

**ANALYSIS OF IMPEDIMENTS TO
FAIR HOUSING CHOICE**

March 2013



City of Gadsden, AL

*Community Development Department
90 Broad Street
Gadsden, AL 35901*



Overview – Fair Housing

The U.S. Department of Housing and Urban Development (HUD) requires each entitlement jurisdiction to certify that it is in compliance with the Consolidated Plan Final Rule, published in the Federal Register (24 CFR91.225). The Consolidated Plan is a document prepared by the City's Department of Planning and Development and serves as:

- A housing and community development planning document;
- A strategy to be followed in carrying out HUD programs;
- An action plan that provides a basis for assessing performance;
- and a plan for the Community Development Block Grant (CDBG)

The Fair Housing Act of 1968 required that all HUD programs be administered in a manner that will "*affirmatively further fair housing.*" Although the Analysis of Impediments to Fair Housing Choice (AI) itself is not directly approved or denied, it is a HUD-mandated document. As such, the Consolidated Plan requires each entitlement jurisdiction to show its commitment to affirmatively furthering fair housing choice by:

- Conducting an Analysis of Impediments to Fair Housing Choice;
- Taking appropriate actions to overcome the effects of impediments identified through that analysis; and
- Maintaining records that reflect the analysis and actions.

According to HUD, impediments to fair housing choice are:

Any actions, omissions, or decisions *taken because* of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices.

Any actions, omissions, or decisions which have the affect of restricting housing choices or the availability of housing choices *on the basis* of race, color, religion, sex, disability, familial status or national origin.

Subsequently, the Analysis of Impediments document is the HUD established measure of fair housing for CDBG grantees and is intended to serve as:

- A comprehensive review of the City's laws, regulations, administrative policies, procedures and practices with regard to fair housing in Gadsden;
- An assessment of how those laws, regulations, policies, and procedures affect the location, availability, and accessibility of housing; and
- An assessment of public and private sector conditions affecting fair housing choice.

HUD's directive is that the Analysis of Impediments serve as the substantive, logical basis for fair housing planning and provide essential and detailed information to policy makers, administrative staff, housing providers, lenders and fair housing advocates. In its Fair Housing Planning Guide, HUD emphasizes that "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-related activities in the grantee's jurisdictional area whether publicly or privately funded." (See U. S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity, *Fair Housing Planning Guide*.)

In addition, HUD believes the AI should assist in building public support for fair housing efforts both within the City's boundaries and beyond. "The principles embodied in the concept of 'fair housing' are fundamental to healthy communities, and 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." (*Fair Housing Planning Guide*)

In compliance with HUD's directive, the City of Gadsden is committed to promoting fair housing choice in an affirmative manner. The city of Gadsden Code of Ordinances Sec. 62 addresses Housing Discrimination and the process for filing a complaint. The commitment was demonstrated in 2004, when the City conducted an Analysis of Impediments to Fair Housing Choice. The AI demonstrated that the City has taken affirmative steps to further fair housing and identified additional action steps that the City would implement to improve fair housing choices. The AI has not been updated since 2006, therefore this document will serve to update and/or replace the Analysis of Impediments to Fair Housing Choice for the City of Gadsden, AL. The analysis indicates that the City continues to do well in its efforts to avoid systematic impediments to fair housing.

However, the updated analysis has been revised to address additional barriers, opportunities and action steps to further fair housing choice in Gadsden.

Methodology

Community Development staff studied 2000 and 2010 Census Data, American Fact Finder in order to complete the updated Analysis of Impediments. Public and private sector policies in relation to housing were examined. The staff also completed an assessment to determine if there had been reports of any housing discrimination complaints. An inventory of available subsidized housing in the area was completed. Community Development staff also conducted one on one interviews of housing practitioners (service providers, advocates, local government officials, real estate professionals) concerning impediments to fair Housing. Within the last year a *Fair Housing Summit* was held to offer a forum for fair housing issues as well as to provide educational information regarding fair housing. Results compiled from the surveys completed during the Summit are also a part of this updated Analysis.

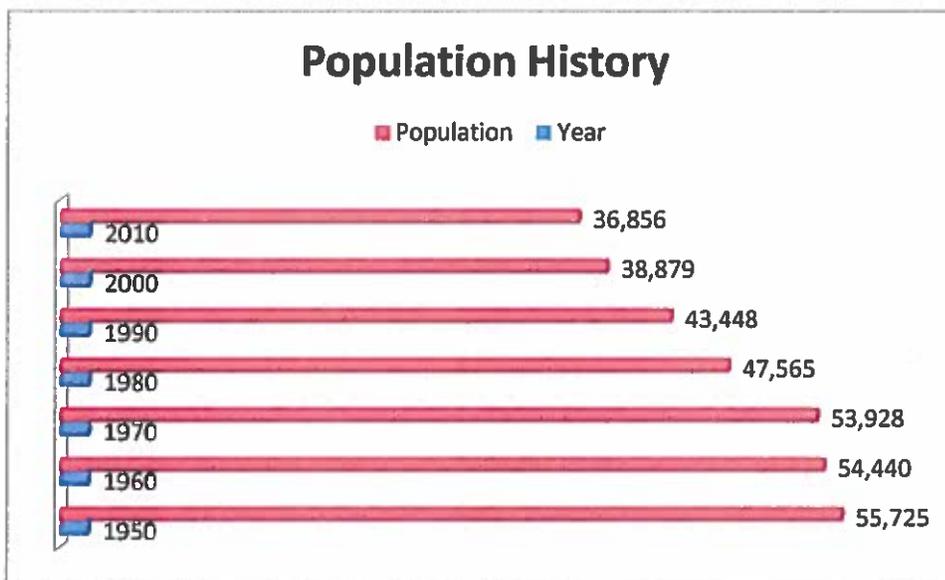
A draft report was prepared by the Community Development staff and submitted to the Community Development Commission, the Community Development Committee, and to the Mayor and City Council. It was also made available to the public and presented an opportunity for comments for a fifteen (15) day period.

Demographics of the city of Gadsden

The Analysis of Impediments document will serve to provide essential and detailed information so that administrative staff, housing advocates, and policy makers will have a thorough understanding of the availability, status, and affordability of housing. This update will strive to identify circumstances that may impede minority and low income residents from obtaining fair housing based on race, color, religion, disability, familial status or national origin. Understanding existing demographics is a key to eliminate impediments to fair housing. Low to moderate income persons tend to encounter more housing impediments than other populations.

Population

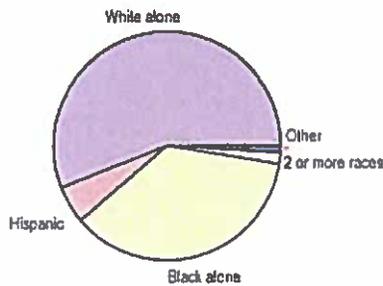
Based on the U. S. Census Bureau American Fact Finder 2010 Demographic Profile Data the population of Gadsden, AL is 36,856. The population of Gadsden has decreased slightly over the last six decades as people have moved out of the city into the county and due to smaller family size trends.



The age range in Gadsden, AL is diverse with most categories (5 year range) having an average of 6% total population. Residents 50-54 is the largest percentage (7.1%) and 16.7% are over the age of 65. The median age of 2010 population was 39. Males make up 47% of the population. In Gadsden 57% are White and 36% are Black or African American. The remaining 7% is

composed of Asian, American Indian, Native Hawaiian and other Pacific Islanders. There are 1,986 Hispanics (5.4%) living in Gadsden, AL.

Races in Gadsden, AL



- *White alone – 21,119 (57.3%)*
- *Black alone - 13,361 (36.3%)*
- *Hispanic - 1,986 (5.4%)*
- *Two or more races - 685 (1.9%)*
- *Asian alone - 200 (0.5%)*
- *American Indian alone - 94 (0.3%)*
- *Other race alone - 39 (0.1%)*
- *Native Hawaiian and Other Pacific Islander alone - 255 (0.4%)*

Housing

There are approximately 18,567 housing units in Gadsden. Of these, 15,494 are occupied. Homeowner vacancy rate is 3.9% and rental vacancy rate is 6.8%. Single family units make up 74.7% of the housing stock; 5.8% are 3-4 unit structures; 4.6% are 5-9 unit structures; 3.6% are 20 or more unit structures; and there are 659 (3.5%) mobile homes.

Only 189 homes (1%) have been built in 2005 or later. The largest percentages (23.2%) of houses were built 1950-1959 and 85.7% of all homes were built 1939-1979. Based on the age of housing in Gadsden it is understandable that the stock continues to deteriorate and present needs for repairs that are sometimes not affordable for low to moderate income citizens.

Owner occupied units make up 60.7% of the housing stock in Gadsden; 39.3% are Renter-occupied. New laws regarding rented units and local requirements for rental housing to undergo a Rental Inspection has resulted in many rental units in Gadsden receiving much needed and long overdue repairs and upgrades. In calendar year 2012, nine hundred seventy (970) homes were inspected prior to rental. Of the two hundred forty three (243) that failed, two hundred were re-inspected and one hundred sixty six (166) passed. Therefore some improvements are being completed.

Three bedroom units (46.6%) make up the largest percentage of housing in Gadsden; two (2) bedrooms (33.4%); One (1) bedroom (7.9%); four (4) or more BR (11.3%).

Housing values in the city of Gadsden range from approximately \$20,000 to \$1,000,000 with the largest percentage (34.9%) valued at under \$50,000. Sixty-five percent (65%) are valued at under \$99,999. Of the owner occupied units, 54.5% have a mortgage. Selected monthly owner costs compared to percentage of income shows that most owner occupied units would be considered affordable as the owners are spending less than 20% of income for those costs. However 29.4% of those owners are spending more than 35% of income for those housing costs.

| SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI) | Number Of Homes | Percent |
|---|------------------------|----------------|
| Housing units with a mortgage (excluding units where SMOCAPI not available) | 5,111 | |
| Less Than 20% | 2,069 | 40.50% |
| 20% - 24.9% | 701 | 13.70% |
| 25% - 29.9% | 326 | 6.40% |
| 30% - 34.9% | 513 | 10.00% |
| 35% or more | 1,502 | 29.40% |

Based on the U. S. Census Bureau American Fact Finder, 2,225 (40.2%) renters are paying \$500 - \$749 for rent. That is the highest percent with 23.8% paying \$300 - \$499 for rent. Although this information is not broken down to the number of bedrooms, it appears as if most of the rent is at or under the HUD guideline for Fair Market Rent.

FY2013 Fair Market Rent Summary

| <u>Gadsden, AL MSA</u> | | | | | |
|--------------------------|------------|-------|-------|-------|-------|
| | Efficiency | 1 BR | 2 BR | 3 BR | 4 BR |
| Final FY2013 FMRs | \$391 | \$505 | \$657 | \$818 | \$923 |

Unlike the results in comparing homeowner income to monthly cost, 40.8% or more of renters pay 35% or more of their income for rent. Therefore, their housing is not considered affordable. It is also important to note that 49.7% are paying rent that is considered affordable as it is less than 29.9% of income.

| GROSS INCOME AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI) | Number Of Homes | Percent |
|---|------------------------|----------------|
| Occupied units paying rent (Excluding units where GRAPI not available) | 5,442 | |
| Less than 15% | 730 | 13.40% |
| 15% - 19.9% | 620 | 11.40% |
| 20% - 24.9% | 644 | 11.80% |
| 25% - 29.9% | 714 | 13.10% |
| 30% - 34.9% | 511 | 9.40% |
| 35% or more | 2,223 | 40.80% |

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress to provide the public loan data that can be used to assist in determining whether financial institutions are serving the needs of their communities; assist public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and in identifying possible discriminatory lending patterns.

For purposes of this Analysis of Impediments, HDMA data was researched, compiled into a spreadsheet and reviewed to identify and evaluate lending practices in relation to income and race status. A summary of HMDA Tables includes the following observations:

Primary reasons for denial include: Collateral; Credit History; Credit Application Incomplete; and Debt to Income Ratio

- In 2011 there were 1,728 loan applications reported: 44.1% were for Refinancing;
- Overall
 - 73% FHA/VA Loans were approved: 77.78% for Black; 67.31% for White
 - 34% Conventional Loans were approved: 28.57% for Black; 29.67% for White; 100% for Hawaiian
 - 40.80% of Refinance Loans were approved: 6.67% for Black; and 46.88% for White

There was no disparity among percentage of loan denials across income rankings, race or ethnicity. However, minority populations appear to be slightly underrepresented in loan applications as a percentage of the total population.

See Attachment A - Home Mortgage Disclosure Tables

Subsidized Housing

There are several providers of subsidized and/tax credit housing in the area. Some units are limited to elderly and disabled, some are Section 8, and some have income maximum requirements ranging between 30% of median income to 80 % median income.

FY 2013 Income Limits Summary

| Gadsden, AL MSA | | | | | | | | | | |
|---------------------------|---------------|-----------------------------------|----------|----------|----------|-----------------|----------|----------|----------|----------|
| FY 2013 Income Limit Area | Median Income | FY 2013 Income Limit Category | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
| Gadsden, AL MSA | \$42,100 | Very Low (50%) Income Limits | \$16,100 | \$18,400 | \$20,700 | \$23,000 | \$24,850 | \$26,700 | \$28,550 | \$30,400 |
| | | Extremely Low (30%) Income Limits | \$9,700 | \$11,050 | \$12,450 | \$13,800 | \$14,950 | \$16,050 | \$17,150 | \$18,250 |
| | | Low (80%) Income Limits | \$25,800 | \$29,450 | \$33,150 | \$36,800 | \$39,750 | \$42,700 | \$45,650 | \$48,600 |

The Community Development Department consulted the providers to determine the number and availability of affordable rental units and the status. Based the numbers on the waiting lists and the length of time that they expect to remain on the waiting list, it has been determined that there is a lack of affordable housing available

| Gadsden Area Subsidized and Tax Credit Properties | | | | |
|--|--------------------|---------------------|---|---|
| Facility | Total Units | Vacant Units | Waiting List | Avg. time on wait list |
| Housing Authorities | | | | |
| Greater Gadsden Housing Authority | 965 | 43 | 44 | 1BR 4-6 mo. 2BR 2-3 weeks |
| Greater Gadsden Housing Authority - Section 8 Vouchers | 97-112 | 0 | 19 | 3 years |
| Attalla Housing Authority | 108 | 0 | 15-20 | 1BR 6-9 mo. 2BR 3-6 mo. |
| Subsidized Apartments | | | | |
| Columbla Square Apartments | 80 | 0 | 2BR 20-25 3BR 10 | 6-8 mo. |
| Forest River | 248 | 20 | No waiting list | |
| Meadow Oak Apartments | 56 | 0 | 128 | 6 mo. - 1 year |
| Riverhill Estates | 60 | 0 | 41 | 6 mo. - 1 year |
| Bradley Park Apartments* | 40 | 4 | 200* | 6 mo. - 1 year |
| Coosa Bend Apartments* | 50 | 4 | " | " |
| College Manor Apartments* | 50 | 5 | " | " |
| Rainbow Apartments* *Managed by Arlington properties - One waiting list for all properties | 52 | 6 | " | " |
| Elderly and Disabled Housing | | | | |
| Lodge at Greenbridge | 80 | 0 | Application fee - no typical waiting list | Until vacancy arises - no known average |
| Baptist Retirement Village | 102 | 0 | 2 | 3-6 mo. |
| Daugette Towers | 100 | 0 | 59 | 1 week - 1 year |
| Princeton Park | 100 | 0 | 10 | 1BR 3-6 mo. 2BR i1 year |
| Hoiy Comforter | 200 | 56 | Efficiency -no wait / 4 for other sizes | 3mo. - 1 year |
| Totals | 2211 | 138 | 503 | |

Homelessness

For the most part, Gadsden is a community where housing is generally considered affordable. However, the number of homeless individuals continues to rise. Each January an annual Point In Time Count is conducted by the Continuum of Care for the area – the Homeless Coalition of Northeast Alabama (HCNEA). The HCNEA coverage area includes the city of Gadsden, the city of Anniston, Etowah, Calhoun, Cherokee, and DeKalb Counties. Although numbers are not available for the city of Gadsden alone, the number of homeless has increased each year:

| | | | |
|------------|------------|------------|------------|
| 2007 ~ 279 | 2008 ~ 298 | 2009 ~ 301 | 2010 ~ 370 |
| 2011 ~ 390 | 2012 ~ 544 | | |

Results in 2012 seem high based on the growth from each preceding year and this may be the result of more complete reporting to include homeless that are housed in institutions serving the homeless. Based on the 2012 PIT, nearly 58% are white and around 40% are black – this ratio has been stable since 2007. Most of the homeless are over 30 years of age. Unemployment, Substance abuse and Income too low are cited as the most common reason for homelessness. These individual and families have little or no income to pay rent and must utilize shelters and subsidized housing at an increasing rate.

While not an impediment to fair housing on its own, homelessness is the ultimate consequence for any individual or family encountering impediment to fair housing choice. The problem of homelessness in Gadsden continues to grow and low income persons encounter homelessness disproportionately to the majority population. The city, has initiated actions to address the problem: Established and supported a Continuum of Care – the Homeless coalition of Northeast Alabama (HCNEA); HCNEA has initiated an annual Project Homeless connect; HCNEA has completed a Ten Year Plan to End Homelessness; and the city has supported and participated in the annual Point in Time Count.

Consultations

After a review of the Zoning Ordinances for the city of Gadsden, it was determined that there do not appear to be Ordinances that hinder fair housing.

Community Development Staff consulted with the Etowah Cherokee County Association of Realtors and found that in the past thirty (30) years, there has not been a complaint filed concerning Fair Housing. As a member of the Alabama Association of Realtors, they are committed to supporting equal opportunity in housing and are dedicated to fulfilling the requirements of fair housing laws. They support Fair Housing Partnerships in accordance with the National Association of Realtors in providing equal professional service to all people.

The City of Gadsden hosted a Fair Housing Summit in August of 2012. The primary impediment to fair housing choice identified in the previous Analysis of Impediments was lack of knowledge of the Fair Housing Act. Mr. Truitt Evans, Sr. Enforcement Coordinator, Fair Housing Center Of Northern Alabama, presented at the summit and accomplished the goal to inform and educate. The City of Gadsden will host a Fair Housing yearly. In conjunction with the Summit, a Fair Housing Survey was completed.

Summary of Impediments

Based on quantitative data, response on surveys, and consultations in Gadsden the impediments to fair housing choice in this community are:

Education

The city of Gadsden Community Development Department cited extreme lack of information among all citizens about fair housing laws and practices; lack of proper education regarding fair housing has been shown to be the single, most severe impediment to fair housing choice. In the recent Fair Housing Summit which was attended mostly by trained housing professionals a pretest was given. The participants learned that they did not know all the correct responses.

Affordability

Although there has been some movement in the construction of affordable housing in the Gadsden area, there is need for more. The rising cost of construction and/or the rising cost of housing rehabilitation is outpacing income and limiting housing choice. Also, there is a lack of funding for affordable housing.

Historic Isolation

Many citizens seek to remain in or near the family and/or the family home which tends to provide segregation by neighborhood; housing developments have segregated people by income in many areas of the community; location of public housing and patterns in private sector housing development contribute to historic isolation. Additionally, there are neighborhoods or areas that historically experience higher crime and are considered unsafe which tends to encourage segregation.

Conclusions and Actions to Address Impediments

Education

- Actively support Fair Housing Month activities
- Conduct yearly Fair Housing Summit
- Continue to participate in housing education efforts for the City of Gadsden and for CDBG recipients through CDBG public hearings, flyers, and posters.
- Facilitate the availability of fair housing and equal opportunity information throughout the city of Gadsden
- Provide additional information to the public on fair housing
- Support consumer educational programs such as budget counseling and housing counseling

Affordability

- Encourage developers to create and maintain affordable housing opportunities for low – moderate income households
- Encourage neighborhood revitalization throughout the city’s Save Our Neighborhood program
- Continue to support developers using tax credit
- Continue to assist homeowners with necessary emergency repairs to their homes
- Through the city’s Emergency Repaid Program and the Elderly Initiative Housing Assistance Program, continue to provide assistance with accommodations to homes of elderly and disabled people to make them accessible: including but not limited to ramps, grab bars, and widening of doorways
- Search out grants and funding sources for affordable housings options: this may be in the form of Down-Payment assistance, subsidized rental or home ownership or other options
- Continue to support and encourage Gadsden-Etowah Habitat for Humanity to provide housing options

Historic Isolation

- The city of Gadsden will continue to sponsor the ‘Save Our Neighborhood’ Program to “clean out criminal elements, clean up trash and debris, improve existing structures and build new structures where needed”
- Continue to support and encourage Neighborhood Watch groups
- Encourage development of mixed income, sustainable neighborhood housing in new areas
- Encourage developers to construct ‘infill’ housing
- Pursue acquisition and redevelopment of tax delinquent properties
- Continue to enforce rental Inspections and verify that required improvements are completed resulting in better quality of rental housing

2013/093

RESOLUTION NO. R-73-13

**Adoption of Analysis of Impediments
To Fair Housing Choice**

Whereas, the U. S. Department of Housing and Urban Development (HUD) requires each entitlement jurisdiction to certify that it is in compliance with the Consolidated Plan Final Rule, published in the Federal Register; and

Whereas, the Consolidated Plan is a document prepared by the City's Department of Planning and Development and serves as a housing and community development planning document; a strategy to be followed in carrying out HUD programs; an action plan that provides a basis for assessing performance; and a plan for the community Development Block Grant (CDBG); and

Whereas the Community Development Department has recommended the adoption of its Analysis of Impediments to Fair Housing Choice; and

Whereas, the Director of Planning has approved the recommendation of the analysis;

Now, Therefore, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GADSDEN, ALABAMA, that the Analysis of Impediments to Fair Housing Choice dated March 2013, as set out in the attachment to this resolution is hereby adopted for the City of Gadsden.

I hereby certify that the above and foregoing was duly adopted by the City Council of Gadsden, Alabama, at a meeting held on April 9, 2013.


Iva Nelson, City Clerk