments have failed to take action, their cities have resegregated.
- ◆ Leadership by Lakewood's government. In other cities that have integrated, vigorous efforts by citizen organizations were needed to persuade local government officials to pursue the goal of stable racial integration. Precious time was lost during the years it took to convince elected officials to pursue this goal. The government of the City of Lakewood has the opportunity to put that time to good use by leading the effort to achieve this goal.
- ◆ Lakewood's Community Relations Board, block clubs, and community organizations. In most cities that have successfully integrated, the efforts has been led by the city's community relations board or commission in collaboration with block clubs and community organizations which usually are created *after* the city starts to integrate. Lakewood's advantage is that these all existed *before* the city began to integrate.
- ◆ The absence of public housing in Lakewood. Research has found that the presence of a substantial number of public housing units in an integrating neighborhood almost always leads to resegregation of the surrounding neighborhood.¹ The absence of public housing will help Lakewood achieve stable racial integration.
- ◆ The absence of intense concentrations of minorities in Lakewood. While there is substantial variation in the proportion of African Americans in each of Lakewood's census tracts, the proportion of African Americans in every tract is *less* than what would have been expected in a free housing market absent racial discrimination.

As the recommendations that follow suggest, achieving these goals requires a close public-private partnership of Lakewood residents, local government, the public schools, and the real estate community. The real estate industry — both

1. Juliet Saltman, *A Fragile Movement: The Struggle for Neighborhood Stabilization* (Westport, Connecticut: Greenwood Publishing Group, 1990), page 629 for the 1989 pre-publication manuscript.

rental and ownership — is a key player essential to attaining stable integration in both the short and long term.

Admittedly a public–private partnership in just one city by itself cannot establish a permanent free and unitary housing market over the long run. Lakewood’s ability to achieve long–term stable racial diversity depends not only on the policies and actions Lakewood implements within its borders, but also on the policies and practices of the jurisdictions that comprise the Cleveland metropolitan area. Lakewood will need to join other integrated cities to lead a two–pronged approach, both local and regional, to break the common pattern of resegregation in the Cleveland metropolitan area. But as noted above, Lakewood is extremely well–positioned to achieve this goal.

These recommendations seek to help the City of Lakewood fulfill its legal obligation to affirmatively further fair housing. As explained in detail in Chapter 2, every jurisdiction that accepts Community Development Block Grants and other funds from the U.S. Department of Housing and Urban Development (HUD) agrees to affirmatively further fair housing. As HUD has acknowledged,

“The Department believes that the principles embodied in the concept of “fair housing” are fundamental to healthy communities, and that communities must be encouraged and supported to include *real, effective*, fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”²

“Although the grantee’s AFFH [affirmatively further fair housing] obligation arises in connection with the receipt of Federal funding, its AFFH obligation is not restricted to the design and operation of HUD–funded programs at the State or local level. *The AFFH obligation extends to all housing and housing–related activities in the grantee’s jurisdictional area whether publicly or privately funded.*”³

As Chapter 2 explained, a number of “suggestions” were offered throughout this analysis of impediments. While the regulations, practices, and policies the suggestions address are *not* impediments to fair housing choice at this time, they could develop into impediments if left unchanged. Lakewood should consider these “suggestions” as constructive recommendations that incorporate fair housing concerns into its planning and implementation processes.

The recommendations in this chapter provide a framework on which Lakewood can build its efforts. They are not meant to constitute a complete menu of actions that can be taken. Lakewood will likely find that there are additional actions and programs that might be appropriate for Lakewood that are not mentioned here.

2. Office of Fair Housing and Equal Opportunity, U. S. Department of Housing and Urban Development, *Fair Housing Planning Guide*, (Washington, DC. March 1996), Vol. 1, i. Emphasis in original.

3. Ibid. 1–3. Emphasis added.

In the fullest sense of the term, “affirmatively furthering fair housing” means doing more than sitting by while discriminatory practices distort the free housing market and produce segregative living patterns. It means proactively establishing and implementing policies and practices that counteract and mitigate discriminatory housing practices and policies. While a city or county itself might not engage in discriminatory housing practices or policies, it should recognize that when its passive approach results in segregative living patterns, it needs to take action to correct this distortion of the free housing market as part of its legal obligation to affirmatively further fair housing. The recommendations of this chapter present many of the tools Lakewood can use to “affirmatively further fair housing” in the fullest sense of the phrase.



Stop reading now if you have not read chapters 2 through 4.

The impediments and recommendations that follow are based on the data and analysis presented in chapters 2 through 4. The rationale upon which they are based will not be clear unless you read those chapters first.

Private Sector Impediments

The Cleveland Region’s Dual Housing Market

Impediment #1

The dual housing market that dominates the Cleveland metropolitan area may be the most substantial impediment to fair housing choice that the City of Lakewood faces. As explained in Chapter 3, the dual housing market — one for Caucasians and a separate one for African Americans — severely distorts the free housing market. This dual market is largely responsible for the intense level of racial segregation throughout the Cleveland region. While it is very possible for Lakewood to achieve stable racial diversity for the next 30 or so years by building a unitary housing market within its borders, eventually the region’s dual housing market must be transformed into a unitary market for Lakewood and other integrating and integrated communities to remain stably integrated.

Recommendation

Lakewood’s leaders and staff need to work closely with leaders of the real estate industry — both rental and for sale — as well as the leaders and staff of the City of Cleveland, other Cleveland suburbs, and Cuyahoga County to implement the recommendations of this report aimed at trans-

forming the dual housing market into a unitary free market throughout the metropolitan area. This transformation is inherently incremental and will take many decades to achieve. But this change is essential for Lakewood and other integrated communities to maintain their status over the long run.

Nearly all of the impediments noted in this chapter helped create and maintain the dual housing market. The recommendations proffered in this chapter address the causes of the dual housing market. Implementing them will help transform the distorted dual housing market into a free unitary housing market in which all residents participate and compete for the housing they can afford.

Information Needed

Impediment #2

Throughout the nation, discriminatory practices by some members of the real estate industry helped create and maintain the dual housing market. Lakewood has little information about the extent that real estate agents and firms, rental agents, apartment managers, and landlords may or may not be engaging in discriminatory practices such as racial steering. As explained in Chapter 3, Lakewood has experienced a healthy incremental increase in the proportion of African Americans in most of its census tracts. But the proportion of Blacks in five tracts in the city's east end has grown more than incrementally during the past decade suggesting that elements in the real estate industry *may* be steering African Americans to housing in these integrating neighborhoods while the industry may be steering whites to virtually all-white neighborhoods elsewhere in Lakewood or to the nearly all-white communities near Lakewood. There is a lack of research on these questions. Relatively few tests have been conducted for housing discrimination in and around Lakewood.

Racial steering is one of the most substantial impediments to enabling people of all races and ethnicities to enjoy the full range of housing choices envisioned by the Fair Housing Act and Community Development Block Grant Program. Throughout the country some real estate professionals have been known to direct minority home seekers *to* areas perceived as minority or as integrated neighborhoods, and to direct them *away* from predominantly white areas of a city. They have also been known to direct white people *away* from integrated and predominantly minority neighborhoods. Steering is a major cause of resegregation of neighborhoods. If whites are steered away from integrated neighborhoods, then only minorities will move in and the neighborhoods will eventually resegregate.

Maintaining demand for housing from all races and ethnic groups is the key to maintaining stable, racially-and ethnically-diverse neighborhoods.

The near complete absence of African Americans from Lakewood prior to 2000 strongly suggests that Blacks had been steered away from all of Lakewood during the twentieth century. New 2010 census data suggest that some members of the real estate industry *may* have started steering African Americans to cen-

sus tracts 1606.01, 1606.02, 1616, 1617, and 1618 and whites away from these neighborhoods. Income is not the issue here because the proportion of African Americans continued to be very low in areas at Lakewood's west end with low-cost rentals. While the growth in the percentage of Blacks in the five eastern tracts during the past ten years has been greater than in other parts of Lakewood, the proportion of Blacks in each tract has not reached the level that would be expected in a free housing market absent discrimination including steering. But nobody will know the extent of any steering that might be taking place unless extensive and systematic testing occurs.

Recommendation To determine the extent, if any, that racial steering and other violations of the Fair Housing Act are taking place, Lakewood should institute a systematic testing program for rentals and for the sale of houses and condominiums located both within Lakewood and in neighboring cities. It is essential that the testing include real estate agents and rental agents located *outside* Lakewood to determine whether they are engaging in discriminatory practices, especially steering whites *away* from Lakewood's east end and Blacks *to* Lakewood's east end. The city should contract with an organization experienced in fair housing testing to conduct this systematic on-going testing. Such testing should include controlled samples that are large enough to uncover illegal practices. This should be an ongoing program incorporated into Lakewood's community development program, not a one-time event.

If evidence of steering or other violations of the Fair Housing Act are discovered, intensive training of real estate professionals (sales people, rental agents, rental managers, landlords) would be needed to discourage steering and other illegal practices. If evidence of extensive discrimination is found, Lakewood should consider establishing a mandatory periodic training program for all real estate professionals including landlords licensed to operate in Lakewood. The program should candidly examine fair housing issues, illegal practices, and proper practices to make real estate professionals more sensitive to fair housing issues and less likely to engage in illegal practices. A real estate agent, rental agent, or landlord who repeatedly (perhaps "three strikes and you're out") violates the Fair Housing Act should lose her license to sell or rent out dwellings in Lakewood.

As part of the two-pronged local/metropolitan approach, a larger, metropolitan-wide testing program is needed to compliment Lakewood's testing efforts. If a metropolitan-wide program is impractical, Cuyahoga County should implement such a program for the entire county. Training should be targeted to those parts of the metropolitan area or the county where testing reveals improprieties.

It is vital that Lakewood establishes a partnership with both the local and metropolitan area real estate industry to promote the unitary housing market crucial to achieving the goal of stable racial integration. If any long-accepted practices that are illegal are found, they will need to be changed. Strong and vigorous support by the leadership of the local and metropolitan real estate organizations is essential to changing the real estate culture if evidence of steering and other illegal practices is found.

Expanding Housing Choice to Create a Free and Unitary Housing Market

Impediment #3

Maintaining demand for housing throughout any city from both Caucasians and African Americans is crucial to transforming the dual housing market into the unitary free housing market needed to achieve stable, racially-integrated cities in the Cleveland area. For Lakewood to attain this goal, no part of Lakewood can become so disproportionately one race that it becomes known as the “white” or the “Black” part of town. All too often, many Caucasians look for a new home in those neighborhoods perceived as “white neighborhoods” but never in “integrated” neighborhoods. Meanwhile far too many African Americans restrict their home search to only “Black” or “integrated” neighborhoods, but never “white neighborhoods.” Coupled with steering by the real estate industry, this restriction of choice maintains the dual housing market and contributes to resegregation as well as to people living unnecessarily great distances from their jobs with all the adverse impacts that produces as discussed beginning on page 34.

Recommendations

Perhaps the most urgent and essential action Lakewood can take is to establish a program that encourages residents and potential residents to *expand* where they look for housing beyond the restrictions of the dual housing market. For example, members of minority groups should be encouraged to expand their housing search to also include housing throughout Lakewood and Cuyahoga County, especially closer to their jobs, and not just in neighborhoods with substantial minority populations. Caucasians should be encouraged to also look at housing in integrated neighborhoods, particularly closer to their jobs, and not just in overwhelmingly white neighborhoods. The idea is to expand housing choices and remove self-imposed restrictions.

3.A It is impossible to overstate the importance and urgency of establishing a Housing Service Center that provides face-to-face counseling to potential tenants and some home buyers as well as instituting an ongoing publicity campaign. As soon as possible, Lakewood should initiate efforts to establish a Housing Service Center on its own or in partnership with Cuyahoga County, other western suburbs that are beginning to integrate, and established integrated suburbs. Lakewood should emulate the counseling programs and Housing Service Centers of the Heights Community Congress — created by the Heights Community Congress and now operated by the City of Cleveland Heights — and the Oak Park Regional Housing Center which is funded in part by Community Development Block Grant funds from the Village of Oak Park, Illinois and from Cook County. These are models of highly-effective Housing Service Centers that have expanded housing

choices and helped maintain racially-diverse neighborhoods that otherwise would have resegregated.⁴ Both have contributed to building unitary housing markets within their respective cities and making inroads into the dual housing markets in other suburbs. These Housing Service Centers have been the one of the essential backbones of successful efforts to achieve stable racial integration.

3.B While there are a number of landlords in Lakewood with large holdings, most of Lakewood's rentals are owned by about 1,700 small landlords each of whom owns just a few doubles and/or triples. The city needs to work very closely with these 1,700 landlords to get them to list their available units with the Housing Service Center. They need to understand that attaining stable racial integration throughout Lakewood will enhance their property values and grow their investments in their rental property far more than if their neighborhoods were to resegregate. The decisions these landlords make will be pivotal to enabling Lakewood to achieve its goals.

3.C Lakewood should look into conditioning the financial assistance it offers landlords for rehabilitation of their rentals on the landlords listing their vacancies with the Housing Service Center described above. Oak Park, Illinois has used this approach very effectively to spur rehabilitation and ensure pro-integrative marketing of the landlords' vacancies.⁵

3.D A publicity campaign to expand housing choices can include the use of billboards, newspaper stories, display ads, and the websites of both Lakewood and Cuyahoga County. For example, billboards could be posted near and around Lakewood that show models of all races with the message that viewers are welcome to seek housing in all the western suburbs of Cleveland.⁶ The bill-

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4. The center is located in Oak Park, Illinois and can be reached at 708-848-7150; Rob Breymaier, Executive Director. Website: <http://www.apartmentsoakpark.org>. The center maintains a constantly updated database of available rentals in racially-integrated Oak Park and the predominantly Caucasian western suburbs of Chicago. African Americans are encouraged to also consider rentals throughout the western suburbs, much closer to their jobs rather than look only at rentals in Oak Park. Free escorts are provided to see rentals in suburbs that African Americans rarely consider and are reluctant to visit. Whites are encouraged to also consider rentals in those parts of Oak Park with more substantial Black populations. Nobody is told where to live. The center simply opens their eyes to look at places they might ordinarily not consider. The suggested program for Lakewood should include both rental and ownership housing.
 5. This is Oak Park's "Multifamily Housing Incentives Program," formerly known as the "Diversity Assurance Program" for multi-unit rental buildings of four or more units. The village matches the owner's cost of rehabbing up to \$2,000 per unit for all buildings new to the program and uses Housing Bond loans to provide financing at reduced rates. Also available are major mechanical repair or replacement loans up to \$50,000. In exchange, the landlord agrees to list rentals with the Oak Park Regional Housing Center. Given that Lakewood has so many doubles and triples, it might want to consider allowing doubles and triples in such a program.
 6. In California, the Fair Housing Council of the San Fernando Valley instituted a large-scale advertising and public relations blitz to convince African Americans that they could move to the valley if they so chose. The campaign used newspaper advertisements, radio commercials on Black-oriented stations, billboards, and four-color brochures distributed to 40,000 households in its target area. Of the 1,100 households that responded to the advertising campaign, 120 were referred to brokers. At least 12 households actually moved to the valley; an unknown number went directly to brokers without going through the Fair Housing Council. This effort did succeed at making African Americans aware that they could move to the valley. Before it started, a random sample survey found that 20 percent of Black respondents felt the valley was receptive to minorities. After the campaign, 75 percent felt the valley was receptive. The campaign did reveal, however,

boards should actually name some of the cities such as the ones listed in the table on page 17 of this report. Similar small display ads should be run in the real estate advertising section of the *Cleveland Plain Dealer* and other newspapers with substantial African American readership. An effort should be made to persuade local newspapers and websites to include a prominent notice with their real estate ads that promote expanding housing choices to include the entire county. The city could also use its website to remind viewers that they can live anywhere they can afford and specifically name many of those western suburbs that just happen to have unnaturally low proportions of African American residents. The idea is to change the mind set among the Cleveland area's Black population to consider housing throughout Cuyahoga and neighboring counties, particularly housing closer to their jobs, rather than limiting their search to integrated and predominantly African American neighborhoods.

Impediment #4

As explained in Chapter 3, the free market in housing is distorted by the presence of the artificially-created dual housing market in the Cleveland region — one for whites and one for Blacks — rather than the natural single, unitary housing market in which all households participate. This dual market undermines all efforts to affirmatively further fair housing by maintaining the rigid racial segregation characteristic of most of the Cleveland region and making it more difficult for individual cities to achieve long-term stable racial integration. For Lakewood to attain this goal over the long run, a two-pronged effort is needed to transform the artificial dual housing market into a natural unitary free housing market.

Expanding the housing choices of minorities adds to the stability of an integrating city's housing market and enhances the city's prospects for preserving its racial diversity by easing the focus of black demand on that city. Actions that get white home seekers to consider integrated neighborhoods in their housing search will help maintain the white demand so crucial to achieving and preserving diversity.

Officials in Shaker Heights realized decades ago when Shaker Heights was beginning to integrate, much like Lakewood is doing today, that other eastern suburbs had to be opened up to African Americans. Otherwise Shaker Heights risked becoming one of the few magnets for Black suburbanization. When African American demand for housing is concentrated in one or two suburbs in a portion of the metropolitan area, it becomes more difficult to stabilize the city racially over the long run. Therefore it is essential that Lakewood work regionally to open up the other western suburbs to Black households so Lakewood becomes one of many destinations for African Americans in the western suburbs.

however, that blacks will not move for the sake of integration. As other research has found, African Americans and whites tend to move for the same reasons. Daniel Lauber, *Racially Diverse Communities: A National Necessity* (River Forest, Illinois: Planning/Communications, 1990, 2010) available at <http://www.planningcommunications.com/publications>.

Recommendations These efforts to expand housing choice rest at the heart of replacing the dual housing market with a unitary one over the long term. As noted throughout this chapter, creating a unitary housing market takes a two-pronged approach: locally and regionally. Regionally, Lakewood needs to work with the real estate industry, other cities, and the county to transform the dual housing market into a single, unitary free housing market. As discussed in this chapter, Housing Service Centers should be established in Lakewood and throughout Cuyahoga County to provide the housing counseling necessary to expand both black and white home seekers choices to include “non-traditional” locations. This regional effort should implement the regionally-focused recommendations in this chapter.

Locally, in addition to implementing the recommendations of this chapter to build a single, unitary housing market within the city, Lakewood should carefully consider adopting the following laws and practices:⁷

4.A Prevent deterioration of rental property. Deterioration of property reduces demand for housing among those who have the greatest range of choices of where they live. With about 1,700 residential landlords and 55 percent of its housing being rental, it is important to make sure that the city’s rental properties are properly maintained. Lakewood might want to consider augmenting its residential inspection program to require an occupancy permit upon a change in rental building ownership and a change in tenants. Issuance of an occupancy permit would be conditioned on a dwelling unit meeting existing minimum building code standards. Until an occupancy permit is issued, the new owner or tenant cannot occupy the premises. Alternatively the city might want to conduct annual exterior inspections supplemented with interior inspections of a percentage of rental units each year. Lakewood should continue and might want to consider expanding its current programs that help finance repairs to residential rental property. In addition, Lakewood would be prudent to consider requiring recipients of these funds to agree to market their vacancies through the Housing Services Center as described on page 82. The city should continue its inspection and assistance programs of single-family homes, doubles, and condominium dwellings.

4.B Prevent blockbusting and panic peddling, both illegal under fair housing laws, by amending Lakewood’s fair housing ordinance to regulate solicitation by real estate agents. A city can ban “solicitations actually seeking to induce the sale, rental, or listing of a dwelling.”⁸ An alternative is to maintain a registry of residents who do not wish to be solicited. The city then distributes this list to real estate firms active in the city. Residents could sign up for the non-solicitation list online or in writing. The city could include a notice about signing up for the non-solicitation list with water bills or other regular city communications that residents receive. Another option is to require any broker or agent who wishes to solicit homeowners for the purpose of selling

7. Each of these laws or programs is explained at length in Daniel Lauber, *Racially Diverse Communities: A National Necessity* (River Forest, Illinois: Planning/Communications, 1990, 2010) available at <http://www.planningcommunications.com/publications>.

8. *South Suburban Housing Center v. Board of Realtors*, 713 F.Supp. 1068, 1095 (1989).

their homes to register in person and describe the geographic area to be solicited and the method to be used. City staff should explain the city's policy on racial diversity and require the agent to sign a statement that she understands this policy. Approval is issued administratively.

4.C Lakewood should persuade real estate agents selling in Lakewood to agree to forego the use “for sale” signs. A proliferation of “for sale” signs is widely perceived to destabilize a racially-diverse community as blockbusters and panic peddlers use them to panic residents into selling. The local real estate industry's voluntary ban on “for sale” signs in Oak Park, Illinois has long contributed to that Chicago suburb's successful racial integration. Real estate agents in Oak Park have found that the ban has not hurt sales and actually drives more potential sellers to list with them and more potential buyers to use their services. A major effort must be made to educate real estate professionals about the city's efforts to achieve racial integration and how local real estate agents can flourish without the use of “for sale” signs. While a city cannot completely ban “for sale” signs, it certainly can regulate their size and placement.⁹ With its very high percentage of rental units, Lakewood might also want to consider educating landlords on the value of voluntarily banning the use of “for rent” signs in favor of extensive use of the Housing Service Center described in this chapter.

4.D It is crucial for a city undergoing integration to be able to quickly identify geographic areas within its borders with significant levels of market activity. Lakewood should consider adopting an “Intent to Sell” ordinance that requires homeowners who put their homes on the market to notify the city of their intention to sell their home. The information this ordinance provides would allow Lakewood to monitor real estate activity in general and alert officials to areas where there are suspiciously high levels of activity. This information also alerts the city to schedule a housing inspection if it requires one upon a change in occupancy.¹⁰

Impediment #5 Our online sampling of the offices of real estate agents and rental offices revealed a paucity of Asian, Hispanic, and African American agents. Minority agents serve as a “welcome sign” to potential home seekers characterized as minorities. As noted in Chapter 4, many Lakewood and Cuyahoga County real estate firms advertise in print, as well as online, with photographs of their agents. When all or nearly all of their agents are white, minorities often interpret that as a sign that minorities are not welcome in the communities served.

Recommendation If a unitary and free housing market is to become a reality in the Cleveland area, it is vital that the segregation of brokers at real estate firms

9. Ibid. at 1092.

10. Park Forest and Matteson, Illinois have both adopted “Intent to Sell” ordinances. Lauber, *Racially Diverse Communities...*, 48.

throughout the metropolitan area come to an end. Members of the real estate industry need to be educated that they can increase their earnings with a diverse work force. Working closely with organizations of local real estate professionals as well as with the offices of local real estate firms, landlords, apartment managers, rental agents, and developers, the City of Lakewood and Cuyahoga County should seek to get these private sector entities to increase their efforts to recruit and hire African Americans, Hispanics, and Asians as residential real estate agents, leasing agents, and property managers. Training seminars conducted by a fair housing organization and a local real estate board offer one way to help convey this message. It is essential that real estate firms that serve the other western suburbs increase the number of African Americans and other minority real estate agents to send a clear signal to minorities that they are welcome in the west suburban communities these agencies serve.

Impediment #6 As noted in Chapter 4, display ads and brochures for real estate — rental or ownership — depict residents of only one race or ethnicity send a clear message of who is welcome and not welcome to live in the advertised housing, thus limiting the housing choices home seekers perceive as available to them.

Recommendation Lakewood and Cuyahoga County should work closely with local real estate firms, rental management companies, and landlords to get them to include people of all races as well as Hispanics in their display advertising, brochures, and websites. Lakewood should consider establishing this principle as a condition for receiving and renewing real estate and rental licenses issued by the City of Lakewood. It is vital that models used in advertising for homes and apartments in the western suburbs include African Americans, Hispanics, and Asians. If training doesn't change these practices, Lakewood should seriously consider filing fair housing complaints against those real estate firms and landlords — both in Lakewood and in neighboring suburbs — who fail to use racially/ethnically-diverse models in their display advertising campaigns, brochures, and websites. Training seminars conducted by a fair housing organization and local real estate board are one way to convey this information.

Impediment #7 Nearly one in ten of the advertisements for rentals in Lakewood specified that no Section 8 vouchers would be accepted — eight percent of the rental ads in our study of rental advertising. Refusal to rent to households with a Housing Choice Voucher (Section 8) has a disproportionate effect on African Americans and Hispanics who tend to make up a larger proportion of Section 8 voucher holders due to the lower median incomes of these two groups.

Recommendation Lakewood might consider amending its fair housing ordinance to include “source of income” or receiving public assistance as a class protected against discrimination. To avoid any ambiguity, the amendment should specify that “source of income” includes housing vouchers like Section 8 and other forms of housing subsidy. Twelve states and at least 18 cities and counties

are known to have amended their fair housing laws to make refusal to rent due to a household's "source of income" a fair housing violation.¹¹

Mortgage Lending

Impediment #8

Discrimination in mortgage lending against African Americans and Hispanics in Cuyahoga County and the entire Cleveland Metropolitan Statistical Area continues to pose a serious obstacle to fair housing choice. Controlling for all variables, it is extremely clear that African Americans and Hispanics continue to be denied home mortgage loans at substantially higher rates than Caucasians and Asians simply due to their race or ethnicity. While we are sure that many lenders do not embrace discriminatory practices, Home Mortgage Disclosure Act data strongly suggest that illegal discrimination against Blacks and Hispanics is the norm for most lenders.

Recommendations

8.A The ongoing disparities in loan approval and denial rates, suggests a substantial need to provide Hispanics and African Americans with financial counseling to better prepare applicants *before* they submit a mortgage loan application. Such counseling should include educating potential home buyers to recognize what they can actually afford to purchase, budgeting monthly ownership costs, building a reserve fund for normal and emergency repairs, recognizing racial steering by real estate agents, and encouraging consideration of the full range of housing choices available. Lakewood and Cuyahoga County could contract with an organization that provides such counseling and arrange with real estate firms and lenders serving the city to identify applicants who are likely to benefit from such counseling. While this impediment is not unique to Lakewood and Cuyahoga County, in the absence of an effective statewide or national effort to overcome it, local action is warranted.

8.B With the regulation of lenders falling within the purview of federal and state regulators, Lakewood is limited in what it can do to alter the behavior of those lenders that engage in discriminatory practices. A powerful option available to Lakewood rests with its discretion to decide where the city deposits cash reserves. By adopting a policy that the City of Lakewood will bank only with institutions that do not engage in these discriminatory practices, Lakewood can make it in the financial interest of lenders to discontinue these practices. Cuyahoga County should adopt a similar policy. Adopting such a policy will require further research into the lending practices of specific local

11. Robert Schwemm, *Housing Discrimination: Law and Litigation* (Thompson Reuters/West: Egan, Minnesota, 2011) §30:3.

institutions to identify those that have not engaged in these discriminatory practices.

Public Sector Impediments

Accessing Fair Housing Information and Filing Complaints

Impediment #9

Anybody who thinks he has been discriminated against when seeking housing in Lakewood immediately runs into the problem of determining whom to contact and how to file a fair housing complaint. This situation is a substantial barrier to fair housing choice when somebody who thinks he may have faced discrimination cannot quickly and easily contact a live person who can hear the facts of his situation, or he cannot easily obtain information about how to file a fair housing complaint. Each additional step a possible victim must take increases the chances that he will abandon his effort to report a violation. As explained beginning on page 72, Lakewood does not provide information about housing discrimination or how to file a fair housing complaint on its website or by telephone.

Recommendations

Lakewood can eliminate this impediment quickly and inexpensively. There are a number of simple low-cost steps the City of Lakewood can take to provide quick and easy assistance on fair housing complaints and access to fair housing information. *These recommendations usually employ the term “housing discrimination” rather than “fair housing” because people understand the term “housing discrimination” more easily and more readily than “fair housing.”*

9.A Appoint a Fair Housing Officer (or Housing Discrimination Officer) to be the city’s point person on fair housing. This individual should receive substantial training on fair housing issues and be able to guide potential complainants to the appropriate agency that can provide fair housing assistance. This individual should also maintain a full record on each inquiry she receives that documents the nature of the inquiry, type of discrimination, basic facts of the case, identity of the alleged discriminator, referral made, and resolution of the complaint. There should be somebody available who speaks Spanish whom the Fair Housing Officer can call upon to translate when callers are unable to speak or understand English.

9.B Lakewood should train its phone operators and receptionists to refer all calls about housing discrimination to the city’s Fair Housing Officer. Any outgoing recording that callers to city hall hear when the lines are busy or city hall is closed should include how to reach the Fair Housing Officer if you believe you are a victim of housing discrimination.

9.C Lakewood should add a page to its website that provides clear information on behaviors and practices that constitute a fair housing violation, an online

and/or downloadable form to file a housing discrimination complaint, full contact information to reach the jurisdiction's Fair Housing Officer, and full contact information to reach a reliable fair housing organization that can assist the user with her fair housing complaint. This web page on fair housing should be easily accessible from Lakewood's home page.

To make it easy to access information about fair housing and housing discrimination, Lakewood should place a link entitled "Housing Discrimination" in the "Quick Links" section of its home page.

9.D The fair housing or housing discrimination pages should include the elements listed below.¹² It is essential that these recommendations be implemented with care so that the information and process is clear to citizens who have had no experience with fair housing.

- ➡ So that viewers can see if they might have a valid fair housing complaint, provide a clear statement of what constitutes illegal housing discrimination and the classes protected by the federal, Ohio, and more extensive Lakewood fair housing laws.
- ➡ Include PDF files of all three fair housing laws for online viewing and downloading.
- ➡ Provide concrete examples of illegal housing discrimination as well as behaviors one might intuitively think are discriminatory, but are not.
- ➡ Furnish an easy way to file a fair housing complaint such as a form that can be completed online and automatically sent to the city's Fair Housing Officer and a downloadable PDF form with fields that can be filled in and mailed to the city's Fair Housing Officer. Include an option to have a complaint form mailed to the potential complainant via the Postal Service.
- ➡ Make it very clear in plain English the time frame within which a housing discrimination complaint must be filed. For example, avoid legal jargon like "statute of limitations" and simply say that a complaint must be filed within "X" days of the date on which the discriminatory act took place.
- ➡ Make it easy to reach the city's Fair Housing Officer by providing his name, phone number, and a link to his email address. Include his work address in case somebody is more comfortable communicating in writing.
- ➡ Provide full contact information to reach the Housing Research and Advocacy Center in Cleveland, the closest fair housing office

12. The Silver State Fair Housing Council's website includes a very helpful page on fair housing that clearly explains how to recognize housing discrimination and how to report it. See <http://www.silverstatefairhousing.org/federal.htm>. The fair housing page of the website for Naperville, Illinois is another useful example. See <http://www.naperville.il.us/fhac.aspx>.

of the U.S. Department of Housing and Urban Development, and the Cleveland Regional Office of the Ohio Civil Rights Commission in case somebody feels more comfortable initially contacting one of those agencies.

Establishing Lakewood's Commitment to Stable Racial Diversity

Impediment #10 The City of Lakewood had long been a nearly all-white community with an African American population that, in 2000, was roughly one-tenth (1.9 percent) of what would be expected (20.7 percent) in a free housing market without racial discrimination. To help maintain white demand for housing in Lakewood and make it clear that African Americans as well as Asians and Hispanics are welcome throughout Lakewood, it is essential that the City of Lakewood make a clear, positive public commitment to achieving long term stable racial integration throughout Lakewood and carefully plan for it.

Recommendations Lakewood's City Council should expressly and publicly embrace the concept of achieving and maintaining stable, racially and ethnically diverse neighborhoods throughout the city. The leadership of elected officials is key to implementing this recommendation and to building public support for this goal. This is a goal that belongs in Lakewood's comprehensive plan.

10.A Lakewood officials should enlist the city's Community Relations Board to draft a "housing diversity" statement that the City Council should adopt and widely distribute. This statement is a key vehicle for city officials to clearly articulate their vision for a city that is racially and ethnically integrated throughout.

10.B The city needs to develop a comprehensive strategy for broaching this issue and building public support for the goal of long term, stable racial integration. The Cleveland region has a rich history of community-based efforts to achieve stable racial integration from which the City of Lakewood can learn how to best address this issue and identify their efficacy of different strategies and approaches.¹³ Obviously this is a sensitive topic where the discussion must rise above partisan politics that can distort the issues involved. Lakewood's Community Relations Board would be a most appropriate entity to guide these efforts with substantial citizen participation through the city's extensive network of block clubs and community organizations.

13. For an in-depth examination of efforts to achieve stable racial integration in Cleveland suburbs, see W. Dennis Keating, *The Suburban Racial Dilemma: Housing and Neighborhoods* (Philadelphia: Temple University Press, 1994). For a broader perspective that reports on efforts throughout the nation, see Daniel Lauber, *Racially Diverse Communities: A National Necessity* (River Forest, Illinois: Planning/Communications, 1990, 2010) available at <http://www.planningcommunications.com/publications>.

10.C As part of its efforts, Lakewood officials or an experienced organization acting on behalf of Lakewood, should conduct interactive seminars throughout the city to educate residents about the dynamics and positive outcomes of achieving a stable, racially-integrated community as well as to learn the public's understanding of the issue. Lakewood's many block clubs and community organizations provide an existing "infrastructure" for conducting these activities. Full and open discussion among Lakewood residents is essential to building public support for this goal. Residents must understand that Lakewood faces a choice of working to achieve stable racial diversity or doing nothing and very likely resegregating from nearly all-white to virtually all-Black over time.

10.D To assure the most effective and coordinated effort, Lakewood should develop a comprehensive plan to guide its efforts to achieve and preserve racial diversity. The plan needs to address actions that are needed within Lakewood and actions needed within the metropolitan area to transform the dual housing market into a unitary free housing market.¹⁴

Incorporating Fair Housing into the Planning Process

Impediment #11 Virtually any action or policy decision a city makes can affect its ability to remain racially diverse. Lakewood needs to incorporate fair housing into its planning and implementation processes.

Recommendations

11.A Lakewood should amend its city codes to require a "Diversity Impact Statement" for parcel and major rezonings, zoning and subdivision text amendments, planned unit developments, subdivisions, major developments, school and other public facility construction, special use permits, and capital improvement projects.

11.B Lakewood should amend its zoning and/or building code to require developers to affirmatively market new or rehabilitated ownership and rental housing to all races and ethnicities. A building permit should be issued only after the city approves the developer's affirmative marketing plan. Affirmative marketing includes such practices as:

-  The use of models of different races and/or ethnicities in display ads, brochures, websites, and billboards

14. Ibid. Park Forest, Illinois produced the most thorough and comprehensive plan for integration, *Integration in Housing: A Plan for Racial Diversity*, (Onderdonk et al 1977) which analyzed the causes of residential resegregation and set forth a comprehensive array of goals, objectives, and policies to remedy them. In 1976 Cleveland Heights formally adopted its "Nine-Point Plan" to guide its diversity efforts. (Resolution No. 26-1976(MS).) In 1973, the Community Relations Commission of Oak Park, Illinois established "The Fourteen Points," to guide its ultimately very successful efforts to achieve stable racial integration.

- ➡ Advertising targeted to the non-traditional groups (African Americans, Asians, and Hispanics) in addition to usual marketing methods targeted to the traditional group (Caucasians)
- ➡ Using press releases, photographs, promotions, and public service announcements to dispel stereotypes and myths concerning racially-diverse living patterns
- ➡ Upgrading housing appearance and tenant selection criteria
- ➡ Training and educating all personnel participating in real estate sales/rentals and marketing in affirmative marketing techniques and the facts about racially- and ethnically-diverse living
- ➡ Collecting occupancy and customer data — accurate racial data is vital for achieving and preserving racial diversity
- ➡ Using public relations to place newspaper and television features that focus on individuals and groups that represent racial diversity
- ➡ Educating residents about living in racially diverse neighborhoods
- ➡ Listing units with a local, subregional, and/or regional Housing Service Center to list dwelling units where pro-integrative moves are facilitated

Impediment #12 The location of public housing and subsidized housing can influence the ability of a city to achieve and maintain stable racial integration. The introduction of additional public housing into a racially-integrated community has been found to negate other efforts to maintain racial diversity and lead to resegregation.¹⁵

Recommendation While advocates might argue with veracity that the complete lack of public housing in Lakewood is an undesirable condition, this is *not* the time to introduce public housing into Lakewood due to the adverse impact that adding public housing has on maintaining racially-integrated communities. The Cuyahoga County Public Housing Authority should not seek to place any public housing in Lakewood while the city is in the process of becoming racially diverse.¹⁶

15. Juliet Saltman, *A Fragile Movement: The Struggle for Neighborhood Stabilization* (Westport, Connecticut: Greenwood Publishing Group, 1990).

16. As suggested on page 63, Lakewood should carefully monitor where Housing Choice Vouchers are being used within its borders to make sure they are not concentrated in any Lakewood neighborhood and are used in a pro-integrative manner. The Cuyahoga County Public Housing Authority should require Housing Choice Voucher holders to use a Housing Service Center to expand their choices and make pro-integrative moves in compliance with the purposes of Housing Choice Vouchers and Community Development Block Grants.

Partnership With the Public Schools

The public schools in Lakewood do *not* currently constitute an impediment to fair housing. As explained beginning on page 27, Lakewood's public schools are very well positioned to help the city achieve and maintain stable racial integration. Few real estate ads mention the school zone in which the advertised home is located because the city's public schools are so well balanced racially and ethnically. For the City of Lakewood to achieve and maintain stable racial diversity, it is vital that Lakewood's public schools remain well balanced. If the public schools become racially identifiable, Lakewood's ability to achieve this goal will be severely compromised.

Recommendation Lakewood's public schools must work closely with the City of Lakewood to help the city achieve stable, racial diversity throughout the city. Historically when a city's public schools have similar racial and ethnic compositions, there is no blockbusting. When a school system allows its schools to segregate, blockbusting begins.¹⁷ It is essential that the racial composition of each public school be very similar so that the racial composition of the public schools do not enter into the equation when households decide whether or where to move in Lakewood.¹⁸ Frustratingly, the vast majority of Caucasians still wrongly associate a school's racial composition with the quality of education. Throughout America, middle-class white demand declines for housing in areas served by a public school with a student body comprised of mostly minority youth.

Because Lakewood is so early in the integration process, the public schools should begin adopting policies and practices that will enable the schools to contribute to the City of Lakewood's efforts to achieve stable racial integration. Ignoring the profound impact the public schools have on a city's ability to attain stable racial integration can only undermine all the efforts taken to achieve this goal. Policies to maintain a racially-balanced school system need to be put in place *before* any public school becomes, in the public's mind, associated with any race or ethnicity.

Court decisions regarding policies to racially integrate public schools continue to be profoundly misunderstood. Public school systems *can legally* take race into account to promote school and neighborhood integration.¹⁹

The role Lakewood's public schools will need to play in achieving a stable, racially-diverse city is nothing new. Lakewood's public schools can receive considerable assistance so they do not have to "reinvent the wheel" by joining the Minority Student Achievement Network (MSAN), a national coalition of 25 multi-racial, suburban-urban school districts that have come together to study and

17. Forthcoming book by Professor Myron Orfield, University of Minnesota School of Law.

18. For a detailed explanation of the critical role a city's public schools play in achieving and maintaining stable racial integration, see Daniel Lauber, *Racially Diverse Communities: A National Necessity* (River Forest, Illinois: Planning/Communications, 1990, 2010) available at <http://www.planningcommunications.com/publications>.

19. See Myron Orfield, "Regional Strategies for Racial Integration of Schools and Housing Post-*Parents Involved*," 29 *Journal of Law and Inequality* 149 (2011). Also see Office of the Legislative Auditor, State of Minnesota, *Evaluation Report: School District Integration Revenue* 5, tbl. 1.1 13 (2005), available at <http://www.auditor.leg.state.mn.us/ped/pedrep/integrevf.pdf>.

eliminate achievement gaps that exist in their districts. School officials should also consult with officials of the schools districts in Shaker Heights, Cleveland Heights, and University Heights, all members of the Northeast Ohio First Suburbs Consortium.

Conclusion

Sitting at the crossroad between stable racial integration and resegregation, the City of Lakewood, Ohio is exceptionally well-positioned to become a stable racially-integrated community. One road follows a “can’t happen here” attitude that allows the discriminatory practices that segregate neighborhoods and cities to continue to distort the housing market by maintaining a dual housing market, one for African Americans and a separate one for Caucasians.

The other road affirmatively advances fair housing choice by proactively working to create a single housing market in which all households participate to the extent their income allows — a unitary free housing market in Lakewood now and throughout the metropolitan area in years to come. By curtailing any discriminatory practices that distort the housing market and lead to resegregated neighborhoods and cities, Lakewood is extremely likely to attain this goal.

Nobody pretends this will be easy. Lakewood’s government will need to make a strong and consistent commitment to this goal. The city will have to devote considerable city resources to achieve this goal.

But as noted at the beginning of this chapter, Lakewood enjoys a large number of advantages that were unavailable to most other Cleveland-area cities and neighborhoods when they arrived at this crossroad. By developing and implementing a comprehensive strategy on a foundation of the recommendations presented in this report; by forging a close working partnership with its citizens, the rental and “for sale” real estate industry, other Cleveland-area cities, and Cuyahoga County, Lakewood is extremely likely to fully and affirmatively further fair housing by becoming a stable racially-diverse city in the short term and long term.

It is Lakewood’s choice to make.