City of Lincoln, Nebraska
Urban Development Department

Analysis of Impediments to Fair Housing Choices

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2013

INTRODUCTION

The City of Lincoln receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) and is obligated to identify, analyze, and develop solutions to impediments to fair housing choice that may exist in the community. Included in the passage of the Housing and Community Development Act in 1974, was direction from Congress to recipients of CDBG funds that they work to "affirmatively advance fair housing."

As a condition of receiving these funds, the City of Lincoln is required to certify that we will affirmatively advance fair housing. The CDBG program contains a regulatory requirement to affirmatively further fair housing based upon HUD's obligation under Section 808 of the Fair Housing Act. This condition is met as part of the Strategic Plan, whereby grantees complete the Analysis of Impediments to Fair Housing Choice (AI). Within the AI, impediments to fair housing choice are identified, actions to overcome any identified impediments are described, and records are maintained that reflect the actions that are taken.

HUD, who has the primary authority and responsibility for administering as well as enforcing the Fair Housing Act, interprets these 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.

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The main parts of the Fair Housing Act are found in the prohibitions stated in §3604, §3605, §3606 and §3617. In particular, Section §3604(a) 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.*

The 1988 amendment to the Act added a provision that included discrimination on the basis of handicap in §3604(f)(1) and required that reasonable accommodations be made in "rules, practices, policies or services when such accommodations may be necessary to afford such person equal opportunity to enjoy a dwelling." Along with this, the 1988 amendment said 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. Also included in this amendment was that new multifamily construction had to meet accessibility requirements in public areas and individual dwelling units.

HUD recently stated that AIs should focus on building "sustainable and inclusive communities that are free from discrimination." HUD also said that AIs are intended to:

- Provide detailed information to policymakers, administrative staff, housing providers, lenders and fair housing advocates.
- Serves as substantive, logical basis for fair housing planning.
- Assist in building public support for fair housing efforts.

In the research conducted for Lincoln's AI, we sought to determine if any of these practices are present in our community. There is no doubt that Lincoln is a great place to live, in fact, in 2012 Lincoln earned a number of national rankings:

- CareerBuilder.com listed Lincoln as #1 of "Best Cities for Jobs"
- 24/7 Wall Street ranked Lincoln #5 in Top Ten "Best Cities for Raising a Family"
- Forbes ranked Lincoln #7 in "Best Places for Business and Careers".
- Smart Growth America, 2012, ranked Lincoln 6th in "Growth Among Cities below 1 million Population" for 2010-11
- 24/7 Wall Street, 2013, ranked Lincoln 4th in "Best Run Cities in America"

Lincoln is very proud of these accolades, but we are also aware the community is very diverse. In fact, there are children from 50 different countries speaking as many languages in the Lincoln Public School (LPS) system. Lincoln is also one of the top resettlement sites nationwide for both Catholic Social Services and Lutheran Family Services. Being conscious of the diversity, the City seeks to understand the housing experience in Lincoln and ensure fair housing for all its citizens.

Through the process implemented to complete this study and the implementation of the actions to eliminate fair housing choice, along with the proactive work among the City and groups like the Realtors Association of Lincoln, cultural centers, and non-profit housing advocates, we hope to make Lincoln an even better place to live.

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EXECUTIVE SUMMARY

HUD has produced and offered to jurisdictions the *Fair Housing Planning Guide* to assist in the preparation of the AI, however; each jurisdiction is able to conduct the study in a way that fits within the broad guidelines. Nevertheless, there are three components that must be part of every AI. These include: 1) the identification of any public or private sector barriers to fair housing choice; 2) the actions taken to overcome the impediments identified through the analysis, and 3) maintaining records reflecting the analysis and actions.

The Fair Housing Act covers most types of housing, including rental, home sales, mortgage and home improvement lending and land use zoning. The Act also contains design and construction accessibility provisions for certain new multifamily dwellings developed for first occupancy on or after March 13, 1991.

Lincoln's AI was completed and funded by the City of Lincoln, Urban Development Department, which is the department responsible for the Lincoln's Strategic Plan. Urban Development staff understood that much more than updating statistics was in order for this undertaking. Staff realized and made an effort to get back into the community and hear first-hand through a community survey, interviews, and community focus groups the current state of fair housing in the city. With this in mind, a community working group made up of representatives from diverse population groups was formed to assist in the fair housing planning process. See Appendix A.

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The City of Lincoln has been a participant in the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program since its origin in 1974. Like all cities that receive CDBG, Lincoln is required to conduct a self-analysis of fair housing choices in the community. Whether an outside consultant is hired or the study is done internally, the focus is to identify impediments to fair housing choice, analyze the impediments, and describe actions to overcome any identified impediments.

The Housing and Community Development Act of 1974, as amended, is the statute that governs the CDBG program and requires that each entity receiving these funds certifies to HUD's satisfaction that: 1) grant activities will be carried out and administered according the Fair Housing Act, and 2) the grantee will work diligently to affirmatively further the fair housing. The City of Lincoln accomplishes this through the Strategic Plan process.

This document is a thorough examination of a variety of sources related to fair housing and the protected classes of housing consumers, and identifies impediments that affect or could affect Lincoln citizen's right to fair housing choice. Covered are public and private policies, practices and procedures affecting housing choice. This analysis of impediments also serves as the basis for fair housing planning, and is a resource available to policy makers, City staff, housing providers, fair housing advocates and others in continued efforts to make Lincoln a model fair housing community.

Methodology

The AI methodology involves a thorough examination of a variety of sources related to affirmatively furthering housing and to the existing housing situation in Lincoln. In preparing the AI, direct public input was collected through focus groups, interviews, a community survey, and a local radio program question and answer session. A community working group was established to provide guidance throughout the process. The draft AI was also presented on the Urban Development website for citizen review and comment.

The following is a list of sources of information used in the preparation of the AI:

- Census Bureau of Statistics
- City-data.com
- Lincoln/Lancaster County, 2040 Comprehensive Plan
- American Community Survey
- "Fair Housing Planning Guide", US Department of Housing and Urban Development
- "How Much Do We Know" Public Awareness of the Nation's Fair Housing Law, U.S. Department of Housing and Urban Development. April, 2002
- "Community Engagement Initiative Implementation Plan 1.0," U.S. Environmental Protection Agency, 2010
- "Do We Know More Now" Trends in Public Knowledge, Support and Use of Fair Housing Law, U.S. Department of Housing and Urban Development. February, 2006
- Federal Financial Institutions Examinations Council – Home Mortgage Disclosure Act (HMDA)
- www.Hud.Gov
- Lincoln Commission on Human Rights
- Nebraska Equal Opportunity Commission
- The Housing Authority of Lincoln
- Catholic Social Services
- Lutheran Family Services
- Lincoln Public Schools
- Lincoln Partnership for Economic Development

Research included the review and evaluation of existing fair housing information for Lincoln as well as fair housing case law and fair housing complaints over the last five years filed with the Lincoln Commission on Human Rights and the Nebraska Equal Opportunity Commission and with HUD. A sample of Homeowner Association covenants were also reviewed for compliance with the Fair Housing Act. Qualitative research as part of the public input process included:

- The "Our Show" local public radio show hosted by community leaders. This 30 minute segment, included Urban Development staff and a member of the community working

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group the chance to discuss the purpose and background of the AI and gave listeners the opportunity to call in and ask questions.

- Interviews with City of Lincoln Building and Safety Director and Lancaster Lincoln Planning staff
- Five community focus groups.
- An e-mail questionnaire.
- A fair housing survey sent to 1,700 local housing advocates

Summary of Impediments

The research conducted for the AI identified seven fair housing impediments:

- Consumers lack of knowledge concerning fair housing law and how it applies. This includes knowledge of Title 11 of the Lincoln Municipal Code.
- Fair housing education is needed for landlords and property managers.
- A method to identify and deal with discriminatory practices at the bank/lender level is needed.
- Refusal to rent based on racial and familial status.
- Lack of decent and affordable housing based on familial status, particularly single women with children.
- There is a lack of non-English speaking realtors and bankers/lenders.
- Consumers lack of knowledge about how and where to file a fair housing discrimination complaint.

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HUD has clarified the difference between impediments and observations. An impediment directly impacts a protected class, and an observation may lead to an impediment or may be of concern, but does not directly link to a protected class. Four fair housing observations were identified:

- A concern was raised that certain populations, particularly Latinos, were asked to show social security numbers and others means of identification.
- Domestic violence victims with children are having a difficult time finding housing. The concern arises if this is based on familial status.
- Two separate focus groups mentioned potential issues with Home Owners Associations that may “discourage” people from building or buying in their neighborhoods.
- A potential trend was identified with the Lincoln Commission on Human Rights of higher levels of discrimination for people with disabilities.

JURISDICTIONAL BACKGROUND

Community Profile

Population: According to the U.S. Census, the City of Lincoln had a population of 258,379, which is a 17.2 percent increase over the 1970 population.

	1970	1980	1990	2000	2010
Total	149,518	171,932	191,971	225,581	258,388
Change	N/A	22,414	20,040	33,609	32,798
Decennial % Change	N/A	14.99	11.65	17.50	14.54

Source: US Census 2010

Since the 1960s, Lincoln has made up approximately 90% of the County population. Since 1970, the population density for Lincoln has remained fairly consistent at 3,000 persons per square mile. Research done by the Lincoln/Lancaster County Planning Department indicates demographic shifts may result in a change in future population densities. Families with children may continue to seek suburban housing; there are indications that other population groups may have different housing needs. An increase in households with a head of household over 65 years of age could lead to a demand for smaller housing units with smaller yards. Data shows that the children of baby boomers (born between 1977 and 1994) desire for a more urban setting that includes access to transit, proximity to amenities and smaller housing units that require less maintenance.

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Race and Ethnicity: Diversity has increased along with the overall population growth in Lincoln. There has been an increasingly racial mix in the community. There are 50+ languages spoken in the Lincoln Public Schools system, with people from at least as many countries now living in Lincoln. These populations may have certain needs within the available housing pool.

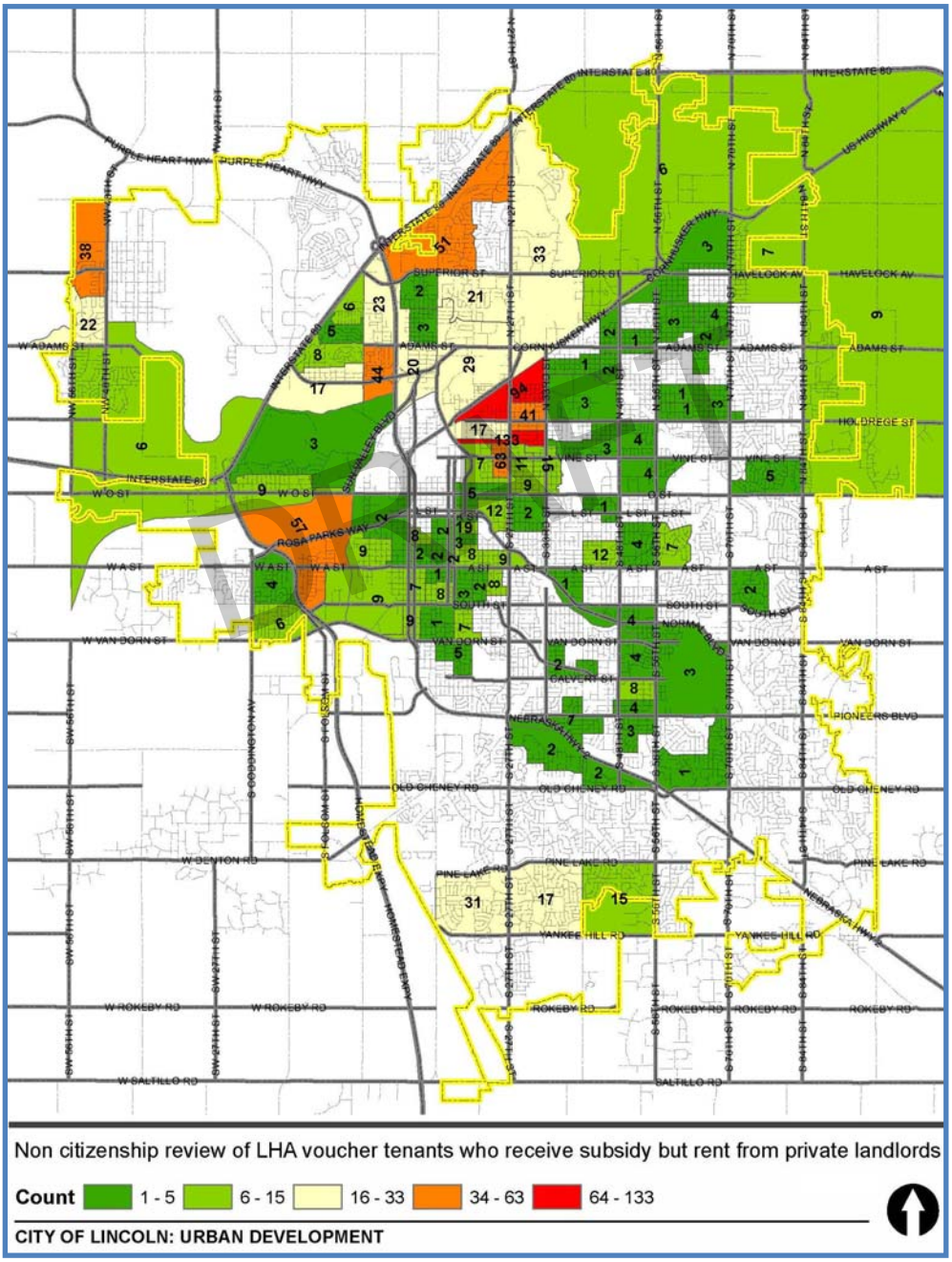
A refugee is a person who flees their home country due to a "well-founded fear of being persecuted for reasons of race, religion, nationality, membership of particular social group or political opinion." Refugees are forced from their countries by war, civil conflict, political strife or gross human rights abuses. There are an estimated 36 million refugees in the world today. This is a dramatic increase since the mid-1970's when there were less than 3 million refugees worldwide. The end of the Cold War and the end of communist/social regimes as well as changes in politics led to a huge increase in the number of refugees.

The main countries of resettlement are: Australia, Canada, Denmark, Finland, the Netherlands, New Zealand, Norway, Sweden, Switzerland and the United States. Of these, the U.S. accepts more refugees for resettlement than all the other countries combined.

Immigration of refugee population began to increase in Lincoln and Lancaster County in the 1980. Lincoln has resettled almost 5,500 refugees since 1983 (Lincoln Lancaster County

Extension). According to the Asian Community Center, Lancaster County is the nation's 18th largest resettlement area for Asian refugees and immigrants. Moreover, Nebraska has become fifth in refugee resettlement per capita when compared with states of similar population, and half of the state's refugees for the last 18 years resided in Lincoln.

Lincoln is now home to people from all over the world, from Burkina Faso to the Ukraine. Socioeconomic changes to the Lincoln population could lead to a higher need for affordable housing, education, and jobs. According the Housing Authority of Lincoln (LHA), over 12,000 household members are residing in property owned or managed by LHA.



The following table from the 2010 Census shows the city's population distribution by race. The percentage of each race, aside from Pacific Islander, increased since 2010. In particular, the Hispanic population has grown from 3.6% to 6.2%

Race	2000 Number	2000 Percent	2010 Number	2010 Percent
Total			258,388	100.0
One Race	201,322	98.0	250,752	97.0
White	201,322	89.2	222,508	86.1
Black	6,960	3.1	9,768	3.8
American Indian	1,537	0.7	2,059	0.8
Asian	7,048	3.1	9,718	3.8
Pacific Islander	141	0.1	147	0.1
Some Other Race	4,081	1.8	6,552	2.5
Two or More Races	4,492	2.0	7,636	3.0
Hispanic	8,154	3.6	16,121	6.2

Source: 2010 Census

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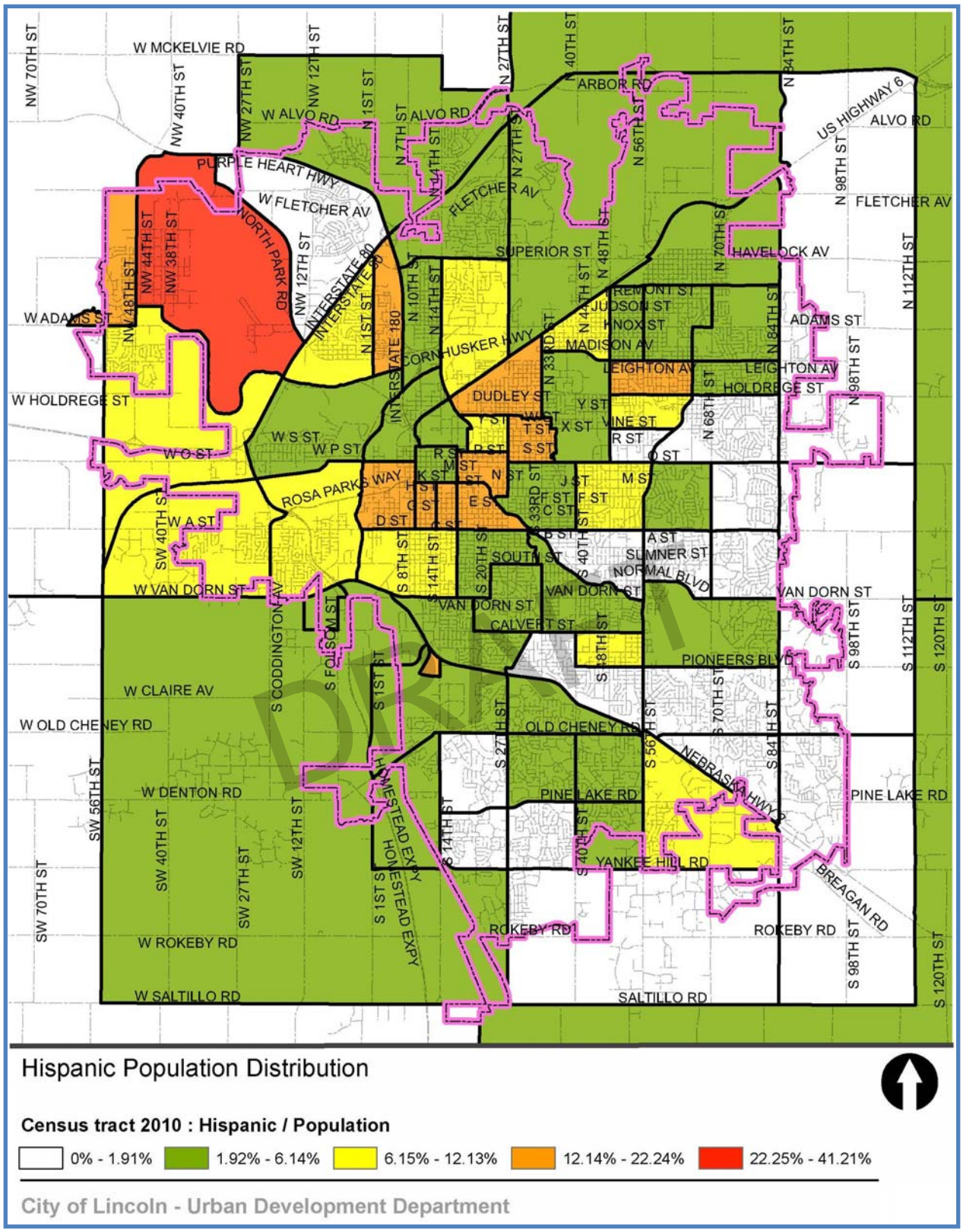
Another area of importance in a fair housing analysis is an examination of the concentration of different races and ethnicities within a jurisdiction. Racial and ethnic concentrations may choose to live in the same neighborhoods, especially in the case of refugee populations. Other factors include from proximity to work, shopping, and bus lines. Is it possible different race and ethnic populations are intentionally steered away or discouraged from living in certain areas of Lincoln? The location of affordable housing and housing prices are other influences on where minority populations live.

The following maps show a geographic distribution of Lincoln's largest minority groups, thus highlighting racial and ethnic concentrations.


Hispanic Population Distribution
Census tract 2010 : Hispanic / Population
0% - 1.91%
1.92% - 6.14%
6.15% - 12.13%
12.14% - 22.24%
22.25% - 41.21%
City of Lincoln - Urban Development Department
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W MCKELVIE RD
W ALVO RD
ALVO RD
ARBOR RD
US HIGHWAY 6
PURPLE HEART HWY
W FLETCHER AV
FLETCHER AV
NORTH PARK RD
INTERSTATE 80
INTERSTATE 180
SUPERIOR ST
HAVELOCK AV
W ADAMS ST
ADAMS ST
CORNHUSKER HWY
MADISON AV
LEIGHTON AV
W HOLDREGE ST
HOLDREGE ST
DUDLEY ST
VINE ST
W S ST
W P ST
W O ST
ROSA PARKS WAY
W A ST
SOUTH ST
SUMNER ST
NORMAL BLVD
W VAN DORN ST
VAN DORN ST
CALVERT ST
PIONEERS BLVD
W CLAIRE AV
W OLD CHENEY RD
OLD CHENEY RD
W DENTON RD
PINE LAKE RD
NEBRASKA HWY 2
YANKEE HILL RD
BREAGAN RD
HOMESTEAD EXPY
W ROKEBY RD
ROKEBY RD
W SALTILLO RD
SALTILLO RD
S CODDINGTON AV
S FOLSOM ST
NW 70TH ST
NW 40TH ST
NW 27TH ST
NW 12TH ST
N 1ST ST
N 7TH ST
N 14TH ST
N 27TH ST
N 40TH ST
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N 84TH ST
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N 112TH ST
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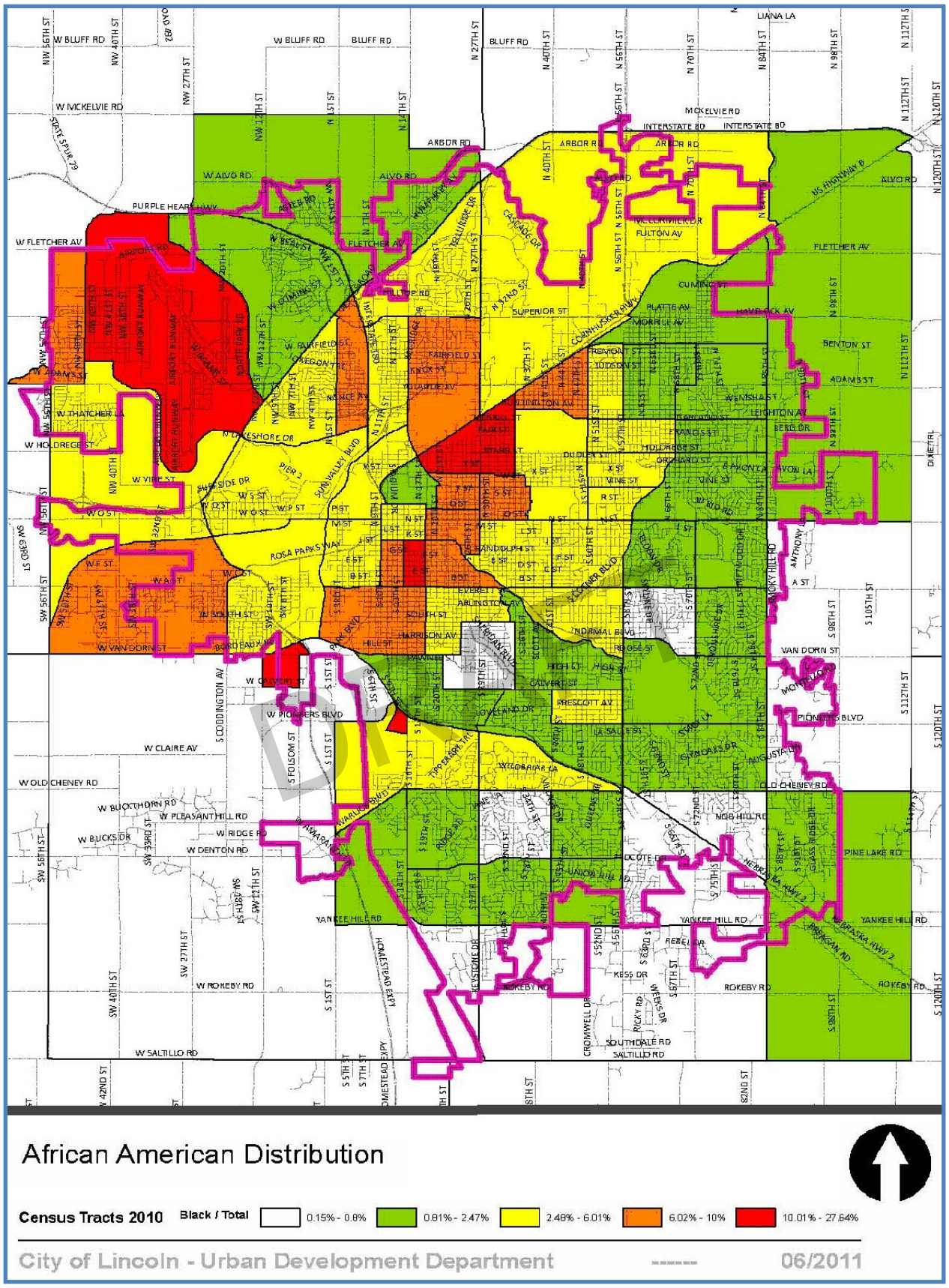
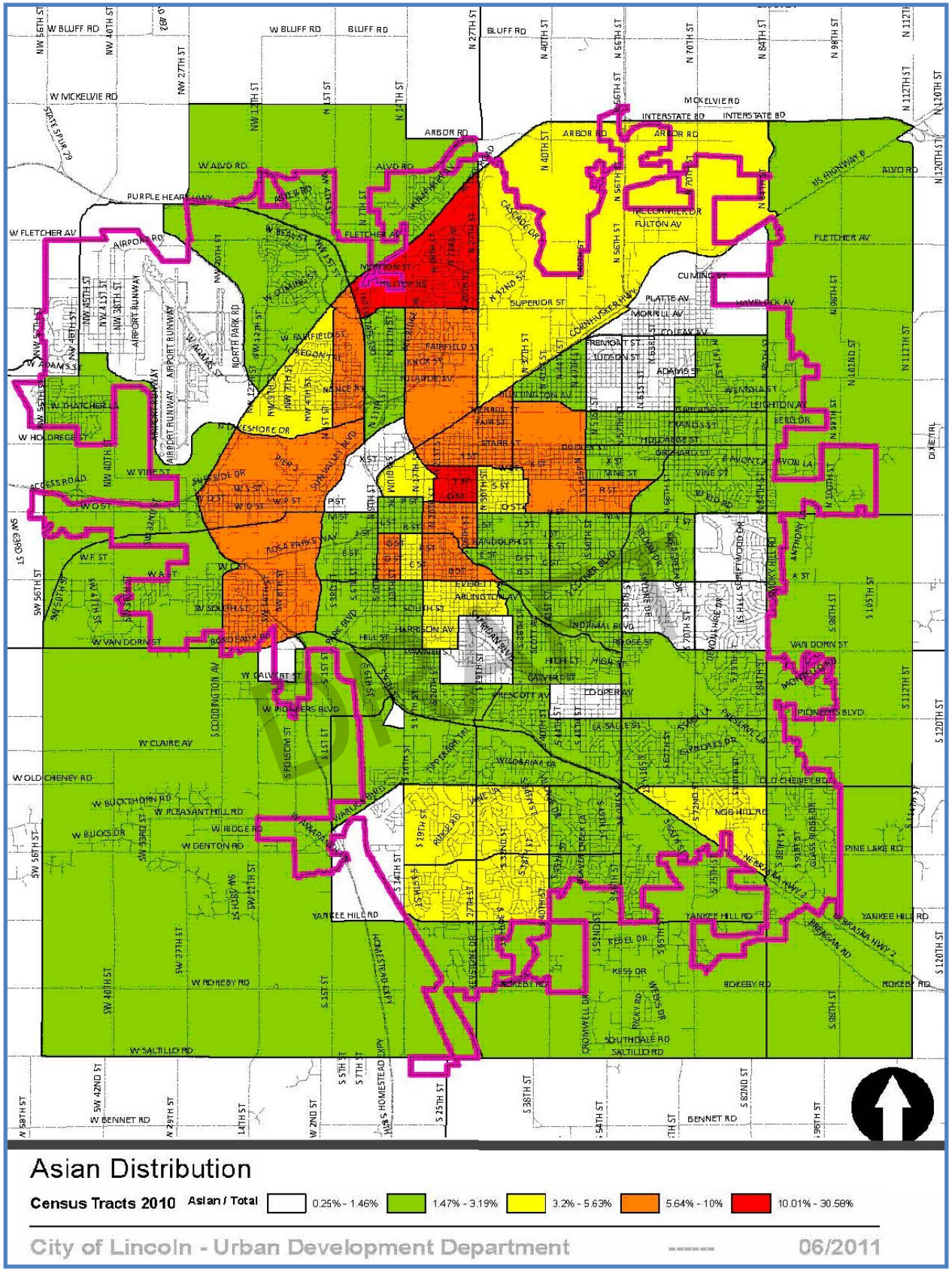

African American Distribution
Census Tracts 2010
Black / Total
0.15% - 0.8%
0.81% - 2.47%
2.48% - 6.01%
6.02% - 10%
10.01% - 27.64%
City of Lincoln - Urban Development Department
06/2011


Asian Distribution
Census Tracts 2010
Asian / Total
0.25% - 1.46%
1.47% - 3.19%
3.2% - 5.63%
5.64% - 10%
10.01% - 30.58%
City of Lincoln - Urban Development Department
06/2011

The average household size by race indicates there can be varied housing needs among race and ethnicity.

Race/Hispanic Origin	Average Household Size
White	2.3
Black	2.66
American Indian	2.82
Asian	3.06
Pacific Islander	2.96
Other Race	3.31
Two or More Races	2.76
Hispanic	3.11

Source:

13,246 residents are foreign born (3.0% Asia, 1.3% Latin America, 1.2% Europe).

[Title/description of following table?]

Lincoln:	5.9%
Nebraska:	4.4%

Source: City-data

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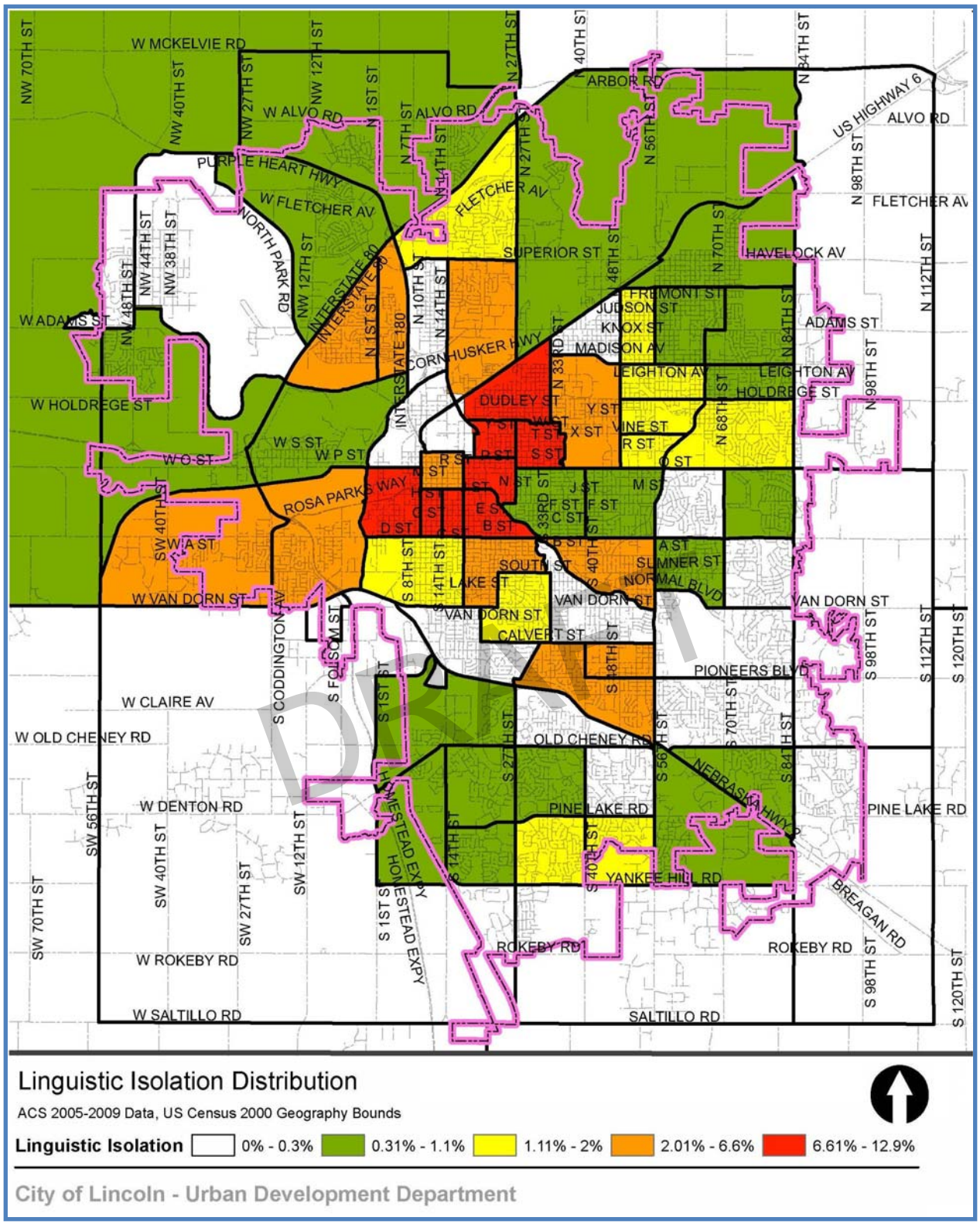
Linguistically Isolated Households: The Census Bureau defines a linguistically isolated household as one in which no one 14 years old and over speaks only English or speaks a non-English language and speaks English "very well." In other words, all members of the household 14 years old and over have at least some difficulty with English. The table shows that 2.8 percent of Lincoln households are linguistically isolated. The data corresponds clearly with Lincoln's refugee community, particularly the "other language" category.

Linguistically Isolated Households	2.8%
Spanish	21.7%
Indo-European	10.6%
Asian/Pacific Island	34.4%
Other	30.4%

Source: 2011 American Community Survey -- 5-Year Estimates


Linguistic Isolation Distribution
ACS 2005-2009 Data, US Census 2000 Geography Bounds
Linguistic Isolation
0% - 0.3%
0.31% - 1.1%
1.11% - 2%
2.01% - 6.6%
6.61% - 12.9%
City of Lincoln - Urban Development Department
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W MCKELVIE RD
W ALVO RD
ALVO RD
ARBOR RD
US HIGHWAY 6
PURPLE HEART HWY
W FLETCHER AV
FLETCHER AV
NORTH PARK RD
SUPERIOR ST
HAVELOCK AV
W ADAMS ST
ADAMS ST
FREMONT ST
JUDSON ST
KNOX ST
MADISON AV
CORNHUSKER HWY
LEIGHTON AV
HOLDREGE ST
W HOLDREGE ST
DUDLEY ST
VINE ST
W S ST
W P ST
W O ST
ROSA PARKS WAY
W A ST
SOUTH ST
SUMNER ST
NORMAL BLVD
LAKE ST
W VAN DORN ST
VAN DORN ST
CALVERT ST
PIONEERS BLVD
W CLAIRE AV
W OLD CHENEY RD
OLD CHENEY RD
NEBRASKA HWY 2
W DENTON RD
PINE LAKE RD
YANKEE HILL RD
BREAGAN RD
ROKEBY RD
W ROKEBY RD
W SALTILLO RD
SALTILLO RD
HOMESTEAD EXPY
INTERSTATE 80
INTERSTATE 180
NW 70TH ST
NW 40TH ST
NW 27TH ST
NW 12TH ST
N 1ST ST
N 7TH ST
N 14TH ST
N 27TH ST
N 40TH ST
N 56TH ST
N 84TH ST
N 98TH ST
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N 10TH ST
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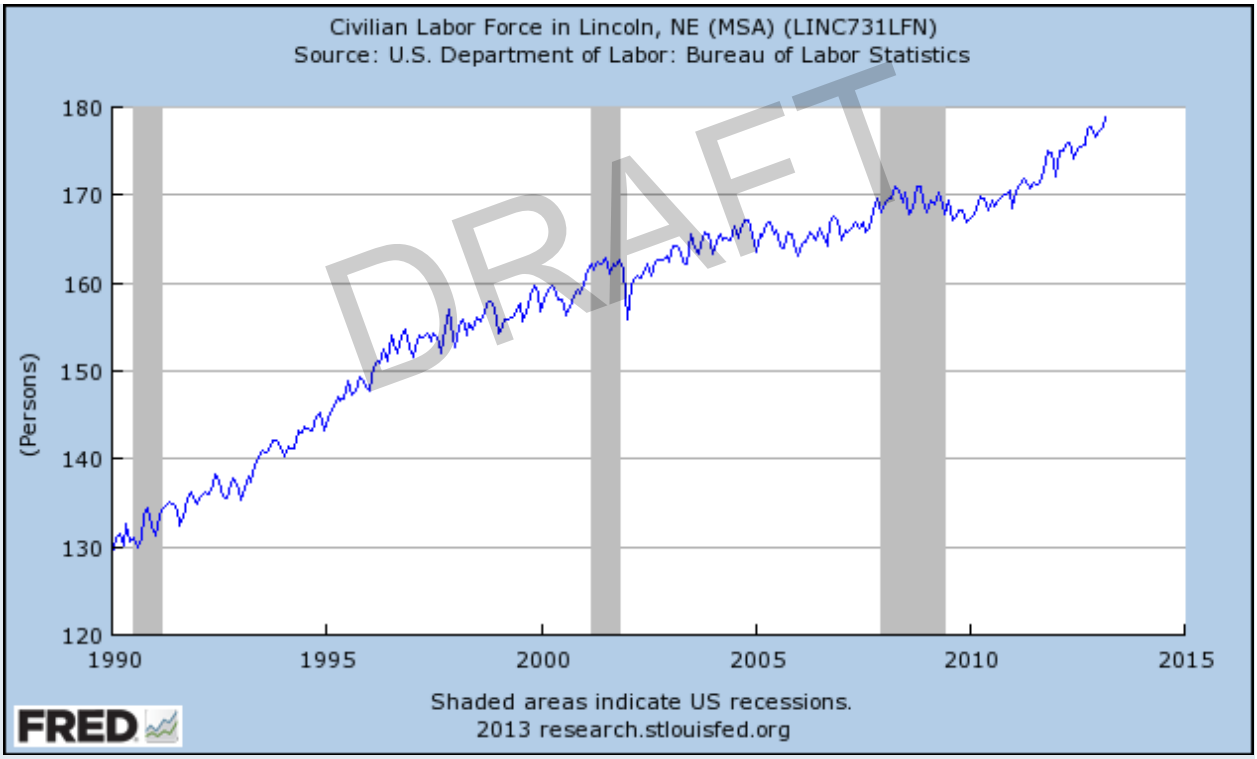
S 120TH ST

Income and Poverty: Household income is the sum of all income received over a year by all members of a household 15 years of age and older, whether or not they are related. Income includes wage or salary income, net self-employment income, investment income, income from estates or trusts, Social Security or Railroad Retirement income; Supplemental Security Income; public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income.

Employment: Over the last eight years, Lincoln has experienced an average unemployment rate of 3.075. Lincoln's labor force in 2005 was 165,285 and in 2012 were 177,652.

	2005	2006	2007	2008	2009	2010	2011	2012
Total Labor Force	165,285	165,464	166,762	169,454	168,153	168,680	172,266	
Unemployment Rate	3.6	2.8	2.8	3.0	4.3	4.2	4.0	
Employment	159,386	159,386	162,955	164,323	160,854	161,540	165,418	



Employers with over 5,000 employees include the Lincoln Public Schools, State of Nebraska and the University of Nebraska. Two medical centers employ 2,500 to 4,999 employees and 12 companies employ 1,000 to 2,499 people.

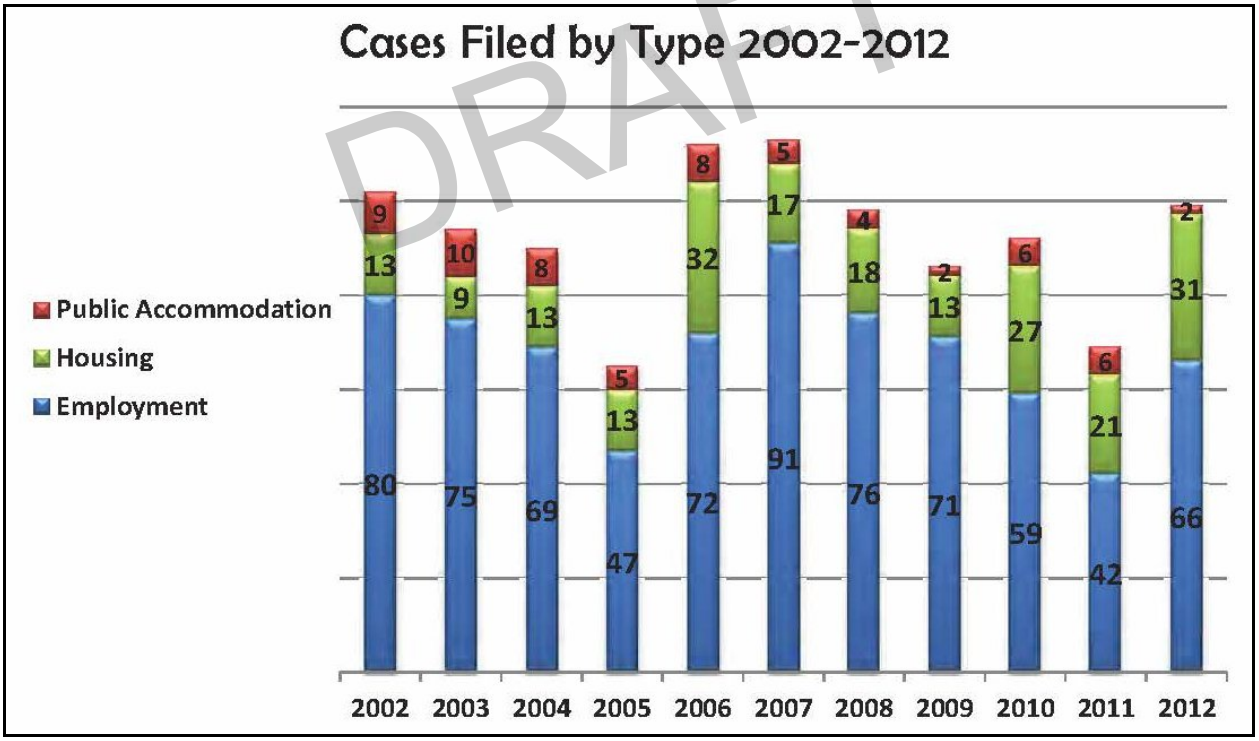
LINCOLN'S CURRENT FAIR HOUSING LEGAL STATUS

Complaints Filed -- Lincoln Commission on Human Rights (LCHR)

The LCHR was established over 40 years ago and created by a majority vote by Lincoln community members to work with the community to raise awareness of discriminatory practices in employment, housing and public accommodation.

In 2011, after a year and a half without a full-time director, the City hired a new Director of Equity and Diversity. This newly created position serves both as the Executive Director of the LCHR and the City Equal Opportunity Officer. The LCHR has a nine member volunteer board, which is appointed by the Mayor and approved by City Council. The commission hears and decides cases presented to them and also assists in outreach to the community.

There is no real numeric consistency among housing cases filed with the commission between 2001 and 2011. As the chart below shows, four housing complaints were filed in 2001, with a high of 32 complaints filed in 2006. The most recent data from the LCHR shows 31 housing complaints filed, which is an increase of 10 from the prior year.



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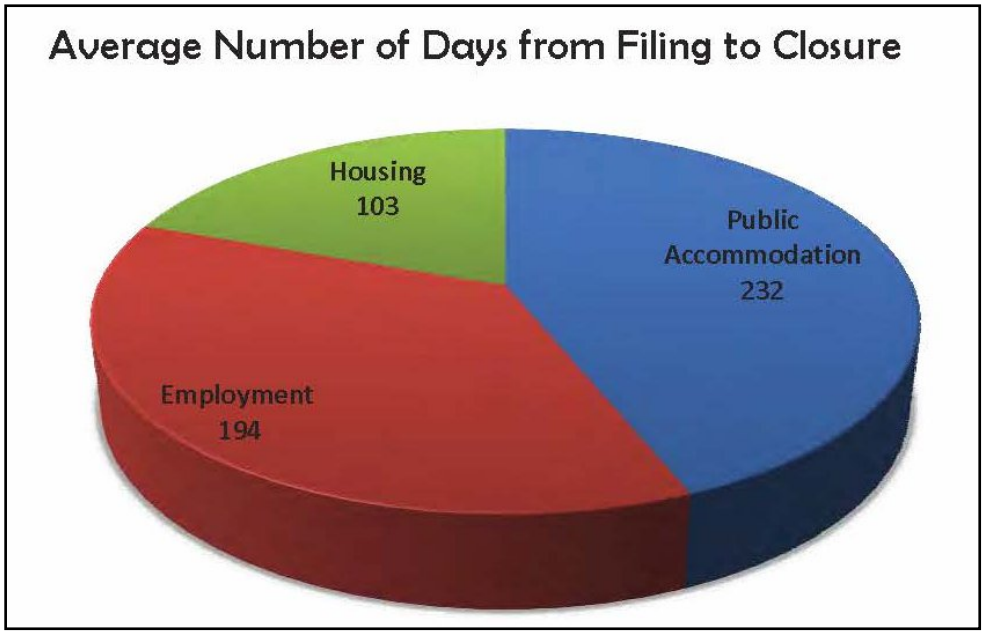
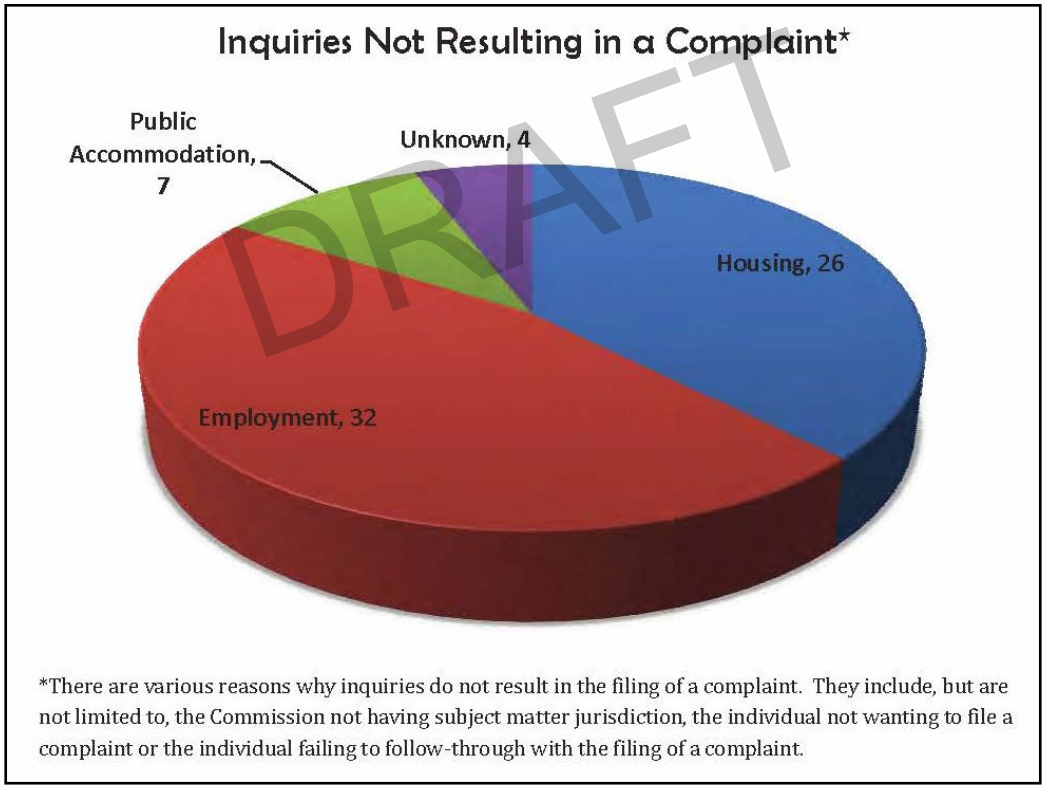
The breakdown of housing cases filed by basis is shown below. Disability and familial status make up half of the complaints filed.





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In reviewing the annual reports from the last four years, it is evident that was enough intake evidence to work toward pre-determination settlements, summaries, and withdrawals with settlements between commission staff, property owners, and tenants. The data also indicates, though these cases were not presented to the commission for determination, there seemed to

be agreement of fair housing violations and arrangements were made to correct these actions. Examples of settlements include:

- $150.00; fair housing training; change in policy
- Change in management; fair housing training
- $1,407.50; fair housing training; reporting requirements
- Neutral reference; fair housing training; deposit returned
- Reasonable accommodation provided and fair housing training
- $5,625, neutral reference, training, policy
- Waiver of one month's rent and allowed more time to move and neutral rental reference
- Waiver of one month's rent, remove discriminatory lease provision, $3,500.00, fair housing training
- Numerous property improvements, materials translated into Spanish
- One month free ($800.00), refund of $50 pet charge, policy change, fair housing training
- Forgive past due rent, neutral reference, fair housing training, agrees not to divulge any negative information regarding complainant
- $300, fair housing training, agree not to discriminate in advertising

A housing complaint can be filed with the LCHR at:

Lincoln Commission on Human Rights
555 S. 10th Street, Suite 304
Lincoln, NE 68508
402.441.7624 402.441.6937 (Fax)

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For more information about the LCHR, visit the website at www.lincoln.ne.gov/city/mayor/human.

Complaints Filed -- Nebraska Equal Opportunity Commission (NEOC)

The Nebraska Equal Opportunity Commission (NEOC) is a neutral administrative agency created by statute in 1965 to enforce the public policy of the state against discrimination. The principal function of the NEOC is to receive, investigate and pass upon charges of unlawful discrimination occurring anywhere within the State of Nebraska in the areas of Employment, Housing, and Public Accommodations. The NEOC investigates complaints statewide and a housing complaint can be filed with the NEOC at:

Nebraska State Office Building
301 Centennial Mall South, 5th Floor
P.O. Box 94934
Lincoln, NE 68509-4934
402.471.2024 800.642.6112 402.471.4059 (Fax)

For more information about the NEOD, visit the website at www.neoc.gov.

Complaints Filed -- U.S. Department of Housing & Urban Development

Since 2003, 51 complaints have been submitted to HUD from Lincoln.

BASIS	HUD	FHAP	TOTAL
Race	19	103	122
Color	1	12	13
National Origin	5	58	63
Religion	1	8	9
Sex	2	28	30
Disability	27	110	137
Familial Status	6	37	43
Retaliation	4	38	42
Total Cases	**51**	**273**	**324**

Source: _____, Table 1, Filed Cases in Lincoln, FY2003-12

CASE COMPLETION	HUD	FHAP	TOTAL
Administrative Closure	4	17	21
Cause		15	15
Settled	13	100	113
DOJ Closure	5	0	5
No Cause	31	131	162
Total Cases	**53**	**263**	**316**

Source: _____, Table 2, Completed Cases in Lincoln

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FY Compensation	HUD	FHAP	Total
FY2003		$1,050	$1,050
FY2004		$650	$650
FY2005			$0
FY2006		$1,950	$1,950
FY2007		$19,130	$19,130
FY2008	$750	$2,050	$2,800
FY2009		$3,685	$3,685
FY2010		$4,295	$4,295
FY2011	$306	$8,477	$8,783
FY2012	$4,750	$14,628	$19,378
Total	$5,806	$55,915	$61,721

Source: _____, Table 3, Compensation in Lincoln

Housing complaints can be directly filed with HUD in several different ways. A housing complaint can be filed with HUD, either at the national level:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
Washington, DC 20410-2000
202.708.1112 1.800.669.9777
www.hud.gov/offices/fheo/online-complaint.cfm

…or at the regional office in Kansas City, KS:

Kansas City Regional Office of FHEO
U.S. Department of Housing and Urban Development
Gateway Tower II
400 State Avenue, Room 200
Kansas City, KS 66101-2406
913.551.6958 1.800.743.5323 TTY 913.551.6972

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Home Mortgage Disclosure Act

In 1975, the Home Mortgage Disclosure Act (HMDA) was passed. Financial institutions must maintain and publically disclose data about home purchases, including purchase pre-approvals, home improvement and refinancing applications. Every loan applications, origination, and purchase that falls into one of the above mentioned categories must be reported. There are a few exceptions, but for the most part for each transaction the lender reports data about: the loan, the property, disposition of the application, and the applicant (ethnicity, race, sex and income). March 1, of each year, reporting institutions are required to submit their information to the Federal Financial Institutions Examination Council, the agency that administers HMDA.

The HMDA data can be used to facilitate the fair lending examination and the enforcement process and promote transparency. This data gives federal banking agency examiners the information needed to evaluate institutions fair lending practices. However, HMDA data alone cannot be used to determine a lenders compliance with fair lending laws. Additional information must be collected before a determination regarding a financial institutions compliance with fair lending laws.

Below are two tables comparing home purchase applications from 20?. Historically, impediments to fair housing choice have included the practices of some lenders in denying mortgages to minorities at a higher rate than white applicants. Overall, it appears denial rates are consistent across the board. The key information missing is the reasons loans were denied. If minority applications were denied because they were unqualified there may not be a concern in the Lincoln lending community, however, continued assessment of HMDA data is important to ensuring fair housing opportunity in Lincoln.

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Home Purchase Loan Applications – Lincoln, NE
80-99% of MSA/MD Median

Race/Ethnicity	Total Applications	Loans Originated	Percent Issued	Approved But Not Accepted	Denied	Percent Denied	Withdrawn	Closed Incomplete
American Indian/ Alaskan	2	2	100	0	0	0	0	0
Asian	7	5	71.4	1	0	0	0	1
African American	1	0	0	0	1	100	0	0
White	257	209	81.3	9	27	10.5	10	2
Latino	5	4	80	0	0	0	1	0
Not Available	29	16	55.2	2	4	13.7	7	0
Other	23	18	78.3	1	1	.04	2	1

Home Purchase Loan Applications – Lincoln, NE 120% > of MSA/MD Median								
Race/Ethnicity	**Total Applications**	**Loans Originated**	**Percent Issued**	**Approved But Not Accepted**	**Denied**	**Percent Denied**	**Withdrawn**	**Closed Incomplete**
American Indian/Alaskan	1	1	100	0	0	0	0	0
Asian	15	11	73.3	2	2	13.3	0	0
African American	2	2	100	0	0	0	0	0
Native Hawaiian/Pacific Islander	2	1	50	0	0	0	1	0
White	794	685	86.3	42	27	.03	36	4
Latino	4	3	75	0	1	.25	0	0
Not Available	87	60	69	5	12	13.7	6	4
Other	39	33	85	2	2	.05	1	1

Complete Home Mortgage Disclosure Act data for Lincoln can be found at www.

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IMPEDIMENTS AND ACTIONS TO FAIR HOUSING CHOICE

Public Sector

Zoning, subdivision regulations and building codes can hamper the development of new affordable housing, rehabilitation of existing affordable housing and the creation of housing for special populations if precautions are not taken. Cites can struggle to find a balance between the costs of regulating versus not regulating. Stakeholders have explained that new affordable housing development has been hindered by requiring minimum lot sizes in newly developed areas. However, Planned Unit Developments (PUD) and other more flexible regulations may allow affordable housing developers to include affordable housing in their plans. In fact, the City Planning Department has undertaken a document that lays out a set of objectives and strategies for reforming the City's zoning code. It includes proposals to encourage this next potential layer of City development while remaining sensitive to the needs of existing neighborhoods for stability and protection. One strategy being considered is reducing the PUD minimum size from three acres to one acre. This change in the zoning code would promote a better and more efficient land use and the provision of public services in all areas of the city.

Neighborhood design standards and historic designations, and downzoning can also limit the development and rehabilitation of affordable housing within existing neighborhoods according to stakeholders. Requiring specific design standards and attention to historic architectural detail without providing technical (in terms of best practices) and/or financial support can raise the cost of a project and, therefore, the housing cost. Additionally, down zoning limits multifamily housing options, particularly the option to rent more affordable housing in traditionally single-family neighborhoods.

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The rehabilitation of existing structures for affordable housing can also be hindered by existing codes. Lincoln does not have an existing building core or rehabilitation sub-code, which would allow for more flexibility in the rehabilitation of existing structures. Those who wish to rehabilitate the upper floors of commercial buildings deconvert single-family homes, and reuse industrial or other building types may find the cost of meeting codes for new structures cost prohibitive.

Zoning Ordinance 27.02.220 prohibits more than three unrelated individuals from renting one housing unit. Students have voiced their disagreement with the ordinance stating it makes it difficult for them to find affordable housing. Neighborhood advocates, on the other hand, say the ordinance is only enforced when there is a reason (loud parties, distressed properties, etc.).

Taxes and Fees

Property taxes may discourage the rehabilitation of existing housing and maintenance of housing. Property assessments that occur after rehabilitation efforts could increase annual

owner costs. Some stakeholders feel that property assessments are inconsistent and not easy to change during the appeals process. Additionally, reassessing property taxes only every five or more years creates unexpected increases in annual housing costs.

Impact fees are also an additional cost which may create a barrier to affordable housing. Impact fees are charges levied against new construction, changes in land use, or an increase in water meter size to help generate revenue to build new infrastructure needed because of development. Fees for changes in land use or water meter are based upon the net increase in the impact fee compared to the previous land use or meter size. The fee is calculated based on a pre-set formula and paid at the time of, or prior to, the issuance of the building, water, and/or occupancy permit. The money is spent within the district that it was collected to build new arterial streets, water and wastewater lines and parks.

Local Programs/Incentives

Local incentives to develop and preserve affordable housing are mostly limited to financial incentives provided through Federal funding sources. The City does not provide tax breaks for affordable housing (i.e. tax abatement), nor allocate general funds toward affordable housing. The money that the City does contribute toward affordable housing through the Urban Development Department is limited to Community Development Block Grant (CDBG), and HOME funds.

The City does not require developers to construct or preserve affordable housing as a part of their plans. For example, tearing down low-income housing to build higher income housing in older areas can displace people and reduces the affordable housing stock in the city. It can be argues that the lack of a carrot and stick approach to developing and preserving affordable housing is exacerbating the existing supply problem.

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Federal and State Regulations Programs

Service providers, both public and private, find that Federal regulations and programs are difficult to work with at times. Strict Federal program requirements make addressing specific local needs difficult. Lead-based paint abatement requirements are an unfunded mandate that add to the cost of rehabilitation projects, therefore making some projects unfeasible. The City does have a lead-based paint abatement program, but the applicant must have had or have a loan through the city to qualify.

***Criteria used to determine housing affordability is too general. Requirements that households spend 30 percent of their incomes toward housing are too high for some households, especially those that are extremely low-income. On the other hand, banks will allow some households to spend more than 30 percent of their incomes toward housing costs.

Loan officers, Realtors and others that assist clients in the home buying process may have difficulty keeping current with local and federal program changes. It is possible these changes are not communicated regularly and clearly.

Lincoln is limited in the amount of loans, vouchers and other assistance it provides residents. Since this funding is limited and rental prices are rising, it is difficult for many people to find affordable housing.

Some programs are experiencing declining funding and when this is coupled with increasing local costs and inflation there is less money available for affordable housing development and preservation. The lack of other sources of money such as Fannie Mae and Federal Home Loan Bank makes it difficult for both public and private organizations to develop affordable housing.

Policy Barriers

Property managers and landlords may have policies that create housing barriers. One example is that Section 8 housing certificates are not accepted by a number of rental property owners, thus limiting housing choice for low-income households.

By not following local ordinances, rents can rise and reduce the quality of rentals. Neighborhood leaders in the past have complained that landlords drive up rents close to campus by renting to more than three unrelated students. The price of larger rental units can be higher and with more than three people the cost can be spread out among the tenants. Families, with children often only have one source of income and may not be able to pay $1,000+ per month for a four bedroom unit.

Insurance Regulations

In general, insurance rates have increased over the last few years and insurance regulation is a potential barrier to affordable housing. Obtaining insurance is a one step in the home buying process, as most lenders will not make loans without it. Credit checks are often done before issuing insurance and this may be problematic for certain individuals as they may be charged a higher rate or even refuse to insure applicants with an insufficient credit or job history. Unnecessary products can be added to the loan amount. The insurance they insist or intimidate a borrower into buying can range from mortgage insurance to life and disability insurance. The premium may be added onto the loan amount where the cost is not easily identified.

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Financial Institution Policy

Financial institutions are highly regulated, both by the government and indirectly by the secondary market. Banks have little room in determining what criteria to use when underwriting borrowers; however, banks to have the flexibility to work with non-profits and government sponsored programs such as the Veteran's Association, that provide loan guarantees and interest rate buy downs for riskier mortgages.

Predatory lending is still a problem throughout the country. According to a recent article in the Mortgage News Daily, if there is a large pool of low-income homeowners or other groups if individuals who are financially vulnerable, the potential for predatory lenders to step in looms large. The actions of the lenders may not be illegal but the result will be the same: homeowners may lose their homes.

The possible targets for these practices can be minorities, the elderly or low-income. Predatory lending costs U.S. borrowers some $9.1 billion annually. Approximately $2.1 billion of that goes to unnecessary credit insurance, $1.8 billion to up-front fees, $2.3 billion for pre-payment penalties, and $2.9 billion in excess interest charges caused by higher-than-normal interest rates (ABC News, July 2013.). In fact, Wells Fargo is paying up to $175 million to compensate more than 30,000 minority borrowers who were allegedly steered into riskier, more expensive loans during the housing boom, the Department of Justice announced in July, 2012 (U.S. News & World Report, July 13, 2012).

Awareness of the law is very important, so that homeowners understand they have the right to report mortgage fraud and predatory lending. Policy makers have become more aware of the need for predatory lending laws. Organizations like the Center for Responsible Lending, the National Association of Mortgage Bankers, the Mortgage Bankers Association, and the American Bar Association work to promote predatory lending laws. They also know that educating the public is one of the best deterrents to mortgage fraud and predatory lending practices.

In 2000, HUD contracted with the Urban Institute to develop a survey of a sample of the American public. The goal was to assess public awareness of and support for fair housing law and people's perceptions whether they had ever experienced housing discrimination. The survey described a series of scenarios and survey respondents were questioned whether the behaviors described were covered by federal fair housing law.

According to the 2000 – 20001, *"How Much Do We Know," Public Awareness of the Nation's Fair Housing Laws* report, there was fairly widespread knowledge of some core fair housing laws. For example, the study showed that over 70 percent of the public knows that it is against fair housing law for owners working through realtors to limit the sale of their homes to white buyers only. At the other end of the spectrum were the 38 percent of the public who were aware that it is illegal to treat families with children any differently from household without children.

The 2000 – 2001 study was followed by the 2005, "Do We Know More Now," *Trends in Public Knowledge, Support and Use of Fair Housing Law.* The baseline data from 2000 - 2001 study showed that for the most part, adults were knowledgeable about the law. It also showed that only a small fraction of those who may have experienced housing discrimination took any action. It appears not much changed from the first study to the second; in fact, when the responses were compared there is no difference in the distribution of scores observed in the 2005 compared to 2000/1.

How do these two studies relate to Lincoln's AI? A priority for the 2013 AI was to hear directly from Lincoln residents in regards to fair housing choice. The methodology listed in the executive summary, describes the approaches that were taken to hear directly from the citizens of Lincoln. The impediments identified through this process correlate to some of the general observations in the 2000/1 and 2005 studies. There is no question about the importance of public awareness of fair housing law. If one does not know of or understand fair housing law,

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how does that person contact the appropriate agencies to file complaints? Lincoln must continue and enhance the level of public awareness.

With the City's 2013 – 2017 Strategic Plan being done concurrently, as directed by HUD, the timing is right to start anew with actions to overcome the identified impediments. A new element to this plan not found in previous AI is the reporting function. The third component of the AI requires maintenance of records of documentation of Fair Housing Planning, which is submitted to HUD each year of the Strategic Planning cycle. Our plan is that upon the completion of the A.I., Urban Development staff will present the findings at a LCHR commission meeting. Yearly thereafter, Urban Development staff will report on the efforts made to overcome the identified impediments and the actions taken by the City of Lincoln to affirmatively further fair housing.

Impediment 1

Consumers lack of knowledge concerning fair housing law and how it applies, including Title 11 of the Lincoln Municipal Code.

Action: Conduct four yearly community outreach events. The program will concentrate on the basics of fair housing law and how it applies and will be interactive allowing time for group discussion and a question and answer period. These events will be scheduled and coordinated by the City of Lincoln. Partnering agencies will be the city's cultural centers, neighborhood associations and sub-recipients. The Urban Development website will link to the A.I along with additional links to Title 11 of the Lincoln Municipal Code and the Lincoln Commission on Human Rights.

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Impediment 2

Fair housing education is needed for landlords and property managers.

Action: The merits of a fair housing session offered every other year, specifically for landlords, will be discussed by the yearly civil rights conference planning group. There are several property owner organizations in Lincoln who meet regularly. At least one of these groups participated in the fair housing survey and is aware of the city's A.I. We will suggest an annual fair housing educational opportunities to these groups. The Urban Development website will link to the A.I along with additional links to Title 11 of the Lincoln Municipal Code and the Lincoln Commission on Human Rights.

Impediment 3

A method to identify and deal with discriminatory practices at the bank/lender level is needed.

Action: Conduct fair housing testing to determine what the specific issues are and then work with the banks/lenders to ensure fair housing choice is not being prohibited due to their actions. Educate consumers on the financial side of the home purchase process.

Impediment 4

Refusal to rent based on racial and familial status.

Action: Educate consumers on fair housing law and where and how to file complaints. Continue to work with landlords. Partner with the Lincoln Commission on Human Rights to conduct fair housing testing. The Urban Development website will link to the A.I along with additional links to Title 11 of the Lincoln Municipal Code and the Lincoln Commission on Human Rights.

Impediment 5

Single women with children have a difficult time finding housing accommodation.

Action: Educate both consumers and the population on fair housing law. Partner with the Lincoln Commission on Human Rights to conduct testing to see if such practices exist.

Impediment 6

There is a lack of non-English speaking realtors and bankers/lenders.

Action: Work with the Lincoln Realtors Association, property management firms, and others to recruit multi-lingual realtors, bankers, leasing agents, and property managers.

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Impediment 7

Consumers lack of knowledge about how and where to file a fair housing discrimination complaint.

Action: There are two agencies in Lincoln who investigate fair housing discrimination: the LCHR and the NEOC. Complaints may also be made to the City Ombudsman, who then refers people to the LCHR. All outreach and education activities include information on the complaint process. The Urban Development Website has always linked to the full A.I; however in order to provide further information links will be added to Title 11 of the Lincoln Municipal Code, and the Lincoln Commission on Human Rights.

Other Actions:

- The City of Lincoln will be paying particular attention to the new proposed rule on affirmatively furthering fair housing, released by HUD on July 19, 2013. This proposed rule will provide stronger direction, structure and guidance to help communities further the purposes and policies of the Fair Housing Act. For example, HUD will be providing new data on patterns of integration, poverty, access to community assets information on housing needs based on the Fair Housing Act protected classes. As concluded in the Regulatory Impact Analysis, "The AFFH regulation would establish an improved process for carrying out a statutory mandate, resulting in the potential to improve the lives of

protected classes who are denied fair housing choice by barriers to such choric [choice?]."

- The City of Lincoln plans on working with the Housing Authority of Lincoln to offer housing informational seminars to the cultural centers of Lincoln.
- Continue to strengthen the City of Lincoln's relationship with agencies like the Lancaster/Lincoln Agency on Ageing and the League of Human Dignity both of whom work with protected populations.
- Review data/complaints yearly to identify any trends in fair housing complaints.
- Review of Title 11 of the Lincoln Municipal Code, which prohibits housing discrimination.
- Discuss innovative ways to make fair housing information available to the public. Examples include, making fair housing brochures available at houses and apartments being shown to prospective tenants and buyers. Create a new and friendly Lincoln fair housing website.

Conclusion

Over the last seven years, Urban Development has participated in several affordable housing projects that have benefited the Lincoln community.

City Impact Homes built six duplex townhomes and two single-family homes on Overland Trail between 33rd and 31st Streets. All 14 affordable units have accessible entries designed to serve larger families. While the new homes are available to all income-qualified households, the development is designed to meet the needs of families currently working with City Impact on educational and family stability goals. The City Impact mission is to transform urban neighborhoods through holistic youth and family programming and community investment.

Supportive services are provided to the City Impact residents free of charge which include services like mentoring, leadership training, reading skills, tenant education and when ready to own a home, financial counseling from NeighborWorks-Lincoln. The funding resources include Tax Credit equity; Affordable Housing Program through the Federal Home Loan Bank; State HOME funds; owner equity; a conventional mortgage and the City of Lincoln HOME funds.

CenterPointe is a Lincoln-based program serving low-income clients with a dual diagnosis of mental illness and addiction. The agency developed a 10 unit apartment project at 32nd and Overland Trail Road to serve their clients who have made good progress towards recovery. Combining housing and services prevents homelessness and allows the client to reconnect in the community. CenterPointe received money from federal, state and the City of Lincoln to complete the project.

The League of Human Dignity is an advocate for the rights and quality of life for people with disabilities. The League and Assistive Technology Partnership receive approximately 75 requests a year for home modifications about half of which they can assist. Urban

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Development funds annually the League of Human Dignity to complete both interior and exterior home modifications for rental and owner-occupied housing in the City of Lincoln.

Aging Partners offers meals, advocacy, emergency response, assisted living, in-home services and minor home repairs. Urban Development is able to respond to the elderly home owner in need of more extensive housing rehabilitation. This enables the elderly to stay in their home longer and not allow the property to fall into disrepair.

The Ambassador & President Apartments were originally acquire in 1991 to serve as low-income housing using federal low-income tax credits and historic tax credits. Since that time, the City of Lincoln's Urban Development Department has used federal HOME funds for rehabilitation of the 84 units to continue to serve the needs of the lower income tenant.

Fresh Start is a traditional living residence for women who do not have children in their custody. Woman may live at the Fresh Start Home while working to become self-sufficient again. Based at 2323 F Street since 1994, they served at capacity 16 residents which shared seven bedrooms. When they found a two-story building at 6433 Havelock, they hoped to accommodate 50% more women, however, the total renovation, furnishings and purchase price of the building was just under $1 million. Through a capital campaign, grants from Woods Charitable and Community Health Endowment and a zero-percent interest loan for $200,000 from the City of Lincoln, the project was completed. Today the facility is serving 24 women in 12 bedrooms with a commercial kitchen, study area, computer learning lab, outdoor sitting area and office space for the staff.

Lincoln continues to grow, experiencing a 14.5% increase in population over the last decade. New development in all parts of the city has also seen an increase, offering new places and things to do, new options for dining, shopping and working. The Analysis of Impediments to Fair Housing Choice offers guidance to ensure fair and equitable housing choice for all. In particular for the short term, specifically putting into action the necessary steps to challenge and overcome the identified impediments. In carrying through the short term actions discussed, the City of Lincoln will be prepared to meet challenges that arise and possibly prevent any new impediments.

Lincoln's *2013 Analysis of Impediments to Fair Housing Choice* identifies seven impediments and four observations. The actions listed under each impediment and the "other actions" are intended to meet head-on the issues in the community but also serve as ongoing approaches to ensure fair housing choice and to continue Lincoln's positive growth and development.

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